U.S. Congress.

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

SECOND SESSION OF THE SEVENTY-SECOND CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 76—PART 1

DECEMBER 5, 1932, TO DECEMBER 30, 1932

(Pages 1 to 1146)

UNITED STATES
GOVERNMENT PRINTING OFFICE
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SEVENTY-SECOND CONGRESS, SECOND SESSION

SENATE

MONDAY, DECEMBER 5, 1932

The first Monday of December being the day prescribed by the Constitution of the United States for the annual meeting of Congress, the second session of the Seventy-second Congress commenced this day.

The Senate assembled in its Chamber at the Capitol.

CHARLES CURTIS, of Kansas, Vice President of the United States, called the Senate to order at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., of the city of Washington, offered the following

PRAYER

Almighty God, Father of all mankind, who revealest Thy love and in creative power, Thy might in self-emptying love, whose spirit brooding over the soul's formless waters brings articulate expression out of a voiceless waste of need; hearken to our prayer as we face the solemn duties of this day and humbly hide our head within its narrow fold.

Be graciously pleased to have mercy upon this whole land; endue with wisdom from on high the servants of this Republic—the President, the Vice President, the Members of the Congress, and all others to whom Thou hast committed the authority of governance—that they and all the people of these United States may be joined together in the holy bonds of fellowship and with one heart and one mind renew their fealty unto Thee.

Revive in our midst the flowers of olden sanctities, purity, honor, fidelity, love. Give us the courage born of utter selflessness, and as we go about our work may we restore the choked wells of trust and healing in the embittered of the poor, and liberate the tides of brotherhood in the sealed hearts of the children of privilege, for through Thy blessed Son Thou hast taught us that the keys of our hearts are hung at the cincture of our God, and in His name and for His sake we offer up this our imperfect prayer. Amen.

CALL OF THE ROLL

The VICE PRESIDENT. This being the day designated by the Constitution of the United States for the assembling of Congress, the Senate, pursuant thereto, is now in session. The clerk will call the roll.

The Chief Clerk (John C. Crockett) called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schall
Austin	Dale	Kendrick	Sheppard
Bailey	Dickinson	King	Shipstead
Bankhead	Dill	La Follette	Shortridge
Barbour	Fess	Logan	Smith
Black	Fletcher	Long	Smoot
Blaine	Frazier	McGill	Steiwer
Borah	George	McKellar	Swanson
Brookhart	Glass	McNary	Thomas, Okla.
Broussard	Glenn	Metcalf	Townsend
Bulkley	Goldsborough	Moses	Trammell
Bulow	Gore	Neely	Tydings
Byrnes	Hale	Norbeck	Vandenberg
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Hebert	Reed	Wheeler
Copeland	Hull	Robinson, Ark.	White
Costigan	Johnson	Robinson, Ind.	

Mr. BORAH. I desire to announce the absence of my colleague [Mr. THOMAS of Idaho] on account of illness.

Mr. FESS. I am advised that the junior Senator from New Hampshire [Mr. KEYES] and the junior Senator from New Mexico [Mr. CUTTING] are unavoidably absent.

I also am advised that the senior Senator from Connecticut [Mr. BINGHAM] is unavoidably detained on official business. He has a general pair with the junior Senator from Virginia [Mr. GLASS].

Mr. SHEPPARD. I desire to announce that the Senator from Illinois [Mr. LEWIS] is necessarily detained from the Senate by illness. He is paired on all questions for the day with the Senator from Nebraska [Mr. HOWELL]. The Senator from New Mexico [Mr. BRATTON] and the Senator from Mississippi [Mr. STEPHENS] are necessarily detained in their respective States on matters of importance. The senior Senator from New Mexico [Mr. BRATTON] is paired with the junior Senator from New Hampshire [Mr. KEYES], and the junior Senator from Mississippi [Mr. STEPHENS] is paired with the Senator from Indiana [Mr. ROBINSON].

I also wish to announce that the senior Senator from Kentucky [Mr. BARKLEY], who has been unavoidably detained, is en route to Washington. He has a general pair with the junior Senator from Iowa [Mr. DICKINSON].

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

DEATH OF SENATOR CHARLES W. WATERMAN

Mr. COSTIGAN. Mr. President—

> The boast of heraldry, the pomp of pow'r,
> And all that beauty, all that wealth e'er gave,
> Await alike the inevitable hour.

It is my mournful and regretted duty formally and officially to announce to the Senate the death, since the Congress last adjourned, of my late colleague, Hon. CHARLES W. WATERMAN, United States Senator from Colorado.

Senator WATERMAN, who, prior to his elevation to the Senate, was long a distinguished member of the bar of the State of Colorado, died at his home in the city of Washington on August 27, 1932. During the Senate's most recent session Senator WATERMAN's health was such that he was able to participate but little in the proceedings of this body. Throughout that period his courage, firmness of will, and unfailing courtesy won for him added respect of all his associates.

I send to the desk appropriate resolutions and ask unanimous consent for their immediate consideration and adoption.

The VICE PRESIDENT. The resolutions will be read.

The resolutions (S. Res. 282) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with deep regret and profound sorrow the announcement of the death of Hon. CHARLES W. WATERMAN, late a Senator from the State of Colorado.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF SENATOR WESLEY L. JONES

Mr. DILL. Mr. President, it becomes my sad duty to announce the death of Hon. WESLEY L. JONES, a Senator from the State of Washington and my former colleague in this body. Senator JONES died in Seattle on November 19, 1932. He had been for 23 years a Member of this body and for 10 years previous to that a Member of the House of Representatives.

At a later date on a proper occasion I shall have some remarks to make in the form of eulogy, but at this time I shall only offer resolutions, for the present consideration of which I ask unanimous consent.

The VICE PRESIDENT. Let the resolutions be read.

The resolutions (S. Res. 283) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with deep regret and profound sorrow the announcement of the death of Hon. WESLEY L. JONES, late a Senator from the State of Washington.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

SENATORS FROM NORTH CAROLINA, WASHINGTON, AND COLORADO

Mr. BAILEY. Mr. President, I present the credentials of ROBERT R. REYNOLDS, Senator elect from the State of North Carolina, to fill an unexpired term.

The VICE PRESIDENT. The credentials will be read.

The Chief Clerk read as follows:

STATE OF NORTH CAROLINA,
DEPARTMENT OF STATE.

I, J. A. Hartness, secretary of state of the State of North Carolina, do hereby certify that the State board of canvassers met on Wednesday, the 23d day of November, A. D. 1932, in accordance with chapter 97 of the Consolidated Statutes of 1919, at which time they did open, canvass, and judicially determine the returns of the votes cast at the election held on Tuesday, November 8, 1932, and certified to me on the 23d day of November, 1932, that ROBERT R. REYNOLDS has been elected United States Senator for the term ending March 4, 1933.

In witness whereof I have hereunto set my hand and affixed my official seal.

Done in our office at Raleigh, this the 23d day of November, A. D. 1932.

[SEAL.] J. A. HARTNESS,
Secretary of State.

EXECUTIVE DEPARTMENT,
STATE OF NORTH CAROLINA.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, ROBERT R. REYNOLDS was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for a term expiring on the 4th day of March, 1933, to fill an unexpired term.

Witness: His excellency our governor, O. MAX GARDNER, and our seal hereto affixed at Raleigh, this the 30th day of November, A. D. 1932.

O. MAX GARDNER,
Governor.

By the governor:
[SEAL.] J. A. HARTNESS,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on file.

Mr. DILL. Mr. President, I present the credentials of Mr. E. S. GRAMMER, who has been appointed by the Governor of the State of Washington to fill the vacancy caused by the death of Hon. Wesley L. Jones. Mr. GRAMMER is in the Chamber ready to take the oath of office.

The VICE PRESIDENT. Let the credentials be read.

The Chief Clerk read as follows:

STATE OF WASHINGTON,
EXECUTIVE DEPARTMENT,
Olympia.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Washington, I, Roland H. Hartley, the governor of said State, do hereby appoint E. S. GRAMMER a Senator from said State to represent said State in the Senate of the United States, filling the vacancy therein caused by the death of Wesley L. Jones, until his successor shall be duly qualified to office.

In witness whereof I have hereunto set my hand and caused the seal of the State to be affixed, at Olympia, this 22d day of November, 1932.

ROLAND H. HARTLEY,
Governor of Washington.

By the governor:
[SEAL.] J. GRANT HINKLE,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on file.

Mr. COSTIGAN. Mr. President, in the absence of credentials for the unexpired term of former Senator Waterman, and for the brief period which will elapse until those credentials are received, I present credentials by virtue of appointment of the governor of the State for that term of Hon. WALTER WALKER, of Grand Junction, Colo. The Senator designate is in the Chamber prepared to take the oath of office.

The VICE PRESIDENT. Let the credentials be read.

The Chief Clerk read as follows:

THE STATE OF COLORADO,
EXECUTIVE CHAMBERS,
Denver.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Colorado, I, William H. Adams, the governor of said State, do hereby appoint Hon. WALTER WALKER, of Grand Junction, Colo., a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Hon. Charles W. Waterman, is filled by election as provided by law.

Witness: His excellency our governor's signature and the seal hereto affixed at Denver this 26th day of September, A. D. 1932. of our Lord 1932.

WILLIAM H. ADAMS,
Governor.

By the governor:
[SEAL.] CHAS. M. ARMSTRONG,
Secretary of State.
A. G. SUEDEKER,
Deputy.

The VICE PRESIDENT. The credentials will be placed on file.

The Senator elect and the Senators designate will present themselves at the Vice President's desk and the oath of office will be administered to them.

Mr. WALKER, escorted by Mr. COSTIGAN; Mr. GRAMMER, escorted by Mr. DILL; and Mr. REYNOLDS, escorted by Mr. BAILEY, advanced to the Vice President's desk; and the oath of office having been administered to them, they took their seats in the Senate.

LIST OF SENATORS BY STATES

Alabama.—Hugo L. Black and John H. Bankhead.
Arizona.—Henry F. Ashurst and Carl Hayden.
Arkansas.—Joseph T. Robinson and Mrs. Hattie Caraway.
California.—Hiram W. Johnson and Samuel M. Shortridge.
Colorado.—Edward P. Costigan and Walter Walker.
Connecticut.—Hiram Bingham and Frederic C. Walcott.
Delaware.—Daniel O. Hastings and John G. Townsend, jr.
Florida.—Duncan U. Fletcher and Park Trammell.
Georgia.—Walter F. George and John S. Cohen.
Idaho.—William E. Borah and John Thomas.
Illinois.—Otis F. Glenn and J. Hamilton Lewis.
Indiana.—James E. Watson and Arthur Robinson.
Iowa.—Smith W. Brookhart and L. J. Dickinson.
Kansas.—Arthur Capper and George McGill.
Kentucky.—Alben W. Barkley and M. M. Logan.
Louisiana.—Edwin S. Broussard and Huey P. Long.
Maine.—Frederick Hale and Wallace H. White, jr.
Maryland.—Millard E. Tydings and Phillips Lee Goldsborough.
Massachusetts.—David I. Walsh and Marcus A. Coolidge.
Michigan.—James Couzens and Arthur H. Vandenberg.
Minnesota.—Henrik Shipstead and Thomas D. Schall.
Mississippi.—Pat Harrison and Hubert D. Stephens.
Missouri.—Harry B. Hawes and Roscoe C. Patterson.
Montana.—Thomas J. Walsh and Burton K. Wheeler.
Nebraska.—George W. Norris and Robert B. Howell.
Nevada.—Key Pittman and Tasker L. Oddie.
New Hampshire.—George H. Moses and Henry W. Keyes.
New Jersey.—Hamilton F. Kean and W. Warren Barbour.
New Mexico.—Sam G. Bratton and Bronson Cutting.
New York.—Royal S. Copeland and Robert F. Wagner.
North Carolina.—Josiah William Bailey and Robert R. Reynolds.
North Dakota.—Lynn J. Frazier and Gerald P. Nye.
Ohio.—Simeon D. Fess and Robert J. Bulkley.
Oklahoma.—Elmer Thomas and Thomas P. Gore.
Oregon.—Charles L. McNary and Frederick Steiwer.
Pennsylvania.—David A. Reed and James J. Davis.

Rhode Island.—Jesse H. Metcalf and Felix Hebert.
South Carolina.—Ellison D. Smith and James F. Byrnes.
South Dakota.—Peter Norbeck and W. J. Bulow.
Tennessee.—Kenneth McKellar and Cordell Hull.
Texas.—Morris Sheppard and Tom Connally.
Utah.—Reed Smoot and William H. King.
Vermont.—Porter H. Dale and Warren R. Austin.
Virginia.—Claude A. Swanson and Carter Glass.
Washington.—C. C. Dill and E. S. Grammer.
West Virginia.—Henry D. Hatfield and M. M. Neely.
Wisconsin.—Robert M. La Follette, jr., and John J. Blaine.
Wyoming.—John B. Kendrick and Robert D. Carey.

NOTIFICATION TO THE PRESIDENT

Mr. WATSON submitted the following resolution (S. Res. 284), which was read, considered by unanimous consent, and agreed to:

Resolved, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT appointed Mr. WATSON and Mr. ROBINSON of Arkansas the committee on the part of the Senate.

NOTIFICATION TO THE HOUSE

Mr. ROBINSON of Arkansas submitted the following resolution (S. Res. 285), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

HOUR OF DAILY MEETING

Mr. McNARY submitted the following resolution (S. Res. 286), which was read, considered by unanimous consent, and agreed to:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian until otherwise ordered.

ADJOURNMENT

Mr. DILL. Mr. President, as a further mark of respect to the memory of the late Senator from Colorado, Mr. WATERMAN, and the late Senator from Washington, Mr. JONES, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 12 o'clock and 20 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, December 6, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 5, 1932

This being the day fixed by the Constitution for the annual meeting of the Congress of the United States, the Members of the House of Representatives of the Seventy-second Congress met in their Hall at 12 o'clock noon for the second regular session, and were called to order by the Speaker, Hon. JOHN NANCE GARNER, a Representative from the State of Texas.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following

PRAYER

The earth is the Lord's and the fullness thereof, the world and they that dwell therein.

Almighty God, we wait in affectionate and humble reverence in recognition of Thy Deity and Fatherhood. We thank Thee for the eternal name "Father" which unites us all. Here and now may purposes and ambitions be inspired which can be formed nowhere but at Thy holy footstool. Remember mercifully our infirmities and our imperfections and always look upon them with the eye of pity and forgiveness. At the threshold of this session of Congress do Thou lead us all to the uplands of our national life which are still attainable. Crown our labors with wisdom, knowledge, and true patriotism until the frowning tyrant of depression shall seek a hiding place and it shall be sunlight everywhere. Over all our deliberations do Thou keep the seat of Thy sovereignty. Be with us, go before us, and direct us by the manifold discipline of Thy wisdom. Upon the breath of our appealing prayer do we bear to Thee a petition for our President, our Speaker, the Members, the officers, and the employees of this Chamber. Do Thou bless us all with nobility of soul, with purity of heart, and with that spirit of devotion that overflows to all the people. O smile upon our whole land lovingly, persuasively, until the shadows are past. May our beloved country soon hail the day when "instead of the thorn shall come up the fir tree, and instead of the briar shall come up the myrtle tree, and it shall be unto the Lord for a name, for an everlasting sign that shall not be cut off." Amen.

CALL OF THE ROLL

The Clerk called the roll, and the following Members answered to their names:

[Roll No. 128]

Adkins	Collins	Goss	Larsen
Aldrich	Colton	Granfield	Lea
Allen	Condon	Green	Leavitt
Allgood	Connery	Greenwood	Lewis
Almon	Connolly	Gregory	Lichtenwalner
Amlie	Cooke	Griffin	Lindsay
Andresen	Cooper, Ohio	Griswold	Lonergan
Andrew, Mass.	Cooper, Tenn.	Guyer	Loofbourow
Andrews, N. Y.	Corning	Hadley	Lovette
Arentz	Cox	Haines	Lozier
Arnold	Coyle	Hall, Ill.	Luce
Auf der Heide	Crail	Hall, Miss.	Ludlow
Ayres	Cross	Hall, N. Dak.	McClintic, Okla.
Bacharach	Crosser	Hancock, N. Y.	McClintock, Ohio
Bachmann	Crowe	Hancock, N. C.	McCormack
Bacon	Crowther	Hardy	McDuffie
Baldrige	Crump	Hare	McFadden
Bankhead	Culkin	Harlan	McGugin
Barbour	Cullen	Hart	McKeown
Barton	Curry	Hartley	McLeod
Beam	Darrow	Hastings	McMillan
Beck	Davenport	Haugen	McReynolds
Beedy	Davis	Hawley	McSwain
Black	Delaney	Hess	Maas
Bland	De Priest	Hill, Ala.	Magrady
Blanton	DeRouen	Hill, Wash.	Major
Bloom	Dickinson	Hoch	Maloney
Boehne	Dickstein	Hogg, Ind.	Manlove
Bohn	Dies	Hogg, W. Va.	Mansfield
Bolleau	Dieterich	Holaday	Mapes
Boland	Disney	Hollister	Martin, Mass.
Bolton	Dominick	Holmes	May
Bowman	Doughton	Hooper	Mead
Boylan	Douglas, Ariz.	Hope	Michener
Brand, Ohio	Douglass, Mass.	Hopkins	Millard
Briggs	Doutrich	Horr	Miller
Britten	Dowell	Houston, Del.	Milligan
Browning	Doxey	Howard	Mitchell
Brumm	Drane	Huddleston	Mobley
Brunner	Drewry	Hull, Morton D.	Montague
Buchanan	Driver	Hull, William E.	Montet
Buckbee	Dyer	Igoe	Moore, Ky.
Bulwinkle	Eaton, Colo.	Jacobsen	Moore, Ohio
Burch	Eaton, N. J.	James	Morehead
Burdick	Elizey	Jeffers	Mouser
Burtness	Englebright	Jenkins	Murphy
Busby	Erk	Johnson, Mo.	Nelson, Me.
Byrns	Estep	Johnson, Okla.	Nelson, Mo.
Cable	Evans, Calif.	Johnson, S. Dak.	Nelson, Wis.
Campbell, Iowa	Evans, Mont.	Johnson, Tex.	Niedringhaus
Campbell, Pa.	Fernandez	Johnson, Wash.	Nolan
Canfield	Fiesinger	Jones	Norton, Nebr.
Cannon	Finley	Kading	Norton, N. J.
Carden	Fish	Kahn	O'Connor
Carley	Fishburne	Keller	Oliver, Ala.
Carter, Calif.	Fitzpatrick	Kelly, Ill.	Oliver, N. Y.
Carter, Wyo.	Flannagan	Kelly, Pa.	Overton
Cartwright	Foss	Kemp	Owen
Cary	Frear	Kennedy	Palmisano
Cavicchia	Free	Kerr	Parker, Ga.
Celler	Freeman	Ketcham	Parker, N. Y.
Chapman	French	Kinzer	Parks
Chase	Fulbright	Kleberg	Parsons
Chavez	Fuller	Kniffin	Partridge
Chindblom	Fulmer	Knutson	Patman
Chiperfield	Gambrill	Kopp	Patterson
Christgau	Garber	Kunz	Peavey
Christopherson	Gasque	Kurtz	Perkins
Clague	Gavagan	Kvale	Person
Clancy	Gifford	LaGuardia	Pettengill
Clark, N. C.	Gilbert	Lambertson	Pittenger
Clarke, N. Y.	Gilchrist	Lambeth	Polk
Cochran, Mo.	Gillen	Lamneck	Pou
Cochran, Pa.	Glover	Lanham	Prall
Cole, Iowa	Golder	Lankford, Ga.	Pratt, Harcourt J.
Cole, Md.	Goldsborough	Lankford, Va.	Pratt, Ruth
Collier	Goodwin	Larrabee	Purnell

Ragon	Shott	Swank	Weeks
Rainey	Shreve	Swanson	Welch
Ramseyer	Simmons	Sweeney	West
Ramspeck	Sinclair	Swick	White
Rankin	Sirovich	Swing	Whitley
Ransley	Smith, Idaho	Taber	Whittington
Rayburn	Smith, Va.	Tarver	Wigglesworth
Reed, N. Y.	Smith, W. Va.	Taylor, Colo.	Williams, Mo.
Reid, Ill.	Snell	Taylor, Tenn.	Williams, Tex.
Reilly	Snow	Temple	Williamson
Rich	Somers, N. Y.	Thatcher	Wilson
Robinson	Sparks	Thomason	Wingo
Rogers, Mass.	Spence	Thurston	Withrow
Rogers, N. H.	Stafford	Tierney	Wolcott
Romjue	Stalker	Timberlake	Wolfenden
Rudd	Steagall	Tinkham	Wolverton
Sabath	Stewart	Treadway	Wood, Ga.
Sanders, N. Y.	Stokes	Turpin	Wood, Ind.
Sandlin	Strong, Kans.	Underhill	Woodruff
Schafer	Strong, Pa.	Underwood	Woodrum
Schneider	Stull	Vinson, Ga.	Wright
Schuetz	Sullivan, N. Y.	Vinson, Ky.	Wyant
Seger	Sullivan, Pa.	Warren	Yates
Selvig	Summers, Wash.	Wason	Yon
Shallenberger	Sumners, Tex.	Watson	
Shannon	Sutphin	Weaver	

The SPEAKER. Four hundred and ten Members have answered to their names. A quorum is present.

RESIGNATIONS OF JOHN Q. TILSON AND CHARLES R. CRISP

The SPEAKER laid before the House the following communication:

WASHINGTON, D. C., *October 18, 1932*

Hon. JOHN N. GARNER,
Speaker House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I have this day sent to the Governor of the State of Connecticut my resignation as a Representative in Congress for the third congressional district of the State of Connecticut, to take effect December 3, 1932. A copy of both these communications will be sent to the Clerk of the House of Representatives for his information and records.

Very respectfully yours,

JOHN Q. TILSON.

The SPEAKER laid before the House the following communication:

AMERICUS, GA., *October 3, 1932.*

Hon. JOHN N. GARNER,
Speaker House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I have to-day tendered the Governor of Georgia my resignation in the Seventy-second Congress from the third district of Georgia, to take effect October 7th.

I am sad over severing my connection with the House of Representatives, and as long as I live the most pleasant recollections of my life will be associated with that body. I love each Member of it.

Cordially yours,

CHARLES R. CRISP.

REPRESENTATIVES ELECT

The Speaker laid before the House the following communication:

WASHINGTON, D. C., *December 5, 1932.*

Hon. JOHN N. GARNER,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: Certificates of election in due form of law of the following Representatives elect to the Seventy-second Congress to fill vacancies have been filed in this office, viz:

District and State	Representative elect	Predecessor
Eighteenth Pennsylvania.	Joseph F. Biddle	Edward M. Beers, deceased.
Sixth Pennsylvania	Robert L. Davis	George A. Welsh, resigned.
Seventh Tennessee	Willa Blake Eslick	Edward E. Eslick, deceased.
Tenth Virginia	Joel W. Flood	Henry St. George Tucker, deceased.
Fourth Maryland	Ambrose J. Kennedy	J. Chas. Linthicum, deceased.
Third Georgia	B. T. Castellow	Charles R. Crisp, resigned.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

The following Representatives elect appeared at the bar of the House and took the oath of office prescribed by law: JOSEPH F. BIDDLE, ROBERT L. DAVIS, WILLA BLAKE ESLICK, JOEL W. FLOOD, AMBROSE J. KENNEDY, and B. T. CASTELLOW.

COMMITTEE TO WAIT ON THE PRESIDENT

Mr. RAINEY. Mr. Speaker, I present the following resolution.

The Clerk read as follows:

House Resolution 295

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled and that Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

The SPEAKER appointed as the committee on the part of the House Mr. RAINEY, Mr. COLLIER, and Mr. SNELL.

NOTIFICATION TO SENATE OF PRESENCE OF A QUORUM

Mr. COLLIER. Mr. Speaker, I offer the following resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 296

Resolved, That the Clerk of the House inform the Senate that a quorum of the House has appeared and that the House is ready to proceed with business.

The resolution was agreed to.

DAILY HOUR OF MEETING

Mr. POU. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 297

Resolved, That the hour of daily meeting shall be at 12 o'clock meridian.

The resolution was agreed to.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Crockett, its Chief Clerk, announced that the Senate had passed the following resolutions:

Senate Resolution 282

Resolved, That the Senate has heard with deep regret and profound sorrow the announcement of the death of Hon. CHARLES W. WATERMAN, late a Senator from the State of Colorado.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

Senate Resolution 283

Resolved, That the Senate has heard with deep regret and profound sorrow the announcement of the death of Hon. WESLEY L. JONES, late a Senator from the State of Washington.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

Senate Resolution 284

Resolved, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

Senate Resolution 285

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

Senate Resolution 286

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian until otherwise ordered.

The message also announced that the Vice President had appointed the following Senators as the members on the part of the Senate of the joint congressional committee to investigate the operation of the laws and regulations relating to the relief of war veterans and their dependents, created under section 701 of the legislative appropriation act (H. R. 11267), viz: Mr. ROBINSON of Indiana, Mr. BROOKHART, Mr. HATFIELD, Mr. WALSH of Massachusetts, and Mr. GEORGE.

REPEAL OF EIGHTEENTH AMENDMENT

Mr. RAINEY. Mr. Speaker, I move to suspend the rules and pass the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Joint Resolution 480

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

"ARTICLE —

"SECTION 1. The eighteenth article of amendment is hereby repealed.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in three-fourths of the several States within seven years from the date of its submission."

The SPEAKER. Is a second demanded?

Mr. CHRISTOPHERSON. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. CHRISTOPHERSON. I am.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

Mr. TARVER. Mr. Speaker, I object.

The SPEAKER. The Chair appoints the gentleman from Illinois, Mr. RAINEY, and the gentleman from South Dakota, Mr. CHRISTOPHERSON, to act as tellers. The question is on ordering a second.

The House divided; and the tellers reported—ayes 245, noes 121.

So a second was ordered.

Mr. SUMNERS of Texas rose.

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. SUMNERS of Texas. To submit a parliamentary inquiry. If the parliamentary situation permits, I desire to submit a unanimous-consent request at this time that the time for debate upon this joint resolution be extended beyond the 40 minutes. I suggest three hours for debate and make that request.

The SPEAKER. The gentleman from Texas asks unanimous consent that the time for debate on this joint resolution be extended to three hours. Is there objection?

Mr. DICKSTEIN. I object.

Mr. DYER. Mr. Speaker, I object.

Mr. RAINEY. Mr. Speaker, I reserve the right to object to suggest that the time be controlled equally between myself and the gentleman from South Dakota.

Mr. SUMNERS of Texas. Mr. Speaker, I add that to my request.

The SPEAKER. The gentleman from Texas asks unanimous consent that the time for debate upon the joint resolution be extended to three hours, one half to be controlled by the gentleman from Illinois, Mr. RAINEY, and the other half to be controlled by the gentleman from South Dakota, Mr. CHRISTOPHERSON. Is there objection?

Mr. DICKSTEIN. Mr. Speaker, I object.

Mr. DYER. Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, will the Chair recognize me for a parliamentary inquiry?

The SPEAKER. The Chair is happy to do so.

Mr. SNELL. The time for debate is very limited. In the control of the time is it understood that the gentleman from Illinois [Mr. RAINEY] will yield a part of his time to those on this side of the House who favor the resolution?

The SPEAKER. The gentleman from Illinois can answer that inquiry.

Mr. RAINEY. I should be happy to do so.

Mr. SNELL. And the gentleman from South Dakota [Mr. CHRISTOPHERSON] will yield part of the time in his control on this side to Members on the other side who are opposed to the resolution.

Mr. RAINEY. That is satisfactory to me.

Mr. SNELL. Mr. Speaker, a further parliamentary inquiry. Will there be any opportunity during the consideration of this resolution to offer an amendment?

The SPEAKER. Under the rules, with which the gentleman from New York is very familiar, there is no such opportunity.

Mr. SNELL. I wanted to get the direct reply from the Speaker.

The SPEAKER. The gentleman has it.

Mr. LAGUARDIA. Mr. Speaker, would it be proper at this time to submit a unanimous-consent request to extend the time for debate to two hours?

The SPEAKER. It would.

Mr. LAGUARDIA. Then, Mr. Speaker, I ask unanimous consent that the time for debate under the rule—40 minutes—be extended to 2 hours, one-half to be controlled by the gentleman from Illinois and one-half to be controlled by the gentleman from South Dakota.

The SPEAKER. Is there objection?

Mr. DICKSTEIN. I object.

Mr. RAINEY. I reserve the right to object. I hope no objection will be made to that request. We have the rest of the afternoon, and this is an important matter. I do not think the request is an unreasonable one.

The SPEAKER. Is there objection?

Mr. DICKSTEIN. I object.

The SPEAKER. The gentleman from New York [Mr. DICKSTEIN] objects.

Mr. MICHENER. Mr. Speaker, inasmuch as we are to have nothing else to do this afternoon, would it not be proper to withdraw this resolution at this time and bring it in in such a way that we could amend it and could have the rest of the afternoon for debate?

The SPEAKER. The motion to suspend the rules has been seconded by the House. That ends that feature of it.

Mr. TARVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TARVER. Mr. Speaker, will the Chair entertain a unanimous-consent request at this time, in view of the exceedingly short time allotted for debate, that all Members desiring so to do may extend their remarks in to-day's RECORD?

The SPEAKER. The Chair will be glad to submit such a request.

Mr. TARVER. I submit that request.

Mr. RAINEY. I object to that.

The SPEAKER. The gentleman from Illinois is recognized for 20 minutes.

Mr. RAINEY. I shall propound a more liberal request, that all Members of the House have five legislative days within which to extend their remarks in the RECORD on this resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MAPES. Mr. Speaker, reserving the right to object, I shall not object to an extension of remarks, but I think the RECORD ought to show the proceedings of this afternoon. If we are to pass a resolution amending the Constitution of the United States in 40 minutes, I think the RECORD ought to show that.

Mr. PARKS. Mr. Speaker, regular order.

The SPEAKER. Regular order is demanded.

Is there objection to the request of the gentleman from Illinois that all Members have five legislative days within which to extend their remarks in the RECORD on this subject?

There was no objection.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. RAINEY. Mr. Speaker, I yield myself two minutes.

In the brief time I have allotted to myself I simply want to read the Democratic platform expression as to this important matter, and the expression in the Republican platform.

The Democratic platform promises by appropriate action to put into effect the repeal of the eighteenth amendment, and it continues:

To effect such repeal, we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal.

We urge the enactment of such measure by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.

We demand that the Federal Government exercise its power to enable the States to effectively protect themselves against the importation of intoxicating liquors in violation of their laws.

Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

Now I read from the Republican platform. It declares that a new amendment should be—and I quote from the platform—

promptly submitted to the States by Congress, to be acted upon by State conventions called for that sole purpose, and adequately safeguarded so as to be truly representative.

The SPEAKER pro tempore (Mr. WOODRUM). The time of the gentleman from Illinois has expired.

Mr. RAINEY. I yield myself one additional minute, Mr. Speaker.

In compliance with the provisions of both platforms this amendment has been prepared, and I have presented it as majority leader for adoption. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. RAINEY. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the past 13 years have proved and clearly demonstrated beyond any doubt that prohibition in this country can not be enforced. For that reason I favor the adoption of this resolution, thereby giving the respective States and the people of the United States the right to vote on this all-important question.

Mr. MOUSER. Will the gentleman yield?

Mr. SABATH. I can not yield, for my time is limited.

Having been familiar with the failure of the prohibition act in every State and in every country where it has been tried, I was opposed to the passage of the eighteenth amendment and to all prohibition legislation which resulted. When it was forced upon the Nation during the war, against the wishes of a majority of the American people, I observed its attempt at enforcement, and within a short time came to the conclusion that the American people, like the people of other countries, though in favor of temperance, were opposed to prohibition, and that the law could not and would not be enforced. Time has demonstrated and proved that beyond any doubt.

Within the last 13 years our country has unsuccessfully and uselessly expended approximately $300,000,000 in an endeavor to enforce the prohibition law. Not only has it spent this tremendous sum of money needlessly but this "noble experiment" has cost the Nation billions of dollars in revenue and has deprived hundreds of thousands of men of employment during all these years; and in addition, it has been responsible for the greatest orgy of crime and corruption in the history of the Nation and has brought about disrespect for all law, so that to-day every fair-minded citizen, having the interest of the Nation at heart, including many who for years have advocated prohibition, feels that the eighteenth amendment should be repealed.

This sentiment has been growing for many years, but it has never been so strongly expressed as in the last presidential election, when, for the first time, all of the American people had an opportunity to express themselves. The result, of course, is known. It is plainly our duty to follow the mandate of the people and return the power to the States, where it properly belongs.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. SABATH] has expired.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. MOUSER. Mr. Speaker, I object.

Mr. CHRISTOPHERSON. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I well appreciate the fact that no legislative proposition can reach the floor for a vote at this time that does not meet the approval of the Democratic majority.

I have stated publicly that I was desirous of considering this legislation early in this session in order to give full consideration to the vast economic problems before us. I want to return control of the liquor traffic back to the individual States [applause], for I think a great majority of our people are firmly convinced that we will have better enforcement of temperance laws by the individual States than we have been able to give them from Washington. [Applause.] But when we do this, I want to do it in an orderly way [applause], in a manner that is in keeping with the dignity of the House of Representatives. [Applause.]

I want to pass a resolution to be submitted to the individual States that has some assurance of being ratified in a reasonable length of time. In rushing this through to-day under suspension of the rules, with only 20 minutes of debate on each side, before we are fully organized for business, you are not only breaking the precedents of 150 years but you are not showing proper respect to the office of the President of the United States. To many it looks like the action of a lot of irresponsible individuals, not the action of a dignified legislative body, especially when we are dealing with one of the most important functions of government—a change in the Constitution.

The importance of this resolution entitles it to more grave and more careful consideration.

I stated publicly many times during the campaign that I was in favor of returning the control of the liquor traffic to the States under certain restrictions: To guard against the saloon and protection for dry States. [Applause.] I have not changed my position.

I believe if the Democratic majority would give us an opportunity to present such an amendment at this time there are votes enough on both sides of the aisle to adopt it. [Applause.] But the Speaker has flatly denied us that right and openly said we will take it or leave it as presented and there will be no further opportunity for consideration as an original proposition. This is Democratic liberality in the consideration of important legislation.

[Here the gavel fell.]

Mr. CHRISTOPHERSON. Mr. Speaker, I yield the gentleman from New York one-half minute additional time.

Mr. SNELL. Compare this treatment with their many liberal promises when they were in the minority.

This resolution is not as I would like it. It will be amended many times before it becomes a law; yet it does start legislation for the return of the control of liquor traffic to the individual States, which I favor, and personally I have decided to vote for it. [Applause.]

[Here the gavel fell.]

Mr. SNELL. Mr. Speaker, I ask for one-half minute more.

Mr. CHRISTOPHERSON. Mr. Speaker, I yield the gentleman from New York one-half minute further time.

Mr. SNELL. I am also firm in my belief that when it reaches another body it will receive the attention it is entitled to and will come back with reservations against the saloon and protection for dry States, which many of us now desire. Then it will stand a chance of early ratification and be a much more satisfactory resolution than the one we are called upon to vote for to-day.

[Here the gavel fell.]

Mr. TARVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TARVER. Mr. Speaker, I wish to inquire by what right, under the rules, the gentleman who is handling the time in opposition to the resolution can yield part of his time to one who is going to vote for the resolution?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

Mr. CHRISTOPHERSON. Mr. Speaker, I yield four minutes to the gentleman from Ohio [Mr. MOORE].

Mr. MOORE of Ohio. Mr. Speaker, I take it the most important duty that any Member of this House has to perform is to vote upon the submission of an amendment to the Constitution. The Constitution provides that we shall

propose amendments when we deem it necessary. This, I think, is our highest duty and greatest responsibility.

Time after time I have seen the distinguished Speaker who now presides over this House plead for liberty of expression, freedom of debate, and freedom of action, yet the Speaker is primarily responsible for this hasty and precipitate action on this important resolution. If you will search the history of this country, from its inception until now, you will not find any legislative action so drastic and ruthless as that which we are about to take. [Applause.] I do not see how anyone who believes in the freedom of debate can approve a proceeding like this. The gentleman from New York [Mr. LAGUARDIA] and others like him, who always urge liberal rules and freedom in debate, certainly can not vote for a thing like this, where we have had no debate, where this resolution was not even numbered until we came this morning, where not one-fourth the membership of this House has ever read it, where we can make no amendments, where we have not had any hearings, where a new and novel method of submitting it to conventions is set out; and yet this is the amazing thing we are asked to do to-day.

They tell us that coming to this Capitol are hungry men. Are we going to try to give them booze instead of considering their demands for bread? When they "ask for a fish shall we give them a serpent"? How striking it is that the first action taken by the Democratic majority in this House is to demand the absolute and unqualified repeal of the eighteenth amendment without any safeguards against the return of the saloon or other evils, and doing this even before the courtesy of notifying the President of the United States that the House of Representatives is in session.

I can not see how any Democrat, or any Republican, under these circumstances, can vote for this resolution. Surely no Republican can, because I think it is in contravention of the Republican platform which stated that we would stand against the return of the saloon. This not only permits the return of the saloon but it practically guarantees it. I am looking into the faces of men who have told me that when we pass this resolution and it is adopted by three-fourths of the States, the saloon will return, and there is no doubt about that. No one could reasonably expect any other result.

Do not think, my Republican friends, you can vote to submit this resolution and then go out and tell the States and your constituents: "I have made a mistake. I am against what I have done. You stop what I have started." Yet there are men who are attempting to do that.

The gentleman from Illinois [Mr. SABATH], who spoke a moment ago, and others like him were against the eighteenth amendment when it was submitted, and they are against it now. It is to be expected they would favor this resolution. Let us defeat this resolution which is forced upon us in such an unwarranted way.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. It was clearly understood that the 20 minutes allotted to our colleague from South Dakota against this resolution would be yielded to those who are against the resolution, and yet practically four minutes of the time were given to the minority leader, who is going to vote for the resolution.

Mr. DYER. The gentleman from Texas [Mr. BLANTON] is in error. The gentleman from Illinois [Mr. RAINEY] was to yield half of his time to those against the resolution.

Mr. BLANTON. No; that was not the agreement.

Mr. DYER. Oh, yes.

Mr. BLANTON. The gentleman from Illinois [Mr. RAINEY] is yielding all of his 20 minutes to those favoring the resolution.

The SPEAKER pro tempore. The Chair is ready to rule. The gentleman from South Dakota [Mr. CHRISTOPHERSON] qualified as being opposed to the bill, and under those circumstances was entitled to and received control of the time in opposition.

Mr. BLANTON. Certainly, we who are against the resolution ought to have the right to be heard.

Mr. RAINEY. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, the gentleman from Ohio [Mr. MOORE] complains about haste. Why, we have been discussing this matter for 12 years. We could discuss it for 12 years more and the gentleman from Ohio would still stubbornly maintain the position he has maintained all the time he has been in this House. So it is idle gossip to complain about haste.

However, banish prohibition and you rescue the country out of the slough of despond it is now in. Each month's delay means a loss of $80,000,000 of revenue. To this extent you enrich also the bootleggers each month.

The gentleman from New York [Mr. SNELL] is the mouthpiece of the most decisively defeated President that we have had in the history of this country, and the gentleman from New York has probably spoken his words on the floor this afternoon. I would rather follow the unprecedentedly victorious President, President-elect Roosevelt, who said in Chicago:

From this day on prohibition is doomed.

And I want to dig the grave of prohibition, and shall vote for the resolution. The Chicago platform means a vote for the resolution. Otherwise a platform is "something to get in on." I want it to be "something to stand on." [Applause.]

[Here the gavel fell.]

Mr. RAINEY. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Speaker, now is the accepted time and this the day of salvation from a system of moral bondage, under which this country has suffered for 12 years; and as to its merits or demerits, the American people have expressed themselves so recently. Discussion would add little to the problem before the House, which is not whether the eighteenth amendment should be repealed but whether the American people for the first time should have an opportunity to say, after this amendment has had an arduous test of trial and experience, whether they wish to retain it.

It may gratify the gentleman from Ohio [Mr. MOORE], who said that no Republican ought to vote for this resolution, to inform him that at a meeting this morning of the Republican wet group, participated in by all the enrolled Republicans of that group with the exception of two, that group of Republican wets unanimously and enthusiastically voted to support the Garner joint resolution. [Applause.]

Mr. CHRISTOPHERSON. Mr. Speaker, I yield two minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, as a member of the Judiciary Committee, I opposed bringing this resolution before the Congress under suspension of the rules. I do not believe that any constitutional amendment should be brought before Congress without opportunity to amend and with only 40 minutes' consideration. In the committee I offered as a substitute a proposal to be submitted to conventions in the States, repealing the eighteenth amendment but providing against the return of the open saloon. To-day no opportunity will be given the House to vote upon my proposition.

The Speaker has the unquestioned authority to force this vote in this manner, but this action will not advance the purpose which he seeks to accomplish. If this resolution passes, it will go to the Senate, but it will not pass the Senate at this session. There will be sufficient votes in the next House to pass this resolution, and we are told by the Speaker that it is this or nothing in the House this session.

On November 8 my State of Michigan had a referendum vote, and by a large majority eliminated State constitutional prohibition. My congressional district voted decidedly wet. I believe in representative government, and advised my constituents that, regardless of my personal convictions, my vote on this question would be guided by the referendum

vote in my district. I, therefore, shall vote for this resolution, being assured that an opportunity will be given in the Senate to amend and place a provision in the resolution guarding against the return of the open saloon.

Both political parties have promised to submit this matter back to conventions to be held in the States, and I do not believe that political expediency impels action here to-day that prevents free and open discussion and an opportunity to vote the sentiment of the House.

When the Beck-Linthicum amendment was before the House, its proponents insisted that the conventions referred to in the resolution would be called by the State legislatures and that the States would set up the machinery for holding the conventions. The leading proponents of the resolution which is now before us now insist that these conventions are to be called by the Congress and that the Federal Government is to set up agencies in every election precinct in the land and that the State is deprived of the right to determine any of the details in reference to the conventions held in the States. This is a most controversial question, and surely the House should take time to at least hear both sides of this most important question.

If this resolution should pass the House and the Senate, then nothing further can be done until additional legislation is enacted settling so far as the Congress can the manner of holding these conventions. The passage of this resolution to-day does not settle the matter of resubmission in the House. If these conventions are to be called by the Congress, then a long controversy must ensue as to required legislation. Time would be saved if the usual procedure were followed. [Applause.]

[Here the gavel fell.]

Mr. RAINEY. Mr. Speaker, I yield one minute to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, as I see this question to-day, it occurs to me that the integrity of the national political platforms of both parties is at stake. The future dependability of a national platform is at stake to-day. Both parties have gone on record for the submission of this question to the people, and how in the name of Heaven can Republicans on this side or Democrats on the other side refuse to vote for it because of the language it carries. The people in your district and in mine are not interested in the language of this resolution. They are interested in your vote, and that is the thing they are going to recall two years from now when many of us want to come back to the Congress.

We have gone on record throughout this campaign in favor of submission, and we have an opportunity to-day to vote our campaign promises. I hope every Republican will stand by his guns and vote in favor of this resolution. [Applause.]

[Here the gavel fell.]

Mr. RAINEY. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, as long as Congress is as responsive to the will of the American people as it is to-day, the fate of this Republic is safe. [Applause.] There is no involved question before the House to-day; it is simply a proposition overwhelmingly voted for at the last election on the repeal of the eighteenth amendment—no more and no less. This is the American way of changing a constitutional mandate.

Mr. Speaker, both political parties are in agreement on three elements of this proposition. One, that the question of prohibition must be submitted to the States. Two, that the submission must be "immediately," as stated in the Democratic platform, and "promptly," as provided in the Republican platform. Third, that the ratification must be by conventions.

Congress has the power to protect dry States. That power has been repeatedly asserted by Congress and upheld by the Supreme Court.

The American people have spoken after 12 years of prohibition. We to-day simply vote to submit again the question for another and final plebiscite. That is the purpose of ratification by State conventions.

Now is the opportunity for Members to vote the will of the people regardless of their own personal views. We must act in our representative capacity. [Applause.]

Mr. CHRISTOPHERSON. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. STALKER].

Mr. STALKER. Mr. Speaker, both the Republican and Democratic platforms suggest that they were opposed to the return of the saloon. The Republicans proposed legislation that no saloon should return. The Democrats said that we urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under the complete supervision and control by the States. What suggestion is there in this resolution providing for any protection of the States or making any suggestion that the return of the saloon should not be permitted?

Everyone knows that prohibition enforcement has not had a fair chance. With all the wet propaganda from the hour that the Volstead Act was passed the wet interests began their tirade, lying and villifying concerning its enforcement for the very purpose that has brought us to this hour. I made my campaign on the basis that prohibition was not a failure. I said that if I am the only one in Congress to vote against resubmission or the repeal of the eighteenth amendment I would stand. I was not defeated. For one in this Congress I do not propose to stultify my conscience by voting for a resubmission to the States until this law has been given a fair chance for enforcement, nor do I intend to vote for repeal of the eighteenth amendment. [Applause.]

Mr. RAINEY. Mr. Speaker, I yield one minute to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, in view of the great interest expressed throughout the country during the recent campaign, it is extremely unfortunate that the arbitrary procedure here to-day prevents those Republicans who supported the plank relative to the eighteenth amendment contained in the Republican platform, as amplified in President Hoover's acceptance speech and as concurred in by former President Coolidge, from voting upon suitable language to cover that view.

I would gladly vote for a motion to submit the repeal amendment to the States in such language as was proposed by Senator GLASS last July. I dislike to be forced through Democratic manipulation to vote for the submission of a repeal amendment without proper safeguards against the return of the saloon and the other vices which unrestricted opportunity for the sale of intoxicating liquor would permit. But the majority seeing fit to force this position upon us, I shall vote for the motion in the hope and anticipation that the other branch of Congress will return the resolution to us in a safer and better form. [Applause.]

Mr. CHRISTOPHERSON. Mr. Speaker, I yield two minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, whenever I vote for any bill or resolution upon the subject of liquor, I shall have to be convinced that it is proposed in an effort to improve the moral or economic welfare of this country, and I never expect to find a bill presented with that object in view supported by the organized distilling interests of the country—the brewers, the ex-saloon keepers, and other elements of that type. I do not discount the fact that many people of excellent character, of high morals, stand behind this movement for the repeal of the eighteenth amendment, but I know, and so do you, that there stands with them every element in our national life which is continually found on the wrong side of every moral question, and with them I shall never willingly join hands.

You come here to-day to destroy prohibition—quickly, quietly, and completely.

You have got to do it quickly, because you know that if you do not do it quickly you can not do it at all. The idea that the last election resulted in a Democratic victory because of the wet platform of the Democratic Party is wearing away, and there is a realization on the part of some of those who too hastily jumped to that conclusion that they were mistaken, and they are about to come out from under

the influence of the hysteria that temporarily afflicted them. There is a realization also that a Congressman owes some duty to his constituents, and to their opinions, as well as to a plank on a great moral question in a party platform adopted by delegates not elected by the people, and at a time when those delegates were under the influence of galleries packed in part at least by the hoodlums of a great city demanding the satisfaction of their appetites. [Applause.] I shall extend my remarks in the RECORD since there is no opportunity for debate here——

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. RAINEY. Mr. Speaker, I yield one-half minute to the lady from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker and Members of the House, I speak for the millions of American women Democrats and Republicans who by their vote in the recent election served notice on the Congress of the United States that we are through with the eighteenth amendment, and I desire to express myself as in hearty accord with the resolution.

Mr. RAINEY. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, I am glad to see that the form of the amendment provides for conventions in the States. This particular form was suggested by the Women's Association Against the Eighteenth Amendment, and was introduced by the junior Senator from New York in the Senate and by myself in the House for several years past. I am glad to see the amendment presented in that form.

It is rather amusing, however, to sit here and hear our distinguished friends say they have had no time to debate this question. To my knowledge we have been debating it for the past 12 years; I think many of them would like to keep on debating it until the Angel Gabriel blows his trumpet, in order that the wishes of the American people might be thwarted. [Applause.]

Mr. CHRISTOPHERSON. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, it took over a hundred years for the mothers and fathers of America to banish the saloon. You are proposing here to-day, in only 20 minutes of debate against it, without a chance of amendment, to legalize the existence of the saloon and undo the work of a hundred years for prohibition. I am not willing to be thus stampeded. I can yet remember the evils of the saloon.

I know something about conventions, where a specially selected chairman, if you please, with a bang of the gavel can declare a motion carried when three-fourths of the delegates present are against it. They say that the recent elections were wet in their complexion. I can not forget that there will not be in the next Senate of the United States such outstanding wet leaders as a BLAINE, a BINGHAM, a MOSES, if you please, and I can see around me casualties of political warfare here in this House, such as LAGUARDIA, of New York, the outstanding wet leader; I can see a former distiller here [Mr. HULL of Illinois], who will not come back; I can see the great wet advocate from Milwaukee [Mr. SCHAFER], who will not come back; and I see before me the great wet advocate from Detroit, the gentleman from Michigan [Mr. CLANCY], who can not come back; and yet you talk to me about a wet election. Every dry Democrat here supported the national ticket, and victory came to the Democratic side because of issues of far more importance than beer. I shall never vote for a return of the saloon.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BRITTEN. It has been impossible to determine whether the last speaker is for or against the resolution.

The SPEAKER pro tempore. The Chair does not think that is a parliamentary inquiry.

Mr. RAINEY. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. OLIVER].

Mr. OLIVER of New York. Mr. Speaker, prohibition is dead, and we are about to bury it. We want a burial that will not leave any arms or legs or hands or heads out of the grave. I think this resolution prepares a dignified funeral that will be equally satisfactory to the rejoicers and to the mourners. [Applause.]

Mr. CHRISTOPHERSON. Mr. Speaker, I yield two minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, it is a travesty on the Constitution to pass a resolution to amend it with only 20 minutes' debate on a side, and with no opportunity to offer any amendment to the resolution. It is a procedure that is unworthy of the House of Representatives; and if it is to be carried into effect, the Democrats of this body ought to take the responsibility for it, and not the Republicans. [Applause.]

Let no Republican here deceive himself into believing that he can hold up the Republican platform as an excuse for voting for this resolution. The Republican platform specifically and positively stated that it was opposed to the submission of a resolution providing for the outright repeal of the eighteenth amendment, as the resolution now before the House proposes to do. [Applause.] If any Republican here wishes to carry out the provisions of the Republican platform, all he need do is to vote against this resolution. [Applause.] Vote it down, and there will be plenty of opportunity to amend it. Let not the Speaker cram down the throats of Republicans by this procedure a resolution which they do not believe in. [Applause.]

Mr. MANLOVE. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. MANLOVE. Almost all of the speakers who have favored the return of the liquor traffic are denouncing the return of the old saloon. I would like to ask the gentleman from Michigan if he knows what the people of this country are going to call the houses in which liquor is sold.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. RAINEY. Mr. Speaker, I yield one-quarter of one minute to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, the gentleman from Texas [Mr. BLANTON] has gloried in my defeat and that of other wet Republicans. But I wish to say that I will be back here again in about two years. I also want to say that I was not defeated by the Blanton Democrats, but I was defeated mainly by the Al Smith Democrats. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. RAINEY. Mr. Speaker, I yield one-half minute to the gentleman from Kentucky [Mr. GILBERT].

Mr. GILBERT. Mr. Speaker, many dry Members of Congress have voted for this resolution as the simplest, best, and most direct way to get the question before the country, and not as expressing their views upon repeal.

I did not support the Beck-Linthicum resolution because the submission was complicated by an unwise condition. I would have preferred leaving it entirely to the States as to the method; yet the way embodied provides a single issue. Candidates for the legislature might obscure this issue with other important ones to be considered by the legislature or obtain support with patronage, roads, and other inducements, while by this method nothing else can be injected.

The SPEAKER pro tempore. The time of the gentleman from Kentucky has expired.

Mr. RAINEY. Mr. Speaker, I yield one-half minute to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, I take occasion in this short time to state to you that I am happy to live, and I regret to hear the suicidal expression of my good friend the gentleman from Alabama [Mr. HUDDLESTON], which he made to this body a few moments ago. I plead with his Maker to be lenient with a man who is and has been a real Democrat. That is all I have to say. There is no need for debate on this resolution. [Applause.]

Mr. RAINEY. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. CLARKE of New York. Mr. Speaker, I object.

Mr. DYER. Mr. Speaker, that request has not been granted any other speaker. There has been allowed permission to extend in the RECORD, and for the present I object.

Mr. O'CONNOR. Mr. Speaker, obviously it is impossible to say much in two minutes on this subject, but there is no occasion to do any more than that, in my opinion. It has been debated for 15 years, but the greatest debating society ever held was held on last November 8, and over 36,000,000 people participated in that debate, and every one of those 36,000,000 voters determined something must be done about Federal prohibition. Over 21,000,000 of them voted to take it, hook, line, and sinker, out of the Constitution, by the method we propose to-day. Every one of the 36,000,000 voters determined to do it by conventions in the States. There never was any question about that, and the Democratic Party proposed to abolish the saloons. Yes, but in the States—to restore to the States the right to control the liquor traffic, which is all the majority leader says he desires to do.

Now, the debating society has adjourned. It will meet again in the 48 States of the Union within a few months, and that will have but one result, if the American people expressed their minds on last November 8, which was the great day which doomed forever in America Federal prohibition. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. CHRISTOPHERSON. Mr. Speaker, this is a most unusual procedure, to my mind—calling up a resolution, repealing a part of our Federal Constitution, which resolution has had no consideration by any committee, and which proposes the resubmission of such repeal resolution to conventions; a procedure never before adopted, and one which no one seems to understand; a maze of uncertainties. How are these conventions to be called and organized? By the States or by the Federal Government; and who is to pay the costs thereof? These and many other questions arise and have had no consideration. Further, this resolution opens wide the door to a return of the open saloon, a proposition which people generally oppose. I venture the guess that this resolution, if it does pass Congress, will not have the ratification of the States. The facts are that those who are for the repeal of the eighteenth amendment are so intoxicated with their apparent victory that they are throwing discretion to the wind.

When the people come to think about this and to realize that we are submitting a resolution which will mean the return of the open saloon to a large area of our country and in no manner protects the dry States from importations from wet States, this amendment will fail of ratification. The people of this land are not going to return to the system that prevailed before prohibition.

This is a time when we should use prudence and discretion and consider a resolution in conformity with the Republican platform, which will bar the saloon and protect dry States. Such a resolution would have approval and would bring about the changes in the national prohibition law which the people are expecting; but this resolution, if approved and ratified, will restore the former evils of the system and will not, in my opinion, be ratified. We are proceeding with undue haste in a matter of great importance, and I hope by our vote the resolution will be rejected.

[Here the gavel fell.]

Mr. RAINEY. Mr. Speaker, I yield the remainder of my time to the chairman of the Committee on the Judiciary, the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, the friends of temperance confront a practical situation. Everybody with practical judgment must recognize that resubmission of the eighteenth amendment, either by this Congress or the next, is a determined fact.

The next practical question is: Do the friends of temperance favor submitting the eighteenth amendment at this session of Congress or waiting until the next session assembles?

Do the friends of temperance believe they have more friends in this Congress than they will have in the next Congress? This, in my judgment, is the last opportunity in a decade the friends of temperance will have to submit this question coming from a body reasonably friendly to their interests. Besides, if there is one thing above another which the cause of temperance needs is to have this question get back to the communities, to the forks of the creek, and get there quickly. The development of sentiment and of attitude in this country since the time the eighteenth amendment was adopted should convince every friend of temperance of the fact that there has been something basically wrong in the strategy and in the statesmanship that has been guiding the temperance cause.

God has so ordered things that the people must fight, must struggle, if they are to remain strong and loyal to any cause. We have taken away from the people of our communities, at least they do not have it, the sense of responsibility and of necessity to fight to keep conditions clean there. If this amendment is submitted, it will be to the people to vote by ballot in every voting precinct. That will give them something to do about it, something to say about it. The temperance people would have to win in only one-fourth of the States plus one to hold the eighteenth amendment. The rules and regulations for voting would be framed by a more sympathetic Congress than the next will be. It is the strategy of the temperance cause to submit now.

The SPEAKER. All time has expired.

Mr. PARKS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PARKS. Was consent given to those who are opposed to this resolution to extend their remarks in the RECORD?

The SPEAKER. Consent was given to all Members to extend their own remarks in debate upon this resolution in the RECORD.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Does the permission which was extended permit Members who have spoken to-day to put all of the balance of their speech in the RECORD at one place?

The SPEAKER. It does not. The question is on the motion of the gentleman from Illinois. This being a resolution to amend the Constitution, it takes an affirmative vote of two-thirds to pass it.

Mr. DYER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 272, nays 144, not voting 13, as follows:

[Roll No. 129]

YEAS—272

Aldrich	Brumm	Condon	Dyer
Allgood	Brunner	Connery	Eaton, N. J.
Almon	Buchanan	Connolly	Englebright
Amlie	Buckbee	Cooke	Erk
Andresen	Bulwinkle	Corning	Estep
Andrew, Mass.	Burch	Cox	Evans, Mont.
Andrews, N. Y.	Burdick	Coyle	Fernandez
Arnold	Byrns	Cross	Fiesinger
Auf der Heide	Campbell, Pa.	Crosser	Fish
Bacharach	Canfield	Crowe	Fishburne
Bachmann	Cannon	Crump	Fitzpatrick
Bacon	Carden	Cullen	Flannagan
Baldrige	Carley	Curry	Flood
Bankhead	Carter, Calif.	Darrow	Foss
Barbour	Carter, Wyo.	Davis, Pa.	Freeman
Barton	Cary	Davis, Tenn.	Fulbright
Beam	Castellow	Delaney	Fulmer
Beck	Cavicchia	De Priest	Gambrill
Black	Celler	DeRouen	Gasque
Bland	Chapman	Dickinson	Gavagan
Bloom	Chase	Dickstein	Gifford
Boehne	Chavez	Dies	Gilbert
Bohn	Chindblom	Dieterich	Gillen
Bolleau	Claque	Disney	Golder
Boland	Clancy	Doughton	Goss
Bolton	Clark, N. C.	Douglas, Ariz.	Granfield
Boylan	Cochran, Mo.	Douglass, Mass.	Green
Briggs	Cole, Md.	Drane	Gregory
Britten	Collier	Drewry	Griffin

Griswold	LaGuardia	Oliver, Ala.	Somers, N. Y.
Haines	Lambeth	Oliver, N. Y.	Spence
Hancock, N. Y.	Lamneck	Overton	Stafford
Hancock, N. C.	Lanham	Owen	Steagall
Harlan	Lankford, Va.	Palmisano	Stewart
Hart	Larrabee	Parker, N. Y.	Stokes
Hartley	Lea	Parsons	Sullivan, N. Y.
Hastings	Lehlbach	Peavey	Sullivan, Pa.
Hess	Lewis	Perkins	Sumners, Tex.
Hill, Ala.	Lichtenwalner	Person	Sutphin
Hill, Wash.	Lindsay	Pettengill	Sweeney
Hollister	Lonergan	Pittenger	Thomason
Holmes	Lozier	Pou	Tierney
Hooper	McCormack	Prall	Tinkham
Horr	McDuffie	Pratt, Harcourt J.	Treadway
Howard	McLeod	Pratt, Ruth	Turpin
Hull, William E.	McMillan	Purnell	Underwood
Igoe	McReynolds	Rainey	Vinson, Ga.
Jacobsen	McSwain	Ramspeck	Vinson, Ky.
James	Maas	Ransley	Warren
Jeffers	Major	Rayburn	Watson
Johnson, Mo.	Maloney	Reilly	Weaver
Johnson, S. Dak.	Mansfield	Rogers, Mass.	Welch
Johnson, Tex.	Martin, Mass.	Rogers, N. H.	West
Jones	May	Romjue	White
Kading	Mead	Rudd	Whitley
Kahn	Michener	Sabath	Whittington
Keller	Millard	Schafer	Wigglesworth
Kelly, Ill	Milligan	Schneider	Williams, Mo.
Kemp	Mitchell	Schuetz	Williams, Tex.
Kendall	Montague	Seger	Withrow
Kennedy, Md.	Montet	Selvig	Wolcott
Kennedy, N. Y.	Moore, Ky.	Shannon	Wolfenden
Kerr	Nelson, Mo.	Shreve	Wolverton
Kleberg	Nelson, Wis.	Sinclair	Wood, Ga.
Kniffin	Niedringhaus	Sirovich	Woodruff
Knutson	Nolan	Smith, Va.	Woodrum
Kunz	Norton, N. J.	Smith, W. Va.	Wyant
Kvale	O'Connor	Snell	Yon

NAYS—144

Adkins	Finley	Kurtz	Rich
Allen	Frear	Lambertson	Robinson
Ayres	Free	Lankford, Ga.	Sanders, N. Y.
Beedy	French	Larsen	Sandlin
Biddle	Fuller	Leavitt	Shallenberger
Blanton	Garber	Loofbourow	Shott
Bowman	Gilchrist	Lovette	Simmons
Brand, Ohio	Glover	Luce	Smith, Idaho
Browning	Goldsborough	Ludlow	Snow
Burtness	Goodwin	McClintic, Okla.	Sparks
Busby	Greenwood	McClintock, Ohio	Stalker
Cable	Guyer	McFadden	Strong, Kans.
Campbell, Iowa	Hadley	McGugin	Strong, Pa.
Cartwright	Hall, Ill.	McKeown	Stull
Chiperfield	Hall, Miss.	Magrady	Summers, Wash.
Christgau	Hall, N. Dak.	Manlove	Swank
Christopherson	Hardy	Mapes	Swanson
Clarke, N. Y.	Hare	Miller	Swick
Cochran, Pa.	Haugen	Mobley	Swing
Cole, Iowa	Hawley	Moore, Ohio	Taber
Collins	Hoch	Morehead	Tarver
Colton	Hogg, Ind.	Mouser	Taylor, Colo.
Cooper, Ohio	Hogg, W. Va.	Murphy	Taylor, Tenn.
Cooper, Tenn.	Holaday	Nelson, Me.	Temple
Crail	Hope	Norton, Nebr.	Thatcher
Crowther	Hopkins	Parker, Ga.	Thurston
Culkin	Houston, Del.	Parks	Timberlake
Davenport	Huddleston	Partridge	Underhill
Dominick	Hull, Morton D.	Patman	Wason
Dowell	Jenkins	Patterson	Weeks
Doxey	Johnson, Okla.	Polk	Williamson
Driver	Johnson, Wash.	Ragon	Wilson
Eaton, Colo.	Kelly, Pa.	Ramseyer	Wingo
Elzey	Ketcham	Rankin	Wood, Ind.
Eslick	Kinzer	Reed, N. Y.	Wright
Evans, Calif.	Kopp	Reid, Ill.	Yates

NOT VOTING—13

Abernethy	Doutrich	Hornor	Sanders, Tex.
Arentz	Garrett	Johnson, Ill.	Seiberling
Brand, Ga.	Gibson	Martin, Oreg.	Stevenson
Butler			

So (two-thirds not having voted in favor thereof) the joint resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Sanders of Texas and Mr. Doutrich (for) with Mr. Seiberling (against).

Until further notice:

Mr. Hornor with Mr. Gibson.
Mr. Stevenson with Mr. Arentz.
Mr. Abernethy with Mr. Johnson of Illinois.

Mr. SNELL. Mr. Speaker, may I present a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. SNELL. I do not know whether the gentleman from Ohio, Mr. SEIBERLING, is on the floor or not, but I understood that some one answered to his name. I would like to ask if he is recorded on the first roll call.

The SPEAKER. The gentleman is recorded as voting "aye."

Mr. SNELL. I do not know about it, but I am informed he is not here.

Mr. BLANTON. Some one answered for him, Mr. Speaker.

The SPEAKER. If the gentleman from Texas knows what he is talking about——

Mr. BLANTON. Mr. Speaker, I have made an investigation, and I find that by mistake some one answered for him. I understand the gentleman from Ohio, Mr. SEIBERLING, is not here.

Mr. BACHMANN. Mr. Speaker, I have a letter from the gentleman from Ohio, Mr. SEIBERLING, asking to be paired and stating that he would not be here to-day. The pair has just been read.

Mr. BLANTON. And I protest against his vote being counted under the circumstances.

Mr. SNELL. Mr. Speaker, I am just informed that the gentleman from Minnesota, Mr. SELVIG, answered to Mr. SEIBERLING's name by mistake and did not answer to his own name until the second roll call.

The SPEAKER. Inasmuch as the gentleman from Ohio, Mr. SEIBERLING, is not here and did not answer to his name, the Chair will order his name stricken from the list.

Mr. BACHMANN. Mr. Speaker, how is the gentleman from Minnesota, Mr. SELVIG, recorded?

The SPEAKER. The gentleman is recorded as voting "aye."

The result of the vote was announced as above recorded.

COMMITTEE ON FOREIGN AFFAIRS

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution.

The SPEAKER. The gentleman from North Carolina offers a privileged resolution, and it is the purpose of the Chair when the resolution is acted upon to recognize certain gentlemen to make statements concerning how their colleagues would have voted, if present.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. The House has just decided that this repeal resolution should not pass under suspension of the rules. Now, the parliamentary inquiry is this: Will the Speaker consider legislation along the same line, if it comes in the regular way from the appropriate committee, when an opportunity to amend will be had?

The SPEAKER. The Chair will answer that when the time comes to answer it.

The Clerk read the resolution, as follows:

House Resolution 298

Resolved, That the Hon. SAM D. MCREYNOLDS, of Tennessee, be, and he is hereby, appointed chairman of the Committee on Foreign Affairs of the House of Representatives, vice the late Hon. J. Charles Linthicum.

The resolution was agreed to.

REPEAL OF EIGHTEENTH AMENDMENT

Mr. DARROW. Mr. Speaker, my colleague the gentleman from Pennsylvania [Mr. DOUTRICH] is confined in the hospital due to a broken leg received in an automobile accident. If he were present, he would vote aye on the last roll call.

Mr. ADKINS. Mr. Speaker, the gentleman from Oregon [Mr. BUTLER] is at the hotel sick and unable to be present. I do not know how the gentleman would have voted.

Mr. McDUFFIE. Mr. Speaker, my information is that the following Members, who are unavoidably absent to-day, if present would have voted aye: Messrs. BRAND of Georgia, GARRETT, of Texas, MARTIN of Oregon, and SANDERS of Texas.

Mr. SMITH of West Virginia. Mr. Speaker, my colleague the gentleman from West Virginia [Mr. HORNOR] is unavoidably absent on account of illness. He has asked me to announce that if he were present to-day he would have voted aye on the resolution.

EXTENSION OF REMARKS—REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. HUDDLESTON. Mr. Speaker, I voted against the prohibition amendment when it was passed by the House in 1917. My opposition was based upon grounds of principle—that the adoption of the amendment violated the fundamentals of local self-government and that it was subversive of our governmental system under which police powers are reserved to the States. The regulation of the liquor traffic is a police function; it is the exercise of a police power in the same sense as measures for safeguarding public order, health, and morals. The amendment set a dangerous precedent and was a radical departure from our system. Any who may be interested can find my views stated in the RECORD of December 17, 1917, Sixty-fifth Congress, second session, volume 1, page 461.

My views upon the amendment remain unchanged—the regulation of liquor is not a proper Federal function.

SUPPORTED AMENDMENT IN GOOD FAITH

The amendment having been adopted, I have supported it in good faith. This I will continue to do so long as it remains a part of the Constitution. I had hoped that those responsible for the adoption of the amendment would have diligently built a public sentiment to support it. In this I have been disappointed.

I have previously stated that I would vote for flat repeal of the amendment if and when I believed that the required three-fourths of the States would ratify. The results of the recent election indicate that repeal would now be ratified. I am therefore now ready to vote for repeal when presented in proper form.

There is no good reason why repeal should not be acted upon by State legislatures. I am ready to vote for repeal to be ratified in that way. That was the method by which the amendment was adopted.

NO PRECEDENT FOR RATIFICATION BY CONVENTIONS

That was the method adopted for ratification of the original Constitution at the beginning. That has been the unbroken practice during our entire history upon all amendments which have been submitted. The amendment for repeal now before us provides that it shall be acted upon by conventions to be called specially for that purpose. This is an unprecedented proposal, and one for which there is no legitimate reason.

To secure action upon the amendment through conventions will require that the State legislatures shall first create the conventions—the basis of representation in the conventions must be specified—the States must be divided into districts—elections must be called. The prohibition question will thus be projected into the political arena in every community—bitterness and strife will be fomented at a time when, above all others, the solidarity of our people is imperatively required. Elections will be held and the conventions assembled for action. The aggregate cost to the States of holding the elections of delegates and expenses of conventions will range from $5,000,000 to $10,000,000, at a time when every available dollar is required for the relief of those in distress.

Legislatures opposed to repeal will fail to create the conventions, or will delay action. Nothing can possibly be gained by this method, unless it may be considered that some advantage to one side or the other will result from the political strife which will be engendered. It will serve to delay action on ratification because of the fact that action both by legislatures and conventions will be required if this method is pursued.

RATIFYING CONVENTIONS CREATED BY CONGRESS

Advocates of action through conventions instead of legislatures answer the reasons against the convention method, and the delay and expense which will flow from it, by arguing that no action by the State legislatures is required, but that Congress itself should create the conventions. They argue that ratification is not a matter for the States as such, or as sovereignties, but is a matter for "the people of the States," who may act under direct Federal supervision. They propose that Congress shall prescribe a uniform system for creating conventions in the several States, including the basis of representation, the calling and holding of elections, and a fixed date on which the conventions shall assemble. In short, that the ratifying convention shall be the creature of Congress, and not the instrumentality of the State.

This implies, of course, that Congress will fix the qualifications of delegates, and of voters and the method of voting, the appointment of election officials, declaration of results, and so forth. They propose to ignore the States and the legislatures entirely.

Those advocating this method propose seriously that, after Congress has submitted the repeal amendment, Congress shall pass an act providing for and creating the conventions for its ratification. They insist that such action is constitutional.

AN UNCONSTITUTIONAL PROPOSAL

I am unable to agree with their conclusions. There is no precedent from which argument may be made. The question is an original one, turning upon the construction of the Constitution. The section of the Constitution involved is Article V, which provides that Congress may propose amendments, which shall be valid "when ratified by the legislatures of three-fourths of the several States or by conventions in three-fourths thereof," as may be proposed by Congress.

It is obvious that, as instrumentalities of ratification, legislatures and conventions stand upon equal ground. The power of Congress over the conventions is made identical with its power over the legislatures. If Congress may create conventions, it may create legislatures. If it may provide when a convention shall assemble, Congress may also say when a legislature shall meet. If it may prescribe the method for the election of representatives to a convention, Congress may do the same as to members of the legislatures. If Congress may create a convention, the convention is not a part of the State government, and its members are not officers of the State, nor subject to the State's laws. And so Congress may create a State legislature, provide for the election of its members, and for their assembling together—a legislature which is not a part of the State government, does not exist under its constitution or laws, and the members of which are not officers of the State nor amenable to its laws.

Article V does not contemplate a necessity for amendments to the Constitution nor that it should or ought to be amended. Its purpose was enabling or permissive merely. It was intended merely to afford an opportunity for amendment. Under it the function of Congress in submitting an amendment is no higher or more important than the function of the legislature or convention in ratifying same. Congress exhausts its power when it submits an amendment. It has then shot its bolt. There is no warrant for Congress to go further and deal with the action of the bodies upon whom the ratifying function is conferred. Congress has no constitutional power to supervise ratification or to compel such action. It may put a time limit upon such action, though Congress can not hasten ratification.

The proposal that Congress has power to create a ratifying body or to supervise its actions is, from a constitutional standpoint, nothing short of preposterous.

ESSENCE OF VICIOUS POLICY

Even if it be assumed that Congress has power to ignore State laws and institutions and to create a convention to bind the State by ratification, though itself not of or part of the State or its government—if we may assume the legality of such action—I should never under any circumstances cease from opposing it as the essence of vicious policy. It would establish a dangerous precedent for hasty and ill-considered changes in the Constitution. Even if legal, it would violate the fundamentals of our system and constitute a coercion of the States, intolerable in all its implications.

As stated, I am ready to vote for repeal of the amendment—flat repeal, to be acted upon through State legislatures according to the established custom and ancient practice. I will not be carried off my feet to vote for an

unsound proposal merely because it is considered to be a popular measure. I will not be dragooned into voting for repeal without proper safeguards and after due consideration in keeping with the importance of the question and the dignity of the House.

Mr. MORTON D. HULL. Mr. Speaker, I am taking advantage of the opportunity offered, by the consent of the House, to extend my remarks, to put on record my reason for voting "no" on House Joint Resolution 480. I voted "no" because on an important measure profoundly interesting to the whole country no adequate opportunity was offered to the House membership to properly discuss the measure itself or to offer or discuss any alternate measure which might be proposed. The whole discussion was limited to 20 minutes a side with no opportunity to amend or to offer a substitute measure. On the measure itself I have mixed feelings. I have never believed that a prohibitory amendment to the Federal Constitution was a wise or expedient way of seeking to correct an evil as old as mankind. It is true that I have voted a dry vote quite consistently. Frankly, I have done so because I have preferred to be associated with an aspiration rather than with an appetite. But now that the consideration of the prohibitory amendment is again before the Congress, it has seemed to me that an opportunity was offered to us to deal more rationally with the whole subject matter of Government control of the business of manufacturing and merchandising intoxicating beverages. Complete constitutional prohibition of such business through the Unted States against the wishes of the majority of the people has proven impracticable. Therefore it may seem that the eighteenth amendment should be repealed and the States permitted to handle the subject for themselves. Yet some communities and some States wish to retain Federal prohibition as a force in aid of their own sumptuary legislation. Now, this is what I have attempted to do, to give to such States as desire it complete State rights and State obligation in the matter, and to conserve to such other States as desire it the benefit of Federal prohibition. This effort is embraced in a joint resolution which I have introduced in the House (H. J. Res. 456), which reads as follows:

House Joint Resolution 456

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That it is hereby proposed to the several States that Article XVIII of the amendments to the Constitution of the United States, commonly known as the eighteenth amendment, shall be amended, which amendment shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of the several States as required by the Constitution, so that such Article XVIII of the amendments to the Constitution of the United States shall read as follows:

"ARTICLE XVIII

"SECTION 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

"SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

"SEC. 4. The provisions of section 1 of this article are subject to the following exceptions, namely: That any State may at any time by an act of its State legislature, by such formalities as are required to pass a State law, suspend the operation within the boundaries of such State of the prohibitions contained in section 1 of this article for a period of 10 years. At the end of 10 years the prohibitive provisions of section 1 of this article shall again become in force, unless again suspended by act of the legislative body enacted not earlier than at the last regular legislative session of an unexpired period of suspension. The right of the State to suspend the operation of section 1 of this article or to again come under its provisions shall be a continuing right.

"SEC. 5. It shall be the duty of the secretary of state of any State taking action under the provisions of section 4 of this article to notify the President of the United States, and upon notification the President of the United States shall make proclamation thereof."

It will be seen that the first three sections of the resolution are identical with the first three sections of the present eighteenth amendment. The fourth section introduces the new feature. It provides that a State may, by the action of its legislature, under such formalities as are required to pass a State law, suspend the operation of the prohibitory provisions of the amendment for the period of 10 years—at the end of which time the prohibitory provisions again become in force, unless again suspended by like action. In other words, it provides for a State option to be expressed by the legislature, but with the burden of maintaining the suspension always on the wets. I have been influenced to introduce this proposal by my observation of the operation of local option for small political units in my own State. I was a member of the Legislature of Illinois that passed the first local option liquor law in Illinois.

It gave to the voters of each township the right on initiative petition of a very small percentage of its voters to vote the saloon out, or, being dry, to vote the saloon in. It was interesting in these circumstances to watch the gyrations of public opinion. Shocked by some local incident of evil character and of alcoholic origin, it would vote the saloon out. In a year or two, having acquired a thirst, it would relent and vote the saloon in again. Having experienced a year or two of legalized drinks, it would gather a community headache and vote the saloon out again. This process of change might be repeated several times, but eventually the reeducation in the old experience would land the town in the dry column and it would stay there. In this way the whole country was becoming dry very rapidly. There seems to be regular rhythm of human action in such matters that requires the reeducation of peoples in the old experience before settled convictions are formed—and in the case of intoxicating drinks the sustaining public opinion necessary to enforcement is formed.

It is my opinion that the proposal I have offered will contribute to the building up of the public opinion necessary to enforce a prohibition law. It should be noted that in any State which chooses to go wet and take itself out from under the constitutional amendment it will still be possible to have local option for smaller units or political subdivisions of the State under State law. Such was the situation in many of the States which are now classed as wet States. It should also be noted that under my proposal States preferring to remain dry will have the support of the Federal Government in maintaining their chosen status. Finally, I wish to suggest that in States that prefer to suspend the operation of the eighteenth amendment for 10 years and to become wet, my proposal puts the business interests which seek to profit out of the exploitation of the appetites of their fellow men on their good behavior. The 10-year period of suspension becomes a probationary period. If the liquor interests do not conduct their business in a becoming way, they may expect that at the end of 10 years they can not get another suspension. Their self-interest in the perpetuation of their business will coincide in some degree with good morals. It will mean something besides profit to sell liquor to minors or to habitual drunkards. Lastly, let me suggest that my proposal does two things at one stroke. It gives the States the right to determine their status—wet or dry—and it gives to the dry States Federal enforcement.

Lastly, I wish to consider one objection frequently raised against my proposal—that it permits a State to secede from or nullify the Constitution. This is not so. It is a flexible part of the Constitution and offers opportunity for cooperation between State and Federal authority in the handling of an ancient evil. The words "nullification" or "secession" are words of evil connotation. They hark back to an unhappy time in our history when we were divided. They are used in connection with this bill to raise an unthinking prejudice against this proposal. There is no more a requirement of uniformity under Federal law in handling this problem than there is State law which permits or permitted variety of treatment in townships or counties under local option as provided by State law.

I have outlined my own thought with reference to the disposition to be made of the eighteenth amendment. The plan I have suggested is, it seems to me, a constructive pro-

gram. It is because of the failure to offer a constructive program that I have voted "no" on House Joint Resolution 480. There are several proposals before the House that do propose something more constructive than the bare repeal of the eighteenth amendment. It would seem to me that the opportunity should have been given the House to consider them and that until they are considered the House should refuse to take action upon the bare repeal of the eighteenth amendment.

Mr. McKEOWN. Mr. Speaker, the signs of the times seem to point to the necessity of submitting the eighteenth amendment to the Constitution to the people of the United States for approval or modification.

This is the first time in the history of this Republic that it has been deemed necessary to resubmit any portion of the Constitution to the American people.

This action is evidently predicated upon the theory that in the adoption of this amendment an error was made in its provisions, and not upon the idea that the people refuse to obey or acknowledge the force of the amendment.

Disrespect for the Constitution has occurred in the past, and an attempt to nullify the provision of that instrument occupies a historic page in our national history. When the nullification act of South Carolina threatened the then Democratic President, Andrew Jackson, it was met with stern disapproval.

It is true that the American people are charged with disrespect for law and there is a disposition among many to flout the law on many occasions. To determine the underlying cause of this situation challenges the best brain of our lawmakers and executives throughout the whole country.

I have often wondered whether the growing disrespect for the law came from a dislike of the particular law, or callous thoughtlessness on the part of some, or from the unequal manner of the enforcement of our laws.

I am inclined to the latter cause. I reach this conclusion from the natural revolt that occurs in the mind of a citizen who, having committeed an infraction of the law, receives punishment entirely out of line with that received by some more prominent citizen under similar circumstances.

Citizen A is fined for violating a city traffic ordinance and citizen B, more influential, is excused under the same circumstances.

A small group of citizens are jailed for violation of the antitrust laws, and the gigantic offenders are excused.

Our Government is founded upon the principle of majority rule, and I take it that at any time a majority of the people want a change in any part or the whole of the fundamental law of the land they are entitled of right to express themselves.

We submitted the eighteenth amendment to the legislatures of the several States and it was ratified. Orderly procedure would require that the legislatures of two-thirds of the States should, by resolution, ask us to resubmit the amendment.

What I shall say or do here to-day will pass with the setting sun, but what the House of Representatives does to-day will mark an epoch in the future destiny of Americans yet unborn.

There are many worse things in the category of crimes and morals than drinking intoxicating liquors.

Many dubious things have been done in the name of prohibition, and some have commercialized their assumed morality in the cause of prohibition; but none of these things can be compared with the corrupting, degenerating, destructive open saloon.

Some prohibitionists think you can change human nature and destroy liquor drinking by mandate of law, and they are satisfied with their accomplishments in behalf of temperance if they can just have a severe law on the statute books with a host of those with an eye single to the enforcement of this statute.

Many antiprohibitionists think that by resubmitting the eighteenth amendment the "year of jubilee will come."

There lies between these two contending forces the right road to travel.

Those who believe in a sober citizenry in America should redouble their efforts to train and teach young Americans of both sexes the evil effects of indulging in the use of intoxicating liquors.

The boys and girls who have come into our care since the adoption of the eighteenth amendment will be tempted and sorely tried if and when America shall return to the sale of intoxicating liquor on any large scale.

Those of us who survived the gay nineties can well remember certain men in the neighborhood whose weekly visit to the county seat was always celebrated by a real old-fashioned drunk, and the advantage enjoyed by that neighbor compared with a present-day neighbor attempting the same kind of celebration is that the former rode a horse that would always bring him home safe, whereas the latter, attempting to mix gasoline and liquor, will wreck himself or a neighbor.

The advocates of this resolution disavow any attempt to bring back the saloon. In this I know that many Members of this House are sincere. The place where the liquor is to be sold is not the important problem here for solution.

The problem about which I am concerned is the promiscuous selling of intoxicating liquor for profit.

The Good Book says it is the love of money that is the root of all evil, not that money is the root of all evil.

It is not the place that is the root of the evil, but the quantity and profit in the sales that is the root of the dissatisfaction.

Some raise the question as to the definition of the word "saloon." There is no word in the English language that will properly describe some of the hell dives that existed before prohibition. There are speakeasies just as disreputable right in America to-day and there are dens of vice where gunmen and crooks congregate, but nowhere, I dare say, are such places to be found on the business streets of any city. Not all saloon men are disreputable, and some are very decent fellows personally; but the sale of intoxicating liquors for profit is demoralizing to the better nature of all men.

We are told that women drink to-day, as if they never drank before the adoption of the eighteenth amendment. In the saloon days in the great city of New York there were hundreds of drinking places where women went in the back doors for their liquors and where the down and outs were sold the washings from beer kegs mixed with lime to make it foam.

We are told that there is more drinking to-day than ever. Well, it certainly is nothing to boast about to the world.

They tell us that boys and girls are drinking more than they did before prohibition. If this is true, there are a lot of weak-jointed, ice-blooded daddies in this country. It may be that the fathers are unable to do anything about it or to get officers to do their duty, but the bootlegger had best beware of despoiling the children of real red-blooded Americans.

Nations are subject to great waves of emotions. The appeal to make money is one of the strongest emotions in America and is only equaled by the emotion of prejudice.

Many citizens have been disgusted at the intolerant spirit exhibited by some who talk for prohibition and for the moment declare for a change. I am wondering if they are counting the cost of the change.

Those who would profit by the return of the sale of liquors in America are taking advantage of the people when they are overwhelmed with poverty, taxes, and crime, to press for advantage in the struggle over this question.

Some say let us dispose of the question and be through with it. But you can never wash your hands of the controversy between those who would sell liquors and those who would prohibit the sale of liquor. The urge to make money from the sale of liquor is too strong to lie dormant for any great length of time. This controversy came with the creation of government among men and will remain until the end of governments.



If the time has come to make a change in the organic law of the Nation on this subject, then let us go about the task as sane and careful men. Let us first try holding the eighteenth amendment intact in all that portion of our beloved country that desires it to so remain. Let the National Government, when requested by the people of a sovereign State expressed through the legislature, establish places where intoxicating liquors may be dispensed in original package, not to be opened on the premises, and at a price so reasonable as to eliminate the bootlegger or racketeer in that particular community.

It is contended that such a proposed amendment is not in keeping with the language of the Democratic platform on this subject.

The language of the platform is for outright repeal by the untried convention system.

Then follows the following language:

> We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.
>
> We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

Political platforms, like organic laws, are to be construed according to the common accepted meaning of words as would be understood by the citizen.

Does the qualifying language mean anything or is it an idle gesture?

The average citizen would take the language to mean that as a preliminary step to repeal of the eighteenth amendment the States enact measures that will actually promote temperance, effectively prevent the return of the saloon, and suppress the bootlegger by bringing the liquor traffic into the open.

If it means to wait until the eighteenth amendment is repealed before the States enact such laws, then the only guaranty we have against the return of the saloon or suppression of the bootlegger is the urge of the Congress.

No man in this Nation believes more strongly than I in keeping faith with the people upon political pledges. Men in political matters should be as honest as they are in private affairs.

I told my people in public addresses that I could not conscientiously vote for repeal of the eighteenth amendment. I also stated that I would do nothing to delay or obstruct the party in fulfilling its pledges.

In order to save the eighteenth amendment I offered the following substitute in the meeting of the Judiciary Committee:

> Congress shall have the power to authorize the manufacture, sale, or transportation of intoxicating liquors for beverage purposes within the limits of any designated territory in any State when permission is granted by the State for such purposes.

This substitute would permit Congress to pass an act permitting any State to have intoxicating liquors for beverage purposes in any particular city or cities or in all the State if they wished. They could have hard liquors in some parts and light wines or beer in other parts. I can not vote for outright repeal without assurance that the saloon shall not return to America.

Mr. BLANTON. Mr. Speaker, by our vote to-day we are called upon to take a decisive stand either for or against the saloons. A vote for this repeal resolution is a vote for the saloons. A vote against this repeal resolution is a vote against the saloons. We can not disguise or camouflage the issue. The saloon has been outlawed and banished from our country. It is a fugitive from justice. It can not be legalized by statute, because it has been put out of existence by fundamental law. To legalize it again requires a constitutional amendment. And this repeal resolution proposed to-day is to give this infamous outlaw a legal standing and to permit the saloon once again to fasten itself and all of its corruptive influences upon our body politic.

The idea to me is unthinkable. If we repeal the eighteenth amendment, there are no safeguards that could be retained by the Government that would insure dry States from being overwhelmed with liquor brought across their borders. A high-powered truck specially equipped with secret compartments that special agents could not discover in an hour's search could have their secret compartments filled to-night in Baltimore with fifty 5-gallon cans of whisky, and by day after to-morrow morning on 60-miles-an-hour unbroken boulevards this whisky could cross the Arkansas line into Texarkana, Tex., without being stopped en route, because ostensibly it would be merely an innocent load of furniture or farm machinery. So unless the Federal Government retains its control over the manufacture and source of supply dry States would be helpless in their own protection, for it would cost them alone more to enforce their laws than every form of taxation could raise in money for enforcement expenses.

We must not fool ourselves. We must look the issue squarely in the face. We must realize the inevitable—that this proposed repeal means a return of the saloons. It means nothing else. And when we pass this resolution, to be ratified by conventions, we are doing nothing more or less than opening up again thousands of saloons to curse the people of our Nation.

It will be remembered that President Hoover spent almost a million dollars on his Wickersham Commission. Practically everybody now agrees that it was a most foolish action. In the first place, of the 11 members appointed by the President on this commission most of them were well-known, outstanding, fundamental wets. The drys hardly expected anything in their report that would be favorable to the prohibition cause. To the amazement of everyone, however, this entire committee agreed unanimously that under no circumstances should the open saloon be ever again countenanced in the United States. And they also agreed that the Constitution should never be nullified by permitting so-called light wines and beer. Remember there were 11 members on this Wickersham Commission. And most of them were fundamental wets. And yet 10 members out of the 11 signed conclusions and recommendations that they were opposed to repeal of the eighteenth amendment; that they were opposed to the restoration in any manner of the legalized saloon; that they were opposed to the Federal or State Governments', as such, going into the liquor business; and that they were opposed to the proposal to modify the national prohibition act so as to permit the manufacture and sale of light wines and beer. The above were the first four of the conclusions and recommendations signed by 10 out of 11 of said members of the commission. And for fear that some one may question the accuracy of the above I will quote same word by word from the report of the commission, as follows, to wit:

CONCLUSIONS AND RECOMMENDATIONS

1. The commission is opposed to repeal of the eighteenth amendment.
2. The commission is opposed to the restoration in any manner of the legalized saloon.
3. The commission is opposed to the Federal or State Governments' as such, going into the liquor business.
4. The commission is opposed to the proposal to modify the national prohibition act so as to permit manufacture and sale of light wines or beer.

George W. Wickersham, chairman; Henry W. Anderson; Newton D. Baker; Ada L. Comstock; William I. Grubb; William S. Kenyon; Frank J. Loesch; Paul J. McCormick; Kenneth Mackintosh; Roscoe Pound.

You will note that the above conclusions and recommendations, Nos. 1, 2, 3, and 4, were signed by 10 out of the 11 members of the Wickersham Commission. The only member thereof who did not sign same was Hon. Monte M. Lemann, of New Orleans, who made and signed a separate report. He was against nullification, for he said:

> I do not favor the theory of nullification, and so long as the eighteenth amendment is not repealed by constitutional methods, it seems to me to be the duty of Congress to make reasonable efforts to enforce it—

And so forth.

Monte Lemann is also against the idea of permitting light wines and beer, for he said:

I do not think that any improvement in enforcement of the eighteenth amendment would result from an amendment of the national prohibition act so as to permit the manufacture of so-called light wines and beer.

Now, listen to Mr. Monte Lemann, when he further said:

If the liquor so manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors, and if it were intoxicating, it could not be permitted without violation of the Constitution.

In a separate report filed by Hon. Frank J. Loesch, of Chicago, he said:

It would be unwise to repeal the eighteenth amendment. Such repeal would cause the instant return of the open saloon in all States not having state-wide prohibition.

I want you to remember what former Chief Justice Kenneth Mackintosh, of the Supreme Court of Washington, also a member of this Wickersham Commission, said in his separate report, to wit:

Civilization will not allow this Nation to end the long attempt to control the use of alcoholic beverages.

Let me remind you that Federal Judge Paul J. McCormick in his separate report said:

Absolute repeal is unwise. It would, in my opinion, reopen the saloon. This would be a backward step that I hope will never be taken by the United States. The open saloon is the greatest enemy of temperance and has been a chief cause of much political corruption throughout the country in the past. These conditions should never be revived.

And you will remember that he further said:

The States favoring prohibition should be protected against wet commonwealths. This right would be defeated by remitting the entire subject of liquor control and regulation to the several States exclusively.

I do not want my colleagues to forget that in his separate report, Dean Roscoe Pound, of Harvard Law School, said:

Federal control of what had become a nation-wide traffic, and abolition of the saloon, are great steps forward which should be maintained.

Let me also remind the Congress that in his separate report, Federal Judge William I. Grubb said:

Prohibition is conceded to have produced two great benefits, the abolition of the open saloon and the elimination of the liquor influence from politics. Remission to the States would assure the return of the open saloon at least in some of the States, and the return of the liquor interests to the politics of all of them.

And none of us can forget that Ada L. Comstock, president of Radcliffe College, who could not say even one word for temperance, yet in her separate report said:

I favor revision of the amendment rather than its repeal.

In the report signed by Henry W. Anderson, of Virginia, as a member of such commission, he gave us this most valuable parting admonition:

We must not lose what has been gained by the abolition of the saloon.

And we must keep before us vividly and at all times the advice which former Attorney General George W. Wickersham, chairman of President Hoover's commission, in his separate signed report gives us, to wit:

The older generation very largely has forgotten, and the younger never knew, the evils of the saloon and the corroding influence upon politics, both local and national, of the organized liquor interests. But the tradition of that rottenness still lingers, even in the minds of the bitterest opponents of the prohibition law, substantially all of whom assert that the licensed saloon must never again be restored.

And do not forget that he added:

It is because I see no escape from its return in any of the practicable alternatives to prohibition, that I unite with my colleagues in agreement that the eighteenth amendment must not be repealed.

Is it possible that by a wave of the hand this Congress can ignore and disregard findings such as the above, made by a commission, most of the members of which were fundamentally wet, who had expended hundreds of thousands of dollars in a careful study and investigation of the subject from all parts of the United States and from every angle, and can hurriedly pass a repeal resolution under suspension of rules, with only 20 minutes' debate allowed against it, with no amendments allowed to it, with no safeguards thrown around it, when such action precipitates in all States whose constitutions do not forbid it the immediate return of the open saloon with all of its corruption and debauches? It is unthinkable that this Congress would do this terrible thing.

Mr. EATON of Colorado. Mr. Speaker, the Democratic floor leader read to this House the last sentence of the Republican platform on the subject of the eighteenth amendment. I desire to add, in the RECORD, the following, which immediately precedes that sentence:

We do not favor a submission limited to the issue of retention or repeal * * * we, therefore, believe that the people should have an opportunity to pass upon a proposed amendment the provision of which * * * shall allow States to deal with the problem as their citizens may determine, but subject always to the power of the Federal Government to protect those States where prohibition may exist and safeguard our citizens everywhere from the return of the saloon and attendant abuses.

The 1932 Republican platform expressly stated that the Republicans "did not favor a submission limited to the issue of retention or repeal," and that the people should have an opportunity to vote for the protection of States where prohibition may exist and safeguard against the return of the saloon.

While similar language is found in the Democratic platform, in the face of both platforms which were as well known to the Speaker and every Democrat as to every Republican, the Democratic floor leader this noon presented House Joint Resolution 480, which had never been sent to a House committee for consideration and which provided that "the eighteenth article of amendment is hereby repealed" and by a second section provided for ratification by convention. No parliamentary proceeding was ever more high-handed.

An offer to submit an amendment to conform with the Republican platform was refused, so there was nothing left to do but to vote for or against this political proposal which the majority party was trying to railroad through this day's session without an opportunity to amend in the slightest degree whatsoever.

When the question was asked if any resolution later passed by the Senate would be permitted upon the floor of the House for consideration the Speaker said that question would be considered when it arose. Under the circumstances no opportunity being offered to vote for the policies as set forth in the Republican platform, I voted against the resolution.

Mr. THATCHER. Mr. Speaker, my vote is cast against House Joint Resolution 480 proposing an amendment to the Constitution to repeal the eighteenth amendment. The body of the resolution is as follows:

SECTION 1. The eighteenth article of amendment is hereby repealed.

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in three-fourths of the several States within seven years from the date of its submission.

The resolution, as I view it, goes farther than the Democratic platform of 1932. That platform demanded that the Federal Government "effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws." In the resolution there is no provision granting to the Federal Government the power to deal with the question of protection to the dry States. The existing interstate commerce clause of the Constitution is believed by many to be insufficient to afford to dry States the protective benefits which should be theirs in case there should be a repeal of the amendment.

The naked and unconditional repeal of the amendment will permit and invite the return of the saloon in the States which desire to be wet; and with the return of the saloon in those States the systematic invasion of the dry States by the saloon influences will immediately follow. Under modern systems of transportation by land, by water, and by

air, State lines mean absolutely nothing to the illicit liquor traffic.

I can not shut my eyes to the practical aspects of the question. I am against the return of the saloon at any time and anywhere. Its record of evil has been so great that I am unwilling to vote for its return; and I believe that a vote for the resolution would be, in its ultimate effect, a vote in favor of such return. The overwhelming experience of our country is that whatever is not denied to the saloon is permitted to it. However unsatisfactory present conditions may be touching the liquor problem, I fail to see how the legal commercialization of the traffic, under present-day high-powered conditions of transportation and advertising, would make matters better. If a change is to be made, let not that change be a reversion to all the evils which obtained before the adoption of the eighteenth amendment; evils which, if permitted to return, by naked repeal, would be a hundred times accentuated by reason of these modernized conditions.

In the recent campaign I accepted the Republican platform on the subject, although I have believed that the States themselves rather than Congress should originate—as under the Constitution they may do—any proposal for the repeal of any amendment of the Constitution. That platform declared for a guarded proposal of submission; one that, while allowing the States "to deal with the problem as their citizens may determine," would subject such right of the States "always to the power of the Federal Government to protect those States where prohibition may exist, and safeguard our citizens everywhere from the return of the saloon and attendant abuses."

It is respectfully submitted that there is a vast difference between the provisions of the Republican platform and this resolution.

However much Democratic Members of the House and Senate may feel themselves bound to vote for the resolution because of their party platform, there is certainly no obligation imposed on Republican Members to vote for the resolution because of their platform. Every Member, of course, has the right and the duty to vote as his best judgment and conscience may determine.

I do not believe that the people of my district or of my State—or the people of the United States as a whole—desire to see the return of the saloon. The people must depend upon their Representatives to aid them in preventing such return. In my judgment, the best way and, in fact, the only way to prevent such return is to keep the saloon outlawed under any proposal to amend, change, or repeal the eighteenth amendment.

Mr. Speaker, I can not view this procedure as being anything less than a travesty in dealing with a subject of such far-reaching importance. Here, on the first day of the session, as the only business to be considered, a motion is entertained to suspend the rules and to permit a vote to be taken on the resolution; and the resolution itself comes to a vote with only 20 minutes of debate on each side, all told. The question involved is the most controversial, the most difficult with which the country has had to deal since the problem of slavery itself was settled by the cruel arbitrament of the sword nearly 70 years ago. What would have been thought of any such summary way in dealing with a "slavery amendment"? No committee hearing has been permitted on the resolution, nor any committee report allowed. Why this tremendous haste in dealing with a subject of such tremendous moral and economic concern? No one denies the right of the people of a Republic to change their laws—organic or statutory—whenever they so desire; but a question which so vitally affects the welfare of the Nation should not be approached in this way. The provision for ratification by conventions in the States, although permissible, has never been called into play in all our Nation's history. Certainly, such a feature should receive the most careful consideration and treatment; else, any proposal of submission would be involved in endless legal controversies.

May I not say, further, that it is hardly fair to charge those who will retire from this body at the close of this session with lacking a sense of responsibility if they vote against the resolution, and, on the other hand, praise those other retiring Members who vote for the resolution? The two classes are in identical situations. It is the duty of all these, so long as they may remain here, to vote as they may respectively believe will best serve the interests of their constituencies and their country.

Under the procedure involved, the Speaker, having recognized the majority leader to move the adoption of this resolution, there has been permitted no opportunity for the proposal of any change or amendment of the least character. The resolution has to be voted on precisely as introduced. We must take it or leave it exactly as it is. In no other form can it be considered.

The Members of the House had absolutely no opportunity to see the printed resolution until after the House convened to-day, and about the time the motion was made to suspend the rules and pass the proposal by the two-thirds vote required. This is a most remarkable situation, and is altogether without precedent in our Nation's history. Even in the adoption of by-laws for a private corporation some advance notice is required, and full opportunity is given for discussion and amendment. Yet it is now and here proposed, under these unexampled conditions of gag rule and haste, to submit a proposal for the naked and unconditional repeal of an amendment to the Federal Constitution which was ratified by 46 of the 48 States. Surely this is not the way to approach or deal with so grave a matter; and however much the American people may wish or desire to see accorded some treatment to this tremendously important problem, I can hardly believe they will approve such frenzied action as has thus been proposed.

Mr. RANKIN. Mr. Speaker, I am unable to vote for this resolution for the repeal of the eighteenth amendment under these circumstances for a great many reasons.

In the first place, it does not give any assurance against the return of the saloon, as provided in both political platforms, nor does it make any provision for the protection of the dry States against the encroachments of the liquor traffic.

The resolution provides for having this amendment ratified by conventions instead of by the legislatures of the various States. It is well known to every Member of the House that a scheme is now on foot to have these conventions called by Congress, and all the regulations as to numbers of delegates, times and places of meetings, elections of such delegates, their qualifications, and so forth, prescribed by Congress. In other words, they propose for the Federal Government to usurp the functions of the State, just as was done to the Southern States during the dark days of reconstruction.

But aside from all that, it seems to me preposterous for Congress to attempt to suspend the rules and pass this far-reaching and important resolution on the first day of the session without any chance to amend and with only 40 minutes' debate. To take this measure up in this manner, under these conditions, with all the distress we have in this country—with 10,000,000 unemployed men and women begging for work, with bread lines stretching down the streets of our cities, with people having their homes swept away for debts or confiscated for taxes, with men and women and children from the best families of America forced to eat the bread of charity, dampened with the bitter tears of humiliation—with these conditions prevailing throughout the land, and our people crying out to Congress for relief, to take this measure up and thus pass it under suspension of the rules would be an example of governmental folly that forcibly reminds us of Nero's fiddling while Rome burned.

Mr. ALDRICH. Mr. Speaker, in an article published by the Providence Journal and the North American Newspaper Alliance I discussed the planks relating to prohibition in the platforms which were adopted by the Republican and Democratic conventions in 1932, and among other things said:

There is in both platforms one provision which, if adopted by Congress, may prove to be a serious obstacle in the way of an early and definite solution of the prohibition question, and that is the provision that the amendment in the case of the Repub-

lican platform and the repeal in the case of the Democratic platform shall be ratified by conventions in the States rather than by the State legislatures. It is difficult to understand why this was done. Probably the idea in the minds of those who drafted the platforms was that by limiting the deliberations of the conventions to one subject, that issue would not be confused with other questions, as it might well be in the case of the election of the members of the legislatures. This argument would be sound if it were not for the fact that the creation of the conventions themselves is dependent upon the action of the legislatures of the several States.

What are these proposed conventions? How are they created? How are the delegates to them to be elected? I doubt if many proponents of this method of ratification of amendments to the Constitution have given serious consideration to these questions.

Article V provides how the Constitution of the United States may be amended and reads as follows:

"ARTICLE V—MODE OF AMENDMENT

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress: *Provided*, That no amendment which may be made prior to the year one thousand eight hundred and eight shall in any manner affect the first and fourth clauses in the ninth section of the first article; and that no State, without its consent, shall be deprived of its equal suffrage in the Senate."

Since the adoption of the Constitution 19 amendments to it have been ratified by a sufficient number of the States to become a part thereof, and in every instance the method of ratification proposed by Congress has been by State legislatures and not by conventions. Therefore, we have no precedent to indicate the nature of these conventions nor any judicial interpretation of the word "conventions" as used in Article V.

In the absence of any precedent based on actual experience or interpretation, we naturally turn to the records and debates of the Constitutional Convention which adopted the Federal Constitution and contemporary comments, such as the "Federalist," etc., for our information, but here again we get no assistance. Exhaustive examination of these sources produces nothing helpful but a reference to a statement of Madison's in the debates in the Constitutional Convention, when he remarked upon the vagueness of the terms "call a convention for the purpose" as a sufficient reason for reconsidering Article V.

In the absence of any expressed interpretation of the meaning of the words "by convention" as used in Article V of the Constitution, we are obliged to look elsewhere to discover the intent of the members of the Federal convention in using this language. Article VII of the Constitution which prescribes the method of ratification reads as follows:

"ARTICLE VII—RATIFICATION

"The ratification of the conventions of nine States, shall be sufficient for the establishment of this Constitution between the States, so ratifying the same."

We believe that there can be but little doubt but that they had in mind this type of convention in drafting Article V. In order to determine the nature of the conventions which ratified the Constitution an examination has been made of the statutes of nine of the original thirteen States authorizing the calling of these conventions.

These statutes were not entirely uniform. The legislature of each State prescribed the number of delegates to the convention and the qualifications of the electors who chose the delegates. They also determined the time and place of holding the conventions and made appropriations for the pay of the delegates and other expenses. The new Constitution was passed in September, 1778, and the Rhode Island Legislature, for example, did not pass an act calling for a convention until January, 1790.

In each instance the very existence of the convention depended upon the prior action of the State legislature. It is generally conceded that the proposing of a constitutional amendment is a Federal function and that the ratification of an amendment to the Constitution is a State function. As the ratification is a State function, it is my contention that the legislatures of the States have the sole authority to determine the nature of the convention to be called and the action of the legislature of the State is an essential prerequisite to the calling of the convention in any State. As one who desires an early solution of the prohibition question, I oppose this method of submitting the amendment to State conventions rather than to the legislatures, because in every instance it requires the action of two bodies rather than one, which means at least delay if not complete failure of action. Also because, in the States having dry legislatures, it is possible for the legislatures in determining the method by which the delegates to the constitutional convention shall be elected to gerrymander the State in such a fashion as to assure a dry majority in the convention, and because of the ambiguity of the meaning of the word "convention" in Article V, which might result in the invalidation of the ratification of the amendment and will at least invite prolonged litigation on the subject, I can see no objection to submitting the question to the legislatures. I believe that the State legislatures are sensitive to the change in popular opinion regarding any question of great national importance such as the prohibition question. If the proponents of the conventions lack confidence in the legislatures, they must remember that the legislatures will have supreme power over the method of electing the delegates to the conventions and the time of holding such conventions. In fact, there is no way to compel the legislatures to call a convention at all if they do not choose to do so.

The Democrats in their platform demand that Congress propose a constitutional amendment for the repeal of the eighteenth amendment "to truly representative conventions in the States"; but inasmuch as the ratification is a State function, Congress would not have the authority to prescribe the type of convention to be called by the States in the resolution proposing the amendment, and it would unquestionably be inadvisable to place the words "truly representative conventions" in the amendment itself. It is true that the Supreme Court has upheld a provision limiting the time within which an amendment may be ratified, but a limitation of that nature does not affect the method of ratification.

Mr. TARVER. Mr. Speaker, under permission granted to extend remarks on House Joint Resolution 480 within five legislative days, I desire to complete the brief remarks which I had intended to make, and for which the two minutes allowed me of the total of 20 minutes allotted to the opposition to the resolution was entirely insufficient.

It is possible that dry Democratic Congressmen may begin to wonder why a single wet declaration of the party is held to require such unswerving allegiance on their part, when previous dry platform declarations over a term of years had no effect on the attitude of wet Democrats on this great question. They may wonder, too, why allegiance is required unqualifiedly to that part of our party platform which reads—

We advocate the repeal of the eighteenth amendment—

And no attention is paid at all to that portion which says—

We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

It is all well enough to say that such exercise of power may come later. There is no reason why, if repealists are in good faith in insisting upon absolute loyalty to party platforms, it should not come at the same time and as a part of the repeal resolution.

It is possible, also, that, with the great outcry against prohibition repeal which is beginning to well up from the churches of America, Congressmen begin to doubt whether they prefer to stand with the Association Against the Eighteenth Amendment, the Crusaders, the Women's Organization for National Prohibition Reform, and other wet organizations, or with those great moral forces which wrote prohibition into the Constitution and are determined that it shall be maintained. Therefore, haste—unreasonable, unthinking, unreckoning haste—is thought necessary. As a wet member of the Judiciary said at a conference of that committee on Friday, and as was said before upon a memorable occasion when the very incarnation of morality was about to be sacrificed, "What thou doest, do quickly."

And it must be done quietly. There must not be opportunity for free and fair debate upon this vital question affecting the fundamental laws of the land. Not even the Judiciary Committee of the House, elected by the House and vested by its rules with jurisdiction over legislation of this character, may be allowed to work out a plan by which this thing can be done—if it must be done at all—with least disturbance to our national welfare, although that committee on last Friday by a vote of 10 to 7 requested that it be accorded that opportunity and consideration. The far-reaching, unfortunate effects of an immediate, unqualified repeal must not be discussed except for the brief period of 20 minutes to the side allowed under suspension of the rules. Amendments must not be suggested or considered. The House can not be trusted to perfect its own legislation. Above all, there must be no thorough discussion of the proposal of Mr. A. Mitchell Palmer, chief strategist for the wets, that the adoption of this resolution is to be followed by supplemental legislation, which may be passed by a bare majority either of this House and Senate or of the next, undertaking to call these conventions by Federal authority, to district the States for the election of delegates, to hold

the elections through election officials designated and paid for the purpose by the Federal Government, which officials would, of course, under Federal instructions, decide all questions relating to qualifications of voters, count the ballots, and declare the results. Be careful, gentlemen, before you contribute to the establishment of a precedent under which future cessions of power by the States to the Federal Government by constitutional amendment may be supervised by Federal authority. If this is not the purpose of those behind this resolution, why the brief by A. Mitchell Palmer, leader of the wets' legal staff? If it is not the purpose, why the failure to include in the preamble of this resolution the statement that the conventions shall be called and delegates thereto elected under the authority of State legislatures? Why was the Judiciary Committee expressly informed that such an amendment would not be satisfactory to the powers that be?

I shall never vote for any constitutional amendment, even one that I approve in principle, which it is proposed to submit to State action supervised by Federal authorities, taking away from my State and yours the right to express its will under its own election machinery. I am not willing that Federal authorities shall hold elections in Georgia on any question.

The gentleman from New York [Mr. LAGUARDIA] was frank enough to state at the conference of our committee members Friday that he favored submission to conventions for these very reasons that I urged in opposition, and said further that he had in mind other constitutional amendments which should be submitted in the same way. How fraught with danger these amendments may be to my State and yours I do not know; but one thing I do know, and that is, that no act of mine shall ever advance the day when the amendments he has in mind, or any other, shall be decided upon in my State at federally controlled elections.

This so-called supplemental legislation is not included in this bill. It could not possibly pass if it were so included. And yet, who can doubt, what leader of the wets will undertake to say, that if this amendment passes in its present form, either this Congress or the next will be asked to pass by a majority vote legislation to call conventions upon Federal authority and to provide for Federal supervision? Why is no reference made to the subject as to what authority shall call the conventions and supervise the election in the bill? It must, as I have said, be passed quietly, without discussion, without inquiry, without amendment, or it could not be passed at all. The hysteria of the moment must be depended upon to override reason and to close the ears and still the lips of men who have been taken by surprise but who certainly would not, after free and full consideration, pass this bill in its present form.

And the work of destruction must be done completely. No root must be left from which might spring in future another mighty oak of civic righteousness. The forces that advocate liquor in this country believe at heart in the destruction of all restraint. They do not propose to leave in the Constitution a provision by which the Federal Government might protect dry States against liquor forced upon them by wet neighbors in violation of their laws, even though the party platform declares for such Federal protection. They do not propose to have there any inhibition against the open saloon. They have had too much experience with regulation of the liquor traffic. They have fought them all, from regulatory restrictions and local option, up and down, and they know that the only safety for the booze business is to destroy the very semblance of national restraint. Therefore, the work of destruction must be completely done.

But this intemperate method of approach to a temperance question will yet rise up to confound the enemies of the eighteenth amendment.

Mr. KADING. Mr. Speaker, in a government of, by, and for the people like ours, the people usually eventually get what they want; all of the 19 amendments added to our Federal Constitution during the last 140 years have been accepted as a matter of course when they became a part of our Constitution, excepting the eighteenth amendment. From the very time that it became a part of our Constitution the eighteenth amendment has been objectionable apparently to the majority of our people.

Both the Republican and the Democratic Parties, by planks in connection with the recent national election, indicated that the eighteenth, or so-called prohibition, amendment should be very materially modified or repealed. In my opinion, this question need not be debated further, but that Congress should act and act now by speedily passing House Joint Resolution 480 to repeal the eighteenth amendment, so that the legislation may make progress and the several States take steps to ratify the same.

One of the next steps that this session of Congress should take is to modify the Volstead Act, permitting the manufacture and sale of 2.75 per cent wholesome beer, collect a revenue thereon, and thus decrease the shortage in our Federal Treasury.

I hope that the leadership of both parties of the House will rapidly settle down to business and do something of a constructive nature every day with a view of solving some of the perplexing problems that have been and are now confronting our Nation and the nations of the entire world. Let us work together and make this short session of the Seventy-second Congress one of real accomplishments and for the best interests of our country.

Mr. COCHRAN of Missouri. Mr. Speaker, not one Member who has addressed the House on the resolution which provides for repeal of the eighteenth amendment spoke to the merits of the proposition. Their remarks were all political. Probably it was because the time was limited.

To argue that one should oppose the resolution because no time has been allowed to debate it is simply an excuse for one who desires to oppose the proposition. We have been debating this question in and out of Congress for the past 12 years.

What the millions of people who supported the Democratic ticket November 8 desire is not talk but action. Nothing that a hundred men could say on the floor of the House would have changed a single vote, nor would any argument be advanced that has not already time and again been offered, either for or against repeal.

In view of the result November 8, the complexion of our legislatures is such that it would no doubt be advisable to submit the resolution to the legislatures of the various States, but both parties pledged themselves in their platforms to provide for submission to conventions. I therefore feel that we should carry out the promises we made to the people; and it is proper that the resolution be submitted to conventions, for the people will have an opportunity to express themselves when the time comes for selecting the delegates to the conventions.

Every man elected in November, Republican and Democrat, who did not vote for the resolution did not support his party's platform, and he should be held to account by his constituents. The same applies to those who were defeated November 8 who at some future date will again seek political office.

The 12 Democrats from Missouri, four of them defeated in the primary, voted for the resolution. Two Republicans from my State voted against it, one [Mr. HOPKINS] being quoted in newspaper advertisements as pledging himself to vote wet. As to the other [Mr. MANLOVE], no one was ever able to learn where he stood.

The four defeated Democrats from Missouri who voted for the resolution to-day were defeated because they had formerly voted dry. They did, prior to the primary, pledge themselves to stand by the Chicago platform, and they were big enough to keep that promise. I predict that these men will not be forgotten by their constituents; and when Missouri is redistricted by our next legislature, they will be returned to office as they should be.

The outcome to-day makes certain the calling of a special session of Congress. President-elect Roosevelt will keep the party pledge by calling a special session, and in the next Congress we will have sufficient Democrats to resubmit the

eighteenth amendment to the States for conventions to ratify.

I want to express the hope that the Ways and Means Committee will quickly report a bill providing for modification of the Volstead law so as to permit the manufacture and sale of beer and light wines. Let the United States Treasury receive the revenue that is now going into the pockets of the bootleggers. I do not propose to vote for any additional revenue bills until the Congress has taken advantage of the opportunity to raise money by making it legal to manufacture beer and light wines.

The twenty-odd States that are now receiving more money from the Federal Treasury in the form of Federal aid than they are actually paying into the Treasury will do well to take notice of the fact that Federal aid can not be continued unless we find ways to raise sufficient revenue to meet the bills. The taxpaying States of the Union not only demand repeal of the eighteenth amendment but they demand modification of the Volstead law; and if the Representatives of the States that are now benefiting by Federal aid at the expense of the taxpaying States do not assist in raising revenue from this source, then there is nothing for the Representatives of the taxpaying States to do but to see that the Federal aid is discontinued.

Mr. PATMAN. Mr. Speaker, House Joint Resolution 480 was introduced by Mr. RAINEY, the Democratic leader, Monday, December 5, 1932. It was printed and available to the Members of the House about the time it was called up for consideration. The resolution came before the House under suspension of the rules. That means that there can be only 20 minutes debate to the side, and no amendments can be offered. This rule is often referred to as the "gag" rule. Never before in the history of our country has an attempt been made to amend such a sacred document, the Constitution of the United States, in this manner.

The resolution provided:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

ARTICLE —

SECTION 1. The eighteenth article of amendment is hereby repealed.

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in three-fourths of the several States within seven years from the date of its submission.

The eighteenth amendment to the Constitution of the United States is as follows:

SECTION 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

The foregoing amendment was proposed to the legislatures of the several States by the Sixty-fifth Congress December 18, 1917, and on January 29, 1919, the United States Secretary of State proclaimed its adoption by 36 States and declared it in effect on January 16, 1920.

Mississippi was the first State to adopt, both houses of the legislature so voting on January 8, 1918.

The total vote in the senates of the various States was 1,310 for, 237 against—84.6 per cent dry. In the lower houses of the States the vote was 3,782 for, 1,035 against—78.5 per cent dry.

The amendment ultimately was adopted by all the States except Connecticut and Rhode Island. New Jersey ratified on March 10, 1922.

Several States, including New York, New Jersey, Rhode Island, Michigan, and Louisiana, have repealed their State dry enforcement acts.

WEBB-KENYON ACT INEFFECTIVE

If House Joint Resolution 480 had passed as proposed, any State not having a dry enforcement act could have saloons established in it immediately. The bootleggers of Texas would probably find it to be a very profitable business to get their liquors as far away from Texas as Baltimore, Md., Detroit, Mich., or Monroe, La. They would have no national boundary to cross; therefore, no search of their vehicles would be made. It would cost the taxpayers of Taxes millions of dollars a year to properly police her boundaries if saloons were permitted in one State in the United States.

It is contended that the Webb-Kenyon Act would protect the dry States. The Webb-Kenyon Act merely makes it a violation of the law for intoxicating liquors to be transported from a wet State into a dry State. The law would probably be obeyed by the railroads, express companies, and other common carriers but would be ignored by individuals desiring to violate the law. I remember when Texas was dry and there was a saloon in Monroe, La. Under the Webb-Kenyon Act the transportation companies would not transport intoxicating liquors into Texas from Louisiana; but individuals from Texas, in great numbers, when the roads were bad and the means of transportation not so convenient as to-day, would go there, obtain intoxicating liquors, and return to Texas with it.

RETURN OF SALOON PERMITTED

Most of the advocates of repeal have suggested that the return of the saloon should not be permitted in any State; that there should be regulated and restricted sale; for instance, a careful check would be kept of those purchasing intoxicating liquors; that they could get only a limited amount to carry to their homes, or to their hotel rooms, or that under no circumstances would any individual be allowed to purchase a sufficient amount to make it profitable for him to engage in the business of carrying it into dry States.

The resolution before us to-day did not reserve to the Federal Government the right to prohibit the return of the open saloon. If it had been adopted, and 36 States had ratified it, many States would have had unregulated and unrestricted sale of intoxicating liquors, which would have made conditions so unbearable in the dry States that considerable support would be gained for the proposal to repeal all dry laws in all States.

VIOLATION OF DEMOCRATIC PARTY'S PLATFORM

The Democratic Party platform provides:

We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

If the eighteenth amendment is repealed without reserving to the Federal Government the right to prohibit open saloons, the Federal Government will be powerless to effectively enable the States to protect themselves against the importation of intoxicating liquors.

Therefore, I did not vote for repeal of the eighteenth amendment, as proposed in House Joint Resolution 480, which did not have a provision putting into effect the foregoing specific demand of the Democratic national platform. I am opposed to unrestricted and unregulated sale of intoxicating liquors.

Mr. COOPER of Ohio. Mr. Speaker, both Republican and Democratic Party platforms contained specific pledges against the return of the saloon. The resolution considered to-day provides for "naked repeal" and promises nothing except the removal of the eighteenth amendment; makes no provision for constitutional guaranty that the Federal Government will not permit the return of the saloon and all the recognized evils connected with the same. While I pledged myself for resubmission of the eighteenth amendment, as provided for in the Republican Party platform, I can not support the resolution being considered by Congress to-day, as it does not contain the provisions in the plank of the Republican Party platform prohibiting the return of the saloon and protection to States that desire to remain dry.

Mr. PARKER of Georgia. Mr. Speaker, I consider that I was elected to fill the unexpired term of Congressman

Edwards in the Seventy-second Congress from a dry State, a dry district, and on a dry platform.

While I am pledged to support the Democratic Party's platform in the Seventy-third Congress of the United States, which is to be convened some time after March 4, 1933, I do not feel obligated to vote for a resolution even after March 4, 1933, that goes further than the delegates to the Democratic convention in Chicago went last summer. The prohibition plank in the party's platform reads as follows:

> We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal. We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.
>
> We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.
>
> Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution, and to provide therefrom a proper and needed revenue.

If the resolution that is offered in the House of Representatives to-day was consistent with this plank of our party's platform I would support it, even at this time, but I can not support the constitutional amendment offered to-day, since it has for its purpose the repeal of the eighteenth amendment and does not in any manner "actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States."

The resolution does not obligate the Federal Government to "effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws."

The methods adopted by those who have undertaken to pass this resolution through the House of Representatives are of a most drastic nature. All precedent in such matters is broken. A few Members of Congress are attempting to "ram down the throats of the representatives of the people of the United States" their own ideas without giving them a chance to be heard or the opportunity of offering amendments to the proposed legislation. Only 40 minutes are allowed for debate.

I am a strong believer in State rights, and unless my mind changes I shall never at any time vote for a measure that gives the Federal Government the authority to call a constitutional convention in the State of Georgia. This is a matter that should be handled within the State. If we should permit the Federal Government to call a constitutional convention in Georgia for the purpose of repealing the eighteenth amendment, a precedent would thereby be established whereby the Federal Government might later call a constitutional convention in Georgia to reduce the number of Georgia's Representatives in Congress because of the fact that we have effectively disfranchised the negro in our State. There are many Members of Congress who would gladly vote to abrogate our State laws on this subject if the opportunity was afforded them to do so.

In voting against the resolution offered in the House of Representatives to-day I believe I am voting in accordance with the principles of democracy and in the interest of the people of my State.

Mr. HOOPER. Mr. Speaker, I voted for House Joint Resolution 480, proposing a repeal of the eighteenth amendment, for the reason that I believe the people of the Nation have an absolute right to repeal, alter, or amend any constitutional provision if they so desire. But I wish to record my emphatic protest against the way in which this resolution was presented to the House.

The proceeding was marked by undue haste. The proposed repeal of a constitutional provision should be marked by at least reasonable deliberation. The vote took place after 40 minutes of talk; not debate, for the matter could not be debated in that time. No opportunity was given to the Members to offer a substitute providing for an amendment along the line of the Republican platform's declaration on this subject. Such a substitute would have carried, and would have had a much better chance of success when submitted to the country.

No method is provided in the resolution for the calling of the conventions mentioned in section 2, which seems to me a serious mistake.

The burden of the defeat of the resolution rests with those who, with unnecessary haste, brought it before Congress in this way. Although I felt it my duty to vote for it even in this form, and under these circumstances, I do not regret that it failed to pass.

Mr. YATES. Mr. Speaker, I am taking advantage of the opportunity afforded by the consent of the House to extend my remarks to put on record my reason for voting "no" on House Joint Resolution 480. I voted "no" because this repeal proposition means the return of the saloon, and the saloon is straight from the lower regions. I find no fault with any Member of the House or other person in regard to this matter, but I see nothing but evil in the proposition.

Mr. GLOVER. Mr. Speaker, I had hoped that when a resolution was introduced in this Congress it would be in proper form so as to protect the dry States and guarantee as our Democratic platform declared, that the question would be submitted to a purely representative convention called for the consideration of that question alone.

The wording of the resolution now submitted is as follows: "The eighteenth article of amendment is hereby repealed." Not a word or a syllable in it to protect any State that did not want liquor sold in it.

The last Democratic platform used this language:

> We demand that the Federal Government officiating exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

Both the Democratic platform and the Republican platform declared against the return of the open saloon. No one who can read and understand English language could doubt for a moment that the passage of this resolution in its present form would mean the return of saloons with all their evil influence.

If the question is to be submitted, it should be under a plan suggested by Senator GLASS or a similar plan that would protect States that are demanding protection. We have 2,700 hunger marchers now in Washington asking for bread.

It is well known to many Members of the House that a scheme is now on foot to have these conventions called by Congress, and all the regulations as to numbers of delegates, times and places of meetings, elections of such delegates, their qualifications, and so forth, prescribed by Congress. In other words, they propose for the Federal Government to usurp the functions of the State, just as was done to the Southern States during the dark days of reconstruction.

We have 13,000,000 people out of work and begging for work, with bread lines stretching down our cities, with people having their homes swept away for debt or confiscated for taxes, with men and women and children from the best of families of America forced to eat the bread of charity dampened by the bitter tears of humiliation. They are to-day crying to us for relief from their distress. Let us be men and deal with first things first, and relieve their distress.

Mr. BOYLAN. Mr. Speaker, we, the representatives of the people, have the opportunity by our votes to-day to start a movement that will put an end to the unholy alliance existing between many of the God-fearing people of this country and the bootleggers, highjackers, extortionists, and kidnapers.

The prohibition law never can be enforced. An attempt to make it a law of the land, after the lessons we have learned, is not an attempt to enforce the law, it is a wicked attempt to awe the American people, to tyrannize over a land that once was free, to destroy the resistance, the devotion, and the independence of a great nation with bullying and threatening, with blindness, imprisonment, and death. Calmly the young and innocent are included along with all others.

For more than 10 years millions of people have refused to be coerced by this fanatical law. More money has been spent in an effort to enforce it than all other Federal statutes. As many men and women have been sent to prison by our Federal courts for the violation of this statute as for all other offenses put together. More lives have been recklessly and wantonly taken in the mad effort to make the United States dry than the efforts in behalf of all the rest of the Criminal Code. This law has developed more sneaking, snooping, informing, spying, and entrapping than all the other acts of Congress. We have submitted to enormous taxation through these 12 years that the fanatics should have their way, and now after 12 years of a merciless crusade the protest against the bigotry that stands back of this legislation is stronger than ever before. This protest is growing so insistent that it threatens the peace and security of the country.

The prohibitionists care nothing about the nature of men, the theories of government, or the lessons of history. The true statesman knows that the law should be like clothes—made to fit the citizens that make up the State. He knows that when a protest is long and persistent the law should be repealed. The tyrant believes that if the laws do not fit the people, then the people must be bent to fit the laws and forced to obey.

The prohibition act in effect brands everyone who takes a drink as a criminal, as a felon. It does this in spite of the fact that the greatest men in the world have always taken intoxicating drinks. If we were to discard all the literature produced by men who drank, all the great classics would be consigned to flames; there would be no literature, no art, no music, no statesmanship if we relied on the prohibitionist for works of genius. Even if it were proven that the use of alcohol in moderation was harmful to the individual, that would furnish no excuse for sending men to jail for making it and selling it and drinking it.

Let us by our vote to-day start the machinery that will eventually strike from our sacred Constitution the iniquitous amendment that should never have been added to it. If we do this we will restore to the States of the Union the sovereign right that should never have been taken away from them. In following this course we will be doing nothing but our simple duty in view of the fact that the people of our country have, by direct mandate as expressed by their votes on November 8 last, instructed us to follow this course.

Mr. STULL. Mr. Speaker, the Constitution of the United States was ordained and established after protracted debate by a convention composed of representatives specially chosen by the people for that purpose. After deliberative action it was ratified by the several States. In like manner 19 amendments thereto have been proposed to the States and have been ratified. In no case, either as to the original document or its amendments, has there been hasty and precipitate action.

We are called upon to-day to pass on a proposed amendment to that Constitution. That duty devolves upon us almost immediately after the Speaker has appointed a committee on the part of the House to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make.

A resolution of such vital importance to the whole country as this one is introduced for speedy vote before this committee has had an opportunity to leave the Chamber, much less to reach the President with its communication. I presume the records in Congress may be searched in vain to find any precedent for this unusual procedure.

House Joint Resolution No. 480 is brought before the House almost at the opening hour of the first day of the session, without any report thereon by any committee, under suspension of the rules, without privilege of amendment, and with the debate thereon limited to 20 minutes on a side.

There is no precedent and certainly no necessity for such undue haste, and there can be no justification for the imposition of the gag rule upon the Members of the House in the consideration of this very important matter. Certainly, the question on the matter is not so pressing as to require its disposition within the first hour of the first day of the session.

The argument is made that we have had 12 years of debate on the question and that there is now no excuse for further delay. It is true that the eighteenth amendment has been a bone of contention ever since its adoption. Numerous suggestions have been made respecting its alteration or amendment. This resolution proposes an untried method of ratification by the States. Provision is made for this method in the Constitution, but in no case has it ever been used. All amendments heretofore ratified have been so approved by the legislatures of the several States. The question of the advisability of presenting the proposed amendment to conventions is at least debatable, and such debate should not be limited to the space of 40 minutes. This is particularly true in view of the suggestion that the Congress has power to define and provide for the machinery of these conventions. I take it that many Members would insist that the rights of the States to call and conduct its own convention in the manner and form prescribed by its legislature be guaranteed.

This is the first time in the history of the country that it is proposed to repeal an amendment by another amendment. This question, though possibly academic, is likewise debatable.

The method pursued by the proponents of this resolution smacks so much of an urgent desire to railroad it through the House without affording the Members an opportunity to properly consider and pass upon it that it merits defeat. Had the resolution been presented after reference to and hearing by the committee and report thereon and a reasonable opportunity afforded the Members to be heard on the merits of the proposition and with the privilege of amendment not denied, no criticism could be offered. So long as I am a Member of this House I do not propose to be stampeded under any exigency into casting my vote in favor of a measure that can not be fully and fairly considered and with the privilege of amendment absolutely denied. It is for these reasons that I shall cast my vote in the negative on this resolution.

Mr. LEAVITT. Mr. Speaker, the question before the House is, Shall the House suspend the rules and pass the following resolution without any opportunity of amendment and with only 40 minutes of debate?—

Joint resolution proposing an amendment to the Constitution to repeal the eighteenth amendment

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States.

ARTICLE —

SECTION 1. The eighteenth article of amendment is hereby repealed.

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in three-fourths of the several States within seven years from the date of its submission.

Under these circumstances I am prevented from speaking and can only extend my remarks in the RECORD.

Mr. Speaker, setting aside all other arguments for the time being, it is sufficient for me to say that I can not support this resolution without breaking my word given in the last campaign. I stated then that I would not oppose the submission of a proposed amendment to the Constitution to change the eighteenth amendment if it contained a guaranty against the return of the saloon and a provision to give protection to such States as should, by their own vote, desire to retain prohibition. But I also stated at the same time in my speech at the Montana Republican State convention that a proposal without such a guaranty against the saloon would have my opposition. This resolution is such a proposal, as that and I must, therefore, oppose it.

This is not only such a proposal, but the Speaker announces that I must vote for or against it just as he has prepared it without even one chance to offer or support an amendment which would enable me to carry out my campaign pledge. He has recognized the Democratic floor leader [Mr. RAINEY] to move to suspend the rules and pass this resolution proposing an amendment to the Constitution of the United States with no opportunity whatever for any Member to offer a single amendment, such as I wish to offer to carry out my campaign pledge. He has done this on the first day of the session as the first legislative business, even before we have notified the President that we are in session and ready for business. Such a thing has never before been done in the history of this country. The only way to rebuke such high-handed and roughneck procedure is to vote against this resolution.

It is argued that 40 minutes debate is enough because this question has been debated for years and was settled on the 8th of November. Prohibition has been debated for years, but the form of this proposed amendment to the Constitution has not been debated at all. It has not even been considered in the Committee on the Judiciary, which is charged with the responsibility of considering the form of any and every proposed constitutional amendment.

Of course, the Speaker has the arbitrary power on the first and third Mondays of every month to recognize any Member for a motion to suspend the rules and consider any matter without opportunity for amendment and with only 40 minutes debate. It always requires a two-thirds vote to carry such a proposal, even if it were not a proposed amendment to the Constitution. But it is not the purpose of that rule to enable the Speaker to crack the whip over the Members and deprive them of all opportunity to express themselves in conformity with their pledges to the people who have voted for them.

I wish now to recall the statement and pledge I made at the Montana State Republican convention on September 15 of this year. At that time I said:

In discussing the question of prohibition, I wish to make it plain first of all that I have not altered my personal views regarding the liquor traffic. I have always been and shall always remain consistently dry. Others have contrary personal views, which I recognize as being sincere, just as I am sure those who possess them will recognize the sincerity of my own. The Republican national platform recognizes that this wide divergence of personal judgment exists among the people generally and, in the belief that public opinion demands it, has incorporated a plank intended to allow that form of expression provided in the Constitution, to determine the present majority will of our citizenship.

In the Republican National Convention the issue arose as to whether such proposed amendment to the Constitution should be submitted to the States in a form to provide outright repeal of the eighteenth amendment, or in a form which, while retaining in the Federal Government power to preserve the gains already made in dealing with the evils inherent in the liquor traffic, should allow the States to deal with the problem as their citizens may determine, but subject always to the power of the Federal Government to protect those States where prohibition may exist, and safeguard our citizens everywhere from the return of the saloon and attendant abuses. That same issue arose later in the Democratic National Convention.

The Republican convention chose that form for submission which, while it would allow self-determination by the States, would definitely retain in the Constitution itself a guaranty against the return of the old saloon system and also a guaranty of protection to those States which shall choose prohibition. As chairman of the Montanan delegation to the Republican National Convention, I was privileged to cast the vote of our group for this safeguarded proposal, as opposed to the one which embodied outright repeal.

The Democratic National Convention later chose outright repeal. They acknowledged the evils of the old saloon system to exist, but they proposed to do nothing whatever to prevent their return except urge the enactment of such measures by the several States as would be intended to accomplish that end. They failed to guarantee any constitutional protection whatever for States desiring to retain prohibition. They only demanded that the Federal Government effectively exercise its power to enable the States to protect themselves. They would leave absolutely nothing in the Constitution itself to guarantee such protection, as does the Republican platform, but they would rely entirely, in so far as Federal assistance is concerned, on power now existing in laws of Congress. Those laws could be repealed or modified at any time. In view of the position publicly taken by so many of the candidates for both branches of Congress and by hold-over Senators of both parties that this troublesome question shall be again submitted, it seems inevitable that some form of proposal will be laid before the States. The form of that proposal is therefore of paramount importance. Congress can not of itself amend the Constitution, but it is the duty of Congress to determine the form of any amendment submitted for ratification or rejection by the States. Thirteen States can reject any proposed amendment, because three-fourths of the States are required to ratify it, but it is the first sacred obligation of the Congress to see that if any amendment is submitted it be in the best form possible. The Republican platform declares itself against a submission limited to the sole issue of retention or repeal. It favors an opportunity for the people to pass on a properly worded amendment which will in itself prevent the return of the old saloon system with its attendant abuses and which will guarantee the protection of States which wish to retain prohibition. Under these conditions the choice is inevitably the Republican position. The Democratic proposal would destroy the structure without even a valid suggestion of what would take its place. I stand on the Republican platform.

The Beck-Linthicum proposal to amend the eighteenth amendment, which I opposed in the last session by voting not to take it away from the Judiciary Committee, would meet my opposition again. It did not contain any guaranty against the return of the saloon. But I shall not oppose the submission of a proposed amendment conforming to the Republican platform by guaranteeing against the return of the saloon and providing definite protection of the States which retain prohibition.

I am not opposed to allowing the people to express themselves on the vital question of the eighteenth amendment, but I demand an opportunity to express myself here in keeping with my own definite pledge. If I am given such an opportunity I will carry out my further pledge and vote to submit this question to the people for their own determination. But I will not submit to being gagged and forced under the yoke so that I can not even cast one vote to carry out my pledge as to the form of this proposal. Let this measure come back here under the general rules of the House allowing debate and amendment, or let it come under a special rule allowing reasonable debate and only one amendment, and many of us will join in getting this question of prohibition before the people.

NOTE.—On the final vote the ayes were 272 and the nays 144. The resolution was lost since it lacked two-thirds.

Mr. WILLIAMSON. Mr. Speaker, why this precipitate action upon the resubmission of the eighteenth amendment? Why is the Judiciary Committee denied the right to consider the resolution? What is the reason for denying Members their undoubted constitutional right to discuss it on this floor? Why must the right to amend be cut off? There is no lack of time. The Democratic floor leader admits that nothing will be ready for consideration for several days. Then why not give us a chance to thrash out the form that the resolution should take?

There appears to be but one reason and that is an attempt by the Speaker to jam down our throats an amendment which will not only make it possible to bring back the open saloon but which all honest men know will positively assure its return. Both the Republican and Democratic platforms condemned the saloon and assured the country that it should never return. Is this to be another case of "He kept us out of war"? If so, it will be followed by a reaction equally disastrous. The vicious lawlessness of the saloon was its own undoing. The folly should not be repeated. Flushed with what they contend is an out-and-out wet victory at the polls—though that question was little discussed or considered in the campaign—the wets now seek to accomplish in one fell swoop the very thing which led to their own undoing when the eighteenth amendment was adopted.

I carry no mandate from my people to vote for the return of the open saloon. I do not believe they are for it—certainly, they did not vote for it at the last election. Can anyone doubt that a majority of this body would much prefer to submit the proposed repeal of the eighteenth amendment with some safeguards for those States that may choose to remain dry? Then why should the majority be denied a chance to deal with the problem in a sane and sensible way by the arbitrary act of the Speaker?

The proposed resubmission of the eighteenth amendment is of profound importance to the whole country. Its moral

consequences are so great that no political considerations will permit me to deal with it contrary to my best judgment. It involves the welfare of every man, woman, and child in the Nation. It may well be that constitutional prohibition is not the best solution, but I am confident that the people of my State do not expect or want me to vote for a proposition which will give them no protection whatever in case they should elect to retain their present State prohibition law.

The whole question is highly controversial, and the least that should be required is that the Committee on the Judiciary be permitted to take testimony, study the whole problem, and then bring in such a resolution as appears to them to carry out the wishes of the people and in the drafting of which some consideration has been given to party promises. This resolution is in strict conformity with the demand of the brewers, whose viewpoint is not entitled to the slightest consideration. The only thing they are interested in is profits. The people are not interested in their profits, but in the best method of dealing with the problem, and the brewers will do well if they pay some heed to the wishes of the people. Let us have a repeal resolution, such as the people have a right to expect and such as will have some regard for the welfare of the people of the States that may choose to remain dry. This is fair and in line with party promises. No one in my State who has been a candidate for public office has dared advocate the open saloon and none has been elected upon that kind of a platform.

Then, too, why should our State legislatures be deprived of the right to pass upon the amendment? Do they not represent fairly the views of their constituencies? Is there anything peculiar in this amendment which should make it inadvisable to use the only method which has ever been used in amending the Constitution? Why State conventions? Why the extra expense? Who is going to determine the basis of representation? How are the delegates to be chosen? What election machinery is to be used? What laws are to control in preventing fraud and in getting an honest expression of opinion? If called by Congress, who is going to set up the machinery of election—who will pay the expense? Congress has no authority to impose a tax and burden upon the States. If the conventions are to be called by Congress, Congress must perforce set up the whole machinery of election, pass a code of laws to make such machinery effective, and pay the expense.

If State legislatures are to provide the ways and means of holding the conventions, then why not let the legislature deal with the matter directly? This would remove uncertainty, add no expense, and permit the people to express themselves quite as effectively as by conventions and prevent the whole country from being torn up by a extra election, which would undoubtedly develop into one of the most bitter fights this country has ever experienced. What was good enough for the adoption of the amendment should be good enough for its rejection, if that is the will of the people.

Mr. CASTELLOW. Mr. Speaker, I have always advocated temperance, and to that end have voted consistently for prohibition; however, I am a Democrat and, having been elected to Congress on the platform of the party, I feel that, regardless of personal views, I am bound by its pledges.

The American people have emphatically expressed a desire for at least the opportunity of declaring themselves anew upon this subject. The resolution submitted seems to be a practical method by which that result may be accomplished. As for my State and district, I believe the sentiment is against repeal, and as a local question will preponderate in favor of prohibition. Yet, being essentially Democratic, we do not desire to impose our views upon the citizens of other States against their wishes, for to us the doctrine of State rights is a sacred heritage. It is our observation that a law locally unpopular can not be enforced and that an unenforced law is productive of more evil than good. Not only that, we find in our platform balm for the prohibitionists, for it solemnly pledges the support of the Federal Government in aid of the States desiring prohibition and definitely commits us as being opposed to the return of the saloon. That our party would prove traitor to any of these pledges, so emphatically expressed, is to me unthinkable. Therefore, with implicit confidence that our great party, coming so soon into absolute control, will fulfill to the letter every promise made, I cast my vote for the resolution.

Mr. HORR. Mr. Speaker, I voted for House Joint Resolution 480, presented by Mr. RAINEY, proposing an amendment to the Constitution to repeal the eighteenth amendment, conscious of the fact that the resolution did not embody all that I believe should have been incorporated therein. Protection should have been provided for States that desire to remain dry and provision should have been made against the return of the saloon.

However, we must realize that these defects could and would have been corrected when the resolution reached the Senate. It is common knowledge that the Senate would have added provisions insuring dry States the right to remain dry and providing against the return of the saloon.

Those who made use of these objections were aware of these facts, and many who voted against the resolution used this technical objection simply in order to vote against repeal of the eighteenth amendment. Such a reason for opposing the resolution is not a valid reason. With very few exceptions, those who opposed this resolution would have opposed any resolution for repeal. Had this excuse been absent, another would have been found. I hope the country will label those who supported the resolution as being honestly in favor of repeal and those who voted against as favoring retention of prohibition.

Complaint is registered by Members that sufficient time is not allowed for debate on so important a question. This is another invalid excuse. During the past session of this Congress, hours have been given to debate—in fact prohibition has been debated for the past 12 years. If there is a Member of the House who is not conversant with every phase of the liquor question, he must be deaf, dumb, and blind. Such a reason for opposing this resolution is ludicrous.

The statement that the adoption of the resolution means the return of the saloon is not true, unless the people in the several States desire its reestablishment. Repeal of the eighteenth amendment does not take away from the States the power to regulate or prohibit the liquor traffic. It merely gives the States and their people the right to self-determination, without prohibition by the Federal Government.

As regards interstate liquor traffic, the Federal Government can and will protect dry States. This is a Federal power, and no one opposing the eighteenth amendment has ever, to my knowledge, expressed a desire to refuse this protection. The Federal laws now in effect prove the contrary. After repeal of the eighteenth amendment any State can prohibit liquor traffic if the people of that State so desire, and each State by its own laws can through local option regulate or prohibit in smaller areas.

The drys have not in the past or at this time desired to be fair. Always the cry is raised that any interference with the liquor laws means a return of the saloon. They realize that the saloon is repugnant to all right-minded people. I do not know a respectable wet who for one moment would countenance the saloon. Any State legislature or any county or city government can prohibit the saloon, as the drys must know. Yet to stimulate opposition from the motherhood and fatherhood of the Nation the paid apostles of prohibition deceitfully cry, "Return of the saloon!"

The argument is advanced that if we repeal the eighteenth amendment the Government would retain no safeguards insuring dry States from being overwhelmed with liquor brought across the borders. Under interstate commerce laws the Federal Government could prohibit such traffic into dry States. Some liquor of course would escape the vigilance of the officials, it is true; but certainly no greater amount than to-day is coming over the Canadian border, through our coast line, and over the Mexican boundary.

Under any condition, be it State or Federal prohibition, violations of law will occur. Those who want liquor will get it, law or no law.

Take away "the return of the saloon" argument and what remains? Do our friends of the eighteenth amendment argue that prohibition has been a success? None but the fanatics will resort to such a statement.

Those opposing repeal of the eighteenth amendment have quoted from the Wickersham report in support of retention of prohibition. Just where the proponents of prohibition find any solace in this report is beyond my comprehension. The facts found by the commission are more pertinent than the conclusions of the commission. The commission found an utter disregard for the law. On page 21 of the report the following appears:

There is a mass of information before us as to a general prevalence of drinking in homes, in clubs, and in hotels; of drinking parties given and attended by persons of high standing and respectability; of drinking by tourists at winter and summer resorts; and of drinking in connection with public dinners and at conventions. * * *

This is true likewise with respect to drinking by women and drinking by youths, as to which also there is a great mass of evidence. * * *

It is evident that, taking the country as a whole, people of wealth, business men and professional men, and their families, and, perhaps, the higher paid workingmen and their families, are drinking in large numbers in quite frank disregard of the declared policy of the national prohibition act. * * *

Votes in colleges show an attitude of hostility to or contempt for the law on the part of those who are not unlikely to be leaders in the next generation. * * *

Upon the whole, however, they indicate that after a brief period in the first years of the amendment there has been a steady increase in drinking.

To the serious effects of this attitude of disregard of the declared policy of the national prohibition act must be added the bad effect on children and employees of what they see constantly in the conduct of otherwise law-abiding persons.

Even the home has been invaded, and the place of manufacture has been transferred from the brewery and distillery to the home, assisted by the Government itself through appropriations made available to the wine growers and manufacturers of grape concentrate. In support of this statement may I refer you to page 33 of the report, which reads as follows:

Prepared materials for the purpose of easy home wine making are now manufactured on a large scale with Federal aid. * * *

Home distilling has gone on from the inception of prohibition and in some localities has at one time or another reached large proportions.

Under such conditions can we even wonder that the youth of the land has felt the ravages of this law? During saloon days we did not find the fraternity houses at universities padlocked by enforcement officers, as was done at the University of Michigan.

When, during the days of saloon ascendancy, was the still a part of fraternity-house equipment, as was found at the University of Virginia? When before was drinking indulged in so freely at high-school and university parties, everywhere in the country of prohibition? Every community in the land has felt the penalty which youth has paid for the conditions produced in the main by this attempt at prohibition. The toll exacted has been no respecter of sex, and the young girls as well as the boys now are our chief concern.

My own observations may be faulty, but surely Dean Earl J. Miller, of the University of California, must have had something substantial upon which to base his statement that "it was impossible to enforce prohibition among college men." President John Grier Hibben, of Princeton University, who favors repeal, certainly had an opportunity to observe the effects of prohibition on college youth. Many educators have taken like positions.

Industry, agriculture, and labor recognize the failure of the prohibition amendment, as is evidenced by statements from Samuel M. Vauclain, chairman of the board of the Baldwin Locomotive Works; Alfred Sloan, head of General Motors; William Green, president of the American Federation of Labor; James A. Simpson, president of the National Farmers' Union, and many, many others of like standing.

Surely the charge that only the distiller and brewer and those interested in the liquor industry alone support repeal of the eighteenth amendment must fall. John D. Rockefeller, jr., who with his father gave over a third of a million dollars to the Anti-Saloon League to assist in the prohibition movement, can not be so classified since his recent conversion to the repeal viewpoint.

These people and millions of others in this country recognize that prohibition can not be enforced. Officials may close one speakeasy or arrest a violator, but the law is not and can not be enforced. The Wickersham Commission in its report, on page 37, coins this phrase, and I quote:

Destruction of alley breweries and padlocking of beer flats and speakeasies have little effect. They give an appearance of enforcement without the reality.

Speakeasies, blind pigs, and blind tigers existed also before national prohibition, wherever local option or state-wide prohibition, or State liquor laws, unacceptable to a local population, gave an opening. But these also were quite different things from the speakeasy in the city of to-day. * * * The number closed each year by prosecution or injunction is large. But the number does not decrease on that account.

Has prohibition prohibited? The answer is found in Mr. Rockefeller's statement to the country, and I quote him verbatim:

Drinking generally was increased. The speak-easy has replaced the saloon, not only unit for unit but probably twofold, if not threefold.

Is not this an indictment of the so-called prohibition movement?

Youth was banned by law from entering the saloon, and this prohibition was almost everywhere observed. The speakeasy caters to youth; and where it was an exception to find young girls in a saloon, the speakeasy could not thrive without them. Can anyone, however fanatical in his belief, truthfully say that the saloon, as bad as it was, is comparable to the speakeasy of to-day as a source of immorality. Was it a practice then, unless she was of the fallen-woman type, to find a girl in places where liquor was dispensed?

In addition to debasing mankind, what has been the cost of prohibition in dollars and cents? The figures submitted to the Bingham committee of the Senate show that in loss of revenue to the Government, States, and municipalities; loss to labor; through enforcement and penal costs, and so forth, covering the entire period of prohibition existence, amount to the astounding figure of over $27,000,000,000. This is more than the World War cost us.

Members are receiving postal cards bearing the legend:

It is bread we need before Christmas, not beer—the same nickel can not buy bread and beer.

True, the same nickel can not buy beer and bread, but the thought occurs, how many loaves of bread could be bought for the millions wasted in the attempted enforcement of prohibition! If the Government would use those millions for relief, rather than in reckless and extravagant attempts to accomplish so little, except the stimulation of crime and immorality, we would be better off.

Complaint can not be registered that the Government has not been generous in doling money for enforcement purposes. The late Wayne B. Wheeler, former superintendent of the Anti-Saloon League, stated in 1920 that $5,000,000 would be ample to enforce the prohibition law. Yet $10,000,000 appropriated last year was declared by drys as insufficient; yet that sum was cheerfully voted for the useless cause.

Money costs should not be considered if the results promised could be attained. What have we to show for these huge expenditures? Let us consider the results. L. J. Forrester, research expert for the Wickersham Commission, said in his report to the commission:

Estimated number of speakeasies is three times the number of saloons before prohibition.

Has drunkenness been decreased? The Metropolitan Life Insurance Co. reports that—

the 1929 alcoholism death rate is nearly six times as high as that of 1920, the first year of national prohibition.

Has the liquor supply been decreased? The Federal Prohibition Bureau during the year 1930 seized over 39,000,000 gallons of spirits, wines, and malt liquors, 700 per cent more than in the first year of prohibition.

Has crime been reduced? Never has the country faced such a crime wave. The term "racketeer" found its birth during this era of attempted enforcement. The Wickersham report shows that over $12,000,000,000 has gone into the hands of these violators, with loss of life by murder utterly appalling.

In answer to the promise of the advocates of prohibition that our jails would be emptied, we find the penal institutions crowded to overcapacity and the necessity for more jail facilities a dangerous reality. Our Federal courts have been turned into tribunals similar to police courts. The United States marshal, who formerly was respected, has now become a snooper and petty busybody.

Even the United States Government has entered the liquor business through the back door, when the recent tax bill assessed a tax on grape concentrate, from which wine is made; on wort, from which beer is produced; and on malt, the essence of home-brew.

Surely to one who has taken the time to investigate can sincerely favor the present prohibition law. Political expediency should not be the ruling motive of the legislator. Fanaticism should not rule or ignorance of conditions govern. True temperance has received its greatest setback through the passage of the eighteenth amendment and its enforcement laws. In my opinion, sanity will not prevail until their repeal.

My State of Washington has given its answer to prohibition. The issue was clear-cut, and in the recent election the people of that Commonwealth voted by an overwhelming majority to repeal its bone dry law. My home city of Seattle repealed the dry ordinance.

When we consider that the State of Washington voted liquor illegal, so that even a doctor could not prescribe intoxicating liquor in any form, even before the advent of national prohibition; when it is recalled that under Washington State law our people could not manufacture sacramental wine or industrial alcohol, even though the Government permitted such to be distributed, you must realize that the people of the State of Washington are tired of the noble experiment.

The results of the recent elections should be ample proof that the people of the Nation have spoken in no uncertain terms against the continuance of these laws. Other causes, it is true, contributed to Republican defeat. However, at both national conventions the issue most debated was the liquor plank.

In this session of Congress the first measure to be submitted for vote was this repeal resolution. It seems strange, indeed, that such priority should be given an issue unless the country was intensely interested in the outcome.

I regret the failure of some of my colleagues to heed the mandate of the people so clearly expressed. The noble experiment has failed and it is but a matter of time until the will of the people will be carried out.

Mr. McSWAIN. Mr. Speaker, the control of the liquor traffic seems to be a never-ending problem. It is a practical question, and those who favor one method of control should not denounce as enemies to temperance those who favor another method of control.

Under our American division of governmental power between the Federal Government and the State governments those powers relating to the intimate affairs of life, ordinarily called the police powers, were left to the States. Under that division the various State governments for nearly 130 years were perfectly free to enact legislation regulating in any manner they saw fit the manufacture, sale, and transportation of alcoholic beverages.

Then agitation was raised calling upon the States to exercise their power to amend the Federal Constitution by giving the Federal Government coordinate authority with the States in regulating and prohibiting the manufacture, sale, and transportation of intoxicating beverages. This amendment, having been ratified by more than 36 States, became known as the eighteenth amendment, and pursuant to its powers the so-called Volstead Act of Congress was passed prohibiting the sale, manufacture, and transportation of intoxicating beverages containing more than one-half of 1 per cent of alcohol.

A few years ago an agitation was commenced looking to the repeal of the eighteenth amendment on the ground that the exercise of Federal power relating to intoxicating beverages was not conducive to true temperance and brings on the evils of racketeering and lawlessness, of corruption and bribery, with the attendant evil of bringing all laws into disrespect.

In stating these arguments I am not expressing any personal opinion or bias or feeling, but looking at the question solely as a fair and impartial public officer. I know of several judges who entered upon the discharge of their duties many years ago with full confidence in the effectiveness of these prohibition laws as promoters of true temperance. But these same judges have changed their minds upon this subject in view of their actual experiences in the courts of the land. Undoubtedly when the Federal Government entered into the field of seeking to enforce prohibition laws activity along that line in the State courts was abated, and in some States and in some sections prosecutions in the State courts for violating State statutes prohibiting the manufacture, sale, and transportation of intoxicating beverages are now almost unknown.

So the question began to form itself in the minds of patriotic and law-abiding citizens, men and women who are true friends of temperance, citizens who have absolutely no sympathy with or for moonshiners, bootleggers, and blind tigers, as to whether the entry of the Federal Government into the field of prohibition has not in fact actually retarded and diminished effective and effectual prohibition, and to that extent whether or not it has actually hurt the cause of true temperance and the cause of true law enforcement.

In consequence of this widespread sentiment both the Democratic convention and the Republican convention of 1932 expressed dissatisfaction with existing conditions. The men and women who composed these conventions were patriotic citizens. The Democratic platform binds the Democratic Party to seek the outright and unconditional repeal of the eighteenth amendment, but calls upon the party within the States to prevent the return within such States of barrooms and saloons. The Republican Party platform binds the Republican Party to submit the question of repealing the eighteenth amendment to the several States of the Union, with a proviso that any repealing amendment shall preserve to the Federal Government the power to prevent saloons and barrooms in any State and the power to make effective any State regulatory laws. But in essence and in substance both party platforms express discontent and dissatisfaction with the existing conditions. Both platforms favor a referendum to the people, who are the soverign voice in all governmental matters.

Therefore, we need not be surprised that on the first day of this present session of Congress, a motion is made to suspend the rules, and to pass a joint resolution, proposing to submit to the States an amendment to the Federal Constitution, repealing the eighteenth amendment. Upon this motion 168 Democrats voted in its favor, and 103 Republicans voted in its favor. But, as the Constitution requires any such proposal to carry by a two-thirds vote of the entire House, the motion was defeated by a narrow margin, and it is not likely that the motion will come up again at the present session of Congress. Many of those who voted against the motion to-day, to suspend the rules, predicated their votes of opposition upon other grounds than opposition to the merits of the question. In other words, many of them said that they would vote, under proper conditions, for a resolution proposing to the States a repeal or modification of the eighteenth amendment. But they stated that they would not so vote, at this time, on a motion to suspend the rules. They insist that the resolution should have been submitted to the Committee on Judiciary, which would have considered the same carefully, after a full hearing, and that the committee should then have reported upon the resolution, reserving to itself the right of proposing amendments to the resolution, and then the whole question should have

been brought before the House in the usual and ordinary manner, with ample time to debate, and with an opportunity for members at least to offer amendments expressing their individual viewpoints.

I voted for the resolution because I feel bound by the pledge which I signed as a Democratic candidate for Congress in South Carolina to support the Democratic platform. In South Carolina there is a rule more stringent and strict than in any other State. It requires Democratic candidates for Congress to sign a pledge, binding them not only to abide by the rules of the party in South Carolina but to support and defend the principles and policies of the Democratic Party and to act in conjunction with their Democratic colleagues in Congress in supporting and defending said policies and principles. Undoubtedly the Democratic platform is a clear-cut pledge by the party as a whole to support the repeal of the eighteenth amendment. Having signed the pledge above stated, in South Carolina, and having been chosen as the Democratic nominee of the party, and having been elected as a Democrat, I could not see my way clear to vote in any other way than for the resolution offered by the Democratic floor leader, Mr. RAINEY, of Illinois.

This vote by myself in favor of submitting to the people of the Nation, acting within the several States, the question of whether or not they wish the eighteenth amendment repealed, must not be construed by anyone as an expression of my favoring the liquor traffic in any way whatsoever. I am a dry of the strictest sect. I do not use alcoholic beverages of any kind. In fact, I do not use any such stimulants as tea, coffee, or tobacco. This is not a matter of conscience, but a matter of health and happiness. I would not dare propose a law to prohibit the manufacture, sale, and transportation of coffee and tobacco. Their use is the right of every adult American citizen. Of course, I know that alcoholic beverages are in a class by themselves, and have been treated in practically every civilized country in the world as a subject proper for legal regulation. But in America the practical question is whether or not that regulation shall be by the Federal Government in conjunction with the State governments, or by the State governments alone. The Democratic Party says that the exercise of this police power should be remitted and remanded to the States exclusively.

There is something in human nature that seems to encourage all of us to throw responsibility upon some one else's shoulders. Adam, in the Garden of Eden, sought to excuse himself by saying that the woman had tempted him to eat of the forbidden fruit. So the people of the States have relaxed their efforts to enforce their State laws against the illegal traffic of liquor and have almost abandoned prosecutions under such laws in the State courts, and have thrown all the responsibility and all the expense upon the shoulders of the Federal Government. Since all Federal law agents, from judges and district attorneys down to raiding deputies and prohibition officers, are appointed and not elected, and are necessarily appointed partly upon political considerations, it is impossible to expect from them that wholehearted and single-minded determination to enforce the antiliquor laws as we do expect by State officers, where constables, magistrates, sheriffs, judges, solicitors, attorneys general, and the governors are elected by the people for fixed periods of time. I can remember very well when governors and sheriffs and solicitors made their campaigns upon the platforms of law enforcement. When they were elected upon such platforms they had the support of the people. Furthermore, the people feel closer to their State governments than they do to their Federal Government. The people feel a duty to volunteer to assist in the enforcement of State laws. They feel directly the burden of taxation when a large number of law-enforcement officers are employed by a State. The people are willing to take out warrants and to testify in court and to serve as jurors in State courts when other citizens are charged with violating State laws against the manufacture and sale of liquor.

Therefore I feel as one who stands where I have always stood—in favor of the fair and impartial enforcement of all laws—that if there was no chance to "pass the buck" to Uncle Sam, if the Federal Government had no jurisdiction in the control of whisky, and if this responsibility rested solely upon the States, then the enforcement would be more effectual, and temperance would thereby be promoted, and the respect for law would thereby be maintained. This is my sincere opinion. Others do differ from me, and I accord to them the same privilege of opinion that I expect them to accord to me. They are good citizens, and I hope they will class me as such. All my life I have been carefully studying our system of government, in the light of our history, and have arrived at certain convictions concerning the wisdom of the division of authority between the State governments and the Federal Government.

But, Mr. Speaker, I have been amazed to learn that it has been suggested, in connection with this proposed amendment to the eighteenth amendment, by either repeal or modification, that the Congress has the power to call conventions within the States and to fix the time and place of their meeting, and to determine who shall have the right to vote for delegates to such conventions, and to pay the expenses of such conventions. I have read very carefully and reviewed the brief upon that subject, prepared by the Hon. A. Mitchell Palmer, former Attorney General of the United States, and I regard it the most un-Democratic and un-American proposition that has been advanced in this Nation since the days of reconstruction.

I am wondering what Thomas Jefferson would say if he could read that brief, and see there what seems to be a serious argument in support of the proposition that the States have no power to call conventions to consider the ratification of any amendment to the Federal Constitution. I think I not only know what Andrew Jackson would think and feel about this proposition but I can very fairly imagine what he would say in expressing his indignation and disgust.

The first proposition in Mr. Palmer's line of reasoning is that the States, as States, have neither specific nor implied power to do anything in connection with amendments to the Federal Constitution. He derives this conclusion from the statements of the Supreme Court that the ratification by States legislatures is a Federal function, in pursuance of the Federal Constitution, and that therefore the States themselves have no legal relationship whatsoever to the matter of ratification.

The next proposition which he advances is that the act of ratification is not a legislative act, and that therefore is no proper function of a legislature, but that the several State legislatures are mere Federal agencies to perform a Federal function.

It is true that ratifying, or refusing to ratify a proposed amendment to the Federal Constitution is not an act of legislation, but it certainly is an act of the legislature. It is an act of Constitution making. It is an act of the highest governmental function. It is true that the several State constitutions can not amend the Federal Constitution by requiring that some act of ratification by a State legislature shall be submitted to a referendum within the States. Such an act would be a virtual amendment by a single State of Article V of the Constitution.

The next proposition in the line of reasoning by Mr. Palmer is that the States, as States, in their sovereign capacity, have no influence or control whatsoever over the matter of ratification. This proposition ignores entirely the history preceding the formation of the Constitution and concurrent with the formation of the Constitution. When the members of the Constitutional Convention sitting in Philadelphia used the word "convention," they understood it to mean the kind of conventions that they knew. The members of that Constitutional Convention were entirely familiar with conventions in the States. Each of the several States had had several conventions prior to 1787. There had been conventions for the purpose of declaring independence and of sending delegates to a Continental Congress. There had been conventions to set up State governments, and in some States these State governments had been modified by other conventions. Conventions had

been called to send the delegates to the Constitutional Convention of 1787, and they owed their very official life to conventions within the States. I feel that it could be stated with complete confidence that not a member of the Constitutional Convention ever thought that the Federal Government, by act of Congress, could call conventions within the several States. The people of all the States have had conventions for various purposes since the formation of the Federal Government, and no one has ever thought of suggesting, prior to this time, that the Federal Government might call a convention of the sovereign people of a State, and stipulate the qualifications of the delegates, and fix the qualifications for electors, and fix the time and place of meeting, and to fix and to pay the compensation for the members and the other expenses of the delegates. To admit of such proposition would be to admit the final destruction of the last vestige of States' rights. To talk about sovereign States, and yet say that the Federal Government could call a convention within such sovereign States, and tell the people of the sovereign States who could vote, and where they could vote, and for what classes of delegates they might vote, and where the delegates should assemble, and within what time they should act, would be to assert that States' sovereignty is a hollow mockery.

The next step in the chain of reasoning by Mr. Palmer is very simple to him. Having established, to his satisfaction, that the States, as such, have no power whatsoever to call conventions to consider the ratification of amendments to the Federal Constitution, he proceeds to lay down the proposition that since the existence of such conventions is recognized by the Federal Constitution, and since the States can not call such conventions, then that power must rest in the Federal Government, and therefore must rest in the Congress, which has the residuary power of the Federal Government. It is the Congress which makes all laws necessary and proper for carrying into effect any and all powers vested in the Federal Government. But the reasoning of Mr. Palmer is a complete non sequitur. In his zeal for hasty consideration of the proposal to amend or repeal the eighteenth amendment he has rushed to a conclusion whereby the Federal Government might hurry the people in their supreme Constitution-making power. Mr. Palmer says that a great emergency confronts the Nation, in that it is operating constantly upon a deficiency; and believing that great revenues can be derived from taxes imposed upon the legal sale of alcoholic beverages, he concludes that such emergency justifies a radical and fundamental departure from the fixed landmarks of the Constitution. The people do confront an emergency, but it is of another nature from that depicted by Mr. Palmer. We confront an economic and financial crisis. The people of the Nation are unable to pay the interest on their debts and the taxes on their property. Commodity prices are so low and so many millions are unemployed and the wages of those who are employed are so low that it is impossible for the people to discharge their obligations. What the Congress ought to do is not to violate the Constitution by calling conventions within the States to consider the repeal of the eighteenth amendment, but to exercise its constitutional power to coin money and to fix the value thereof by issuing a sufficient amount of money, through the Federal reserve system, to raise commodity prices and to give the people a chance to pay their debts.

The methods that have been employed by the present administration, through the Reconstruction Finance Corporation, and other agencies, have all tended to make the situation really worse. They have tended to enhance the relative value of the dollar, and consequently to depreciate the relative value of the commodity. That is the crisis before the American people, and unless that crisis is met in an unselfish and patriotic spirit, the people will have no spare change to buy beer and booze, and consequently beer and booze will not yield revenue.

Now the complete answer to all this argument by Mr. Palmer is that under the Constitution of the United States—Article V—in the act of ratifying proposed amendments to the Federal Constitution, the State legislatures and conventions in the States are co-equal and coordinate classes. Each is a State agency, in the performance of a function with reference to the Federal Government. But the mere fact that the function of ratifying, or refusing to ratify an amendment, has reference to the Federal Government, does not constitute either the State legislature or the State convention a Federal creature. Surely it would not be argued that any act of Congress, or other Federal body, could call a State legislature into existence for the purpose of considering the ratification of an amendment.

Mr. Palmer is distressed because of the possible delay in the repeal of the eighteenth amendment, if it be left to the States to call conventions to consider the proposition. If the platforms had recommended that ratification be left to the State legislatures, and if Congress were to pass a resolution proposing the repeal of the eighteenth amendment, and submitting the same to the legislatures of the several States for ratification, surely Mr. Palmer would admit that there is no way of hurrying the State legislatures. Some State legislatures meet only every two years.

A State constitution would be entirely competent to stipulate that its State legislature should meet only once in 5 years or 10 years. In such case surely Mr. Palmer would not argue that any act of the Federal Government could call a special session of a State legislature to consider the ratification of an amendment. In fact, even if a State legislature meets, there is no way of forcing upon the members of that body the consideration of the question of ratifying or refusing to ratify an amendment to the Federal Constitution. If no member of the State legislature is sufficiently interested in the proposed ratification to press it for consideration, and if the majority of the members do not want to consider it, then it remains unconsidered, and no Federal act could hasten or compel consideration. In such case the failure to act is a virtual refusal to ratify. In such case enaction is negation.

So, in like manner, with reference to conventions in the several States. The makers of the Federal Constitution knew how State conventions would have to be called. They knew that the people in the States could not rise in a voluntary movement and assemble, either in person or by delegates, at some point in the State and call themselves the sovereign convention of the sovereign people. The framers of the Federal Constitution knew that the State legislatures would have to call conventions. In like manner, the framers of the Democratic platform and of the Republican platform knew that the State legislatures would have to call conventions. This proposition about calling conventions in the States originated in the brains of those who desire delay in ratifying proposed amendments to the Federal Constitution. It has taken several forms. Some have said that the Federal Constitution itself should be amended to provide that no State legislature should act in considering the ratification of a proposed amendment to the Federal Constitution, unless at least the more numerous body of such State legislature shall have been elected by the people at an election subsequent to the submission of the proposed amendment. The purpose of that was to insure that the question of ratifying an amendment to the Federal Constitution shall have had an opportunity to be an issue before the people in the election of the members of at least one body of the State legislature. That proposal was to put the brakes on any amendment. It was to slow up reform. It was to check progress.

And now comes Mr. Palmer in an elaborate brief, contending, with apparent seriousness, that the convention method was adopted in the interest of expedition and haste. He seriously proposes that the people of the whole Nation, through conventions called by the Federal Government in each of the 48 States, may consider and ratify, or refuse to ratify, the repeal of the eighteenth amendment within four months from the date of the passage by Congress of an appropriate resolution to that effect. I say, with all moderation, that this proposal is the most radical and unprecedented suggestion that has been made since the days of

reconstruction, for breaking down the doctrine of States' rights.

I remind Mr. Palmer that I voted on December 5, 1932, to propose to the people of the Nation, by conventions called in the sovereign States to consider the matter of repealing the eighteenth amendment. But I did so knowing that such a method of consideration would insure deliberation, and would involve delay. I knew that the State legislatures would have to call conventions, if any were called. I knew that some State legislatures will refuse to call conventions because a majority of the members of the State legislatures might be opposed to the repeal of the eighteenth amendment. I also knew that many State legislatures, for economic and financial reasons, would refuse to impose upon their several States the financial burden of a convention during this time of stress.

Another reason for my vote was to restore to the States that part of the police power which was denied to them by the enactment of the eighteenth amendment. To that extent, the eighteenth amendment cut down the sovereignty of the people of the States. As stated elsewhere in these remarks by myself, when the eighteenth amendment cut down the power of the people to a limited extent, it also, in a greater degree, cut down their sense of responsibility for the enforcement of the laws against the illegal sale and manufacture of intoxicating beverages.

As one who was reared in an atmosphere of intense States' rights, I feel that to restore to the people of the State the sole and absolute responsibility for the control of the liquor traffic would be in the interest of temperance, and in the interest of law enforcement, and therefore for the promotion of the public good of all the people of the Nation. Standing as I do for States' rights, I must repudiate the proposal by Mr. Palmer to destroy, by one fell blow, the sovereignty of the States, by suggesting that the Federal Government itself call the people of the States to assemble in convention, and to fix the times and places thereof, and to fix the qualifications for the voters, and the number of delegates, and to fix the power of the delegates, and to furnish the money to pay them. I refuse to look both ways at the same time. I refuse to vote to restore police power to the people of the State, and at the same time to destroy the State itself. I propose to strengthen the State, and to sustain the sovereignty of the State by returning to the State that police power which they exercised with wisdom and energy for about 130 years, and to preserve, inviolate, the dignity of the State, by repudiating even the suggestion that the Federal Government has any power whatsoever to call a convention of the people within a State.

Mr. Palmer's whole argument proceeds upon the theory that since the Federal Constitution contemplates amendment, and since the States can not themselves regulate or prescribe the manner of ratifying amendments, and since swift and speedy amendments may ofttimes be desirable, that therefore the power to control ratification, by either the State legislatures, or by conventions in the States, must reside in the Federal Government. If Mr. Palmer's view should prevail, and if it should ever come to pass that the Federal Government could do what he suggests it can do, and if the Federal Government should ever exercise that power to call conventions within the States, then the next and inevitable step would be to contend and to hold that the Federal Government could control the action of the State legislatures in connection with the ratification of amendments to the Federal Constitution.

If it suited the convenience of Congress at some future time to adopt the manner of ratification by State legislatures, then it would with equal reasoning be argued and held that the Congress, by resolution, could fix the time and place for the State legislatures to meet, and specify the time within which they should act on the question of ratification. This second step would be no more radical than the step now proposed by Mr. Palmer. Undoubtedly, under Article V of the Federal Constitution, State legislatures and State conventions are upon a parity. They are absolutely equal in their respective independence of Federal control. The fundamental trouble with Mr. Palmer's reasoning is that he forgets that people within the States must be credited with patriotic motives and with loyalty to both State governments and Federal Government. The members of the legislatures and the judges of the State courts are bound by their respective oaths to support and defend the Constitution of the United States. They are just as much bound to enforce Federal rights and Federal duties as they are to enforce State rights and State duties. The Federal Constitution is the organic law of all the people of this country. The Federal Constitution is just as much my Constitution as the constitution of South Carolina is my constitution. The Federal Constitution, with the several State constitutions of the 48 States, make up what I call the one composite American constitution. It is all one American Government, subdivided by convenience into a Federal Government and into 48 State governments. Therefore, none of us should assume that State legislatures will fail to do their patriotic duty. They are just as much concerned in promoting the highest and most enduring welfare and prosperity of this Nation as is the Congress of the United States. For the Congress to call conventions in the States and to prescribe all the terms and conditions of their meeting would be to charge, in effect, the State legislatures and the people of the States with lack of patriotism and a lack of civic responsibility. When the Congress proposes an amendment to the Constitution, to either State legislatures or conventions within the States, it has done its whole duty.

If the people, either in the legislatures or in conventions, do not think enough of the proposal to act by a majority in its favor, or if they do not think enough of the proposal to even consider it in the State legislature, or if they do not think enough of the proposal to call a State convention to consider it, then that ends the matter. Congress can not force upon the American people a proposal to amend their fundamental Federal organic law. To do so would be to deny the sovereignty of the people. To do so would be to assume a supersovereignty in Congress.

In conclusion, therefore, let me say that while I am bound by my Democratic platform to vote to propose a repeal amendment to the people of the Nation, in conventions assembled in their respective States, to be called by their respective State legislatures, I will never, by vote, nor by word, nor by silence, countenance the proposal that the Congress of the United States can force any hasty or unconsidered action of this amendment, or of any other amendment, upon the people of the Nation. My political philosophy is derived from an intimate and lifelong study of the lives, the letters, and the speeches of such statesmen as Thomas Jefferson, Andrew Jackson, John C. Calhoun, Jefferson Davis, Alexander H. Stephens, and Wade Hampton; and in the name of their noble and unselfish lives, and in the support of their political philosophy, I repudiate with every particle of energy I possess the suggestion that the Federal Government can ever, by any act of its Congress, enter into a sovereign State of this Union and fix the qualifications for voters, and fix the number of delegates to a State convention, and to hold an election for that purpose, and thus to assemble a convention of the people in any State to consider any amendment to the Federal Constitution. It makes no difference to me as to what the purpose of that amendment is. While I favor the amendment now proposed, I resist with all my power the manner of accomplishing its ratification proposed by Mr. Palmer. If I were opposed to the amendment, I might treat his suggestion with silence. But, for fear that some one might conclude that since I favor the amendment, as my party binds me to do, so would I favor the proposal of Mr. Palmer—in order to keep the records straight and in abundance of precaution, I am thus spreading upon the records of the Congress, for all time to come, my vehement and emphatic protest against this well-nigh revolutionary suggestion.

Mr. WHITE. Mr. Speaker, the platforms of the two major political parties left no doubt in the minds of the American people of the agreement by both of those parties that the prohibition principle had failed. The problem then pre-

sented to the House in resolution (H. J. Res. 480) is specifically that of removing from the Constitution of the United States the basic prohibition law.

This resolution is in the form it should be in, with the possible exception of the method of ratification.

There is no place in the Constitution of the United States for a provision for or against, or defining, saloons, or for the regulation of dispensaries for alcoholic beverages. Therefore it is my attitude that House Joint Resolution 480 covers all the questions which should be dealt with in connection with any change in the eighteenth amendment.

There are to-day Federal laws regulating interstate commerce of sufficient force to protect those States which would choose to retain prohibition under State legislation or State constitutional provision. These laws certainly demonstrate the sufficiency of the authority of Congress to make such laws. It is unnecessary to provide in the Constitution for the power of Congress to protect the States which desire prohibition laws. It is unnecessary to provide a power already possessed.

It has been the contention of the opponents of the eighteenth amendment for a good many years that it was a police regulation which should be reserved to the States. Any suggestion of regulation of traffic in alcoholic beverages other than prohibition of them would be far more foreign to the spirit of the Constitution than is the eighteenth amendment itself.

It is particularly interesting to note the lack of controversy on all other parts of the Constitution as compared with the eighteenth amendment. All other articles and sections of that document are accepted as a matter of course. They are looked upon as accepted principles. One of my strongest contentions against the propriety of placing the eighteenth amendment in the Constitution has been this fact.

The position has been taken upon the floor of the House in debate upon this resolution that it would be easier to obtain ratification of a constitutional amendment in another form; for example, one providing barriers against the return of the so-called saloon. The nature of such matter would be so completely at variance with the rest of the Constitution that no thoughtful person would choose to vote it into the Constitution, except as a lesser evil, once the philosophical aspects of such a proposal were placed squarely. For that reason, I am of the opinion the amendment as proposed in this resolution would eventually be more easily supportable in a campaign for ratification.

Prohibition has proven impractical and unenforceable, and the two great political parties of this Nation have said so in unmistakable terms. The way to rid the Constitution of the provision upon which there is so thorough agreement is to repeal it. This resolution would submit to the States a proposal which is logically supportable and would accomplish repeal in the proper fundamental way it should be accomplished. Therefore, this resolution should be adopted. The question of regulation is one to deal with after the eighteenth amendment has been repealed. It is a new question.

While I am out of sympathy with the gag-rule methods employed, seemingly in support but actually in menace of this resolution, I insist this is the resolution the Nation wants. This resolution repeals the eighteenth amendment. That is the one question before us. We are not dealing with regulations but with fundamental law here to-day. There is no question of the power of Congress or the State legislatures to deal with regulations without further constitutional power. While we are proposing the removal of prohibition from the Constitution and returning it to the States, why should we pose as distrusting the capacity of the States to deal with the question within their own borders?

Throughout the history of prohibition it has been the contention of a large sector of its opponents that because of its controversial nature popular referendum should have been had upon ratification of the eighteenth amendment. Direct referendum not having been provided for in any of the methods specified for ratification, these opponents of prohibition have sought to obtain the nearest thing to it, which is ratification by convention of delegates chosen for the sole purpose of acting upon the constitutional amendment. This, in effect, would approximate a direct referendum and would be desirable if that were the sole question contained in such a proposal. Such a procedure, however, has never been used in the ratification of constitutional amendments and consequently has not been developed in practice.

This lack of use of the convention method of ratification leaves open many serious constitutional and legal questions, such as whether the Federal Government or the State government should control the choice of delegates to such a convention, whether the districts represented should be in proportion to population upon the basis of State senators, State legislators, Members of Congress, or at large. The question of the cost of such elections and whether they should be paid by the Federal or State Governments arises. It is questionable whether Congress would have the authority to order an expenditure of funds for such a purpose by the States or whether it would be necessary for it to provide the funds. It is indicated by other practices that the States would hold the elections and pay the cost and district upon whatever plan the State legislature has selected, or elect at large, as determined by the State legislature. In my opinion, there is little doubt that this would be a duty of the State, since it is the duty of the State to district for Members of Congress and pay the costs of their election.

The question has been raised as to whether the ratification of a constitutional amendment is a State or a Federal function and whether the right to ratify is derived from the Constitution. It seems to me to be a right reserved from the Constitution, an inherent, natural right of the State by the exercise of which it originally became a member of the Union and which was never surrendered to the Union.

These questions are cited, however, as being in debate, unsettled, and therefore menacing to the will of the State if this form of ratification is attempted.

This procedure might also arouse opposition to the amendment itself, because of the cost entailed by constitutional conventions.

While these possibilities exist, it is my purpose to support the resolution as placed upon the floor, because it would seem to me to clarify through the approximation of a popular referendum the public attitude upon the question of repeal.

There is a further element that might make it undesirable to challenge the State legislatures upon the question of ratification. That is the seeming authority of the State legislatures to determine the districting for the election of delegates. It would appear to me that while the referendum would be obtained, the apparent distrust of the State legislatures might arouse animosities among them which might otherwise be escaped. Denying to it authority it is qualified to exercise and still leaving in its hands the determination of the method of selecting those who would perform the duties involved would seem to me a doubtful procedure.

It would seem to me that while the State would have the authority and responsibility for the elections and the conduct of the conventions in such instances, there would be a question of the obligation of the State legislature to hold such elections and conventions. It would seem questionable whether Congress had the authority to go into such States and order elections. This power of the State legislatures might give them a veto by inaction.

In the hope, however, that there may be acquiescence and an expression of public will on this question, I hope the resolution is adopted, and vote accordingly.

Mr. EATON of New Jersey. Mr. Speaker, the people of the United States by a substantial majority voted on November 8 in favor of the platform of the Democratic Party, which platform demands repeal of the eighteenth amendment and immediate modification of the Volstead Act. This majority vote constituted a mandate to Congress for its favorable action. Under this mandate, as was my duty, I voted for the Garner resolution to repeal the eighteenth amendment.



But I wish to register my protest against the method adopted by the Speaker in bringing the question before the House. No debate on the proposal, nor on possible amendments thereto, was allowed. The vote was rammed through in unseemly haste by dictatorial use of a parliamentary makeshift. I am firmly of the opinion that if the matter had been handled with reasonable tact and understanding, it would have received more than the required two-thirds majority, and we would now be far on the way toward a solution of the problem which so disturbs the public mind.

Mr. SEGER. Mr. Speaker, I vote for repeal because I have always held the eighteenth amendment a grave mistake. We were making progress toward temperance when we made it part of our Constitution. Lacking anything like real support of our people, it has been in no little degree responsible for a condition under which crime and racketeering has flourished while millions of Government revenue have been turned over to the underworld. Our people have spoken. They want the repeal resolution submitted to the States without delay although, I feel certain, this extraordinary program to jam through the resolution under suspension of rules without debate will not meet with general approbation or make many votes. Let us keep faith with the American people in a proper and orderly way.

Mr. GUYER. Mr. Speaker, the precipitate and surprise attack upon the eighteenth amendment deserves a stern rebuke and merits defeat. No odium should attach to one who in an orderly and decent manner attempts to alter or amend the Constitution. That is the privilege of every American citizen. Washington said that right was the basis of our political system.

But the brazen spectacle of to-day, by which it was proposed to submit an amendment repealing the eighteenth amendment, with only 40 minutes' debate and without the privilege of amendment, is without precedent in American history. The prayer of the Chaplain had hardly been concluded when the Democratic majority leader, without the consent or approval of the Judiciary Committee, proposed an amendment upon a matter of vast and vital import to every man, woman, and child in the United States without hearings and after the Judiciary Committee had refused to report such an amendment out. It sought to undo the work of three-quarters of a century under suspension of rules. There being no adequate time allowed for debate, I avail myself of the privilege of extending my remarks in the RECORD.

If the Democratic Party wishes to add to its long list of historic blunders, it certainly made an heroic start on this day, when, with gag and Texas-Tammany rawhide, it attempted to lash the House of Representatives into submission to the outlawed liquor traffic. If fair and honest men wish to accomplish the repeal of the eighteenth amendment, they will not injure their cause by giving an opportunity for discussion and dignified parliamentary procedure as well as deliberate investigation by proper committees of the House.

To use the ruthless method here followed is too much like the old, domineering liquor power of the saloon days, before whose autocratic sway everybody must bow in abject and servile obedience. So much for the arbitrary method of presentation to the House, which outraged every principle of decent and orderly parliamentary procedure in such a fundamental matter as amending the Constitution.

What about the merits of the proposition? Never before in the history of this Nation has a serious attempt been made to repeal an amendment to the Constitution. It is such a serious innovation that it should not be undertaken so flippantly as to make consideration of such a step impossible. And it proposes to repeal an amendment that millions of our citizens sincerely believe is the most beneficent amendment ever incorporated in the Federal Constitution. These millions look with amazement upon the wild scramble of the wet forces in the House to start on the road to repeal. These millions are not going to forget who the Members are who voted to scrap the eighteenth amendment.

It has been again and again stated here that the election on November 8 was a mandate for the return of legalized liquor. This is not true. Economic questions dominated the campaign. The Republican Party was defeated by reason of the depression and the so-called hard times. Had the country been prosperous no one believes that President Hoover would have been defeated. His party, frightened by the desperate odds that faced it, yielded to the clamor of the wets and adopted a platform that removed prohibition from the campaign so that people voted without regard to prohibition but rather with respect to economic issues. The result of the election was a protest against business conditions and unemployment and not a mandate upon liquor. Prohibition was rarely discussed and only where an appeal to prejudice promised a harvest of votes.

In fact those who favored the retention of the eighteenth amendment had no direct way to express their sentiments, hence they voted their party preference without regard to platform utterences on prohibition.

If the Democratic Party deems it expedient to sponsor the return of liquor and merit the name of "Whisky Party" by fathering the repeal of the eighteenth amendment and the modification of the Volstead law, why should Republicans here interfere? Why with our vote relieve them of the responsibility? The party that sponsors the return of the outlawed liquor traffic will in the end be doomed and damned by the sober, conscientious will of the American people.

Mr. HASTINGS. Mr. Speaker, the question before the House is a joint resolution proposing an amendment to the Constitution to repeal the eighteenth amendment, which is as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States.

ARTICLE —

SECTION 1. The eighteenth article of amendment is hereby repealed.

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in three-fourths of the several States within seven years from the date of its submission.

It will be noted that this joint resolution proposes or submits the question of repeal of the eighteenth amendment to the several States for their consideration and action. It requires ratification by conventions in three-fourths of the States of the Union. Unless ratified by three-fourths of the several States within seven years it will be inoperative. There is much discussion throughout the country as to the terms of the joint resolution and the effect of a vote upon it.

The Democratic platform adopted by the Democratic National Convention held in Chicago, Ill., June 27–July 2, 1932, upon which Gov. Franklin D. Roosevelt was nominated and elected President of the United States, states in part:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

And after making numerous other pledges it promised:

We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal.

That is all the joint resolution does; that is, to propose or submit the question of the repeal of the eighteenth amendment to the several States in accordance with the covenant made with the people contained in the Democratic platform adopted at Chicago.

On June 3, 1932, I called attention in the CONGRESSIONAL RECORD to the previous expressions of the Democratic Party on the question of prohibition and pledged them that I would be governed by the instructions in the party plat-

form, and I made this statement, in substance, at numerous times and places throughout the past campaign.

In voting for the joint resolution, therefore, I carried out the pledge contained in the Democratic platform and kept faith with the people of my district.

The repeal of the eighteenth amendment would not affect the State of Oklahoma, which has a constitutional amendment prohibiting the manufacture, sale, barter, giving away, or otherwise furnishing intoxicating liquor of any kind, including beer, ale, and wine, and the State Legislature of Oklahoma has enacted legislation to vitalize this provision of the State constitution. The joint resolution, submitting the question of the repeal of the eighteenth amendment, would therefore not repeal the State constitution of Oklahoma nor any of the State legislative enactments to vitalize it.

Let me repeat that if three-fourths of the States were, through conventions, to agree to a repeal of the eighteenth amendment, that would not repeal the provisions of the Oklahoma constitution nor the Oklahoma law, and therefore would not legalize the manufacture, barter, sale, or transportation of intoxicating liquor, including beer, ale, and wine, within the State of Oklahoma, without the modification or repeal of the provisions of the State constitution and the State laws enacted to vitalize the same.

Finally, let me repeat that the vote on the joint resolution was a vote in accordance with the pledge contained in the Democratic platform to submit the question of the repeal of the eighteenth amendment to the several States for their consideration and action.

Mr. BANKHEAD. Mr. Speaker, not having been able to secure an opportunity for a statement of my views upon this resolution in the limited debate provided, and lest my attitude upon the proposition might be distorted, misconstrued, or misunderstood, I desire in this extension of remarks to state briefly the reasons which impelled me to vote for the submission to the people of the repeal resolution.

As is well known by all who are familiar with my records in Congress and out of it on this proposition, I have always been a consistent dry. I voted for the submission of the resolution to incorporate the eighteenth amendment to the Constitution. I voted for the passage of the Volstead Act. I have voted for all appropriations and other measures necessary to enforce the eighteenth amendment and the Volstead Act, and I want it distinctly understood that in voting to submit the pending resolution to the people of the States for their consideration that I am not surrendering my rights as a citizen to oppose the repeal of the eighteenth amendment. I further desire to state that as long as the eighteenth amendment is the supreme law of the land that I will not vote to legalize what, in my opinion, are intoxicating liquors of any sort.

I feel that my oath of office as an honorable man requires me to support all provisions of the Constitution in their full integrity as long as they are unrepealed or unamended. I fear that there may be a grave misunderstanding of the real essence of this resolution. Congress can not repeal the eighteenth amendment. All that Congress can do is to submit this resolution, giving to the people of all the States the privilege and opportunity to express their opinion through State conventions called for that purpose, the right to say whether or not they feel that the eighteenth amendment should be repealed. It would require the affirmative action of three-fourths of the States to repeal the eighteenth amendment.

I am voting for the submission of this amendment upon exactly the same ground and for the same reasons that were presented when those in favor of national prohibition were asking Congress to allow the people to vote their will upon it. I took the position then so well expressed by Senator MORRIS SHEPPARD, of Texas, the author of the eighteenth amendment, when in a speech delivered by him in the United States Senate on July 30, 1917, he used the following language:

> The Members of Congress who will not vote for the submission of a constitutional amendment to the decision of the States, where it belongs, unless he personally believes it should become a part of the Constitution, usurps the function of the States, arrogates to himself and the Federal Government a prerogative that belongs to the States, and violates the very essence of their sovereignty * * *.
>
> Were I opposed on principle to nation-wide prohibition, I would vote to submit the amendment to the States in order that they might exercise one of their fundamental rights. An issue is thus presented by the nation-wide amendment entirely independent of prohibition.

As a Democrat I believe in the sovereignty of the people upon all controversial questions and I feel that if it were right for those of us who favored the eighteenth amendment to urge Congress to give the people the right to incorporate it in our Constitution by the same reasoning it is only right, proper, and just that after a 12-year trial we give to the people the right through constitutional methods of again expressing their views as to whether it should be repealed or retained. It is quite evident that millions of our citizens are demanding the right to again vote upon this question. It will be remembered that both the Republican and Democratic platforms directly insisted that the people had a right to a resubmission of the question. If the people of three-fourths of the States of the American Union desire to repeal the eighteenth amend they should have the opportunity to do so. If the people of 13 States of the Union oppose the repeal of the eighteenth amendment it will be retained in the Constitution. I am willing to trust the judgment of the people upon this great controversial question.

Mr. MOBLEY. Mr. Speaker, on March 2, 1932, in a special election called by the Governor of Georgia to name a Representative in Congress for the sixth district of Georgia, and to fill the vacancy caused by the death of Congressman Samuel Rutherford, the people of that district elected me to serve his unexpired term, which will expire on March 4, 1933.

I made only one promise to the people of my district, namely, to carry out as best I could the policies and promises of Mr. Rutherford, who was my predecessor, and whom I was serving as secretary at the time of his death. My people felt that I could come nearer to accomplishing what he would have during the remainder of the term to which he had been elected than any of my opponents.

Mr. Rutherford was a lifelong dry. He was elected to the Seventy-second Congress as a dry and as a proponent and supporter of the eighteenth amendment. Fully aware of that fact, when questioned during my race as to my position on the eighteenth amendment, I promised to support it during my term of office, which does not expire until March 4, 1933.

Therefore, considering that I was elected to carry out the promises and policies of a dry Democrat; that I was elected as a dry from a dry district; and that my people at the time I was elected expected me to support the eighteenth amendment during the Seventy-second Congress, to which they elected me, I am doing to-day what I feel is my duty in voting against this resolution, which calls for the repeal of the eighteenth amendment.

I am a stanch Democrat. My people before me have always been loyal and devoted to Democracy. I believe in party organization, in concerted action, and in support of party platforms. However, I was not a candidate for reelection to the Seventy-third Congress. I did not run on the Democratic platform of this year, but on one based on the platform of 1928, which declared as follows:

> This convention pledges the party and its nominees to an honest effort to enforce the eighteenth amendment and all other provisions of the Federal Constitution and all laws enacted pursuant thereto.

In voting against this resolution I feel that I am keeping faith with the people who elected me and with the party platform under which I was elected and am now serving.

Those sponsoring this resolution have brought it in under suspension of the rules. We are not permitted under such drastic procedure to offer an amendment, but must either accept or reject the resolution as it stands. No opportunity is given to offer amendments that would guarantee against return of the saloon, or the protection of those States that might remain dry. Likewise, no opportunity is given to so amend the resolution as to insure ratification by conven-

tions, set up and regulated by the States rather than under direction of the Federal Government.

The refusal of those sponsoring this resolution to accept from the Committee on Judiciary, the committee having jurisdiction of this legislation and who should have been given an opportunity to consider it, an amendment which would guarantee ratification by conventions set up, governed and controlled by the States rather than by the Federal Government, indicates to my mind their intention of having the conventions called and regulated by Federal authority.

In my opinion, too much power has already been taken from the States and lodged in the Federal Government, and I am not willing to be a party to any plan, the ultimate effect of which is to permit the Federal authorities to hold elections in my State or any other State of the Union. If such a dangerous precedent should be set, the sovereign rights of the States will be sacrificed. We would have a precedent which would permit the Federal Government to call constitutional conventions in our States and other States for ratifying other amendments to the Constitution that might affect the very foundations of our dual system of government.

As stated above, in voting against this resolution I feel that I am keeping faith with the people who elected me, and with the party platform under which I was elected and am now serving. This vote, I believe, is in furtherance of the principles of democracy and in the interest of the people of my State.

Mr. SINCLAIR. Mr. Speaker, it is beside the point for Members to argue that the motion to consider this constitutional amendment under suspension of the rules is unusual or extreme, and that it should therefore be defeated. We know that practically all legislation in the House is accomplished under restricted debate and necessarily, under the rules, Members can not indulge in unlimited speech. The amendment is simple and clear. It is thoroughly understood by everyone in this House. It proposes the outright repeal of the eighteenth amendment to the Federal Constitution, and provides that this action be ratified by convention of three-fourths of the States, called for the express purpose of passing upon it. Unless ratified in three-fourths of the several States within seven years from the date of submission it shall be inoperative.

The question of national prohibition is highly controversial. It has been acutely before the Nation for the past 12 years. Probably no subject has been more fully discussed. The enforcement of prohibition is the most difficult problem that administrative officers have to meet, and it is a fact that no law has been so widely violated. Regardless of personal views on the merits of prohibition, it is not only proper but advisable that the people themselves should again pass upon this question affirmatively if it is to stand as a fundamental law of the land. The measure before us gives them an opportunity to express their wishes in conventions of their own choosing, and without the injection of other issues. While I have been inclined to oppose the convention plan of ratification heretofore, and regret that no opportunity is afforded us to vote separately upon that feature of the bill, still I feel that this alone is not sufficient to justify us in denying the people the right to vote upon the main issue. It is true that the election laws of some States do not fully protect the sacredness of the ballot, but this condition can be corrected, as has been done in my own State where honest and adequate election laws are provided. After all, the method of ratification is merely the mechanics by means of which the people may register their will. Further, this proposal conforms with the platforms and pledges of both political parties.

While House Joint Resolution 480 does not include all that I believe it should, assurance has been given that it will be amended in the other body to remedy the defects. There is no doubt but that the Senate will add the necessary provisions to protect States which wish to remain dry, and prevent the return of the saloon.

North Dakota, the State which I have the honor to represent, came into the Union constitutionally dry. Last November 8 a referendum was had on the question of repealing the prohibition clause of our State constitution. The issue was clear and so stated as to leave no confusion in the minds of the voters. Repeal was voted by a majority of 35,270. This majority was cast not in any one section of the State or in the cities alone. It carried in all but 7 out of a total of 53 counties. It is obvious, therefore, that a change is generally desired by the people of North Dakota.

I have repeatedly stated my belief that a Representative in Congress should vote as nearly as possible in accordance with the constitution and laws of his own State. This I have done during my service here. The fundamental principles of self-government on which our Nation has been built demand that the majority shall rule. Therefore, a majority of the citizens of North Dakota having spoken decisively on the question, I deem it my duty to accept their mandate and support the resolution.

TERMS OF PRESIDENT, VICE PRESIDENT, AND MEMBERS OF CONGRESS

The SPEAKER. The Chair lays before the House the following communications:

STATE OF ALABAMA,
EXECUTIVE DEPARTMENT,
Montgomery, September 22, 1932.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR SIR: Pursuant to section 2 of House Joint Resolution No. 13, adopted by the Legislature of Alabama, ratifying a proposed amendment to the Constitution of the United States, fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, I, as Governor of Alabama, herewith transmit to you a copy of said House Joint Resolution No. 13, duly certified as required by law.

Respectfully,

B. M. MILLER,
Governor of Alabama.

EXECUTIVE DEPARTMENT,
Austin, Tex., September 9, 1932.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR SIR: I attach hereto certified copy of House Joint Resolution No. 1, recently passed by the Forty-second Legislature of Texas in special session, and approved by me on September 8, 1932, ratifying an amendment passed by the Seventy-second Congress of the United States at its first session, beginning December 7, 1931, which amendment, in substance, provides and fixes the commencement of the terms of President and Vice President and Members of Congress, and fixes the time of the assembling of Congress.

Very truly yours,

R. S. STERLING, *Governor.*

Mr. UNDERHILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. UNDERHILL. Should not the communications just read, ratifying a proposed constitutional amendment, go to the Secretary of State rather than come to the House of Representatives?

The SPEAKER. The original goes to the Secretary of State and a copy comes to the House of Representatives for its archives.

Mr. LAGUARDIA. It is only informative.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. MARTIN of Oregon, indefinitely, on account of illness.

Mr. HORNOR (at the request of Mr. SMITH of West Virginia), on account of illness.

DEATH OF SENATOR JONES

Mr. JOHNSON of Washington. Mr. Speaker, I offer the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 299

Resolved, That the House has heard with profound sorrow of the death of Hon. WESLEY L. JONES, a Senator of the United States from the State of Washington.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

DEATH OF REPRESENTATIVE LINTHICUM

Mr. GOLDSBOROUGH. Mr. Speaker, I offer the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 300

Resolved, That the House has heard with profound sorrow of the death of Hon. J. CHARLES LINTHICUM, a Representative from the State of Maryland.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

DEATH OF REPRESENTATIVE TUCKER

Mr. MONTAGUE. Mr. Speaker, I offer the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 301

Resolved, That the House has heard with profound sorrow of the death of Hon. HENRY ST. GEORGE TUCKER, a Representative from the State of Virginia.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

DEATH OF REPRESENTATIVE M'LAUGHLIN

Mr. MAPES. Mr. Speaker, it is my sad duty to announce the sudden death of my distinguished colleague, Hon. JAMES C. MCLAUGHLIN, last Tuesday morning at Marion, Va., while he was on his way from his home to the Capitol to attend this session of Congress.

Mr. MCLAUGHLIN at the time of his death was completing 26 years of honorable service in this body and was the dean of the Michigan delegation in Congress. There are only three Members of the House who outranked him in continuous service. I present the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 302

Resolved, That the House has heard with profound sorrow of the death of Hon. JAMES C. MCLAUGHLIN, a Representative from the State of Michigan.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

EXTENSION OF REMARKS

Mr. LAGUARDIA. Mr. Speaker, may I ask unanimous consent that those who have spoken to-day may be allowed to extend their remarks in the RECORD.

The SPEAKER. Unanimous consent was asked for the extension of remarks by some gentleman on the Democratic side, and objection was made by the gentleman from Michigan. The Chair does not think he is authorized to submit that request unless it comes from the gentleman from Michigan.

Mr. LAGUARDIA. May I ask unanimous consent to extend my own remarks in the RECORD.

Mr. MAPES and Mr. UNDERHILL objected.

DEATH OF REPRESENTATIVE KARCH

Mr. RAINEY. Mr. Speaker, I present the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 303

Resolved, That the House has heard with profound sorrow of the death of Hon. CHARLES A. KARCH, a Representative from the State of Illinois.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

DEATH OF SENATOR WATERMAN

Mr. EATON of Colorado. Mr. Speaker, it is with regret that I announce the death of the Hon. CHARLES W. WATERMAN, late a Senator from the State of Colorado. I present the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 304

Resolved, That the House has heard with profound sorrow of the death of the Hon. CHARLES W. WATERMAN, late a Senator from the State of Colorado.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I would like to ask the gentleman from Illinois if he can tell us what the program will be for the next day or two?

Mr. RAINEY. The President's message will be read to-morrow, and nothing else.

Mr. SNELL. What will come day after to-morrow?

Mr. RAINEY. I can not tell the gentleman, but we hope to have an appropriation bill, the Treasury Department appropriation bill, day after to-morrow. There will be nothing to-morrow except the President's message.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, as a further mark of respect for the deceased Members of the House, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 6, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Tuesday, December 6, as reported to the floor leader:

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on various subjects.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

637. A letter from the Secretary of War, transmitting a report dated October 17, 1932, from the Chief of Engineers, United States Army, on Tombigbee River and tributaries, Ala.; to the Committee on Rivers and Harbors.

638. A letter from the Secretary of War, transmitting a report dated November 14, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Shilshole Breakwater, Shilshole Bay, Seattle, Wash.; to the Committee on Rivers and Harbors.

639. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on Niobrara River, Nebr. and Wyo.; to the Committee on Rivers and Harbors.

640. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on Green, Barren, and Rough Rivers, Ky.; to the Committee on Rivers and Harbors.

641. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on Cascade River, Minn.; to the Committee on Rivers and Harbors.

642. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary and survey of Olcott Harbor, N. Y.; to the Committee on Rivers and Harbors.

643. A letter from the Secretary of War, transmitting a report dated October 18, 1932, from the Chief of Engineers, United States Army, on Cannonball, Grand, and Moreau Rivers, N. Dak. and S. Dak.; to the Committee on Rivers and Harbors.

644. A letter from the Secretary of War, transmitting a report dated October 26, 1932, from the Chief of Engineers, United States Army, on Grand River, Mich.; to the Committee on Rivers and Harbors.

645. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers,

United States Army, on Big Fork River, Minn.; to the Committee on Rivers and Harbors.

646. A letter from the Secretary of War, transmitting a report dated October 12, 1932, from the Chief of Engineers, United States Army, on Kentucky River, Ky.; to the Committee on Rivers and Harbors.

647. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on Little Fork River, Minn.; to the Committee on Rivers and Harbors.

648. A letter from the Secretary of War, transmitting a report dated November 18, 1932, from the Chief of Engineers, United States Army, on preliminary examination and reexamination of Grays Harbor and Chehalis River, Wash.; to the Committee on Rivers and Harbors.

649. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Camden Harbor, Me.; to the Committee on Rivers and Harbors.

650. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on Montreal River, Wis. and Mich.; to the Committee on Rivers and Harbors.

651. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination of Lewis and Clark River and lower harbor of Astoria, Oreg.; to the Committee on Rivers and Harbors.

652. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination of Grand Haven Harbor, Mich.; to the Committee on Rivers and Harbors.

653. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Monhegan Harbor, Me.; to the Committee on Rivers and Harbors.

654. A letter from the Secretary of War, transmitting a report dated October 19, 1932, from the Chief of Engineers, United States Army, on Milk River, Mont.; to the Committee on Rivers and Harbors.

655. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination of Bayou Plaquemine Brule, La.; to the Committee on Rivers and Harbors.

656. A letter from the Acting Secretary of War, transmitting a report dated July 15, 1932, from the Chief of Engineers, United States Army, on the studies and investigations of the beach erosion at Hampton Beach, N. H.; to the Committee on Rivers and Harbors.

657. A letter from the Secretary of War, transmitting a report dated November 11, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Clinton Harbor, Conn.; to the Committee on Rivers and Harbors.

658. A letter from the Secretary of War, transmitting a report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination of Youghiogheny River, Pa., from West Newton to Connellsville; to the Committee on Rivers and Harbors.

659. A letter from the Secretary of War, transmitting a report dated August 9, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Honga River and Tar Bay (Barren Island Gaps), Md.; to the Committee on Rivers and Harbors.

660. A letter from the Secretary of War, transmitting an itemized report of the American National Red Cross for the fiscal year ended June 30, 1932; to the Committee on Military Affairs.

661. A letter from the Chief of Engineers, United States Army, correcting an error made in the report on the Tombigbee and Warrior Rivers and tributaries, Ala. and Miss., transmitted to the Speaker of the House of Representatives on October 27, 1932; to the Committee on Rivers and Harbors.

662. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination and survey of the channel between Isle au Haut and Kimball Island, Me.; to the Committee on Rivers and Harbors.

663. A letter from the Acting Secretary of Commerce, transmitting a report on the disposition of various papers recommended by House Report No. 428, Seventy-second Congress, first session; to the Committee on Disposition of Useless Executive Papers.

664. A letter from the Acting Secretary of Commerce, transmitting part 2 of the Annual Report of the Commissioner of Lighthouses for the fiscal year ended June 30, 1932; to the Committee on Interstate and Foreign Commerce.

665. A letter from the Secretary of the Treasury, transmitting the annual report of the Federal Bureau of Narcotics for the calendar year ended December 31, 1931; to the Committee on Ways and Means.

666. A letter from the Acting Governor of Hawaii, transmitting a copy of the journal carrying proceedings of the House of Representatives of the Territory of Hawaii in its two special sessions held in 1932; to the Committee on the Territories.

667. A letter from Percival Hall, transmitting a report of expenditures and rates of pay at the Columbia Institution for the Deaf for the fiscal year ended June 30, 1932; to the Committee on Expenditures in the Executive Departments.

668. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination and survey of Pultneyville Harbor, N. Y.; to the Committee on Rivers and Harbors.

669. A letter from the Secretary of the Navy, transmitting a report of designs, aircraft, aircraft parts, and aeronautical accessories purchased by the Navy Department during the fiscal year ended June 30, 1932, the prices paid therefor, and the reason for the award in each case; to the Committee on Expenditures in the Executive Departments.

670. A letter from the Public Utilities Commission, transmitting a report of the official proceedings and other information for the year ended December 31, 1931; to the Committee on the District of Columbia.

671. A letter from the United States Shipping Board, Bureau of Research, transmitting a Bureau of Research report, No. 1100, Ocean Going Merchants Fleet of Principal Maritime Nations, as of June 30, 1932; to the Committee on Merchant Marine, Radio, and Fisheries.

672. A letter from the United States Shipping Board, Bureau of Research, transmitting a copy of Bureau of Research Report No. 1500–3, American Flag Services in Foreign and Noncontiguous Ocean Trades on January 1, 1932; to the Committee on Merchant Marine, Radio, and Fisheries.

673. A letter from the United States Shipping Board, Bureau of Research, transmitting the copies of the following Bureau of Research Reports Nos. 157, 275, 298, 300, 317, 399, and 1100; to the Committee on Merchant Marine, Radio, and Fisheries.

674. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to amend section 2 of the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States," approved June 21, 1930, so as to prohibit persons who have been subsequently separated from the service under other than honorable conditions from bearing the official title and upon occasions of ceremony wearing the uniform of the highest grade held by them during their war service; to the Committee on Military Affairs.

675. A letter from the Secretary of the Navy, transmitting a draft of a bill to amend in certain particulars section 21 of "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," approved February 28, 1925, effective July 1, 1925; to the Committee on Naval Affairs.

676. A letter from the Secretary of the Navy, transmitting a draft of a bill to provide for the retirement of certain commissioned officers of any of the Staff Corps of the Navy who have failed to qualify for promotion to the rank of lieutenant commander; to the Committee on Naval Affairs.

677. A letter from the Secretary of the Navy transmitting a draft of a bill to amend section 18 of the act of February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," in order to provide for age in grade retirement for officers in the Naval Reserve; to the Committee on Naval Affairs.

678. A letter from the Secretary of the Navy transmitting a draft of a bill to amend the act entitled "An act to amend an act entitled 'An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department, approved February 24, 1923,' approved April 21, 1928," so as to include the Navy; to the Committee on Military Affairs.

679. A letter from the Secretary of the Navy, transmitting a draft of a bill to confer the degree of bachelor of science upon graduates of the Naval Academy; to the Committee on Naval Affairs.

680. A letter from the Secretary of War, transmitting a letter from the Chief of Ordnance, United States Army, dated October 19, 1932, covering statements of the cost of manufacture, for the fiscal year ended June 30, 1932, at the armory and arsenals therein named; to the Committee on Expenditures in the Executive Departments.

681. A letter from the Secretary of War, transmitting a copy of a report on post exchanges, as required by the provisions of section 4, War Department appropriation act, 1932–33; to the Committee on Appropriations.

682. A letter from the Federal Power Commission, transmitting a copy of the twelfth annual report of the Federal Power Commission, pursuant to the requirements of the Federal water power act (41 Stat. 1063); to the Committee on Interstate and Foreign Commerce.

683. A letter from the secretary of Hawaii, transmitting a copy of the journal of the Senate of the Legislature of the Territory of Hawaii, special sessions of 1932; to the Committee on the Territories.

684. A letter from the Secretary of Commerce, transmitting a copy of the twentieth annual report of the Secretary of Commerce for the fiscal year ended June 30, 1932; to the Committee on Interstate and Foreign Commerce.

685. A letter from the executive secretary of Puerto Rico, transmitting a copy of acts and resolutions of the third special session of the twelfth Legislature of Puerto Rico, 1932; to the Committee on Insular Affairs.

686. A letter from the chairman of the Federal Trade Commission, transmitting a letter in response to Senate Resolution No. 83, Seventieth Congress, a monthly report on the electric power and gas utilities inquiry; to the Committee on Interstate and Foreign Commerce.

687. A letter from the chairman of the Federal Trade Commission, transmitting letters in response to Senate Resolution No. 83, a monthly report on the electric power and gas utilities inquiry, together with exhibits, in response to Senate Resolution 112; to the Committee on Interstate and Foreign Commerce.

688. A letter from the chairman of the Federal Trade Commission, transmitting letters in response to Senate Resolution No. 83, a monthly report on the electric power and gas utilities inquiry; to the Committee on Interstate and Foreign Commerce.

689. A letter from the Secretary of War, transmitting a report dated July 23, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Lorain Harbor, Ohio (H. Doc. No. 469); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

690. A letter from the Clerk of the House of Representatives, transmitting report of expenditures from the contingent fund and from certain specific appropriations; the amounts drawn from the Treasury; the stationery accounts; and unexpended balances from July 1, 1931, to June 30, 1932, both inclusive, giving names of statutory and contingent-fund employees of the House and their respective compensations, including clerks to Members; to the Committee on Accounts.

691. A letter from the clerk of the Court of Claims of the United States, transmitting a statement of all judgments rendered by the Court of Claims for the year ended December 3, 1932, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims; to the Committee on Claims.

692. A letter from the Clerk of the House of Representatives, transmitting a list of reports to be made to Congress by public officers during the Seventy-second Congress (H. Doc. No. 444); to the Committee on Accounts and ordered to be printed.

693. A letter from the Secretary of the Treasury, transmitting a report from the Surgeon General of the United States Public Health Service, submitted in accordance with Public Resolution No. 38, Seventy-second Congress, authorizing a survey to be made as to the existing facilities for the protection of the public health in the care and treatment of leprous persons in the Territory of Hawaii (H. Doc. No. 470); to the Committee on the Territories and ordered to be printed with illustrations.

694. A letter from the Secretary of War, transmitting 467 reports of inspections and disbursements made by officers of the Army, which inspections were made by the Inspector General's Department during the fiscal year ended June 30, 1932; to the Committee on Expenditures in the Executive Departments.

695. A letter from the president of the Commission on Licensure, transmitting a report showing the activities of the commission for the fiscal year ended June 30, 1932 (H. Doc. No. 471); to the Committee on the District of Columbia and ordered to be printed.

696. A letter from the Secretary of War, transmitting a copy of a report dated August 11, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Fairport Harbor, Ohio, authorized by the river and harbor act approved July 3, 1930, with illustrations (H. Doc. No. 472); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

697. A letter from the Secretary of War, transmitting a copy of report, dated August 9, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Harbor of Refuge, Marquette Bay (Presque Isle Harbor), Mich., authorized by the river and harbor act approved July 3, 1930, with illustrations (H. Doc. No. 473); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

698. A letter from the chairman of the Reconstruction Finance Corporation, transmitting a report covering operations for the third quarter of 1932, July 1 to September 30, inclusive, and for the period from the organization of the corporation on February 2, 1932, to September 30, 1932, inclusive (H. Doc. No. 474); to the Committee on Banking and Currency and ordered to be printed.

699. A letter from Herbert D. Brown, transmitting the report of the United States Bureau of Efficiency on passenger automobiles and motor boats in the custody of the several field service on June 30, 1932; to the Committee on Appropriations.

700. A letter from the Secretary of the Treasury, transmitting the report of the Surgeon General of the Public Health Service for the fiscal year 1932 (H. Doc. No. 403); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

701. A letter from the Federal Radio Commission, transmitting a copy of the annual report of the Federal Radio Commission for the fiscal year ended June 30, 1932; to the Committee on Merchant Marine, Radio, and Fisheries.

702. A letter from the Commissioners of the District of Columbia, transmitting a copy of a report of the official oper-

ations of the government of the District of Columbia for the fiscal year ended June 30, 1932; to the Committee on the District of Columbia.

703. A letter from the United States Shipping Board, transmitting a copy of a report of claims arbitrated or settled by agreement between October 15, 1932, by the United States Shipping Board and/or the United States Shipping Board Merchant Fleet Corporation; to the Committee on Merchant Marine, Radio, and Fisheries.

704. A letter from the Postmaster General, transmitting a copy of a report on behalf of the board of trustees, as required by section 1 of the act approved June 25, 1910, of operations of the Postal Savings System for the fiscal year ended June 30, 1932 (H. Doc. No. 424); to the Committee on Post Offices and Post Roads and ordered to be printed.

705. A letter from the Secretary of the Interior, transmitting the financial report of St. Elizabeths Hospital for the fiscal year ended June 30, 1932; to the Committee on Expenditures in the Executive Departments.

706. A letter from the Secretary of the Interior, transmitting a report of all operations of the War Minereals Relief Commission, including receipts and disbursements, covering the calendar year ending November 30, 1932; to the Committee on Expenditures in the Executive Departments.

707. A letter from the Secretary of the Treasury, transmitting a communication from the executive officer, Office of Supervising Architect, Treasury Department, dated November 14, 1932, submitting a report of rental collections on account of public buildings and sites, privileges, and ground rent, under control of the Treasury Department, outside of the District of Columbia for the fiscal year ended June 30, 1932; to the Committee on Expenditures in the Executive Departments.

708. A letter from the Secretary of the Treasury, transmitting a report showing refunds of internal revenue in excess of $500 approved by the Bureau of Internal Revenue during the fiscal year ended June 30, 1932, and forwarded to the disbursing clerk, Treasury Department, for the payment or to the General Accounting Office for direct settlement; to the Committee on Expenditures in the Executive Departments.

709. A letter from the Secretary of the Interior, transmitting two tables showing the cost and other data with respect to Indian irrigation projects as compiled to the end of the fiscal year June 30, 1932; to the Committee on Indian Affairs.

710. A letter from the Secretary of the Interior, transmitting a statement of the fiscal affairs of all Indian tribes for whose benefit expenditures from public or tribal funds were made during the fiscal year ended June 30, 1932; to the Committee on Indian Affairs.

711. A letter from the United States Tariff Commission, transmitting the Sixteenth Annual Report of the United States Tariff Commission in compliance with the provisions of section 332 of the act of Congress approved June 17, 1930 (H. Doc. No. 423); to the Committee on Ways and Means and ordered to be printed.

712. A letter from the Secretary of the Treasury, transmitting a combined statement of the receipts and expenditures, balances, etc., of the Government during the fiscal year ended June 30, 1932 (H. Doc. No. 445); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

713. A letter from the Secretary of War, transmitting a copy of the annual report of the National Board for the Promotion of Rifle Practice as provided by act of Congress approved June 7, 1924 (H. Doc. No. 476); to the Committee on Military Affairs and ordered to be printed.

714. A letter from the Secretary of the Interior, transmitting a report on certain leases made on the Big Sand Draw gas field, Fremont County, Wyo.; to the Committee on the Public Lands.

715. A letter from the Secretary of the Interior, transmitting a report on certain leases made on Billy Creek field, Johnson County, Wyo.; to the Committee on the Public Lands.

716. A letter from the Secretary of Treasury, transmitting reports from the Departments of Commerce, Interior, and War, the United States Railroad Administration and the United States Shipping Board relative to money received during the fiscal year ended June 30, 1932, which was not paid into the general fund of the United States Treasury, and the payments, if any, made from such money during such fiscal year; to the Committee on Expenditures in the Executive Departments.

717. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of Lawrence S. Copeland against the United States with request that same be laid before the House of Representatives; to the Committee on Claims.

718. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of the Harvey Canal ship yard and machine shop against the United States, with request that you lay the same before the House of Representatives; to the Committee on Claims.

719. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of Mary Byskett Sinks against the United States with request that you lay the same before the House of Representatives; to the Committee on Claims.

720. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of the Texas Power & Light Co. against the United States with request that you lay the same before the House of Representatives; to the Committee on Claims.

721. A letter from the Secretary of the Treasury, transmitting a report on papers, documents, etc., which are not needed and have no public or permanent value; to the Committee on Disposition of Useless Executive Papers.

722. A letter from the Director of the Bureau of the Budget, transmitting a report on the exemptions made under section 102 of the act entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," approved June 30, 1932; to the Committee on Expenditures in the Executive Departments.

723. A letter from the Comptroller General of the United States, transmitting a report of the work of the General Accounting Office for the fiscal year 1932; to the Committee on Expenditures in the Executive Departments.

724. A letter from the Director of the Bureau of the Budget, transmitting a consolidated statement of the reports rendered by the several departments and independent establishments and the municipal government of the District of Columbia; to the Committee on Expenditures in the Executive Departments.

725. A letter from the Interstate Commerce Commission, transmitting copies of report of the final valuations of properties of certain carriers in compliance with the provisions of section 19a of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

726. A letter from the chairman of United States Shipping Board, transmitting the Sixteenth Annual Report of the United States Shipping Board, covering the period from July 1, 1931, to and including June 30, 1932 (H. Doc. No. 416); to the Committee on Merchant Marine, Radio, and Fisheries and ordered to be printed.

727. A letter from the chairman of the Joint Committee on Internal Revenue Taxation, transmitting report of the Joint Committee on Internal Revenue Taxation, relating to taxes and penalties paid consequent upon disclosures before the Committee on Public Lands and Surveys of the Senate in the course of the investigation by it pursuant to Senate Resolution 101, Seventieth Congress, first session, and related matters; to the Committee on Ways and Means.

728. A letter from the Secretary of the Interior, transmitting statement by the Director of the Geological Survey of all expenditures for the benefit of any Indian tribe or allottee in connection with the administration of the laws

relating to the operation of oil, oil shale, and gas leases, and to the mining of minerals other than oil, oil shale, and gas, on Indian lands; to the Committee on Indian Affairs.

729. A letter from the Director United States Botanic Garden, transmitting report required by section 4, act of May 22, 1908, relative to travel from Washington, D. C., in connection with official business of this office during the fiscal year 1932; to the Committee on the Library.

730. A letter from the Secretary of War, transmitting report dated October 31, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Cleveland Harbor, Ohio, including channel in Cuyahoga and Old Rivers (H. Doc. No. 477); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

731. A letter from the Secretary of War, transmitting report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Huron Harbor, Ohio (H. Doc. No. 478); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

732. A letter from the Secretary of War, transmitting report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of New Haven Harbor, Conn. (H. Doc. No. 479); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

733. A letter from the Secretary of War, transmitting report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Nolin River, Ky. (H. Doc. No. 480); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

734. A letter from the Secretary of War, transmitting report dated October 12, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Manitowoc Harbor, Wis. (H. Doc. No. 481); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

735. A letter from the Secretary of War, transmitting report dated November 12, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Duluth-Superior Harbor, Minn. and Wis. (H. Doc. No. 482); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

736. A letter from the Secretary of War, transmitting report dated October 31, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Petersburg Harbor, Alaska (H. Doc. No. 483); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

737. A letter from the Secretary of War, transmitting draft of a proposed bill to amend the first paragraph of subsection (b) of section 4 of the Canal Zone retirement act of March 2, 1931; to the Committee on Interstate and Foreign Commerce.

738. A letter from the Secretary of War, transmitting report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Rochester (Charlotte) Harbor, N. Y. (H. Doc. No. 484); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

739. A letter from the chairman of the Board of Mediation, transmitting copy of the sixth annual report of the Board of Mediation to Congress; to the Committee on Interstate and Foreign Commerce.

740. A letter from the clerk, Court of Claims of the United States, transmitting certified copies of the findings of fact and opinions of the court of "Pocono Pines Assembly Hotel Co., No. J-543," which is docketed in this court as Congressional Reference No. A; to the Committee on Appropriations.

741. A letter from the Secretary of War transmitting report dated October 10, 1932, from the Chief of Engineers, United States Army, on preliminary examinations and survey of channel from Pamlico Sound to Beaufort, N. C., and channel from Core Sound to Ocracoke Inlet, N. C., authorized by the river and harbor act of July 3, 1930, with illustration (H. Doc. No. 485); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1866) granting a pension to Margaret M. Warner; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7345) granting an increase of pension to Katy J. Woodward; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 9830) granting a pension to George Philip Steppe; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WILLIAMSON: A bill (H. R. 13006) to provide that no interest shall be charged on loans upon adjusted-service certificates, that such loans shall be considered as partial payments, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H. R. 13007) providing for the restoration of an Indian agent for the Lower Brule Indian Reservation; to the Committee on Indian Affairs.

Also, a bill (H. R. 13008) to amend section 2 of an act entitled "An act to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes," approved January 22, 1932 (Public, No. 2, 72d Cong.); to the Committee on Banking and Currency.

Also, a bill (H. R. 13009) to provide for the final enrollment of the Indians of the Sioux Tribe of Indians consisting of certain tribes; to the Committee on Indian Affairs.

By Mr. MEAD: A bill (H. R. 13010) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mr. LANKFORD of Georgia: A bill (H. R. 13011) to amend the Reconstruction Finance Corporation act by providing for loans to cities, counties, and States secured by tax fieri facias, tax executions, and other tax liens, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANKIN: A bill (H. R. 13012) to regulate the value of money, to stabilize its purchasing power by the controlled expansion and contraction of the currency, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'CONNOR: A bill (H. R. 13013) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. WILLIAM E. HULL: A bill (H. R. 13014) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. BLAND: A bill (H. R. 13015) for preliminary examination and survey of Occupacia Creek, Essex County, Va., and channel connecting the same with the Rappahannock River; to the Committee on Rivers and Harbors.

By Mr. LEAVITT: A bill (H. R. 13016) to authorize the Secretary of Agriculture to adjust debts of farmers to the United States for seed, feed, and crop-production loans; to the Committee on Agriculture.

By Mr. BACHARACH: A bill (H. R. 13017) for a survey and examination of West Creek, N. J.; to the Committee on Rivers and Harbors.

By Mr. BUCKBEE: A bill (H. R. 13018) to amend section 79 of the Judicial Code; to the Committee on the Judiciary.

By Mr. COLLIER: A bill (H. R. 13019) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Ways and Means.

By Mr. BRUNNER: A bill (H. R. 13020) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. JENKINS: A bill (H. R. 13021) to provide for the advance payment of adjusted-service certificates; to the Committee on Ways and Means.

By Mr. ALMON: A bill (H. R. 13022) to repeal section 1001 (a) of the revenue act of 1932 which increased the rate of postage on certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. SINCLAIR: A bill (H. R. 13023) to extend the time for payment of seed and feed loans made to farmers under the Reconstruction Finance Corporation act and other emergency relief acts during the years 1931 and 1932, and for other purposes; to the Committee on Agriculture.

By Mr. ALMON: A bill (H. R. 13024) to repeal the tax on bank checks; to the Committee on Ways and Means.

Also, a bill (H. R. 13025) to extend the time during which the emergency appropriation for Federal-aid highways shall be available for expenditure; to the Committee on Ways and Means.

By Mr. BLAND: A bill (H. R. 13026) to amend section 546, title 34, of the United States Code; to the Committee on Naval Affairs.

By Mr. LEA: A bill (H. R. 13027) to provide revenue by increasing taxes on certain nonintoxicating vinous liquors, and to remove the limitation of the prohibiton laws upon their manufacture, transportation, and sale in certain cases, to the Committee on Ways and Means.

By Mr. BRUNNER: A bill (H. R. 13028) to provide for the appointment of one additional judge of the District Court of the United States for the Eastern District of New York; to the Committee on the Judiciary.

By Mr. WARREN: A bill (H. R. 13029) to authorize an appropriation of $50,000,000 for seed loans and advances to farmers in 1933 for the purpose of crop production; to the Committee on Banking and Currency.

By Mr. PITTENGER: A bill (H. R. 13030) granting a civil-service status to wounded war veterans of the United States; to the Committee on the Civil Service.

By Mr. O'CONNOR: A bill (H. R. 13031) to amend the revenue act of 1918; to the Committee on Ways and Means.

Also, a bill (H. R. 13032) to amend section 604 of the revenue act of 1932; to the Committee on Ways and Means.

By Mr. ROMJUE: A bill (H. R. 13033) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. SUTPHIN: A bill (H. R. 13034) to provide Federal aid for the construction of groins and bulkheads for coast protection; to the Committee on Rivers and Harbors.

By Mr. LAMNECK: A bill (H. R. 13035) to repeal section 1001 (a) of the revenue act of 1932 which increased the rate of postage on certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. McKEOWN: A bill (H. R. 13036) to authorize the Secretary of the Interior to make a per capita payment to certain Sac and Fox Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. BRIGGS: A bill (H. R. 13037) to amend the Reconstruction Finance Corporation act, as amended by the emergency relief and construction act of 1932 by adding thereto a new section providing for crop loans, and other purposes; to the Committee on Banking and Currency.

By Mr. McKEOWN: A bill (H. R. 13038) to authorize the Secretary of the Interior to pay $500 for expenses of Sac and Fox business committee; to the Committee on Indian Affairs.

By Mr. WIGGLESWORTH: A bill (H. R. 13039) for the protection of laborers and mechanics on public buildings or other public works of the United States and the District of Columbia; to the Committee on Labor.

By Mr. O'CONNOR: A bill (H. R. 13040) to amend the national prohibition act as amended and supplemented; to the Committee on the Judiciary.

By Mr. McKEOWN: A bill (H. R. 13041) to provide financial facilities for making loans on farms and/or farm homes, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOUSTON of Hawaii: A bill (H. R. 13042) to authorize the transfer of land from the War Department to the Territory of Hawaii; to the Committee on Military Affairs.

By Mr. KURTZ: A bill (H. R. 13043) to repeal section 1001 (a) of the revenue act of 1932 which increased the rate of postage on certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. PATMAN: A bill (H. R. 13044) to liquidate and refinance agricultural indebtedness, and to encourage and promote agriculture, commerce, and industry, by establishing an efficient credit system, through which the unjust and unequal burdens placed upon agriculture during the period of price fixing and deflation may be lightened, by providing for the liquidation and refinancing of farm mortgages and farm indebtedness at a reduced rate of interest through the Federal farm-loan system, the Federal reserve banking system, and creating a board of agriculture to supervise the same; to the Committee on Banking and Currency.

By Mr. TAYLOR of Colorado: Resolution (H. Res. 305) favoring a reduction in grazing fees on lands within national forests; to the Committee on Agriculture.

By Mr. MANSFIELD: Resolution (H. Res. 306) to print as a House document the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of Neuse River, N. C.; to the Committee on Printing.

Also, resolution (H. Res. 307) to print as a House document the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of the White River, Mo. and Ark.; to the Committee on Printing.

Also, resolution (H. Res. 308) to print as a House document the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of the Columbia River and minor tributaries; to the Committee on Printing.

By Mr. RAINEY: Joint resolution (H. J. Res. 480) proposing an amendment to the Constitution to repeal the eighteenth amendment; to the Committee on the Judiciary.

By Mr. TAYLOR of Colorado: Joint resolution (H. J. Res. 481) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska for the year 1932–33; to the Committee on Mines and Mining.

By Mr. BACHMANN: Joint resolution (H. J. Res. 482) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. TAYLOR of Colorado: Joint resolution (H. J. Res. 483) proposing an amendment to the Constitution of the United States providing for election of Members of the House of Representatives and fixing term of service of Representatives; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. LaGUARDIA: Joint resolution (H. J. Res. 484) proposing an amendment to the Constitution to repeal the eighteenth amendment; to the Committee on the Judiciary.

By Mr. O'CONNOR: Joint resolution (H. J. Res. 485) proposing an amendment to the eighteenth amendment of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BRUNNER: Joint resolution (H. J. Res. 486) proposing an amendment to the Constitution of the United States relating to the manufacture, sale, or transportation of intoxicating liquors; to the Committee on the Judiciary.

By Mr. SWING: Joint resolution (H. J. Res. 487) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. COLLIER: Concurrent resolution (H. Con. Res. 40) to provide for the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives on House Joint Resolution 123, relating to moratorium on foreign debts; to the Committee on Printing.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the House of Representatives of the State of Texas, requesting Congress to make a thorough investigation of the manner and method of conducting cotton exchanges, with a view to amending the laws governing exchanges, in order to eliminate their gambling features and permit the natural laws of supply and demand to control; to the Committee on Agriculture.

Memorial of the Legislature of the State of Texas, memorializing the Representatives and Senators from the State of Texas to work and vote for the full payment of the soldiers' bonus; to the Committee on Ways and Means.

Memorial of Alice E. Perry and others, requesting Congress to enact a law for the Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

Memorial of the Legislature of the State of Texas, memorializing Congress to enact such legislation as will give immediate relief to those farmers who are about to or have already lost their homes and farms and to so deal with the question of farm mortgages that further foreclosures may be prevented; to the Committee on Banking and Currency.

Memorial of the Bar Association of Hawaii, opposing Senate bill No. 4311 (72d Cong., 1st sess.), which proposes to abolish the United States District Court of Hawaii by repealing section 86 of the organic act and to transfer all the jurisdiction now held and exercised by it to the circuit courts of the Territory of Hawaii; to the Committee on the Judiciary.

Memorial of the Pampanga Civic Union, San Fernando, Pampanga, Philippine Islands, memorializing Congress to enact a law giving their people immediate independence; to the Committee on Insular Affairs.

Memorial of Jose A. Otamendi, president of the House of Representatives of Montevideo, stating that the House of Representatives of Montevideo declares that there must not be recognized as legitimate the sovereignty over territories which may be acquired by violence, and requests the House of Representatives of the other countries of America to express their agreement with this principle; to the Committee on Foreign Affairs.

Memorial of Hon. Edgar Prochnik, Austrian Minister to the United States, extending his condolences on the occasion of the death of the Hon. J. Charles Linthicum; to the Committee on Foreign Affairs.

Memorial of the municipal government of Burgos Province, of Ilocos Norte, P. I., memorializing Congress to enact a law which provides for the unconditional independence of the Philippines at a near and definite date; to the Committee on Insular Affairs.

Memorial of Harris County Medical Society, of Houston, Tex., requesting Congress to give serious consideration to repealing laws authorizing hospitalization, or rendering medical attention to non-service-connected disabilities arising in ex-service men, and favors the hospitalization and giving proper medical care to all veterans for service-connected disabilities only; to the Committee on World War Veterans' Legislation.

Memorial of the electors of the State of Connecticut, urging the repeal of the eighteenth amendment and that the power to regulate or to prohibit the manufacture, sale, or transportation of intoxicating liquors be reserved to the several States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 13045) granting a pension to Catherine E. Burke; to the Committee on Pensions.

By Mr. ALLEN: A bill (H. R. 13046) for the relief of William Henry Davidson; to the Committee on Military Affairs.

By Mr. ALDRICH: A bill (H. R. 13047) granting a pension to Annie Coan; to the Committee on Pensions.

Also, a bill (H. R. 13048) granting a pension to Eva L. Goodwin; to the Committee on Pensions.

By Mr. AYRES: A bill (H. R. 13049) granting an increase of pension to Sarah P. Scott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13050) granting an increase of pension to Hannah Engler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13051) granting an increase of pension to Eliza Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13052) granting an increase of pension to Miriam A. Williams; to the Committee on Invalid Pensions.

By Mr. BACHMANN: A bill (H. R. 13053) for the relief of Albert Polley; to the Committee on Military Affairs.

Also, a bill (H. R. 13054) granting a pension to Earl J. Bennett; to the Committee on Pensions.

By Mr. BARTON: A bill (H. R. 13055) for the relief of the estate of John T. Lynch, deceased; to the Committee on War Claims.

Also, a bill (H. R. 13056) for the relief of the estate of David Lynch, deceased; to the Committee on War Claims.

Also, a bill (H. R. 13057) granting a pension to Catherine Orender; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13058) granting a pension to Mary E. Mecomber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13059) granting an increase of pension to Hester A. Young; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13060) granting an increase of pension to Mitilda J. Henderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13061) granting an increase of pension to Jeritha Love Claxton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13062) granting an increase of pension to Mary N. Stanley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13063) granting an increase of pension to Addie Blunt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13064) granting an increase of pension to Hannah H. Maddux; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13065) granting an increase of pension to Elizabeth Dugan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13066) granting a pension to Frances E. Newton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13067) granting a pension to Mary A. Lane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13068) granting a pension to George H. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13069) granting a pension to Nan A. Benson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13070) granting a pension to Sherman King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13071) granting an increase of pension to Sallie A. Nunn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13072) granting a pension to Ona Gross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13073) granting an increase of pension to Annie E. Teague; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13074) granting a pension to James E. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13075) for the relief of John Pierce; to the Committee on Military Affairs.

Also, a bill (H. R. 13076) granting an increase of pension to Eliza J. Postlewait; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13077) for the relief of Philip Sappington; to the Committee on Military Affairs.

Also, a bill (H. R. 13078) granting an increase of pension to John W. Harmon; to the Committee on Pensions.

Also, a bill (H. R. 13079) granting a pension to Annie C. Linthicum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13080) for the relief of Edward J. Duggan; to the Committee on Claims.

Also, a bill (H. R. 13081) granting a pension to Mary Ann Eskew; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13082) for the relief of Felix Maupin; to the Committee on Naval Affairs.

Also, a bill (H. R. 13083) granting a pension to Sarah K. Copeland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13084) granting a pension to Joseph M. Cameron; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13085) granting a pension to Etta Janes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13086) granting a pension to James Bragan; to the Committee on Pensions.

Also, a bill (H. R. 13087) granting a pension to Ruth Ann Breedlove; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13088) granting a pension to Ada Pettigrew; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13089) granting an increase of pension to Sarah McGuire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13090) granting an increase of pension to Ida Nagel; to the Committee on Invalid Pensions.

By Mr. BIDDLE: A bill (H. R. 13091) granting an increase of pension to Katharine Wallace; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13092) granting an increase of pension to Mary Chilcoat; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 13093) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval radio station, Eureka, Calif., on January 17, 1930; to the Committee on Claims.

Also, a bill (H. R. 13094) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval training station, Hampton Roads, Va., on February 21, 1927; to the Committee on Claims.

By Mr. BLAND: A bill (H. R. 13095) granting a pension to Julius Hampton, jr.; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13096) granting an increase of pension to Karoline Umlauft; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 13097) granting an increase of pension to Martha J. Constant; to the Committee on Invalid Pensions.

By Mr. BOLTON: A bill (H. R. 13098) for the relief of H. A. Taylor; to the Committee on Claims.

By Mr. BOYLAN: A bill (H. R. 13099) granting a pension to Josephine Ensign; to the Committee on Pensions.

By Mr. BUCKBEE: A bill (H. R. 13100) granting an increase of pension to Celesta G. Rock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13101) for the relief of James Prien; to the Committee on Military Affairs.

Also, a bill (H. R. 13102) granting an increase of pension to Earnest J. Wolter; to the Committee on Pensions.

Also, a bill (H. R. 13103) granting an increase of pension to Cora Winklepleck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13104) granting a pension to Nellie L. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13105) granting an increase of pension to Philura R. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13106) granting an increase of pension to Emily S. Maxwell; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 13107) to correct the military record of Jordan Kidwell; to the Committee on Military Affairs.

Also, a bill (H. R. 13108) granting a pension to John W. Raridon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13109) granting an increase of pension to Katie Hoagland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13110) granting an increase of pension to Artimissa A. Earhart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13111) granting an increase of pension to Martha J. Trullender; to the Committee on Invalid Pensions.

By Mr. CARTER of Wyoming: A bill (H. R. 13112) for the relief of Andrew J. Oliver; to the Committee on Pensions.

Also, a bill (H. R. 13113) granting a pension to Mrs. William G. Root; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13114) for the relief of Charles L. Wymore; to the Committee on Military Affairs.

By Mr. CAVICCHIA: A bill (H. R. 13115) for the relief of David Levy; to the Committee on Naval Affairs.

Also, a bill (H. R. 13116) to extend the benefits of the United States employees' compensation act to Eugene C. Lee; to the Committee on Claims.

By Mr. COLE of Maryland: A bill (H. R. 13117) granting a pension to William F. Curtain; to the Committee on Pensions.

By Mr. CORNING: A bill (H. R. 13118) granting a pension to Mary E. Van Dyck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13119) granting a pension to Agnes B. Flynn; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 13120) granting an increase of pension to Annie Oathout; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13121) granting an increase of pension to Nancy Hyson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13122) granting a pension to Maude Harriman Sanford; to the Committee on Pensions.

Also, a bill (H. R. 13123) for the relief of Arthur Reid; to the Committee on Military Affairs.

By Mr. DOUTRICH: A bill (H. R. 13124) granting an increase of pension to Catherine E. Ising; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 13125) granting a pension to Eliza Rafferty; to the Committee on Invalid Pensions.

By Mr. EATON of Colorado: A bill (H. R. 13126) granting a pension to Lillian S. Budd; to the Committee on Invalid Pensions.

By Mr. ESTEP: A bill (H. R. 13127) granting an increase of pension to Annie Cannan; to the Committee on Invalid Pensions.

By Mr. EVANS of California: A bill (H. R. 13128) granting an increase of pension to Marion G. Webb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13129) granting a pension to Harriet J. Hart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13130) granting a pension to Laura B. Perley; to the Committee on Invalid Pensions.

By Mr. FIESINGER: A bill (H. R. 13131) granting an increase of pension to Ada Thomas Hackett; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 13132) granting a pension to Nancy Triplet; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13133) for the relief of Jesse Baird; to the Committee on Claims.

Also, a bill (H. R. 13134) granting an increase of pension to Mary Perry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13135) for the relief of John W. Lampkins; to the Committee on Military Affairs.

Also, a bill (H. R. 13136) granting a pension to Charles E. King; to the Committee on Pensions.

Also, a bill (H. R. 13137) granting a pension to Henry Davenport; to the Committee on Pensions.

Also, a bill (H. R. 13138) for the relief of Bevley L. Clark; to the Committee on Military Affairs.

Also, a bill (H. R. 13139) granting a pension to Jesse Arthur; to the Committee on Pensions.

Also, a bill (H. R. 13140) granting a pension to Laura B. Poore; to the Committee on Pensions.

Also, a bill (H. R. 13141) granting a pension to Eliza S. Rhodes; to the Committee on Pensions.

Also, a bill (H. R. 13142) granting a pension to Ada Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13143) granting an increase of pension to James W. Taylor; to the Committee on Pensions.

Also, a bill (H. R. 13144) granting a pension to Ella Abney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13145) granting a pension to David W. Snyder; to the Committee on Pensions.

By Mr. FITZPATRICK: A bill (H. R. 13146) granting a pension to Harry Miller; to the Committee on Pensions.

By Mr. FREEMAN: A bill (H. R. 13147) granting an increase of pension to Luella E. Macumber; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 13148) for the relief of Ernest W. Jermark; to the Committee on Claims.

By Mr. GARBER: A bill (H. R. 13149) granting a pension to Harriet E. Austin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13150) granting an increase of pension to May I. Barton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13151) granting an increase of pension to Mary E. Lakey; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H. R. 13152) granting an increase of pension to Mary J. McAlearney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13153) granting an increase of pension to Victoria Gould; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 13154) granting an increase of pension to Emaline J. Strine; to the Committee on Invalid Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 13155) granting an increase of pension to Hattie J. Doolittle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13156) granting an increase of pension to Nettie Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13157) granting an increase of pension to Caroline Appelt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13158) granting a pension to Catherine J. Hoyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13159) granting a pension to Jean M. Lockwood; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 13160) for the relief of Joseph Lawrence Rusche; to the Committee on Naval Affairs.

Also, a bill (H. R. 13161) granting a pension to Clara M. Britt; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 13162) granting a pension to Kate Harnass; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13163) granting a pension to Josephine Ballmann; to the Committee on Pensions.

Also, a bill (H. R. 13164) granting a pension to Eva Heine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13165) granting a pension to Lucy Tyler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13166) for the relief of the H. C. Nutting Co.; to the Committee on Claims.

By Mr. HOPE: A bill (H. R. 13167) granting an increase of pension to Alice E. Helmer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13168) granting an increase of pension to Ellen L. W. Jones; to the Committee on Invalid Pensions.

By Mr. HOWARD: A bill (H. R. 13169) granting a pension to Lewis Garner; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 13170) granting a pension to James Angel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13171) granting a pension to William Bruce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13172) granting a pension to Lewis Congrove; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13173) granting an increase of pension to Sarah A. Daugherty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13174) granting an increase of pension to Mary E. Derry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13175) granting an increase of pension to Jennie S. Duncan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13176) granting an increase of pension to Addie C. Fenwick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13177) granting an increase of pension to Charlotte Fultz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13178) granting a pension to Roma Hively; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13179) granting a pension to Jennie Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13180) granting an increase of pension to Mary C. Keneff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13181) granting a pension to Maude Lantz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13182) granting an increase of pension to Laura E. McIntyre; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13183) granting an increase of pension to Mary L. Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13184) granting a pension to Mary Virginia Salisbury; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 13185) for the relief of Leo Yates; to the Committee on Claims.

By Mr. KENDALL: A bill (H. R. 13186) granting a pension to Mary Alice Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13187) granting a pension to Albert S. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13188) granting an increase of pension to Melissa D. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13189) granting an increase of pension to Hester H. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13190) granting an increase of pension to Ann Eliza Ansell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13191) granting an increase of pension to Eunice A. Myers; to the Committee on Invalid Pensions.

By Mr. KNIFFEN: A bill (H. R. 13192) granting an increase of pension to Melinda Mowers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13193) granting an increase of pension to Harriet Deamer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13194) granting a pension to Emma Adcock; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 13195) granting an increase of pension to Nancy H. Waldsmith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13196) granting a pension to Morgan L. Dively; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13197) granting an increase of pension to Susannah Ditterline; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13198) granting a pension to Lana Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13199) granting a pension to Anna Hill Wilson; to the Committee on Pensions.

Also, a bill (H. R. 13200) granting an increase of pension to Isabella Arbogast; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13201) granting an increase of pension to Isabella Cramer; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 13202) awarding the distinguished-service cross to Joseph Tibe; to the Committee on Military Affairs.

Also, a bill (H. R. 13203) granting an increase of pension to Miami Leeper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13204) granting an increase of pension to Susan Buckingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13205) granting a pension to Ralph E. Henson; to the Committee on Pensions.

Also, a bill (H. R. 13206) for the relief of Wilfred Richards; to the Committee on Naval Affairs.

Also, a bill (H. R. 13207) for the relief of Fred C. Bienkner; to the Committee on Claims.

Also, a bill (H. R. 13208) granting a pension to Fred F. Counts; to the Committee on Pensions.

Also, a bill (H. R. 13209) granting an increase of pension to Elizabeth Cooley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13210) granting an increase of pension to Fannie Bastle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13211) granting an increase of pension to Ellen C. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13212) granting an increase of pension to Columbia Hankins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13213) granting an increase of pension to Caroline Yost; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13214) granting an increase of pension to Mary Elizabeth Gibbons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13215) granting an increase of pension to Martha E. Hall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13216) granting an increase of pension to Tabitha Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13217) granting an increase of pension to Mary A. Pocock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13218) granting an increase of pension to Adelia Barnes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13219) granting an increase of pension to Matilda Kennedy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13220) granting an increase of pension to Frances E. Foster; to the Committee on Invalid Pensions.

By Mr. LEWIS: A bill (H. R. 13221) for relief of Anna C. Stigers; to the Committee on War Claims.

Also, a bill (H. R. 13222) granting an increase of pension to Mary A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13223) granting an increase of pension to Elizabeth A. Richenberg; to the Committee on Invalid Pensions.

By Mr. LICHTENWALNER: A bill (H. R. 13224) granting an increase of pension to Catharine A. Wolf; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 13225) granting an increase of pension to Belle Armel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13226) to refund the duty on a carillon of 63 bells imported for the Scottish Rite Temple, Indianapolis, Ind.; to the Committee on Claims.

By Mr. McKEOWN: A bill (H. R. 13227) for the relief of Manuel Merritt; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 13228) granting an increase of pension to Marianna Gedris; to the Committee on Pensions.

Also, a bill (H. R. 13229) granting a pension to Susan E. Thayer; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H. R. 13230) granting a pension to Marie Baraby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13231) granting a pension to Mary J. Winslow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13232) granting an increase of pension to Nora Frazier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13233) for the relief of Edward Theroult, alias Frank Gamashe; to the Committee on Military Affairs.

Also, a bill (H. R. 13234) granting an increase of pension to Elizabeth M. Brown; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 13235) granting a pension to Kate Andrews; to the committee on Invalid Pensions.

Also, a bill (H. R. 13236) granting an increase of pension to Eliza Mulvania; to the Committee on Invalid Pensions.

By Mr. MOREHEAD: A bill (H. R. 13237) granting an increase of pension to Maria Jefferson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13238) granting an increase of pension to Annie Messler; to the Committee on Invalid Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 13239) granting a pension to Squire F. Ashley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13240) granting a pension to Vuna Flener; to the Committee on Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 13241) granting an increase of pension to Harriett Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13242) granting an increase of pension to Mary C. Sly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13243) granting a pension to Rachel Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13244) granting a pension to Fletcher Clark; to the Committee on Pensions.

Also, a bill (H. R. 13245) granting an increase of pension to Louisa Castrop; to the Committee on Invalid Pensions.

By Mr. RAINEY: A bill (H. R. 13246) granting a pension to Anna Angelow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13247) granting a pension to Bettie L. Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13248) granting an increase of pension to Sally E. Thomas; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 13249) granting an increase of pension to Delphina Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13250) granting an increase of pension to Mae E. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13251) granting an increase of pension to Mary B. Keefe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13252) granting an increase of pension to Jennie H. Burford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13253) granting an increase of pension to Martha F. Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13254) granting an increase of pension to Alvena C. Malier; to the Committee on Invalid Pensions.

By Mr. RUDD: A bill (H. R. 13255) for the relief of Emil John Geiser; to the Committee on Naval Affairs.

By Mr. SCHNEIDER: A bill (H. R. 13256) granting an increase of pension to Melissa Holmes; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 13257) granting a pension to Honora E. Dempsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13258) granting an increase of pension to Susan E. Kaster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13259) for the relief of Edward F. Smith; to the Committee on Pensions.

Also, a bill (H. R. 13260) granting a pension to Anna E. Spence; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13261) granting an increase of pension to Hattie Struchen; to the Committee on Invalid Pensions.

By Mr. SINCLAIR: A bill (H. R. 13262) for the relief of Marie Toenberg; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 13263) for the relief of Elizabeth Taylor; to the Committee on Military Affairs.

Also, a bill (H. R. 13264) granting an increase of pension to Mary Tredo; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13265) granting an increase of pension to Ellen Morrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13266) granting an increase of pension to Ruth Irene Barney; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 13267) granting a pension to Girty A. Adamson; to the Committee on Pensions.

Also, a bill (H. R. 13268) granting an increase of pension to Sarah J. Nicholson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13269) granting a pension to Samuel A. Evans; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 13270) granting a pension to Mary H. Wallace; to the Committee on Pensions.

Also, a bill (H. R. 13271) granting an increase of pension to Sarah C. Parks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13272) for the relief of Lee Acrey, also known as Barnett Lee Acrey; to the Committee on Military Affairs.

Also, a bill (H. R. 13273) for the relief of Ralph C. Irwin; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 13274) for the relief of William S. Searle; to the Committee on Military Affairs.

By Mr. THOMASON: A bill (H. R. 13275) for the relief of Virden Thompson; to the Committee on Military Affairs.

Also, a bill (H. R. 13276) granting a pension to William A. Sienkbeil; to the Committee on Pensions.

Also, a bill (H. R. 13277) for the relief of Ellen Kline; to the Committee on Claims.

Also, a bill (H. R. 13278) granting a pension to Emmeline Miller; to the Committee on Pensions.

Also, a bill (H. R. 13279) granting a pension to Emma L. Lee; to the Committee on Pensions.

Also, a bill (H. R. 13280) for the relief of Petra M. Benavides; to the Committee on Claims.

Also, a bill (H. R. 13281) for the relief of William A. McMahan; to the Committee on Claims.

By Mr. THURSTON: A bill (H. R. 13282) granting an increase of pension to Mary A. Neidigh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13283) granting a pension to Maude Delay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13284) granting an increase of pension to Frances C. Gaskill; to the Committee on Invalid Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 13285) granting an increase of pension to Rebecca Aid; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 13286) granting a pension to Julia A. Hackett; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 13287) granting an increase of pension to Catherine M. Graves; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 13288) granting an increase of pension to Willie Williams; to the Committee on Pensions.

Also, a bill (H. R. 13289) granting a pension to Dolly Patton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13290) granting a pension to Ollie Hamilton; to the Committee on Invalid Pensions.

By Mr. WATSON: A bill (H. R. 13291) for the relief of John E. Martin; to the Committee on Claims.

By Mr. WEST: A bill (H. R. 13292) for the relief of W. C. Garber; to the Committee on Claims.

Also, a bill (H. R. 13293) granting an increase of pension to Ella Price; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13294) granting an increase of pension to Sophia Arnold; to the Committee on Invalid Pensions.

By Mr. WHITLEY: A bill (H. R. 13295) granting an increase of pension to Ida H. Stokes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13296) granting an increase of pension to Jennie Moshier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13297) granting an increase of pension to Isabella E. Darling; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13298) granting an increase of pension to Jennie A. Boas; to the Committee on Invalid Pensions.

By Mr. WOLVERTON: A bill (H. R. 13299) granting an increase of pension to Mary Etta Chew; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 13300) granting a pension to Viola Shively; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13301) granting an increase of pension to Emma Chapman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13302) granting an increase of pension to Maria E. Best; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8543. By Mr. BOYLAN: Resolution adopted at the annual meeting of the conference of mayors and other municipal officials of the State of New York, petitioning Congress to amend the Federal reserve bank act; to the Committee on Banking and Currency.

8544. Also, resolution adopted by the Pittsburgh Central Labor Union, opposing the continuance of the furlough provision in the economy law beyond the present fiscal year; to the Committee on Ways and Means.

8545. Also, letter from the Carrier Corporation, New York City, N. Y., opposing Senate bill 4939 and House bill 12875, to amend section 148 of the revenue act of 1932; to the Committee on Ways and Means.

8546. Also, letter from the John Campbell & Co., manufacturers of aniline colors and coal-tar products, New York City, N. Y., favoring the passage of the design protection bill; to the Committee on Patents.

8547. Also, resolutions unanimously passed at the annual meeting of the New York State Coal Merchants Association (Inc.), opposing the Davis-Kelly bill providing for the regulation of the coal industry by a Federal bureau to be created for that purpose, etc.; to the Committee on Interstate and Foreign Commerce.

8548. By Mr. CANNON: Petition of W. V. Mackey and other citizens of Bowling Green, Mo., protesting against passage of any measures for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8549. Also, petition of Bertha Shaw and other citizens of Middletown, Mo., protesting against passage of any measures for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8550. Also, petition of Rev. J. M. Hornback and other citizens of Clarksville, Mo., protesting against passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8551. Also, petition of Mrs. A. W. Eberling and other citizens of Warrenton, Mo., protesting against passage of any measures for the manufactures of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8552. Also, petition of Mrs. M. W. Henderson and other citizens of Clarksville, Mo., protesting against passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8553. Also, petition of A. K. Rolfe and other citizens of Bellflower, Mo., protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8554. Also, petition of Laura E. Ayres and other citizens of Ashley, Mo., protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8555. Also, petition of Anna B. Smith and other citizens of Laddonia, Mo., protesting against passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8556. Also, petition of Mrs. William E. Gliser and other citizens of Montgomery City, Mo., protesting against passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8557. Also, petition of S. C. Accola and other citizens of La Grange, Mo., protesting against passage of any measures for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8558. Also, petition of Edward Gross and other citizens of Wright City, Mo., protesting against passage of any measures for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8559. Also, petition of Mrs. Frank Lawrenceson and other citizens of Canton, Mo., protesting against passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8560. By Mr. CULLEN: Petition of the Associated Cooperage Industries of America, protesting against any preference or discrimination being included in any beer legislation which would undertake to go so far as to specify one particular package or container as against another; to the Committee on Ways and Means.

8561. Also, petition of New York Railroad Club, urging that Federal, State, and municipal governments take steps to enforce present laws and regulations applying to trucks and busses, and that all forms of Federal, State, and local subsidies to competing means of transportation be eliminated, with the purpose of insuring to the railroads an equality of opportunity in transportation competition; to the Committee on Interstate and Foreign Commerce.

8562. Also, petition of New York State Coal Merchants Association (Inc.), approving in principle the proposed amendments to the Federal bankruptcy act as incorporated in the Hastings bill; also urging that provisions of the Baldrige bill barring necessaries of life from discharges and shifting the burden of proof as to debts contracted within four months of bankruptcy to the debtor be incorporated in the new law; to the Committee on Banking and Currency.

8563. Also, petition of New York State Coal Merchants Association (Inc.), opposing the principles and provisions of the proposed Davis-Kelly bill, providing for regulation of the coal industry by a Federal bureau to be created for that purpose; to the Committee on Interstate and Foreign Commerce.

8564. Also, petition requesting that the cities and first-class villages of New York State, through the New York State conference of mayors and other municipal officials, petition the President and the Congress to amend the Federal reserve bank act to permit, under proper restrictions, the Federal reserve bank to rediscount municipal loans to relieve unemployment and need; to the Committee on Banking and Currency.

8565. Also, petition of Pittsburgh Central Labor Union, protesting against any further continuance of the furlough provision in the economy law beyond the present fiscal year; to the Committee on Ways and Means.

8566. By Mr. GRANFIELD: Petition of the Central Council of Irish County Associations, protesting against cancellation or any further extension of the moratorium on these foreign debts; to the Committee on Foreign Affairs.

8567. By Mr. HANCOCK of New York: Petition signed by Annie E. Oberlander, Jennie L. Potter, and 1,563 other residents of the thirty-fifth district of New York, opposing the return of beer; to the Committee on the Judiciary.

8568. By Mr. LINDSAY: Petition of National Association of Uniform Manufacturers, New York City, opposing Government competition with private enterprises; to the Committee on the Judiciary.

8569. Also, petition of Textile Converters Association, New York City, urging immediate and favorable consideration of an emergency industries preservation act; to the Committee on the Judiciary.

8570. Also, petition of American Hotel Association, New York City, favoring repeal of the eighteenth amendment; to the Committee on the Judiciary.

8571. Also, petition of the Pittsburgh Central Labor Union, Pittsburgh, Pa., opposing continuance of the furlough provision in the economy act beyond the present fiscal year; to the Committee on Ways and Means.

8572. Also, petition of conference of mayors and other municipal officials of the State of New York, Albany, N. Y., urging the President and Congress to amend the Federal reserve act to permit, under proper restrictions, the Federal reserve bank to rediscount municipal loans to relieve unemployment and need; to the Committee on Banking and Currency.

8573. Also, petition of Voluntary Committee of Lawyers (Inc.), New York City, favoring immediate modification of the Volstead Act and outright repeal of the eighteenth amendment; to the Committee on the Judiciary.

8574. Also, petition of the Finger Lakes Wine Growers' Association, Naples, N. Y., urging modification of the Volstead Act and repeal of the eighteenth amendment to save existence of the grape growers; to the Committee on the Judiciary.

8575. Also, petition of Illinois Association Opposed to Prohibition (Inc.), Chicago, urging immediate repeal of the eighteenth amendment; to the Committee on the Judiciary.

8576. Also, petition of John Campbell & Co., New York City, manufacturers of aniline colors and coal-tar products, urging the passage of the design protection bill; to the Committee on Interstate and Foreign Commerce.

8577. Also, petition of New York State Association of Letter Carriers, through Charles S. Waldie, secretary, urging reconsideration of furlough plan under the economy act of June 30, 1932; to the Committee on Ways and Means.

8578. Also, petition of the Buffalo (N. Y.) Chamber of Commerce, opposing the ratification of the proposed St. Lawrence shipway treaty; to the Committee on Interstate and Foreign Commerce.

8579. Also, petition of Coopers International Union, urging liberalization of the Volstead Act; to the Committee on the Judiciary.

8580. Also, petition of the Watervliet Arsenal, Watervliet, N. Y., requesting appropriations to maintain their institution; to the Committee on Appropriations.

8581. Also, petition of the Chamber of Commerce of the State of New York, New York City, urging Federal economy and advocating a Federal sales tax; to the Committee on Ways and Means.

8582. Also, petition of F. Walter Lawrence (Inc.), jewelers, 527 Fifth Avenue, New York City, protesting against the present 10 per cent excise tax on jewelry and silverware; to the Committee on Ways and Means.

8583. Also, petition of Louis Manheimer & Bros., 20 West Forty-seventh Street, New York City, protesting against the 10 per cent excise tax on jewelry; to the Committee on Ways and Means.

8584. Also, petition of the Associated Cooperage Industries of America, urging modification of the Volstead Act; to the Committee on the Judiciary.

8585. Also, petition of the Associated Cooperage Industries of America, at its seventeenth semiannual convention in St. Louis, urging the use of wooden barrels for shipping wines and beer; to the Committee on the Judiciary.

8586. Also, petition of Stephen Jerry & Co. (Inc.), Brooklyn, N. Y., urging use of wooden barrels as a container for shipping beer or wine; to the Committee on the Judiciary.

8587. Also, petition of Association of Army Employees, Governors Island, N. Y., favoring the enactment of a general sales tax and immediate modification of the Volstead Act to permit the manufacture and sales of light wines and beer; to the Committee on the Judiciary.

8588. Also, petition of New York State Coal Merchants Association (Inc.), Albany, N. Y., opposing cooperative buying organizations by Federal employees, thus menacing retail business throughout the country; approving proposed amendments to the Federal bankruptcy act as incorporated in the Hastings bill; and opposing the principles and provisions of the proposed Davis-Kelly bill; to the Committee on the Judiciary.

8589. Also, petition of C. H. Lipsett, publisher Daily Metal Reporter, favoring modification of the Volstead Act; to the Committee on the Judiciary.

8590. Also, petition of Associated Producers of Cereal Beverages, Chicago, Ill., favoring the proper modification of the Volstead Act and the use of barrels as containers for beers and wines; to the Committee on the Judiciary.

8591. Also, petition of Emergency Conservation Committee, New York City, favoring the passage of Senate bill 4472, to save the Yosemite sugar-pine trees; to the Committee on Agriculture.

8592. Also, petition of Automotive Transport Industry (Inc.), New York City, favoring reduction of tax on gasoline and advocating modification of the Volstead Act and early repeal of the eighteenth amendment; to the Committee on the Judiciary.

8593. Also, petition of the United Irish-American Societies of New York, opposing cancellation of foreign debts; to the Committee on Foreign Affairs.

8594. By Mr. MILLIGAN: Petition signed by E. O. Baker and other citizens of the Blythedale, Mo., community, protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8595. Also, petition signed by C. R. Comfort and other citizens of Webster Groves, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8596. Also, petition signed by W. J. Wilcoxon and other citizens of Albany, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8597. Also, petition signed by C. P. Dorsey and other citizens of Cameron, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8598. Also, petition signed by Ethel R. Cook and other citizens of Eagleville, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8599. Also, petition signed by Mrs. Frank Morrow and other citizens of North Kansas City, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8600. Also, petition signed by Mrs. Lou Leazenby and other citizens of Ridgeway, Mo., protesting against the passage of any measure providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8601. Also, petition signed by Mrs. Carrie H. Shotwell and other citizens of Ray County, Mo., protesting against the passage of any measure providing for the manufacture of beer; to the Committee on the Judiciary.

8602. Also, petition signed by Mrs. Angie McGinnis Wylie and other citizens of Stewartsville, Mo., protesting against the return of beer and the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8603. Also, petition signed by Herbert Miller and other citizens of Maysville, Mo., protesting against the passage of any measure providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8604. Also, petition signed by W. O. G. Potter and other citizens of Hardin, Mo., protesting against the passage of any measure providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8605. Also, petition signed by Mrs. J. W. Nelson and other citizens of Kearney, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8606. Also, petition signed by citizens of Albany, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8607. Also, petition signed by J. D. Prater and other citizens of Excelsior Springs, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8608. By Mr. PERSON: Petition of Charles E. Ecker, Lansing, Mich., protesting against repeal of the eighteenth amendment; to the Committee on the Judiciary.

8609. By Mr. RUDD: Petition of Louis Manheimer & Bros. (Inc.), New York City, favoring a general sales tax; to the Committee on Ways and Means.

8610. Also, petition of Coopers International Union, Polindale, Boston, Mass., favoring the modification of the Volstead Act and the public be allowed to have draft beer; to the Committee on the Judiciary.

8611. Also, petition of New York Railroad Club, favoring additional legislation as may be necessary with reference to the regulations applying to trucks and busses; to the Committee on Interstate and Foreign Commerce.

8612. Also, petition of the Associated Cooperage Industries of America, favoring immediate modification of the Volstead Act pending the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8613. Also, petition of Chamber of Commerce of the State of New York, urging Federal economy and advocating a Federal sales tax; to the Committee on Ways and Means.

8614. Also, petition of organization of the Watervliet (N. Y.) Arsenal, favoring adequate appropriations to maintain this Government institution; to the Committee on Appropriations.

8615. Also, petition of Associated Producers of Cereal Beverages, Chicago, Ill., favoring the sale of beer both in bottles and as draft beer, etc.; to the Committee on the Judiciary.

8616. Also, petition of Association of Army Employees, headquarters, Governors Island, N. Y., favoring the enactment of a general sales tax and the modification of the Volstead Act to permit the manufacture and sale of light wines and beer, in order that there may be no necessity for extending the reduced scale of wages beyond the fiscal year ending June 30, 1933; to the Committee on Ways and Means.

8617. Also, petition of the Associated Cooperage Industries of America, St. Louis, Mo., protesting against the enactment of laws regulating under Federal control the sale, shipment, and distribution of beer within the limitations of the several States; to the Committee on Ways and Means.

8618. Also, petition of New York State Coal Merchants' Association (Inc.), Albany, N. Y., protesting against Federal employees conducting cooperative buying organizations; favoring the Hastings bill amending the Federal bankruptcy act; opposing the Davis-Kelly bill, providing for regulation of the coal industry by a Federal bureau; to the Committee on Interstate and Foreign Commerce.

8619. Also, petition of John Campbell & Co., New York City, favoring the enactment of the so-called design protection bill; to the Committee on Patents.

8620. Also, petition of the Finger Lakes Wine Growers Association, Naples, N. Y., favoring the repeal of the eighteenth amendment and the modification of the Volstead Act; to the Committee on the Judiciary.

8621. Also, petition of American Hotel Association of the United States and Canada, favoring the outright repeal of the eighteenth amendment to State conventions; to the Committee on the Judiciary.

8622. Also, petition of Pittsburgh Central Labor Union, Pittsburgh, Pa., opposing further continuance of the furlough provision of the economy act beyond the present fiscal year; to the Committee on Appropriations.

8623. Also, petition of Greater City Aquarium Society of the Greater New York, headquarters, 570 Jamaica Avenue, Brooklyn, N. Y., favoring a duty on tropical fish, goldfish, and other living creatures usually maintained in aquariums and which are being imported into the United States in great quantities; to the Committee on Ways and Means.

8624. Also, petition of the United Irish American Societies of New York, opposing debt cancellation or further revision; to the Committee on Ways and Means.

8625. Also, petition of Textile Converters Association of New York, favoring a committee be appointed by the Congress to investigate the workings of all phases of the antitrust laws; to the Committee on the Judiciary.

8626. Also, petition of conference of mayors and other municipal officials of the State of New York, favoring amendment to the Federal reserve bank act to permit, under proper restrictions the Federal reserve bank to rediscount municipal loans to relieve unemployment and need; to the Committee on Banking and Currency.

8627. By Mr. SELVIG: Petition of Holy Name Society of Detroit Lakes, Minn., urging enactment of necessary legislation to establish regulation of motion pictures by a Federal commission; to the Committee on Interstate and Foreign Commerce.

8628. Also, petition of Holy Rosary Parent-Teacher Association of Detroit Lakes, Minn., favoring regulation of motion pictures by a Federal motion picture commission and



urging enactment of necessary legislation; to the Committee on Interstate and Foreign Commerce.

8629. Also, petition of Holy Rosary Aid, of Detroit Lakes, Minn., opposing block and blind bookings for showing motion pictures, and urging establishment of a Federal motion picture commission for the purpose of regulating motion pictures; to the Committee on Interstate and Foreign Commerce.

8630. Also, petition of Lincoln Parent Teacher Association, of Detroit Lakes, Minn., urging enactment of a bill to prohibit block and blind booking of motion pictures; to the Committee on Interstate and Foreign Commerce.

8631. Also, petition of Thief River Falls (Minn.) Parent-Teacher Association, favoring regulation of motion pictures by a Federal commission and enactment of legislation to this end; to the Committee on Interstate and Foreign Commerce.

8632. Also, petition of Sodality of the Blessed Virgin, of Detroit Lakes, Minn., favoring enactment of legislation to establish a Federal motion picture commission for the purpose of regulating motion pictures; to the Committee on Interstate and Foreign Commerce.

8633. By Mr. SINCLAIR: Petition of Agnes Landgren and 124 other residents of Powers Lake, N. Dak., and vicinity, protesting against the repeal or modification of existing prohibition laws; to the Committee on the Judiciary.

8634. By Mr. STRONG of Pennsylvania: Petition of members of the churches of Freeport; Roxbury Woman's Christian Temperance Union of Johnstown; Woman's Christian Temperance Union of Ebensburg; congregation of Baptist Church of Blairsville; congregation of First Presbyterian Church of Blairsville; congregation of First Methodist Episcopal Church of Blairsville; the Loyal Temperance Legion, of Blairsville, all of the State of Pennsylvania, opposed to any change in the Volstead Act or the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8635. Also, petition of Woman's Christian Temperance Union, Brookville, Pa., and congregation of First Presbyterian Church, Clarion, Pa., opposed to any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8636. Also, petition of Young People's Branch of the Woman's Christian Temperance Union of Johnstown; Frances Willard Woman's Christian Temperance Union, of Punxsutawney; Queenstown Union of Armstrong County Woman's Christian Temperance Union, all of the State of Pennsylvania, opposed to any change in the Volstead Act or the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8637. By Mr. SUTPHIN: Petition of St. Paul's Auxiliary of the Woman's Home Missionary Society, city of Ocean Grove, N. J., petitioning for further censorship of motion pictures; to the Committee on Interstate and Foreign Commerce.

8638. By Mr. SWICK: Petition of Woman's Christian Temperance Union, Beaver, Pa., Luella McKee, president, opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8639. Also, petition of Woman's Christian Temperance Union of Lawrence County, Pa., Margaret S. Walker, president, Margaret Peebles, secretary, opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8640. Also, petition of First Baptist Church and Sunday School, New Castle, Pa., opposing repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on the Judiciary.

8641. Also, petition of Woman's Christian Temperance Union, Harrisville, Pa., Mrs. J. E. Iams, president; Mrs. Thompson Kyle, secretary; requesting that no change be made in the Volstead Act or eighteenth amendment; to the Committee on the Judiciary.

8642. Also, petition of congregation of the College Hill United Presbyterian Church, Beaver Falls, Pa., W. M. French, pastor; I. N. Mason, clerk, requesting that no changes be made in the Volstead Act or eighteenth amendment; to the Committee on the Judiciary.

8643. Also, petition of Y. P. C. U., College Hill United Presbyterian Church, Beaver Falls, Pa., Elton Mollenkopf, president; Rebecca Wallace, secretary, requesting that no changes be made in the Volstead Act or eighteenth amendment; to the Committee on the Judiciary.

8644. Also, petition of College Hill Reformed Presbyterian Church, Beaver Falls, Pa., Charles Marston, pastor; Anna G. Martin, secretary, requesting that no changes be made in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8645. Also, petition of Woman's Christian Temperance Union, Jacksville, Butler County, Pa., Ida M. Pisor, president; Jennie E. Brandon, secretary, requesting that no changes be made in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8646. Also, petition of Geneva congregation, Reformed Presbyterian Church, Beaver Falls, Pa., John C. Slater, pastor, requesting that no change be made in the Volstead Act or eighteenth amendment; to the Committee on the Judiciary.

8647. Also, petition of Woman's Christian Temperance Union, Harlansburg, Pa., Jennie R. Blevins, president; Madge Miller, secretary, requesting that no changes be made in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8648. Also, petition of College Hill Methodist Episcopal Church, Beaver Falls, Pa., James Allen Kestle, pastor, requesting that no changes be made in the Volstead Act or eighteenth amendment; to the Committee on the Judiciary.

8649. Also, petition of St. Paul's Lutheran Aid Society, Beaver Falls, Pa., Mrs. A. Baggs, president; Mrs. H. J. Knauff, secretary, requesting that no changes be made in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8650. By Mr. SWING: Petition of Dr. S. Theron Johnston and 31 residents of Orange County, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8651. Also, petition of A. V. Eyraud and 25 residents of San Bernardino County, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8652. Also, memorial of Edwin Arleigh Brown, of San Diego, Calif., petitioning Congress to enact legislation authorizing the establishment of municipal unemployed relief centers and pledging Federal assistance in the maintenance and operation of the same; to the Committee on Ways and Means.

8653. Also, petition signed by 1,631 residents of San Diego, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8654. By Mr. THOMASON: Petition of Pecos Valley Baptist Association, objecting to repeal of the eighteenth amendment; to the Committee on the Judiciary.

8655. Also, petition of El Paso County Medical Society, relative to increased hospitalization for non-service-connected disability of veterans of the World War; to the Committee on World War Veterans' Legislation.

8656. By Mr. TINKHAM: Resolutions adopted by the Liberal Civic League (Inc.) of Boston, Mass., Saturday, December 3, 1932, favoring the immediate and unconditional repeal of the eighteenth amendment; to the Committee on the Judiciary.

8657. By Mr. WATSON: Resolution passed by Chapter No. 25, Disabled American Veterans of the World War, Norristown, Pa., against the cancellation of war debts; to the Committee on Foreign Affairs.

8658. Also resolution of the Woman's Christian Temperance Union of Quakertown, Pa., in opposition to the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8659. By Mr. WEST: Petition by 29 members of the Woman's Home Missionary Society of Delaware, Ohio, petitioning Congress to enact a law which will (1) establish a Federal motion-picture commission; (2) declare the motion-picture industry a public utility; (3) regulate the trade practices of the industry used in the distribution of pictures; (4) supervise the selection and treatment of subject material during the process of production; and (5) provide that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation; also urging support of bill No. 1079 on the Senate calendar and Senate Resolution No. 170; to the Committee on Interstate and Foreign Commerce.

8660. By the SPEAKER: Petition of John P. Sherrod and other citizens of Kansas City, Mo., protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8661. Also, petition of National Committee of Unemployed Councils of the United States of America; to the Committee on Ways and Means.

8662. By Mr. DOUTRICH: Petition of the Woman's Christian Temperance Unions of Enola and Mechanicsburg, Pa., and the Ladies' Bible Class, No. 1, United Brethren in Christ Church, of Shiremanstown, Pa., protesting against any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8663. Also, petition of George J. Smith, presenting a claim for the consideration of Congress; to the Committee on Claims.

8664. By Mr. MILLIGAN: Petition signed by citizens of Clay County, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

SENATE

TUESDAY, DECEMBER 6, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, at whose word man goeth forth to his work and to his labor until the evening, give us this day a clearer vision of the duty, the motive, and the end of true service, that we may steel ourselves against the lust of ease and never count the cost for others' greater need.

And if Thou seest fit to bring us into that arid twilight land where judgment misleads, emotion withers, and will seems but a broken reed, because the staff of self on which we leaned was all too frail, then do Thou in Thy tender love support us in Thine everlasting arms that, being delivered from the disabling fear of failure, we may put our whole trust and confidence in Thy enabling care.

We ask it in the name of Jesus Christ, our Lord. Amen.

ALBEN W. BARKLEY, a Senator from the State of Kentucky; HIRAM BINGHAM, a Senator from the State of Connecticut; and BRONSON CUTTING, a Senator from the State of New Mexico, appeared in their seats to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, informed the Senate that a quorum of the House of Representatives had appeared and that the House was ready to proceed with business.

The message also informed the Senate that a committee of three Members was appointed by the Speaker, on the part of the House of Representatives, to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House had assembled and that Congress was ready to receive any communication he might be pleased to make, and that the Speaker had appointed Mr. RAINEY, Mr. COLLIER, and Mr. SNELL members of the committee on the part of the House of Representatives.

The message communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. WESLEY L. JONES, late a Senator from the State of Washington.

The message also communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. CHARLES W. WATERMAN, late a Senator from the State of Colorado.

The message further communicated to the Senate the intelligence of the death of Hon. J. CHARLES LINTHICUM, late a Representative from the State of Maryland, and transmitted resolutions of the House thereon.

The message also communicated to the Senate the intelligence of the death of Hon. HENRY ST. GEORGE TUCKER, late a Representative from the State of Virginia, and transmitted resolutions of the House thereon.

The message further communicated to the Senate the intelligence of the death of Hon. JAMES C. MCLAUGHLIN, late a Representative from the State of Michigan, and transmitted resolutions of the House thereon.

The message also communicated to the Senate the intelligence of the death of Hon. CHARLESS A. KARCH, late a Representative from the State of Illinois, and transmitted resolutions of the House thereon.

NOTIFICATION TO THE PRESIDENT

Mr. WATSON and Mr. ROBINSON of Arkansas advanced in the center aisle, and

Mr. WATSON said: Mr. President, the joint committee appointed for the purpose of waiting upon the President to inform him that the two Houses of Congress are organized and are ready for business and to inquire whether he has any message for them, have performed that duty and have been informed by the President that he will this day transmit to both Houses a message in writing.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kean	Schall
Austin	Dale	Kendrick	Sheppard
Bailey	Dickinson	King	Shipstead
Bankhead	Dill	La Follette	Shortridge
Barbour	Fess	Logan	Smith
Barkley	Fletcher	Long	Smoot
Bingham	Frazier	McGill	Steiwer
Black	George	McKellar	Swanson
Blaine	Glass	McNary	Thomas, Okla.
Borah	Glenn	Metcalf	Townsend
Bulkley	Goldsborough	Moses	Trammell
Bulow	Gore	Neely	Tydings
Byrnes	Grammer	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walker
Cohen	Hatfield	Patterson	Walsh, Mass.
Connally	Hawes	Pittman	Walsh, Mont.
Coolidge	Hayden	Reed	Watson
Copeland	Hebert	Reynolds	Wheeler
Costigan	Hull	Robinson, Ark.	White
Couzens	Johnson	Robinson, Ind.	

Mr. BORAH. My colleague [Mr. THOMAS of Idaho] is absent on account of illness.

Mr. FESS. I wish to announce that the Senator from New Hampshire [Mr. KEYES] and the Senator from Nebraska [Mr. HOWELL] are necessarily absent.

Mr. SHEPPARD. I desire to announce that the Senator from Illinois [Mr. LEWIS] is necessarily detained from the Senate by illness. He is paired on all questions for the day with the Senator from Nebraska [Mr. HOWELL].

I also wish to announce that the senior Senator from New Mexico [Mr. BRATTON] and the junior Senator from Mississippi [Mr. STEPHENS] are necessarily detained in their respective States on matters of importance. The Senator

from New Mexico [Mr. BRATTON] is paired with the Senator from New Hampshire [Mr. KEYES]. The Senator from Mississippi [Mr. STEPHENS] is paired with the junior Senator from Indiana [Mr. ROBINSON].

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PRESIDENT'S ANNUAL MESSAGE (H. DOC. NO. 401)

Mr. Latta, one of the secretaries of the President, was announced and said:

Mr. President, I am directed by the President of the United States to deliver to the Senate a message in writing.

The message was received by the secretary to the majority, C. A. Loeffler, and handed to the Vice President.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read the message, as follows:

To the Senate and House of Representatives:

In accord with my constitutional duty, I transmit herewith to the Congress information upon the state of the Union together with recommendation of measures for its consideration.

Our country is at peace. Our national defense has been maintained at a high state of effectiveness. All of the executive departments of the Government have been conducted during the year with a high devotion to public interest. There has been a far larger degree of freedom from industrial conflict than hitherto known. Education and science have made further advances. The public health is to-day at its highest known level. While we have recently engaged in the aggressive contest of a national election, its very tranquillity and the acceptance of its results furnish abundant proof of the strength of our institutions.

In the face of widespread hardship our people have demonstrated daily a magnificent sense of humanity, of individual and community responsibility for the welfare of the less fortunate. They have grown in their conceptions and organization for cooperative action for the common welfare.

In the provision against distress during this winter, the great private agencies of the country have been mobilized again; the generosity of our people has again come into evidence to a degree in which all America may take great pride. Likewise the local authorities and the States are engaged everywhere in supplemental measures of relief. The provisions made for loans from the Reconstruction Finance Corporation, to States that have exhausted their own resources, guarantee that there should be no hunger or suffering from cold in the country. The large majority of States are showing a sturdy cooperation in the spirit of the Federal aid.

The Surgeon General, in charge of the Public Health Service, furnishes me with the following information upon the state of public health:

Mortality rate per 1,000 of population on an annual basis from representative States

	General	Infant
First 9 months of—		
1928	11.9	67.8
1929	12.0	65.8
1930	11.4	62.0
1931	11.2	60.0
1932	10.6	55.0

The sickness rates from data available show the same trends. These facts indicate the fine endeavor of the agencies which have been mobilized for care of those in distress.

ECONOMIC SITUATION

The unparalleled world-wide economic depression has continued through the year. Due to the European collapse, the situation developed during last fall and winter into a series of most acute crises. The unprecedented emergency measures enacted and policies adopted undoubtedly saved the country from economic disaster. After serving to defend the national security, these measures began in July to show their weight and influence toward improvement of conditions in many parts of the country. The following tables of current business indicators show the general economic movement during the past 11 months.

Monthly business indices with seasonal variations eliminated

[Monthly average 1923-1925=100]

Year and month	Industrial production	Factory employment	Freight-car loadings	Department store sales, value	Exports, value	Imports, value	Building contracts, all types	Industrial electric power consumption
1931								
December	74	69.4	69	81	46	48	38	89.1
1932								
January	72	68.1	64	78	39	42	31	93.9
February	69	67.8	62	78	45	41	27	98.8
March	67	66.4	61	72	41	37	26	88.0
April	63	64.3	59	80	38	36	27	82.2
May	60	62.1	54	73	37	34	26	82.0
June	59	60.0	52	71	34	36	27	78.1
July	58	58.3	51	67	32	27	27	79.2
August	60	58.8	51	66	31	29	30	73.5
September	66	60.3	54	70	33	32	30	84.0
October	66	61.1	57	70	33	32	29	84.4

The measures and policies which have procured this turn toward recovery should be continued until the depression is passed, and then the emergency agencies should be promptly liquidated. The expansion of credit facilities by the Federal reserve system and the Reconstruction Finance Corporation has been of incalculable value. The loans of the latter for reproductive works, and to railways for the creation of employment; its support of the credit structure through loans to banks, insurance companies, railways, building and loan associations, and to agriculture has protected the savings and insurance policies of millions of our citizens and has relieved millions of borrowers from duress; they have enabled industry and business to function and expand. The assistance given to farm-loan banks, the establishment of the home-loan banks and agricultural credit associations—all in their various ramifications have placed large sums of money at the disposal of the people in protection and aid. Beyond this, the extensive organization of the country in voluntary action has produced profound results.

The following table indicates direct expenditures of the Federal Government in aid to unemployment, agriculture, and financial relief over the past four years. The sums applied to financial relief multiply themselves many fold, being in considerable measure the initial capital supplied to the Reconstruction Finance Corporation, farm-loan banks, and so forth, which will be recovered to the Treasury.

	Public works [1]	Agricultural relief and financial loans
Fiscal year ending June 30—		
1930	$410,420,000	$156,100,000
1931	574,870,000	196,700,000
1932	655,880,000	772,700,000
1933	717,360,000	82,000,000
Total	2,358,430,000	1,177,500,000

[1] Public building, highways, rivers and harbors and their maintenance, naval and other vessels construction, hospitals, etc.

Continued constructive policies promoting the economic recovery of the country must be the paramount duty of the Government. The result of the agencies we have created and the policies we have pursued has been to buttress our whole domestic financial structure and greatly to restore credit facilities. But progress in recovery requires another element as well—that is, fully restored confidence in the future. Institutions and men may have resources and credit but unless they have confidence progress is halting and insecure.

There are three definite directions in which action by the Government at once can contribute to strengthen further the forces of recovery by strengthening of confidence. They

are the necessary foundations to any other action, and their accomplishment would at once promote employment and increase prices.

The first of these directions of action is the continuing reduction of all Government expenditures, whether national, State, or local. The difficulties of the country demand undiminished efforts toward economy in government in every direction. Embraced in this problem is the unquestioned balancing of the Federal Budget. That is the first necessity of national stability and is the foundation of further recovery. It must be balanced in an absolutely safe and sure manner if full confidence is to be inspired.

The second direction for action is the complete reorganization at once of our banking system. The shocks to our economic life have undoubtedly been multiplied by the weakness of this system, and until they are remedied recovery will be greatly hampered.

The third direction for immediate action is vigorous and whole-souled cooperation with other governments in the economic field. That our major difficulties find their origins in the economic weakness of foreign nations requires no demonstration. The first need to-day is strengthening of commodity prices. That can not be permanently accomplished by artificialities. It must be accompanied by expansion in consumption of goods through the return of stability and confidence in the world at large and that in turn can not be fully accomplished without cooperation with other nations.

BALANCING THE BUDGET

I shall in due course present the Executive Budget to the Congress. It will show proposed reductions in appropriations below those enacted by the last session of the Congress by over $830,000,000. In addition I shall present the necessary Executive orders under the recent act authorizing the reorganization of the Federal Government which, if permitted to go into force, will produce still further substantial economies. These sums in reduction of appropriations will, however, be partially offset by an increase of about $250,000,000 in uncontrollable items such as increased debt services, and so forth.

In the Budget there is included only the completion of the Federal public works projects already undertaken or under contract. Speeding up of Federal public works during the past four years as an aid to employment has advanced many types of such improvements to the point where further expansion can not be justified in their usefulness to the Government or the people. As an aid to unemployment we should beyond the normal constructive programs substitute reproductive or so-called self-liquidating works. Loans for such purposes have been provided for through the Reconstruction Finance Corporation. This change in character of projects directly relieves the taxpayer and is capable of expansion into a larger field than the direct Federal works. The reproductive works constitute an addition to national wealth and to future employment, whereas further undue expansion of Federal public works is but a burden upon the future.

The Federal construction program thus limited to commitments and work in progress under the proposed appropriations contemplates expenditures for the next fiscal year, including naval and other vessel construction, as well as other forms of public works and maintenance, of a total of $442,769,000, as compared with $717,262,000 for the present year.

The expenditure on such items over the four years ending June 30 next will amount to $2,350,000,000, or an amount of construction work eight times as great as the cost of the Panama Canal and, except for completion of certain long-view projects, places the Nation in many directions well ahead of its requirements for some years to come. A normal program of about $200,000,000 per annum should hereafter provide for the country's necessities and will permit substantial future reduction in Federal expenditures.

I recommend that the furlough system installed last year be continued not only because of the economy produced but because, being tantamount to the "5-day week," it sets an example which should be followed by the country and because it embraces within its workings the "spread work" principle and thus serves to maintain a number of public servants who would otherwise be deprived of all income. I feel, however, in view of the present economic situation and the decrease in the cost of living by over 20 per cent, that some further sacrifice should be made by salaried officials of the Government over and above the 8⅓ per cent reduction under the furlough system. I will recommend that after exempting the first $1,000 of salary there should be a temporary reduction for one year of 11 per cent of that part of all Government salaries in excess of the $1,000 exemption, the result of which, combined with the furlough system, will average about 14.8 per cent reduction in pay to those earning more than $1,000.

I will recommend measures to eliminate certain payments in the veterans' services. I conceive these outlays were entirely beyond the original intentions of Congress in building up veterans' allowances. Many abuses have grown up from ill-considered legislation. They should be eliminated. The Nation should not ask for a reduction in allowances to men and dependents whose disabilities rise out of war service nor to those veterans with substantial service who have become totally disabled from non-war-connected causes and who are at the same time without other support. These latter veterans are a charge on the community at some point, and I feel that in view of their service to the Nation as a whole the responsibility should fall upon the Federal Government.

Many of the economies recommended in the Budget were presented at the last session of the Congress but failed of adoption. If the Economy and Appropriations Committees of the Congress in canvassing these proposed expenditures shall find further reductions which can be made without impairing essential Government services, it will be welcomed both by the country and by myself. But under no circumstances do I feel that the Congress should fail to uphold the total of reductions recommended.

Some of the older revenues and some of the revenues provided under the act passed during the last session of the Congress, particularly those generally referred to as the nuisance taxes, have not been as prolific of income as had been hoped. Further revenue is necessary in addition to the amount of reductions in expenditures recommended. Many of the manufacturers' excise taxes upon selected industries not only failed to produce satisfactory revenues, but they are in many ways unjust and discriminatory. The time has come when, if the Government is to have an adequate basis of revenue to assure a balanced Budget, this system of special manufacturers' excise taxes should be extended to cover practically all manufactures at a uniform rate, except necessary food and possibly some grades of clothing.

At the last session the Congress responded to my request for authority to reorganize the Government departments. The act provides for the grouping and consolidation of executive and administrative agencies according to major purpose, and thereby reducing the number and overlap and duplication of effort. Executive orders issued for these purposes are required to be transmitted to the Congress while in session and do not become effective until after the expiration of 60 calendar days after such transmission, unless the Congress shall sooner approve.

I shall issue such Executive orders within a few days grouping or consolidating over fifty executive and administrative agencies including a large number of commissions and "independent" agencies.

The second step, of course, remains that after these various bureaus and agencies are placed cheek by jowl into such groups, the administrative officers in charge of the groups shall eliminate their overlap and still further consolidate these activities. Therein lie large economies.

The Congress must be warned that a host of interested persons inside and outside the Government whose vision is concentrated on some particular function will at once protest against these proposals. These same sorts of activities

have prevented reorganization of the Government for over a quarter of a century. They must be disregarded if the task is to be accomplished.

BANKING

The basis of every other and every further effort toward recovery is to reorganize at once our banking system. The shocks to our economic system have undoubtedly multiplied by the weakness of our financial system. I first called attention of the Congress in 1929 to this condition, and I have unceasingly recommended remedy since that time. The subject has been exhaustively investigated both by the committees of the Congress and the officers of the Federal Reserve system.

The banking and financial system is presumed to serve in furnishing the essential lubricant to the wheels of industry, agriculture, and commerce, that is, credit. Its diversion from proper use, its improper use, or its insufficiency instantly brings hardship and dislocation in economic life. As a system our banking has failed to meet this great emergency. It can be said without question of doubt that our losses and distress have been greatly augmented by its wholly inadequate organization. Its inability as a system to respond to our needs is to-day a constant drain upon progress toward recovery. In this statement I am not referring to individual banks or bankers. Thousands of them have shown distinguished courage and ability. On the contrary, I am referring to the system itself, which is so organized, or so lacking in organization, that in an emergency its very mechanism jeopardizes or paralyzes the action of sound banks and its instability is responsible for periodic dangers to our whole economic system.

Bank failures rose in 1931 to 10½ per cent of all the banks as compared to 1½ per cent of the failures of all other types of enterprise. Since January 1, 1930, we have had 4,665 banks suspend, with $3,300,000,000 in deposits. Partly from fears and drains from abroad, partly from these failures themselves (which indeed often caused closing of sound banks), we have witnessed hoarding of currency to an enormous sum, rising during the height of the crisis to over $1,600,000,000. The results from interreaction of cause and effect have expressed themselves in strangulation of credit which at times has almost stifled the Nation's business and agriculture. The losses, suffering, and tragedies of our people are incalculable. Not alone do they lie in the losses of savings to millions of homes, injury by deprival of working capital to thousands of small businesses, but also, in the frantic pressure to recall loans to meet pressures of hoarding and in liquidation of failed banks, millions of other people have suffered in the loss of their homes and farms, businesses have been ruined, unemployment increased, and farmers' prices diminished.

That this failure to function is unnecessary and is the fault of our particular system is plainly indicated by the fact that in Great Britain, where the economic mechanism has suffered far greater shocks than our own, there has not been a single bank failure during the depression. Again in Canada, where the situation has been in large degree identical with our own, there have not been substantial bank failures.

The creation of the Reconstruction Finance Corporation and the amendments to the Federal reserve act served to defend the Nation in a great crisis. They are not remedies; they are relief. It is inconceivable that the Reconstruction Corporation, which has extended aid to nearly 6,000 institutions and is manifestly but a temporary device, can go on indefinitely.

It is to-day a matter of satisfaction that the rate of bank failures, of hoarding, and the demands upon the Reconstruction Corporation have greatly lessened. The acute phases of the crisis have obviously passed and the time has now come when this national danger and this failure to respond to national necessities must be ended and the measures to end them can be safely undertaken. Methods of reform have been exhaustively examined. There is no reason now why solution should not be found at the present session of the Congress. Inflation of currency or governmental conduct of banking can have no part in these reforms. The Government must abide within the field of constructive organization, regulation, and the enforcement of safe practices only.

Parallel with reform in the banking laws must be changes in the Federal farm-loan banking system and in the joint-stock land banks. Some of these changes should be directed to permanent improvement and some to emergency aid to our people where they wish to fight to save their farms and homes.

I wish again to emphasize this view—that these widespread banking reforms are a national necessity and are the first requisites for further recovery in agriculture and business. They should have immediate consideration as steps greatly needed to further recovery.

ECONOMIC COOPERATION WITH OTHER NATIONS

Our major difficulties during the past two years find their origins in the shocks from economic collapse abroad which in turn are the aftermath of the Great War. If we are to secure rapid and assured recovery and protection for the future we must cooperate with foreign nations in many measures.

We have actively engaged in a World Disarmament Conference where, with success, we should reduce our own tax burdens and the tax burdens of other major nations. We should increase political stability of the world. We should lessen the danger of war by increasing defensive powers and decreasing offensive powers of nations. We would thus open new vistas of economic expansion for the world.

We are participating in the formulation of a World Economic Conference, successful results from which would contribute much to advance in agricultural prices, employment, and business. Currency depreciation and correlated forces have contributed greatly to decrease in price levels. Moreover, from these origins rise most of the destructive trade barriers now stifling the commerce of the world. We could by successful action increase security and expand trade through stability in international exchange and monetary values. By such action world confidence could be restored. It would bring courage and stability, which will reflect into every home in our land.

The European governments, obligated to us in war debts, have requested that there should be suspension of payments due the United States on December 15 next, to be accompanied by exchange of views upon this debt question. Our Government has informed them that we do not approve of suspension of the December 15 payments. I have stated that I would recommend to the Congress methods to overcome temporary exchange difficulties in connection with this payment from nations where it may be necessary.

In the meantime I wish to reiterate that here are three great fields of international action which must be considered not in part but as a whole. They are of most vital interest to our people. Within them there are not only grave dangers if we fail in right action but there also lie immense opportunities for good if we shall succeed. Within success there lie major remedies for our economic distress and major progress in stability and security to every fireside in our country.

The welfare of our people is dependent upon successful issue of the great causes of world peace, world disarmament, and organized world recovery. Nor is it too much to say that to-day as never before the welfare of mankind and the preservation of civilization depend upon our solution of these questions. Such solutions can not be attained except by honest friendship, by adherence to agreements entered upon until mutually revised and by cooperation amongst nations in a determination to find solutions which will be mutually beneficial.

OTHER LEGISLATION

I have placed various legislative needs before the Congress in previous messages, and these views require no amplification on this occasion. I have urged the need for reform in our transportation and power regulation, in the antitrust laws as applied to our national-resource industries, western

range conservation, extension of Federal aid to child-health services, membership in the World Court, the ratification of the Great Lakes-St. Lawrence seaway treaty, revision of the bankruptcy acts, revision of Federal court procedure, and many other pressing problems.

These and other special subjects I shall where necessary deal with by special communications to the Congress.

The activities of our Government are so great, when combined with the emergency activities which have arisen out of the world crisis, that even the briefest review of them would render the annual message unduly long. I shall therefore avail myself of the fact that every detail of the Government is covered in the reports to the Congress by each of the departments and agencies of the Government.

CONCLUSION

It seems to me appropriate upon this occasion to make certain general observations upon the principles which must dominate the solution of problems now pressing upon the Nation. Legislation in response to national needs will be effective only if every such act conforms to a complete philosophy of the people's purposes and destiny. Ours is a distinctive government with a unique history and background, consciously dedicated to specific ideals of liberty and to a faith in the inviolable sanctity of the individual human spirit. Furthermore, the continued existence and adequate functioning of our government in preservation of ordered liberty and stimulation of progress depends upon the maintenance of State, local, institutional, and individual sense of responsibility. We have builded a system of individualism peculiarly our own which must not be forgotten in any governmental acts, for from it have grown greater accomplishments than those of any other nation.

On the social and economic sides, the background of our American system and the motivation of progress is essentially that we should allow free play of social and economic forces as far as will not limit equality of opportunity and as will at the same time stimulate the initiative and enterprise of our people. In the maintenance of this balance the Federal Government can permit of no privilege to any person or group. It should act as a regulatory agent and not as a participant in economic and social life. The moment the Government participates, it becomes a competitor with the people. As a competitor it becomes at once a tyranny in whatever direction it may touch. We have around us numerous such experiences, no one of which can be found to have justified itself except in cases where the people as a whole have met forces beyond their control, such as those of the Great War and this great depression, where the full powers of the Federal Government must be exerted to protect the people. But even these must be limited to an emergency sense and must be promptly ended when these dangers are overcome.

With the free development of science and the consequent multitude of inventions, some of which are absolutely revolutionary in our national life, the Government must not only stimulate the social and economic responsibility of individuals and private institutions but it must also give leadership to cooperative action amongst the people which will soften the effect of these revolutions and thus secure social transformations in an orderly manner. The highest form of self-government is the voluntary cooperation within our people for such purposes.

But I would emphasize again that social and economic solutions, as such, will not avail to satisfy the aspirations of the people unless they conform with the traditions of our race, deeply grooved in their sentiments through a century and a half of struggle for ideals of life that are rooted in religion and fed from purely spiritual springs.

HERBERT HOOVER.

THE WHITE HOUSE, *December 6, 1932.*

The VICE PRESIDENT. The message will lie on the table.

THE BANKING SITUATION

Mr. FLETCHER. Mr. President, the President in his message very appropriately gave a great deal of attention to the subject of banking.

I have received numerous letters bearing on this subject, one of which I ask to have inserted in the RECORD. While the President was not very specific as to the reforms he would recommend, it seems to me the general subject is one of very great importance.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. CATHERINE'S CHURCH,
Algonac, Mich., December 1, 1932.

The Hon. DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SIR: For the past several months I have had quite a number of people call at my office asking my opinion as to what they should do with their savings (some of them being lucky enough to have some money left). They seem to have no confidence in the future of the banks, but do not wish to be looked upon as hoarders, and try to get me to guarantee the opinion that their money is safe in the banks.

Upon investigation I find there has been a considerable and steady withdrawal of funds from the two banks in this town. This method of withdrawal, although not to be classified as a run, nevertheless has necessitated a recourse to the Reconstruction Finance Corporation. This temporary strengthening of the banks has not stopped the withdrawals, nor has it changed the desire of the people that they get a guaranty. This all in spite of the fact that there has not been a single bank failure in our immediate vicinity in St. Clair County.

Investigating in a different direction I find that there is a considerable amount of secret hoarding which these people tell me, with the understanding and the confidence that I will not divulge their secret.

Knowing that there is to be some activity in the coming session of Congress toward the Government guaranty of all banks, I have the nerve to think that perhaps this information might be welcomed by you. Knowing also the terrible calamity and suffering induced by the closing of a bank, I feel that we should go to almost any end to avert such a catastrophe. I have been told that this legislation would be of no cost to the Government, that the banks would gladly subscribe to this form of insurance of their continuation in business.

If the above statements are true I feel that you are enough interested that you will do all you can not to let our people suffer further, which they will do if something is not done to strengthen their confidence in the institutions which are basically sound or they would not be in existence to-day. And my opinion is that these banks and every bank in this vicinity must bow to the slow disintegration of their foundations caused by the unrest and lack of confidence.

Thanking you for your interest in things pertaining to our welfare in the past, and with personal regards, I am,

Yours very sincerely,

WALTER R. HARDY.

PROHIBITION AMENDMENT OF THE CONSTITUTION

Mr. GLASS. Mr. President, I ask unanimous consent to take from the Calendar, for the purpose of reference to the Judiciary Committee, Senate Joint Resolution 202, Order of Business No. 1096, proposing an amendment to the Constitution of the United States relative to the eighteenth amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

Mr. WATSON. Mr. President, do I understand the request to be that we take the joint resolution from the Calendar and refer it to the Judiciary Committee?

Mr. GLASS. That is the request.

Mr. WATSON. I have no objection.

Mr. GLASS. I may say to the Senator that I have reasonable assurance that the Judiciary Committee will give prompt attention to the consideration of the joint resolution, and will report it back to the Senate.

Mr. ROBINSON of Arkansas. Mr. President, may I add to what has been said by the Senator from Virginia that I hope his request will be granted, and that the Judiciary Committee will proceed to the consideration of this and other joint resolutions relating to the same subject, with a view to action.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia? The Chair hears none, and the joint resolution will be referred to the Committee on the Judiciary.

THE TOP STRUCTURE

Mr. LONG. Mr. President, if I thought the chief issue of the last presidential campaign was receiving consideration from the present party leaders to the extent to which it was considered by the people, I should feel it entirely

unnecessary and out of order to say anything here to-day.

I am afraid that the real issue that concerned the nomination of the successful candidate, and which I think prompted his election, is being lost sight of in our discussions and negotiations. Naturally we have patronage to dispense. We are all interested in the positions which we want to secure for our friends. There is a great deal of bank trouble. These things substantially divert attention away from anything else; and for those reasons the chief issue of the campaign appears not to be receiving very much attention, particularly as it concerns our immediate case.

The President, in his message this morning, again recommends a sales tax. There seems to be quite a little effort to roll this issue along in an easy-coasting way as a means of solving the Government's difficulties in failing to balance the Budget.

The main issue, Mr. President and Senators, upon which President-elect Roosevelt was nominated for the office of President of the United States, was the decentralization of wealth. The most noticed issue upon which he was elected was the abolition of concentration of the fortunes and wealth of this country in the hands of a few people. That issue attracted such favorable notice among the American people that the present President of the United States, in the closing days of the campaign, was tempted himself to announce against the concentration of wealth in the hands of a few people. In his Madison Square Garden speech even our present President, Mr. Hoover, said:

> My conception of America is a land where men and women may walk in ordered liberty, where they may enjoy the advantages of wealth, not concentrated in the hands of a few but diffused through the lives of all.

A great deal has been said by the Republican press, and some by the Democratic press, as to what the President elect was going to do with the roughly styled "red," radical, progressive, or whatever called, class of Senators who assisted materially in the nomination of President-elect Roosevelt. A great deal is said about the Dill-Wheeler-Long and other senatorial blocs, of which I know nothing except what I read in the papers.

I can say, in defense of the Senator from Montana [Mr. WHEELER] and the Senator from Washington [Mr. DILL], that they are not to be mired and found at fault for any such combination, because I know nothing of it myself, although I would consider it much to my aggravated honor, if such a thing could be possible, in the calculations of myself and some of my friends, if I were a member of any such bloc.

The question is, however, What is going to be done with those composing the supposed-to-be progressive bloc of this Chamber, who, so the publications tell us, were so necessary to the nomination of the President elect but perhaps not so necessary to the election of the President elect?

If the Senate and the Congress interpret the will of the people of America, as expressed in the last election, even through the votes cast for the Republican presidential candidate, as well as those cast for the Democratic candidate, the first thing with which this Congress must concern itself is organizing along the lines to decentralize wealth in the United States.

I expect to give our President elect the kind of support which I would expect if I were in his shoes and he were in my place. I have had the fortune or misfortune to have been a governor once in my lifetime, and I know the trials and tribulations and the lack of time which one occupying the position of Chief Executive meets in his desire to formulate the legislation necessary to carry out a platform. It is necessary that such legislation be to a large extent formulated, planned, executed by the men in this legislative Chamber and in that at the other end of the Capitol.

What did President-elect Roosevelt say? I want it understood in the beginning, and at all times, that I am now undertaking, and will hereafter undertake, to in no wise frustrate, hamper, hinder, or otherwise place any obstacle in the way of carrying out the platform and purposes of our President elect; that I am first and foremost, and here this morning, undertaking to make easy the task, and to write into accomplishment what our President elect undertook to give to this country.

I read, Mr. President, from the speech of Governor Roosevelt delivered at the Commonwealth Club in San Francisco, Calif., on September 23, 1932. This is what he said dealing with the philosophy of government:

> Just as freedom to farm has ceased—

And he tells why—

> Just as freedom to farm has ceased, so also the opportunity in business has narrowed. It still is true that men can start small enterprises, trusting to native shrewdness and ability to keep abreast of competitors; but area after area has been preempted altogether by the great corporations, and even in the fields which still have no great concerns the small man starts under a handicap.
>
> The unfeeling statistics of the past three decades show that the independent business man is running a losing race. Perhaps he is forced to the wall; perhaps he can not command credit; perhaps he is "squeezed out," in Mr. Wilson's words, by highly organized corporate competitors, as your corner grocery man can tell you.
>
> Recently a careful study was made of the concentration of business in the United States.
>
> It showed that our economic life was dominated by some six hundred and odd corporations, who controlled two-thirds of American industry. Ten million small business men divided the other third.
>
> More striking still, it appeared that, if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations and run by perhaps a hundred men.
>
> Put plainly, we are steering a steady course toward economic oligarchy, if we are not there already.

I now read again from the speech of the President elect from which I have just quoted:

> The day of the great promoter or the financial titan, to whom we granted anything if only he would build or develop, is over. Our task now is not discovery or exploitation of natural resources or necessarily producing more goods.
>
> It is the soberer, less dramatic business of administering resources and plants already in hand, of seeking to reestablish foreign markets for our surplus production, of meeting the problem of underconsumption, of adjusting production to consumption, of distributing wealth and products more equitably, of adapting existing economic organizations to the service of the people.
>
> The day of enlightened administration has come.
>
> Just as in older times the central government was first a haven of refuge and then a threat, so now in a closer economic system the central and ambitious financial unit is no longer a servant of national desire but a danger. I would draw the parallel one step farther. We did not think because national government had become a threat in the eighteenth century that therefore we should abandon the principle of national government.

So that there may be no mistake, Mr. President, I read two more excerpts on the issue which elected a President of the United States on the 8th day of November:

> They must, where necessary, sacrifice this or that private advantage, and in reciprocal self-denial must seek a general advantage. It is here that formal government—political government, if you choose—comes in.

I skip a few paragraphs and quote again:

> As yet there has been no final failure, because there has been no attempt; and I decline to assume that this Nation is unable to meet the situation.
>
> The final term of the high contract was for liberty and the pursuit of happiness.
>
> We have learned a great deal of both in the past century. We know that individual liberty and individual happiness mean nothing unless both are ordered in the sense that one man's meat is not another man's poison.

I want to read one further excerpt from a speech delivered by our President elect, Governor Roosevelt, at Columbus, Ohio, on the 20th day of August, 1932. I quote as follows:

> We find fewer than three dozen private banking houses, and stock-selling adjuncts in the commercial banks, directing the flow of American capital within the country and to those "backward or crippled nations" on which the President built so heavily.
>
> In other words, we find concentrated economic power in a few hands, the precise opposite of the individualism of which the President speaks.
>
> We find a great part of our working population with no chance of earning a living except by grace of this concentrated industrial machinery; and we find that millions and millions of Americans are out of work, throwing upon the already burdened Government the necessity of relief.

I skip and quote again from the speech at Columbus of our President elect, Governor Roosevelt:

I, too, believe in individualism; but I mean it in everything that the word implies. I believe that our industrial and economic system is made for individual men and women; and not individual men and women for the benefit of the system. I believe that the individual should have full liberty of action to make the most of himself; but I do not believe that in the name of that sacred word a few powerful interests should be permitted to make industrial cannon fodder of the lives of half of the population of the United States.

Mr. President, we do not hear a word out of the party leaders on the Republican side or on the Democratic side of this Chamber along this line to show that they are undertaking to carry out the mandate of the people of the United States to decentralize wealth. We do not hear it from the Republican side—I mean from the leadership proper on the Republican side—notwithstanding the fact that it was embraced in the Madison Square Garden speech of President Hoover.

We do not hear it from the leaders on the Democratic side. We do not expect to hear it from the present leaders on the Democratic side, unless a change has occurred since Congress last met.

We are all subject to change. I am, and so is everybody else. I am not prepared to say that there has not been some change. Some of us have changed our position on prohibition because our constituents, and the other people of the country, have announced themselves in favor of the repeal of the eighteenth amendment; and, yielding to the greater virtue and wisdom of 120,000,000 people, no Senator, no Representative, is to be censured for changing his view and his purpose to accord with the wishes of the American people. And now, as the people of the United States have expressed themselves, through their nominee and through their actions, having grasped the one hope for the decentralization of wealth, tney have justified any man and any leader sitting in this Congress, in the Senate, aye, more, they have instructed him, and all of us, in the purpose and the will and the desires of 120,000,000 American people.

I am not prepared to say that the leaders on the Republican side or the leaders on the Democratic side have not adopted the view of the people in the matter of decentralizing wealth. I am not prepared to say but that the expression of the people on the question of feeding the people and clothing them has not struck just as responsive a chord in the hearts and minds of the leaders on this side and the other side of the Chamber as it has on the prohibition question. But if it has, it is time we are finding out something. It is time we are learning something. We want to know something.

I only have the word of the same press which fought the nomination of President-elect Roosevelt and fought the election of President-elect Roosevelt—I only have the information of the element that did everything it could to prevent the nomination and election of Roosevelt, at least the nomination—as to my status in the Democratic Party at this time. I only have the words of the element that would have kept the President elect from getting within gunshot distance of the nomination at Chicago that there is any such thing as a dangerous, needed-to-be-ousted element of a Long-Dill-Wheeler bloc—and I say that in the presence of those gentlemen. They were not here when I began. I have already apologized for them. I have denied that they have been married in any fashion through any such combination with me. I have only the word of the element who willed it that the man who has been elected President of the United States should neither be nominated nor elected, that those of us who so prominently participated in the nomination are what might be described in French as the bête noire, the black beast, and they are afraid to turn us out and afraid not to do so.

I do not know why such has been said even by our opposition. Certainly some of the principles upon which we compromised in the Democratic platform were not entirely to my 100 per cent satisfaction. There are some of them I would not have written, had it been solely my own mind to frame them. It was in the spirit of compromise that they were written. Certain it is that Senators sitting in this body might not have gone so far in the decentralization of wealth as our President elect has gone. But viewing the situation as I do myself, it is the spirit of compromise from the necessities as viewed by the American people that compelled it.

Now we come to find out something. Is there anybody in the party who does not want those of my kind because we undertook to nominate the President elect of the United States on the principles for which he stood? Is there anybody who thinks the President elect is going to try to turn somebody out of the house because he insists upon carrying out the platform and the principles enunciated by the President elect and having them written into law? On behalf of the President elect I resent such an imputation; I resent such a threat on his good purpose. I resent it because the President elect has not only been nominated, has not only been elected, but he has assumed the leadership of this Nation in order that he might carry out the one great fundamental, necessary principle of the decentralization of wealth in America.

That is not in my words.

I read in some of the publications that when I came to the United States Senate I announced that I did not think Mr. Roosevelt was the candidate to be nominated. That is true. I did not think so. But it is said that later on I announced that I thought Roosevelt was the man to nominate. That is true, too. And why? No one need be surprised why.

Here is the reason. Long before the Chicago convention met the reason was to be found why votes went into the convention for Mr. Roosevelt that would not otherwise have gone there. I read from a speech delivered by President-elect Roosevelt which I offered and had published in the CONGRESSIONAL RECORD on the 23d day of last May. I read from the speech which he delivered in Atlanta, Ga., on May 22. I only read two short excerpts. They may be found by any Senator wishing to review them at page 10873 of the CONGRESSIONAL RECORD of the last Congress. I quote from that speech:

The country needs, and unless I mistake its temper, the country demands, bold, persistent, experimentation. It is common sense to take a method and try it; if it fails, admit it frankly and try another. But, above all, try something. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach.

In other words, our great President elect saw the hunger marchers coming long before they came to Washington. He told us away back last May in language and in terms so certain that the blind could see and the deaf could hear that we had the hunger marchers on the way to Washington.

I read further. This is a newspaper account, and I am quoting from it as it appeared in the CONGRESSIONAL RECORD:

Mr. Roosevelt said that "Many of those whose primary solicitude is confined to the welfare of what they call capital have failed to read the lessons of the last few years and have been moved less by calm analysis of the needs of the Nation as a whole than by a blind determination to preserve their own special stakes in the economic disorder."

"While capital will continue to be needed," said the Governor, "it is probable that our physical plant will not expand in the future at the same rate at which it has expanded in the past."

"We may build more factories," he said, "but the fact remains that we have enough now to supply all our domestic needs and more, if they are used. No; our basic trouble was not an insufficiency of capital; it was an insufficient distribution of buying power coupled with an oversufficient speculation in production."

When the President elect loomed as the hope, and the sole hope, for those of us in the Senate and in political life, when he pronounced himself, not only publicly but privately, to many of us along lines that struck a responsive chord, then is when the President elect found votes enough to nominate him as the Democratic standard bearer for the office of President of the United States.

I was one of them.

Mr. President, the people of the country have a right, as President-elect Roosevelt has said, to demand action by their representatives. The people of the country, in the words of President-elect Roosevelt, will not stand in the sight of things they need, the food they need to eat, the clothes they need to wear, and not demand action.

A radio address has just been delivered of which some of us might take a little notice. Our President elect and those of us here are not alone in this crusade by any means. Some of the leading newspapers of the country, naturally expected not to favor Mr. Roosevelt, supported him in this issue.

Rev. Charles E. Coughlin, in a sermon which he delivered Sunday, November 27, 1932, practically quotes from the President elect on this issue, stating the situation a little more vividly in some particulars, and I shall read briefly from him:

> The wealth being produced by agriculture and industry was being siphoned off and retained by a comparative few.
>
> Although the true function of the machine is to spread leisure and opportunity for mental and spiritual development, its use has been increasingly perverted. Not only has there been a steady arithmetical increase in unemployment—it has been accompanied by a steady increase of wealth in the hands of the few. The wealth created by the machines has gone in appalling disproportion to the owners of the machines.
>
> In 1922 the total dividends paid by all corporations in the United States was $930,648,000. In 1929 the dividends paid were $3,478,000,000, an increase of 356 per cent.
>
> Here, then, we have the third characteristic which is best expressed by the phrase: "Concentration of wealth in the hands of a few." The development of mass production is being accompanied by the destruction of mass consumption and mass purchasing power.
>
> It is hoped that the inefficient laws of yesterday which permitted this unjust concentration of wealth and this unreasonable share of profits to fall into the hands of a few shall not be permitted to exist beyond the life of the next presidential term.
>
> Just as we have been taught to look with disdain and contempt upon physical slavery, so future generations shall revert to the period which has just passed with similar feelings—an age of industrial and financial slavery which is more apparent when we consider that the annual income for all people in the United States increased from $65,949,000,000 in the year 1919 to $89,419,000,000 in 1928—an increase of approximately twenty-three and one-half billion dollars, despite the fact that the total volume of wages paid was $649,000,000 less in 1927. The greater the wealth of this Nation the less were its wages for the working man and the farmer.

I hope Senators present understood those statistics which show that notwithstanding the fact that the income of this country increased in nine years from $65,000,000,000 to $89,000,000,000, the working men got $649,000,000 less than they got eight or nine years before.

What are we going to do about this? I say, Mr. President, gentlemen of the Senate, gentlemen on the Democratic side of the Senate, that if our leadership is attuned to the philosophy of government to correct such a situation, if the present leadership we have here is attuned to this philosophy, notwithstanding the fact that it was not so attuned a few months ago, then we ought to back it up and maintain it to the limit.

But if it is not so attuned, if it is out of step with the times and the needs and the demands of the people of the country, then we have a mandate from the people and a promise here upon which we have got to organize for the purpose of putting it into law.

Why was it that we did not have Mr. Shouse as permanent chairman at the Chicago Democratic Convention? Why was it? It is because of the fact that we knew if the opposition to Roosevelt had the power of the ringmaster of that performance, we would be very badly and probably fatally handicapped in our plans to nominate Mr. Roosevelt.

So it would be in this Congress. If we were to start out to transform into law the promise that has been made to the people of America, to carry out the mandate that has been given by those people, with a leadership on the other side of the aisle, or particularly on this side of the Chamber, that was opposed to it, we would be saddling ourselves with a burden in the inception of undertaking that task, a burden that may not be overcome.

As I say, I do not know. I rather would lean to believe and to expect that these words, terms, promises, platforms, pledges, mandates have found a responsive ear in court, in the mind and in the heart and in the political purpose of whoever is to lead this side of the Chamber and the other side of the Chamber.

But, Mr. President, we can not sit here silently by and wait. We have waited until the time has come that waiting can no longer be indulged. We can not wait any longer; we can not carry any more load. The people are hungry; the people are naked; the people are homeless. They are homeless in Louisiana; they are homeless in Arkansas; they are homeless in the Dakotas. With too much to eat, they are starving to death because the country has too much to eat. With too much to wear, they are naked because the country has too much to wear. With too many homes to live in, they are homeless because the country has them; and if this Congress is going to wait here and talk about compromising in order to balance the Budget and is going to go in a direction which will further concentrate wealth, instead of going in a direction which will decentralize it, we are going to lay down on the people and deal this country a body blow that it may not ever survive.

It is, therefore, up to us by some means, by some process, to obtain organized, concerted legislative effort in the Senate and in the other House to transfer into law this mandate to decentralize and spread the wealth of this country among the people.

We do not need to argue about it; we have got everything on earth we need except the matter of mechanics. It is merely a matter of mechanics.

How are we going to get legislative action here? I am talking as a politician. I have been styled a politician, as I think every other Senator has, but I am undertaking to talk in the true sense of the term "politician," as one to some extent experienced in the science of government. That is the definition I prefer to apply to the term when it is applied to me. How are we going to get action here? There is not any need of our fooling ourselves. Either we have got to have it sponsored through the leadership on this side of the Chamber or on the other side of the Chamber, or we have got to have a coalition or a bloc, or whatever one may want to call it, of those of us on both sides of the Chamber in order to get the essential legislation started through the two Houses. It is not up to us to wait for him who has given his word and given the people his promise to call us back. We have our own responsibility to carry out what he has promised, what we promised, and what the people have been pledged. It is not for us to wait to receive another message from somebody; it is up to us to carry out what we have promised the people we would do if Mr. Roosevelt were elected on the platform adopted by the Democratic Convention at Chicago and principles enunciated by him as a basis for election.

Mr. President, the first thing we on the Democratic side ought to do is to find out if our leadership is in tune with the will of the people; and if it is, keep it. And if it is not, the next thing we ought to do is to remove the present leadership and provide a new leadership that is in favor of what the people have said ought to be done by the Congress.

We owe that much to the Democratic Party and to the people of the United States. If our leader is in sympathy with this demand of the people—or our leaders, for there is more than one leader, probably—if they are in sympathy and want to carry along this effort, which should be the principal effort, then each and every one of us owes them every backing and all moral and legislative support that we can give them to carry out this program.

But if not, it is the duty of the Senators on this side of the Chamber to equip themselves with leadership that will bring about that purpose the quickest and best it can. Assuming we have no such change of leadership and no such conversion in leadership—none of which I admit—then, Mr. President, I now ask the Senators on this side

of the Senate, at a time when they can, to meet, if he will permit it, under the banner and under the leadership of the Senator here who took the lead in this fight throughout this country, whose word is respected, whose philosophy of government is understood.

If it becomes necessary—and I think probably it will not become necessary—to have a leadership such as we can not get on this side of the Chamber by reason of some Senator, perhaps, not wishing to have the country understand that there is any lack of harmony, then we on the two sides of this Chamber will have to undertake to secure an organization that will transfer our promises into law, as the people of this country have a right to expect.

I think I am speaking their wishes; and I understand, Mr. President, what the people of this country, or a certain part of them, want. I believe I know what the people of Louisiana expect, and I know what they have been promised. I have been there in the campaign, and the people of Louisiana have spoken very decisively on this issue in the election. I believe I know what the people throughout America want, particularly in the States which I have lately visited. I think I understand the people of North Dakota and South Dakota. I believe I understand some of the people of the State of Arkansas. They have passed on the matter.

I would not undertake to suggest to any man that he go in a direction opposite to the will of the people of his State; there may be occasions when that is justified and necessary; but I would never be willing to suggest to any man that he do it, because that certainly would be his own responsibility; but I, at least, can say to any man who comes from Louisiana or the Dakotas or even from Kansas or Arkansas that he need not worry himself at all about falling in line with the philosophy of government that President-elect Roosevelt found to be necessary for this country.

Mr. President, I am not a member of any committee of the Senate, and I am not asking for membership on any committee. I have drafted very few bills that have ever been introduced in the Senate, though I have had the privilege of drafting some that were passed by the State legislature. However, what we should draft into law I can state in my crude and humble way.

We should scale up the income taxes and the inheritance taxes. We should extend the income taxes so that when a man gets to the point where he is making anything like $500,000 or a million dollars, or even before that, his income should be assessed much heavier than Woodrow Wilson recommended in the 1913 law.

We should scale up the inheritance taxes so that handing down from one to another a fortune in excess of a few million dollars would be an impossibility. We should take the Couzens's amendment and out-Couzens Couzens on the Couzens's amendment offered at the last session of Congress. That is the first sacramental necessity.

We should provide by law and, if it becomes necessary, by constitutional amendment, for working hours and a working day that will not produce more than the country can consume, so that every man needing work would have his share of it.

Next, we should take the farm surplus of this country into the control and ownership of the United States, and then we should assist the farmers of the country by legislative action and by cooperation so as not to permit farm supplies to be greater than their consumption.

President Hoover says that inflation has no part in the program, but I say as a fourth proposition, that we shall have to provide a medium of exchange sufficient to carry on the business of the United States. We have not a sufficient medium of exchange to carry on the business of the country, and we all know it.

I have talked with some of the leading bankers of this country; I have talked with some of the great economists who have clung tenaciously to their opposition to any such thing as inflation or bimetallism or anything of the kind—some of the leading bankers of this country—and they now tell me that it is a paramount, actual necessity, by either inflation or by bimetallism or by some other process, to provide this country with a sufficient medium of exchange to carry on its business. It is needed in order to bring up commodity prices.

What have we seen done about that? What is going to be done about it? I say, Mr. President, that this country looks to the Senator from Nebraska [Mr. NORRIS] more than to any other man sitting in the Senate. I say, Mr. President, that it was the Senator from Nebraska who did more to nominate the presidential candidate of the Democratic Party than anybody in the Democratic Party. I say that it was the belief of the people of America—Democrats, Republicans, and of no affiliation so far as parties are concerned—who believed in the words, in the philosophy, in the promises, and expectations of the Senator from Nebraska, that these reforms and these pledges and these mandates of the people were going to be carried out.

A lot of us can be painted up through the press. They can temporarily make a buffoon, or a "red" leader, or anything of the kind, out of some of us. We have not been here long enough for some of the people to know to the contrary. We are too young in political life. The people have not seen us charge back and forth across the field of battle enough to know that there is anything but truth in some of the various and sundry reports as to our philosophy and ideals.

That, however, is not the case with the Senator from Nebraska [Mr. NORRIS]. He has been here long enough so that, enrolled under his leadership, the people of this country will know that we are undertaking to carry out the mandates and the promises to feed the people and to clothe the people and to diffuse the wealth of this country, carrying out the promises of the President elect, and carrying out even the admission of the President who was defeated in the election of last November.

That may become the only means by which the people of this country can be given to understand that this Congress and the one to come are going to undertake to write into law what has been promised to these people.

That is not the air that surcharges this Chamber and the other one now. The talk is to "tread easily"; to be quiet. "Don't wake up the baby." "Nothing but harmony." What kind of harmony? Starvation harmony; nakedness harmony; homeless harmony? "Tread easily, tread lightly," and that is all you have to do if you want to see the American people starve to death. All you have to do to have that done is to tread easily and tread lightly.

Oh, I know how the air feels. There never was a lethal chamber to which one felt like he should yield near so much as that air of so-called conservatism. That course of least resistance is so easy to walk. It is so easy to go, as long as it suits your own needs, for many of us can not feel the aches and pains of the people on the outside. But I told you nearly a year ago here that people were starving, and there would be more of them starving to-day than there were last year by a whole lot. It has come true. There are more of them hungry to-day.

We have permitted this country to be sapped out to where about 85 per cent of the wealth is in the hands of 4 or 5 or 6 per cent of the people.

We have permitted the income of the country to be concentrated until the top structure has nothing below upon which it can rest.

We have gone to the people in the campaign. We have made promises to them. We have told them what we are going to do.

Now it is up to the Democratic Party and to the other men of this Chamber as to whether they are going to sit here and have the people starving and homeless, or whether we are going to transform our promises into action, organize for action, decentralize the wealth of this country and diffuse it among the people. Will we feed the hungry while we have the food to feed them with, clothe them while we

have the things to clothe them with, and have this land of homes, not a land of the homeless?

AMERICAN CLAIMS AGAINST GERMANY (S. DOC. NO. 146)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, in response to Senate Resolution No. 181, agreed to June 8, 1932, a report of Hon. Robert W. Bonynge, agent of the United States, Mixed Claims Commission, United States and Germany, relative to claims of American nationals against the Government of Germany filed with the Department of State between June 30, 1928, and June 8, 1932, which, with the accompanying report, was referred to the Committee on Foreign Relations and ordered to be printed.

REPORT OF FEDERAL BUREAU OF NARCOTICS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, a copy of the annual report of the Federal Bureau of Narcotics for the calendar year ended December 31, 1931, which, with the accompanying report, was referred to the Committee on Finance.

DISPOSITION OF USELESS PAPERS IN THE TREASURY DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, a report of papers and documents on the files of the Treasury Department and certain branches thereof which are not needed or useful in the transaction of the current business of the department and have no permanent value or historical interest, which, with the accompanying report, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SMOOT and Mr. HARRISON members of the committee on the part of the Senate.

REPORTS OF THE BUREAU OF THE BUDGET

The VICE PRESIDENT laid before the Senate two letters from the Director of the Bureau of the Budget, transmitting, pursuant to law, the following: A report relative to exemptions granted under the furlough provisions of the legislative appropriation act for the fiscal year ending June 30, 1933; and

Reports rendered by the several departments, independent establishments, and the municipal government of the District of Columbia concerning the suspension of promotions, the filling of vacancies, and compulsory retirement for age under the provisions of the legislative appropriation act for the fiscal year ending June 30, 1933, which, with the accompanying reports, were referred to the Committee on Appropriations.

REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. DOC. NO. 145)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, as ex officio president of the National Forest Reservation Commission, transmitting, pursuant to law, the report of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry and ordered to be printed with the accompanying illustration.

ANNUAL REPORT OF PUERTO RICAN HURRICANE RELIEF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, chairman of the Puerto Rican Hurricane Relief Commission, transmitting, pursuant to law, the annual report of the commission for the year ended September 30, 1932, which, with the accompanying report, was referred to the Committee on Appropriations.

REPORT OF NATIONAL BOARD FOR PROMOTION OF RIFLE PRACTICE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting, pursuant to law, the annual report of the activities of the National Board for the Promotion of Rifle Practice for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Military Affairs.

REPORT ON POST EXCHANGES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting, pursuant to law, a report on post exchanges operated by or under the supervision of the War Department on June 30, 1932, which, with the accompanying report, was referred to the Committee on Military Affairs.

AIRCRAFT PURCHASED FOR NAVY (S. DOC. NO. 144)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Navy, transmitting, pursuant to law, a report of designs, aircraft, aircraft parts, and aeronautical accessories purchased by the Navy Department during the fiscal year ended June 30, 1932, the prices paid therefor, and the reason for the award in each case, which, with the accompanying report, was referred to the Committee on Naval Affairs.

REPORT OF ST. ELIZABETHS HOSPITAL

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report of the superintendent of St. Elizabeths Hospital for the fiscal year ended June 30, 1932, showing in detail the receipts and expenditures for all purposes in connection with the institution, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF WAR MINERALS RELIEF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report of the administration of the war minerals relief act, including receipts and disbursements for the year ended November 30, 1932, which, with the accompanying report, was referred to the Committee on Mines and Mining.

DEVELOPMENT OF OIL AND GAS

The VICE PRESIDENT laid before the Senate two letters from the Secretary of the Interior, transmitting, pursuant to law, information concerning the approval of unit plans of development for Big Sand Draw gas field, Fremont County, Wyo., and Billy Creek field, Johnson County, Wyo., which, with the accompanying reports, were referred to the Committee on Public Lands and Surveys.

EXPENDITURES OF GEOLOGICAL SURVEY ON INDIAN LANDS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a statement of expenditures by the Geological Survey on tribal and allotted Indian lands during the fiscal year ended June 30, 1932, which, with the accompanying statement, was referred to the Committee on Indian Affairs.

INDIAN IRRIGATION PROJECTS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report showing the cost and other data with respect to Indian irrigation projects as compiled to the end of the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Indian Affairs.

REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, as ex officio chairman of the Migratory Bird Conservation Commission, transmitting, pursuant to law, a report of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

ANNUAL REPORT OF THE TARIFF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Tariff Commission, transmitting, pursuant to law, the sixteenth annual report of the commission, which, with the accompanying report, was referred to the Committee on Finance.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the chairman and secretary of the Reconstruction

Finance Corporation, transmitting, pursuant to law, a report of its operations for the period from the organization of the corporation on February 2, 1932, to September 30, 1932, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORT OF FEDERAL POWER COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Power Commission, transmitting, pursuant to law, the annual report of the commission for the fiscal year ended June 30, 1932, including a statement showing permits and licenses issued, the parties thereto, the terms prescribed, the moneys received, and the names and compensation of members and employees of the commission, which, with the accompanying report, was referred to the Committee on Commerce.

ANNUAL REPORT OF THE COMPTROLLER GENERAL

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of the work of the General Accounting Office for the fiscal year ended June 30, 1932, with recommendations for certain legislation calculated to effect greater economy and efficiency in public expenditures, which, with the accompanying report, was referred to the Committee on Appropriations.

CLAIMS AGAINST THE UNITED STATES

The VICE PRESIDENT laid before the Senate four letters from the Comptroller General of the United States, transmitting, pursuant to law, reports and recommendations concerning the claims of the Harvey Canal Ship Yard & Machine Shop, Mary Byrkett Sinks, Lawrence S. Copeland, and Texas Power & Light Co., respectively, against the United States, which, with the accompanying reports, were referred to the Committee on Claims.

REPORT OF TEXTILE FOUNDATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Textile Foundation, transmitting, pursuant to law, a report of the proceedings, activities, income, and expenditures of the foundation for the year ended December 31, 1931, which, with the accompanying report, was referred to the Committee on Commerce.

FINAL VALUATIONS OF CERTAIN RAILROAD PROPERTIES

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Interstate Commerce Commission transmitting, pursuant to law, final valuations of properties of the Louisville & Nashville Railroad Co. and 11 other railroads, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

ANNUAL REPORT OF FEDERAL RADIO COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Radio Commission transmitting, pursuant to law, the annual report of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

ANNUAL REPORT OF BOARD OF MEDIATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Board of Mediation transmitting, pursuant to law, the sixth annual report of the board for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

ANNUAL REPORT OF SHIPPING BOARD

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Shipping Board transmitting, pursuant to law, the sixteenth annual report of the board and the United States Shipping Board Merchant Fleet Corporation for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Commerce.

SETTLEMENT OF SHIPPING BOARD CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Shipping Board transmitting, pursuant to law, a report of claims arbitrated or settled by agreement from October 15, 1931, to October 15, 1932, by the United States Shipping Board and/or the United States Shipping Board Merchant Fleet Corporation, which, with the accompanying report, was referred to the Committee on Commerce.

REPORT OF COMMISSIONERS OF DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the president of the Board of Commissioners of the District of Columbia transmitting, pursuant to law, a report of the official operations of said government for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on the District of Columbia.

ANNUAL REPORT OF PUBLIC UTILITIES COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, a report of the official proceedings of the commission for the year ended December 31, 1931, with other information relating to the regulation and operation of public utilities in the District under the jurisdiction of the commission, which, with the accompanying report, was referred to the Committee on the District of Columbia.

HEALING ARTS PRACTICE IN DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the president of the Commission on Licensure, Healing Arts Practice Act, transmitting, pursuant to law, a report of the activities of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on the District of Columbia.

CASES IN THE COURT OF CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the Assistant Clerk of the Court of Claims, transmitting, pursuant to law, certified copies of the findings of fact and the opinion of the court in the case of Pocono Pines Assembly Hotels Co. against the United States, which, with the accompanying papers, was referred to the Committee on Appropriations.

He also laid before the Senate two letters from the assistant clerk of the Court of Claims, transmitting certified copies of the opinions and order of the court dismissing the causes of the Creek Nation, Luther Gilkerson, and August Berquist, respectively, against the United States, which, with the accompanying papers, were referred to the Committee on Claims.

REPORT OF GORGAS MEMORIAL INSTITUTE

The VICE PRESIDENT laid before the Senate a letter from the chairman and president, respectively, of the Gorgas Memorial Institute of Tropical and Preventive Medicine (Inc.), transmitting, pursuant to law, a report of the institute for the year ended October 31, 1932, which, with the accompanying report, was referred to the Committee on Interoceanic Canals.

ANNUAL REPORT OF SECRETARY OF SENATE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, transmitting, pursuant to law, a report of receipts and expenditures of the Senate for the fiscal year ended June 30, 1932, which, with the accompanying report, was ordered to lie on the table and to be printed.

REPORT OF DIRECTOR OF BOTANIC GARDEN

The VICE PRESIDENT laid before the Senate a communication from the director of the United States Botanic Garden, transmitting, pursuant to law, a statement showing the travel expenses in connection with official business of the office during the fiscal year ended June 30, 1932, which was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of the national committee, Unemployed Councils of United States of America, Herbert Benjamin, national secretary, representing the conference of 3,000 delegates elected by

unemployed councils, trade-unions, and other workers' organizations (National Hunger March), also the seamen's division, National Hunger March, praying for the passage of legislation granting cash relief for the winter, prompt unemployment insurance, and also adequate measures for the relief of the unemployed, etc., which were referred to the Committee on Appropriations.

Mr. BARBOUR presented petitions of St. Paul's Auxiliary of the Woman's Home Missionary Society, of Atlantic City; the Woman's Home Missionary Society of St. James Methodist Episcopal Church, of New Brunswick; the Evening Auxiliary, Woman's Home Missionary Society of the Methodist Episcopal Church, of Ocean Grove; and the Ladies' Auxiliary of the Methodist Church of Ridgewood, all in the State of New Jersey, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. CAPPER presented resolutions adopted by the Woman's Home and Foreign Missionary Society, of Parsons; the Woman's Home Missionary Society, Methodist Episcopal Church, of Gardner; Woman's Home Missionary Society, Methodist Episcopal Church, of Sedan; the Woman's Home Missionary Society, Methodist Episcopal Church, of Blue Rapids; Woman's Home Missionary Society, Methodist Episcopal Church, of St. Francis; the Ladies' Bible Class of the First Methodist Episcopal Church, of Parsons; the Woman's Home Missionary Society, of Junction City; the quarterly conference of the Methodist Episcopal Church, of Morrowville; the Woman's Home Missionary Society of the Methodist Church, of White City; local chapter of the Woman's Christian Temperance Union, of Parsons; the Woman's Home Missionary Society, of Parsons; auxiliary of the Woman's Home Missionary Society, of Baldwin; and the Woman's Home Missionary Society, of Enterprise, all in the State of Kansas, favoring the prompt ratification of the World Court protocols; which were ordered to lie on the table.

He also presented resolutions adopted by the Home and Foreign Missionary Societies, of Parsons, Kans., favoring the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

Mr. BINGHAM presented resolutions adopted by the New England Regional Conference of the National Council of Jewish Women, of Hartford, and Washington Park Auxiliary of the Home Missionary Society, of Bridgeport, in the State of Connecticut, favoring the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented resolutions adopted by the Washington Park Auxiliary of the Women's Home Missionary Society, of Bridgeport, Conn., favoring the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

He also presented the petition of the Connecticut branch of the League of Nations Association praying for the temporary postponement of payments due the United States from foreign governments on December 15, 1932, and for further negotiations with such governments concerning debt settlement, which was referred to the Committee on Finance.

He also presented memorials and papers in the nature of memorials from the Women's Society of the first Baptist Church, of Bristol; the New London County and Montville Woman's Christian Temperance Union; members of the Methodist Episcopal Church of South Manchester; and sundry citizens of Bristol, Enfield, and Montville, all in the State of Connecticut, remonstrating against the repeal of the eighteenth amendment of the Constitution or the Volstead Act, relating to manufacture and sale of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented memorials numerously signed by sundry citizens of the State of New York, remonstrating against the passage of legislation providing for the manufacture and sale of beer, or the legalization of alcoholic liquors stronger than one-half of 1 per cent, etc., which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Executive Board of the Cosmopolitan Association of Erie County, N. Y., remonstrating against the alleged methods employed by immigration authorities in relation to the handling of immigrant cases, etc., which was referred to the Committee on Immigration.

He also presented resolutions adopted by the Women's Home Missionary Society, Bay Ridge Methodist Episcopal Church and the Janes Young Women's Home Missionary Society, both of Brooklyn; Women's Home Missionary Society of Candor; Young Women's Home Missionary Society of the Methodist Episcopal Church of Endicott; Woman's Home and Foreign Missionary Societies of Fulton; Woman's Home Missionary Society of Gainesville; and the Woman's Home Missionary Society of Rockville Center, all in the State of New York, favoring the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented resolutions adopted by the Janes Young Women's Home Missionary Society and the Woman's Home Missionary Society, Bay Ridge Methodist Episcopal Church, both of Brooklyn; St. Paul's Methodist Missionary Society and the Home Missionary Society of Grace Methodist Episcopal Church, both of New York City, all in the State of New York, favoring the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

Mr. WALSH of Massachusetts presented petitions of the Woman's Home Missionary Society of Grace Methodist Episcopal Church, of Cambridge; the Woman's Missionary Society of Newtonville; the Women's Missionary Society, and the Winthrop Auxiliary of the Woman's Home Missionary Society of the Methodist Episcopal Church, both of Boston, all in the State of Massachusetts, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of the Woman's Home Missionary Society of Grace Methodist Episcopal Church, of Cambridge; the Woman's Missionary Society, of Newtonville; the Women's Missionary Society and the Winthrop Street Auxiliary of the Woman's Home Missionary Society of the Methodist Episcopal Church, both of Boston, all in the State of Massachusetts, praying for the passage of legislation providing Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. WALSH of Massachusetts presented resolutions adopted by the executive committee of the Liberal Civic League (Inc.), Boston, Mass., which were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Resolutions adopted by the executive committee of the Liberal Civic League (Inc.), at Boston, Mass., Saturday, December 3, 1932

Whereas the result of the national referendum of November 8, 1932, on the issue of the modification or the unconditional repeal of the eighteenth amendment, was an overwhelming and genuinely nonpartisan mandate of the American people in favor of the immediate and unconditional repeal of this amendment; and

Whereas the voters of Massachusetts at the polls on November 8, 1932, and on every prior occasion when they have had an opportunity to directly declare themselves upon this question, have clearly and unmistakably expressed a similar mandate for the immediate and unconditional repeal of the eighteenth amendment; and

Whereas the voters in each and all of the representative congressional districts of the Commonwealth have in two prior referendums declared themselves by substantial majorities for the immediate and unconditional repeal of the eighteenth amendment; and

Whereas in accordance with the fundamental principles of truly representative government, the voice of the people of the Nation, of the several congressional districts, and of the Commonwealth of Massachusetts as a whole upon this vital economic and social issue, is paramount to the declaration of any party platform, affiliation with any political party, or the preexisting personal views of any individual Member of the Congress; and

Whereas it is believed by competent authority that the immediate and unconditional repeal of the eighteenth amendment

would result in an instant gain to the Federal Budget in savings and in additional revenue, for the first year subsequent to such unconditional repeal, of not less than $2,000,000,000; and

Whereas it has been proposed by the Hon. A. Mitchell Palmer, a former Attorney General of the United States, that the Congress should, in framing an unconditional repeal resolution, incorporate therein directions for the holding of conventions in the several States to deal with the acceptance or rejection of such resolution, as early as may be possible under uniform regulations, and on a uniform date, throughout the entire country; and

Whereas there is grave occasion in the public interest that the nation-wide mandate of the people for immediate and unconditional repeal should be acted upon by the Congress as expeditiously as is practical in order that the people themselves may have the earliest possible opportunity to directly deal with the prohibition quesion and all Federal and State legislation relating thereto: It is hereby

Resolved, That the executive committee of the Liberal Civic League (Inc.), a nonpartisan civic organization, speaking for an independent following in Massachusetts of over 125,000 voters, believes it to be the patriotic duty of the Congress and the especial duty of every Member of Congress from Massachusetts, regardless of party affiliation or personal conviction, to vote at the earliest possible moment in support of the first available resolution providing for the immediate and unconditional repeal of the eighteenth amendment and to oppose by every legitimate means the acceptance by the Congress of the now pending Glass amendment or any other proposal that would perpetuate in the Federal Constitution any governmental control or interference with the sovereign right of the several States to deal as they may see fit with the manufacture and sale of intoxicating liquors; and it is further

Resolved, That in the interest of speedy and effective action, the Congress should submit the unconditional repeal of the eighteenth amendment to the people of the several States in the uniform manner provided by the Palmer plan hereinbefore referred to; and it is further

Resolved, That pending the unconditional repeal of the eighteenth amendment, the Congress, in some relief of existing economic and social conditions, should forthwith enact cereal-beverage legislation substantially as provided in the bill already introduced, or about to be introduced, at this session by Hon. DAVID I. WALSH, the senior Senator from Massachusetts; and it is further

Resolved, That the chairman of the Liberal Civic League (Inc.), William H. Mitchell, of Boston, be, and he is hereby, directed to forward a copy of the within resolutions to each and every Member of the Congress from Massachusetts, prior to the reconvening thereof on Monday, December 5, 1932.

A true copy.

WILLIAM H. MITCHELL, *Chairman*.

THE EIGHTEENTH AMENDMENT—LAW ENFORCEMENT

Mr. CAPPER. Mr. President, I have here resolutions adopted at a meeting held at the Foundry Methodist Church, of Washington, D. C., on December 4. The resolutions are sponsored by the Woman's National Committee for Law Enforcement. I ask that they may be printed in the CONGRESSIONAL RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Resolutions adopted at a meeting sponsored by the Woman's National Committee for Law Enforcement, held at the Foundry Methodist Church, Washington, D. C., December 4, 1932

Be it resolved, In case Congress should vote by a two-thirds majority in each House that the eighteenth amendment be repealed, it must be done in a regular way and be ratified by 36 States. The opponents of the law declare for conventions; we stand for ratification by State legislatures, which has precedent.

Be it resolved, That any attempt to bring back beer or wines before the repeal of the eighteenth amendment shall be considered nullification, and Congress shall be held responsible by the American people.

Be it resolved, If mislead by propaganda or political pressure, this crime of perjury should be committed through modification of the enforcement act, we call on the President of the United States, solemnly sworn to "preserve the Constitution," to veto such an unwarranted, unprecedented action. We urge that he stop this liquor rebellion, for which he has historic precedent.

Be it also resolved, We oppose any increase of alcoholic content above that prescribed by the Volstead Act. Since the intention is to create the alcoholic appetite in youth, as stated by the brewers, we call for an uprising of the people against an effort to legalize beer or wines or to permit the sale under any auspices—saloon, bar, or Government dispensary. It will inevitably, because of its small content, create an appetite which will increase drinking among young people who do not naturally take to hard liquor.

Be it resolved, That we heartily approve the present Volstead law with an additional clause to make the buyer, who is partner to illegal sale, equally guilty with the seller.

Be it further resolved, That we oppose any effort to make the United States Government under any conditions a dealer in liquor or enrich itself through a tax for corrupting the people. This never has brought and never will bring prosperity, as proven by other nations now staggering under liquor, debt, paralyzed industries, and credit.

In the name of God we appeal to the Christian Church for action. In the name of womanhood we call on the rulers of this Nation to protect us from this evil.

If this Congress, elected on dry pledges and platform, shall refuse to be bound by its solemn oath to support and defend the law, and the President, elected on this platform, shall kill this protective law by withholding his veto, then we call on women to go into a period of deep mourning, forgetting pleasure and ease and comfort, wearing black as a symbol. If our efforts and prayers are of no avail, and God leaves this Nation to suffer for its sin, let us speak in a language which can be understood. While babies die from starvation and men and women are desperate in their need for bread, we demand that our rulers cease this wicked and foolish attack on our laws and attend to the business for which they have been elected.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 4987) for the relief of Frederick E. Dixon; to the Committee on Civil Service.

A bill (S. 4988) for the relief of Bruce F. Ramsey (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 4989) granting a pension to Elizabeth Winscott (with accompanying papers); to the Committee on Pensions.

By Mr. FESS:

A bill (S. 4990) granting an increase of pension to Estella Hartman (with accompanying papers);

A bill (S. 4991) granting a pension to Lucie P. Cranston (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH of Montana:

A bill (S. 4992) for the relief of Ruth J. Barnes; to the Committee on Military Affairs.

A bill (S. 4993) for the relief of C. J. Mast; and

A bill (S. 4994) for the relief of Peter Pierre; to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 4995) authorizing the Reconstruction Finance Corporation to make loans to certain home owners and farmers for the payment of taxes; to the Committee on Banking and Currency.

By Mr. McKELLAR:

A bill (S. 4996) for the relief of W. C. Redman; to the Committee on Military Affairs.

A bill (S. 4997) granting an increase of pension to Eliza Jane Whitson;

A bill (S. 4998) granting a pension to Jane Drennon (with accompanying papers);

A bill (S. 4999) granting a pension to Lyda Hamby (with accompanying papers); and

A bill (S. 5000) granting a pension to Martha E. McDaniel (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 5001) to amend the military record of Joshua Workman; to the Committee on Military Affairs.

A bill (S. 5002) for the relief of Russell C. Cross; to the Committee on Naval Affairs.

A bill (S. 5003) granting an increase of pension to Margaret E. Gorrell;

A bill (S. 5004) granting an increase of pension to George H. Pratt;

A bill (S. 5005) granting an increase of pension to Fred Cook;

A bill (S. 5006) granting a pension to D. W. Chapman;

A bill (S. 5007) granting a pension to Oppie Reed;

A bill (S. 5008) granting an increase of pension to Edward F. Savage;

A bill (S. 5009) granting an increase of pension to Jess Musgrave;

A bill (S. 5010) granting a pension to Stanley N. Rice;

A bill (S. 5011) granting a pension to Columbus R. Fulks;

A bill (S. 5012) granting a pension to Maggie Hannah;

A bill (S. 5013) granting a pension to Rose Kennedy; and

A bill (S. 5014) granting a pension to Anna Marie Flautt; to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 5015) to provide that the national prohibition act, as amended and supplemented, shall not apply to liquors containing 4 per cent or less of alcohol by volume; to the Committee on Manufactures.

By Mr. NORBECK:

A bill (S. 5016) to amend section 2 of an act entitled "An act to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes," approved January 22, 1932 (Public, No. 2, 72d Cong.); to the Committee on Agriculture and Forestry.

By Mr. WHITE:

A bill (S. 5017) for the relief of Frank L. Weed; to the Committee on Military Affairs.

By Mr. KING:

A bill (S. 5018) relating to the classified civil service; to the Committee on Civil Service.

A bill (S. 5019) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury; to the Committee on the District of Columbia.

A bill (S. 5020) authorizing the Reconstruction Finance Corporation to make loans to aid in refunding or refinancing certain obligations of irrigation and drainage districts; to the Committee on Banking and Currency.

A bill (S. 5021) to secure greater economy and efficiency in the disbursement of public money, and for other purposes; to the Committee on Appropriations.

By Mr. DILL:

A bill (S. 5022) granting a pension to John W. Ferwerda (with accompanying papers);

A bill (S. 5023) granting a pension to Nellie J. Wood (with accompanying papers);

A bill (S. 5024) granting an increase of pension to Kate E. Snow (with accompanying papers); and

A bill (S. 5025) granting a pension to Theresa Elizabeth Mapes (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH:

A bill (S. 5026) to provide for loans to farmers for crop production and harvesting during the year 1933; to the Committee on Agriculture and Forestry.

By Mr. McNARY:

A bill (S. 5027) to amend the agricultural marketing act, approved June 15, 1929; to the Committee on Agriculture and Forestry.

By Mr. HALE:

A bill (S. 5028) for the relief of Bernard Leroy Eaton; and

A bill (S. 5029) for the relief of Oscar Pinette; to the Committee on Naval Affairs.

By Mr. VANDENBERG:

A bill (S. 5030) to transfer certain portions of the lower peninsula of the State of Michigan to the United States standard eastern time zone; to the Committee on Interstate Commerce.

A bill (S. 5031) granting a pension to Mary Ann Fox (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 5032) granting an increase of pension to Sarah J. Carpenter; to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 5033) providing for regulation of the transportation of cotton and wheat in interstate and foreign commerce, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. JOHNSON:

A bill (S. 5034) to permit the admission of intoxicating liquors into the Virgin Islands of the United States for export.

A bill (S. 5035) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water;

A bill (S. 5036) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water; and

A bill (S. 5037) to amend section 1 (a) of the act of March 2, 1929, entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Commerce.

A bill (S. 5038) conferring upon the United States District Court for the Northern District of California, Southern Division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad; to the Committee on Claims.

By Mr. WALSH of Massachusetts:

A bill (S. 5039) for the relief of Samuel Williams; to the Committee on Military Affairs.

A bill (S. 5040) granting a pension to Elizabeth Rose Clark; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 5041) to abolish the Council of National Defense; to the Committee on Military Affairs.

A bill (S. 5042) to repeal the classification act of 1923, as amended, and for other purposes; to the Committee on Civil Service.

A bill (S. 5043) to abolish the Bureau of Efficiency, and for other purposes; and

A bill (S. 5044) to abolish the National Advisory Committee for Aeronautics; to the Committee on Appropriations.

A bill (S. 5045) to provide for the immediate liquidation of the assets and the winding up of the affairs of the War Finance Corporation; to the Committee on Finance.

A bill (S. 5046) to abolish the United States Shipping Board and the United States Shipping Board Merchant Fleet Corporation and to provide for the winding up of their affairs and the disposal of their assets; to the Committee on Commerce.

A bill (S. 5047) to restore the 2-cent postage rate on first-class mail matter; to the Committee on Post Offices and Post Roads.

By Mr. COPELAND:

A bill (S. 5049) for the relief of Winifred Meagher; to the Committee on Claims.

A bill (S. 5050) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. L. 730; U. S. C., title 15, sec. 13); and

A bill (S. 5051) to amend section 5 of the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914 (38 Stat. L. 719; U. S. C., title 15, sec. 45); to the Committee on Interstate Commerce.

By Mr. CAPPER:

A bill (S. 5052) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Annie Regina Brahler from St. Mary's Cemetery to Cedar Hill Cemetery; and

A bill (S. 5053) to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 5054) granting an increase of pension to Mary L. Parker (with accompanying papers);

A bill (S. 5055) granting a pension to Hulda Dodds (with accompanying papers);

A bill (S. 5056) granting a pension to Mary A. Beck (with accompanying papers);

A bill (S. 5057) granting a pension to Everett Goodwin (with accompanying papers); and

A bill (S. 5058) granting an increase of pension to Terressa Willoughby (with accompanying papers); to the Committee on Pensions.

AMENDMENT OF NATIONAL PROHIBITION ACT

Mr. TYDINGS. Mr. President, I have in my hand a bill and a short explanation of it. The bill is not very long; and since it deals with a matter that is sure to come up at this session—namely, the question of amending the Volstead

Act—I ask unanimous consent that the bill and the explanation of it may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill (S. 5048) to amend the national prohibition act, as amended and supplemented, with respect to the definition of intoxicating liquor, and for other purposes, was read twice by its title, referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first paragraph of section 1 of Title II of the national prohibition act, as amended and supplemented, is amended to read as follows: "When used in Title II and Title III of this act (1) the word 'liquor' shall be construed to mean intoxicating liquor."

SEC. 2. Section 4 of Title II of such act, as amended and supplemented, is amended by striking out the words "beverage containing one-half of 1 per cent or more of alcohol by volume" and inserting in lieu thereof "intoxicating liquor."

SEC. 3. The last three paragraphs of section 37 of Title II of such act, as amended and supplemented, are amended to read as follows:

"A manufacturer of any nonintoxicating liquor may, on making application and giving such bond as the Commissioner of Industrial Alcohol shall prescribe, be given a permit to develop in the manufacture thereon by the usual methods of fermentation and fortification or otherwise an intoxicating liquid such as beer, ale, porter, or wine, but before any such liquid is withdrawn from the factory or otherwise disposed of the alcoholic contents thereof shall, under such rules and regulations as may be prescribed under this act, as amended and supplemented, be reduced to a point where such liquid is not an intoxicating liquor: *Provided*, That such liquid may be removed and transported, under bond and under such regulations as may be prescribed under this act, as amended and supplemented, from one bonded plant or warehouse to another for the purpose of having the alcohol extracted therefrom. And such liquid may be developed under permit, by persons other than the manufacturers of nonintoxicating liquors, and sold to such manufacturers for conversion into such nonintoxicating liquors. The alcohol removed from such liquid, if evaporated and not condensed and saved, shall not be subject to tax; if saved, it shall be subject to the same law as other alcoholic liquors. Credit shall be allowed on the tax due on any alcohol so saved to the amount of any tax paid upon distilled spirits or brandy used in the fortification of the liquor from which the same is saved.

"When fortified wines are made and used for the production of nonbeverage alcohol, and nonintoxicating dealcoholized wines, no tax shall be assessed or paid on the spirits used in such fortification and such dealcoholized wine produced under the provisions of this act, whether carbonated or not, shall not be subject to the tax on artificially carbonated or sparkling wines, but shall be subject to the tax on still wines only.

"In any case where the manufacturer is charged with manufacturing or selling for beverage purposes any intoxicating liquors, or in any case where the manufacturer, having been permitted by the Commissioner of Industrial Alcohol to develop an intoxicating liquor such as ale, beer, porter, or wine in the manner and for the purpose herein provided, is charged with failure to reduce the alcoholic content of any such liquid to a point where such liquid is not an intoxicating liquor before withdrawing the same from the factory, then in either such case the burden of proof shall be on such manufacturer to show that such liquid so manufactured, sold, or withdrawn is nonintoxicating liquor. In any suit or proceeding involving the alcoholic content of any beverage, the reasonable expense of analysis of such beverage shall be taxed as costs in the case."

SEC. 4. Any offense in violation of, or any right, obligation, or penalty, or any seizure or forfeiture, based upon any provision of the national prohibition act, as amended and supplemented, or any regulation or permit issued thereunder, committed, accruing, or incurred, respectively, prior to the date this act takes effect, may be prosecuted or enforced in the same manner and with the same effect as if this act had not been passed.

SEC. 5. All permits issued under the national prohibition act, as amended and supplemented, before this act takes effect shall, after the date this act takes effect, be valid with respect to intoxicating liquor as defined in section 1 of Title II of such act, as amended by section 1 of this act, to the same extent as such permits are, at the time this act takes effect, valid with respect to intoxicating liquors as defined by section 1 of Title II of the national prohibition act prior to its amendment by section 1 of this act.

SEC. 6. There shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half of 1 per cent, or more, of alcohol by volume, brewed or manufactured and hereafter sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, in lieu of the internal-revenue taxes now imposed thereon by law, a tax at the rate of 16 cents per gallon, to be collected under the provisions of existing law. The brewer or manufacturer of any such liquor shall, before engaging in business, qualify as a brewer under the internal revenue laws, and for the purposes of the internal revenue laws shall be considered a brewer.

SEC. 7. At the expiration of three years from the date this act takes effect there shall be established in the Treasury a special fund to be known as the unemployment reserve fund into which shall be covered all revenues thereafter derived under section 6 of this act until there shall have been accumulated in such fund the sum of $5,000,000,000, after which time all such further revenues shall revert to the general funds in the Treasury.

SEC. 8. The funds in the unemployment reserve fund established by section 7 of this act shall be retained by the Secretary of the Treasury for use in times of depression and widespread unemployment to finance such programs of emergency unemployment-relief work as the Congress shall by law direct.

SEC. 9. This act shall take effect _____ days after its enactment.

The statement accompanying Senate bill 5048 was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

The prohibition enforcement act, commonly called the Volstead Act, was designed to carry out the provisions of the eighteenth amendment.

The eighteenth amendment prohibits the "manufacture, sale, or transportation of intoxicating liquors * * * for beverage purposes." The Volstead Act should deal with the prohibitions of the amendment and fix penalties for "the manufacture, sale, or transportation of intoxicating liquors * * * for beverage purposes." It has no other reason for existing.

But the Volstead Act, as originally drawn, covers more territory and usurps more authority than is contained in the eighteenth amendment. It—the Volstead Act—makes it a crime to manufacture alcoholic beverages which are not really "intoxicating liquors." Thus, it went further than the prohibitions of the amendment. For example, no one contends that an alcoholic beverage containing three-fourths of 1 per cent of alcohol by volume is an "intoxicating liquor," but the Volstead Act so declares, stating that any "beverage containing one-half of 1 per cent, or more, of alcohol by volume" was "intoxicating liquor."

My bill seeks to enforce the eighteenth amendment 100 per cent and eliminates from the present Volstead Act the penal provisions for "the manufacture, sale, or transportation" of alcoholic liquors which are not in reality "intoxicating liquors." I maintain, therefore, that no honest constitutional dry can justly criticize this bill, for it preserves every prohibition of the eighteenth amendment. The sole question, therefore, if my bill is adopted, would be, Is the alcoholic beverage an intoxicating liquor? If it is, then it comes within the amendment and is unlawful. If it is not, then it comes without the amendment and is not unlawful. That is what the amendment says and that is what the enforcement act should say. To have the enforcement act cover more ground than that is nothing more or less than a usurpation of power by Congress not conferred upon it by the amendment itself.

The bill further provides an excise tax of 16 cents a gallon, or 2 cents a pint, on alcoholic beverages containing more than one-half of 1 per cent of alcohol by volume but not so high in alcoholic content as to be an "intoxicating liquor." It makes various amendments in the present act as to administration, etc.

It provides that, immediately upon the act taking effect, all revenue derived from beer shall become part of the General Treasury revenues, but that after three years from the date of the act these moneys shall be kept by the Treasury in a special fund to be known as the "unemployment reserve fund," and these beer revenues shall accumulate until they reach the total of $5,000,000,000, when beer revenues shall again revert to the General Treasury.

The "unemployment reserve fund" so created is retained by the Secretary of the Treasury for use in times of depression and widespread unemployment to finance such programs of emergency employment-relief work as Congress shall by law direct.

PROHIBITION AMENDMENT OF THE CONSTITUTION

Mr. BLAINE. Mr. President, I ask unanimous consent to make a very brief statement in connection with the presentation of a joint resolution for an amendment to the eighteenth amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none.

Mr. BLAINE. Mr. President, the joint resolution which I am about to propose amends the eighteenth amendment.

The effect of the joint resolution is to effectuate a complete repeal of the eighteenth amendment and to take out of the Federal Constitution the power of Congress relating to prohibition, except in so far as the Congress may assist the several States which desire prohibition in the protection of those States.

Moreover, the joint resolution proposes to amend the interstate commerce law so as to make intoxicating liquor for beverage or other purposes, for use in States which prohibit intoxicating liquors, subject to the laws of such States, leaving all other States which choose to adopt any system of liquor control free to legislate without any constitutional inhibition or control by the Congress.



I ask that the joint resolution be printed in full in the RECORD, and that it be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, that order will be made.

The joint resolution (S. J. Res. 211) proposing an amendment to the Constitution of the United States was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment is hereby proposed to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

"ARTICLE —

"SECTION 1. The eighteenth article of amendment of the Constitution of the United States is hereby amended to read as follows:

"'ARTICLE XVIII

"'SECTION 1. The provisions of clause 3 of section 8 of Article I of the Constitution, vesting in the Congress the power to regulate commerce with foreign nations and among the several States and with the Indian tribes, shall not be construed to confer upon the Congress the power to authorize the transportation or importation into any State or Territory of the United States for use therein of intoxicating liquors for beverage or other purposes within the State or Territory if the laws in force therein prohibit such transportation or importation; and any such transportation or importation of intoxicating liquors into any State or Territory for use therein in violation of its laws is hereby prohibited. If any such transportation or importation of intoxicating liquors in violation of law is made, the liquors so transported or imported shall become subject to the laws of the State or Territory on arrival therein.

"'SEC. 2. The Congress shall have the power to enact laws in aid of the enforcement of, and not inconsistent with, the laws enacted by any State or Territory of the United States which has prohibited the transportation or importation of intoxicating liquors for beverage or other purposes into such State or Territory for use therein.'"

AMENDMENT OF THE NATIONAL PROHIBITION ACT

Mr. BINGHAM submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 436) to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor, which was ordered to lie on the table and to be printed.

ASSISTANT CLERK, COMMITTEE ON BANKING AND CURRENCY

Mr. NORBECK submitted the following resolution (S. Res. 287), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Banking and Currency is hereby authorized to employ an additional assistant clerk during the second session of the Seventy-second Congress, to be paid at the rate of $1,800 per annum out of the contingent fund of the Senate.

PANIC CONDITIONS, PROBLEMS, AND REMEDIES

Mr. HULL. Mr. President, I ask unanimous consent to have printed in the RECORD two news statements of mine on economic subjects.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. CORDELL HULL, NOVEMBER 20, 1932

Numerous economic problems and conditions, equally pressing and differing only in degree in their intimate relation with business recovery, imperatively call for basic treatment either by the United States alone or by it and other countries under its leadership. Our 30,000,000 impoverished farm population are demanding relief from their mortgage indebtedness of $9,260,000,000; the allied governments are demanding relief from their indebtedness of $11,000,000,000; international trade is bound hand and foot by every sort of arbitrary restriction; our Federal, State, and local budgets, hopelessly out of balance, present gaping deficits calculated most seriously to affect public credit; the financial distress of the railroads could scarcely be more threatening; the panic-ridden American taxpayers, groaning under an overload of taxes; most organized minorities making almost impossible demands on public treasuries everywhere; unprecedented tariffs and exchange restrictions rendering it impossible for debtor countries to pay debts without complete extinction of their gold reserves; breakdown of the processes of distribution and exchange; vast unemployment, with collapse of high wages and high living standards; impossible surpluses piling higher and higher in this and certain other countries, with accompanying slump in commodity prices; maldistribution of gold; frightful conditions of monetary instability in many parts of the world; and each nation under American leadership still foolishly and futilely striving to live by itself.

It is in the face of these monumental difficulties that must be surmounted in the early future that the allied nations owing our Government request us first to single out their item of indebtedness at an impossible time, and grant their request for leniency. All creditors, public and private, should always be considerate toward their debtors, as I am sure our Government has been and is. Foreign governments, however, underestimate the breadth and depth of the panic conditions that must be grappled with in a fundamental way before either they or we can return to sound and permanent business prosperity.

Economic disarmament and military disarmament are patently the two most vital and outstanding factors in business recovery. Their solution has been dodged and delayed for three years, with the result that the ravages of the panic continue almost unabated. The Hoover administration has not pretended to offer any basic remedies, but only temporary panaceas or tonics. Industrial civilization—all civilization—here and everywhere, will soon be most seriously threatened unless statesmanship immediately can summon sufficient vision, resolution, and constructive ability to undertake the speedy and fundamental solution of these critical conditions.

Without the slightest reference to the merits of the foreign debts due our Government, however important they may be, they were not a major cause of the panic, nor are they a major remedy. This country loaned Europe ample moneys with which to make the payments received by us prior to 1930, while the annual payments due at present amount to only 2 or 3 per cent, or less, of the budgets of the debtor countries.

The strangulation of international trade from what would be a normal level under the pre-war ratio of increase, of near $55,000,000,000 down to $12,000,000,000, by extreme tariffs, quotas, embargoes, and exchange restrictions, constituted the greatest single cause of the panic, while its restoration is an indispensable prerequisite to the redistribution of gold, monetary stabilization everywhere, and the payment of external indebtedness, both public and private, by all countries.

Of what avail would it be to sidetrack the war debts upon the theory of increasing international trade, while leaving intact the insurmountable tariff and other trade and finance obstructions that bristle on every national frontier and render trade virtually as impossible without war debts as with them? Suspending war debts does not lower one inch these skyscraping barriers, which under American leadership have been carried to the wildest extreme in every part of the world. Nor could such suspension but temporarily strengthen the financial structures of the debtor countries unless and until somewhat of a normal flow of international finance and commerce is first restored.

The business of all nations is on an artificial basis. The world is in a state of bitter economic war. In proceeding with the herculean and prerequisite task of economic disarmament and military disarmament, the first big question for determination is whether nations singly and jointly shall devise credit and trade policies calculated to raise the prices of primary commodities to a higher and healthier level, thereby correspondingly relieving debtors, and restoring our normal economic life, or whether there shall be a scaling of both public and private indebtedness, either by reduction of interest or principal, or both. In the second place, and in any event, the liberalization of exchange and other trade restrictions, including the lowering of excessive tariffs by important countries simultaneously, offer the most vital and single major remedy for the panic.

There is no other course by which this country can permanently restore employment and rehabilitate agriculture. The remedy in each instance is to sell our surplus. Ruthless economy must also be practiced. This and other countries, unless they would run the risk of further uncertain and unsound business conditions, must, without further suicidal delay, choose between moderate tariffs and liberal trade policies, which would contemplate full employment of labor with the highest living standards, and the restoration of agriculture, or they must choose the present policy of virtual embargo tariff and trade obstructions, with output of production limited to domestic consumption, and with pools, valorization, pegging of prices, subsidies, bounties, and subventions daily clamored for at the seat of government by most important groups and industries. This latter policy is utterly at war with modern progress when we reflect that three-fourths of the 2,000,000,000 world population to-day and since 1920 are living below the poverty line.

The blind, selfish, and dumb economic leadership of this country since 1920, and its type in other countries, should be summarily thrown out of power and a leadership substituted which, while disclaiming economic internationalism, would challenge economic nationalism and pursue a sane, liberal, middle course in the conduct of our domestic and international economic affairs. Let other governments first be asked to define their attitude on these critical phases—these major obstructions to trade and finance—to the end that both individual and concerted action of the nations in support of a comprehensive relief program including all debts may be had. This Government could then consider these foreign-debt applications separately and individually, but concurrently with the consideration of trade, monetary and tariff problems, and policies by a world economic conference.

STATEMENT OF HON. CORDELL HULL, DECEMBER 4, 1932

Every citizen in every country just now is interested in early business recovery. Two courses to restore business have been suggested. One is to ignore the fundamental impediments to its restoration and apply stimulants to check the more aggravated phases of the depression, in the hope that prosperity would then gradually return. The other would contemplate the outright removal of the barriers and obstructions which clearly stand in the way of the return to normal trade, finance, and production. This latter course thus far has not been attempted by any country. Action by governments is largely necessary to get rid of these obstructions. Some difficulties are purely domestic, such as Federal, State, and local budgets and taxation, comprising the task of ruthless economy and retrenchment.

If, however, confidence is to be regained and primary commodity prices raised so as to permit the gradual restoration of markets for agriculture and manufacturing, and the resumption of employment of labor and capital at home, nothing is more clear than that such impediments as rigid exchange restrictions must be liberalized and insurmountable tariffs, quotas, and embargoes must be lowered to a reasonable extent. Any State paper seriously suggesting any comprehensive program of real business improvement that excludes these great major factors is fatally weak and is no credit to modern statesmanship. If a dislocated business world ignores these fundamental factors now, a bankrupt business world later will be jarred into its senses and will then hasten to solve them.

The fundamental principle of sound economic policy thus leading back to business recovery is apparent but the great difficulty is to secure the necessary support for the adoption of the steps suggested by such policy. This and other governments thus far have not only failed to carry out this policy, either individually or in concert, but each has deliberately ignored both the existence of the powerful barriers to business recovery and the necessity for their removal. Governments instead are still wildly and madly erecting every additional obstruction against imports, while at the same time bestowing every possible subsidy on exports—a policy as contradictory as it is disastrous.

The United States since 1920, with its greatly superior power and prestige, having led other countries to these unprecedented heights of tariff and other trade obstacles, should proceed now to lead in the opposite direction of sanity and sound business recovery. To this end it is my individual opinion that our Government should propose to other governments, acting individually and separately, the carrying out of a common policy of discontinuing any further increases of tariff and similar trade obstructions, and of effecting a horizontal reduction of 10 per cent of their respective permanent tariff rates. Our Government, as an evidence of its good faith, should announce its unqualified purpose thus to take the lead. Reciprocal commercial treaties based on mutual tariff concessions and, as nearly as possible, the unconditional favored-nation policy if other governments will agree, would greatly supplement the usual legislative method of tariff readjustment. Reorganization of the Tariff Commission and the repeal of the flexible provision are highly advisable.

Each government could well be requested to consider a policy discontinuing artificial protection for any individual business that is patently inefficient on account of antiquated plant, or incompetent management, or hopelessly inflated capital structure, or for a business that is clearly not economically justifiable. All efficient industry would thereby be placed upon a much healthier and more prosperous basis.

Each government likewise could well agree to discontinue all substantial subsidies to exports and trade practices manifestly unfair or discriminating and in open violation of the doctrine of equality of treatment. Our Government should take the lead in adopting these policies, and should urge other nations in concert to do likewise.

Nothing is more clear than that surplus production here and elsewhere will become more burdensome with continued low prices and increasing unemployment, and that our almost dried-up international capital and money markets will still further prevent almost any kind of payments across national boundaries in connection with either trade or money obligations until and unless unprecedented exchange restrictions are loosened and liberalized.

Without reference to the merits of government debts due us, each important country, before seeking separate and preferential consideration of their claims for further reduction, should first indicate their attitude toward this broader and more fundamental program.

This Government, individually, could then hear and consider the applications of our debtor governments for further debt readjustment. This it should do entirely separately from but simultaneously with or following the proceedings of a world economic conference dealing with and acting on tariff policy—not tariff rates—and monetary stability and rehabilitation, credit policy, and economic disarmament generally.

My individual guess is that, as uniformly heretofore, the Democratic Party in charge of the Government after March 4, will have a constructive program soundly interpreting postwar economic conditions, and will be ready for extra sessions of Congress at any and all times that the public welfare may require. I have repeatedly expressed the view that the present deep-seated and chronic panic was largely the result of several years of unsound economic policies, and that it could not be cured overnight.

WAR DEBTS

Mr. COHEN. Mr. President, I ask unanimous consent to have printed in the RECORD an article on war debts by my colleague the senior Senator from Georgia [Mr. GEORGE].

The VICE PRESIDENT. Without objection, that order will be made.

The article is as follows:

[From the Washington Herald of Sunday, Dec. 4, 1932]

SENATOR GEORGE WARNS AGAINST BARTERING DEBT CONCESSIONS FOR TRADE PROMISES—WE ALREADY HAVE CANCELED 43 PER CENT OF MONEY OWED US, HE SAYS

(By WALTER F. GEORGE, United States Senator from Georgia and member of the Senate Finance Committee)

The request of European debtors now before the President may be separated into two parts. First, postponement of debt payments due in December; second, reconsideration of the war debts themselves. The substantial reason given in support of the first request is the desire of the debtors to be relieved of the debts outright.

The payment of $95,000,000 by Great Britain on December 15 does not support the fear expressed concerning the pound sterling.

We have just passed through a political campaign. Generally the Members of the Congress have committed themselves against cancellation, further reduction, or the extension of the moratorium. It seems reasonable to suppose that the Congress will deny the request for reexamination of the whole debt problem.

Additional reasons why the request to postpone the December payments and the plea for reconsideration of the debts themselves should be denied is found in the pressing need of our Government for revenue.

A reexamination of the fiscal policies of the Government of the United States and of the condition of the Treasury is imperative. It is believed, and the belief rests upon substantial foundation, that our Budget will not justify the postponement of payments due from the European debtor nations at this time.

PAYMENTS TOTAL LESS THAN HALF COST TO TREASURY

The total of these payments will represent less than one-half of the actual cost to the Treasury and the American taxpayer on the loans which they represent for the reason that the interest upon Government bonds issued and sold for the purpose of providing the money advanced to the debtors exceeds the amount of the payment which may be expected from the debtors on December 15.

More than $3,000,000,000 advanced by the United States to European debtors was used for domestic reconstruction. The amount may be much larger. The sum used for industrial and agricultural rehabilitation, whatever it is, must stand on substantially the same basis as loans made to Europe on private account.

The sum advanced each debtor for domestic reconstruction should, in justice to the American taxpayer, bear approximately the same rate of interest charged for similar advances on private account. On a basis of 4 per cent under the terms of the debt funding agreements, all of the debtors combined have agreed to pay us slightly less than 49 per cent of the total of the sums due.

On a 4¼ per cent basis, a little more than 43 per cent of the total of the debts due us was cancelled. Even on a 4¼ per cent basis Great Britain and six other countries received a reduction of approximately 20 per cent; Belgium and France approximately 53 per cent; Greece about 67 per cent, and Italy a little over 75 per cent.

Notwithstanding the explicit terms of the act creating the Debt Funding Commission the debts were funded and the settlements defended on the basis of each country's ability to pay.

Despite confusion and the apparent effort to confuse, debts and reparations have been kept separate since President Wilson's early declaration on the subject. The relief granted Germany by the European allies furnishes no higher ground for cancellation, further reduction, or postponement of debts due the United States than failure of revenue from any other cause.

From the viewpoint of the American taxpayer the question is whether the burden shall be passed to him or whether it shall rest upon the foreign debtors.

The case for cancellation on its merits, rests at least upon benefits that might accrue to the American taxpayer from increased trade and commerce. Again, it must be noted that the argument applies with exactly the same force to all advances made for domestic reconstruction to the debtor, whether on private account or by the Government.

Who can show how far our commerce would be favorably affected by cancellation, further reduction, or postponement of the payment of the debts.

Former President Coolidge has declared that after the debt settlements and after payments began to be made under the settlements our trade and the trade of the world flourished. In this connection he declared "no one could say that it would have been more or less if cancellation had taken place."

DISARMAMENT—OBVIOUS BENEFITS ARE APPRECIATED

The reply is made that our loans on private account continued and that funds from such loans were used to make payments on

the war debts. Again private loans and advances made by the Government for domestic reconstruction seem to stand upon the same basis.

We are warned that we must accept an unfavorable trade balance if the debts are to be repaid.

It is by no means clear that the debts can be paid only in gold or by the creation of an unfavorable trade balance against the United States.

Our European debtors will in the future apply the ordinary practices of merchandising in their trade and commerce with the United States, as they have in the past. It is impossible to accept estimates of increases. Enduring trade advantages can not be purchased by the cancellation of the debts.

Military disarmament is desirable; its obvious benefits are appreciated. But permanent disarmament must proceed upon more substantial bases than those advanced in the arguments thus far submitted for the cancellation or further reduction of the debts.

Who can say that if the debtors are compelled to pass payments now due or hereafter maturing that the ill effect upon their credit standing so far as it relates to military expenditures may not in the long run become a greater factor for good than any temporary holiday in the construction of military armaments purchased with the cash of the American taxpayer through cancellation of the war debts?

COMMITTEE SERVICE

Mr. ROBINSON of Arkansas. Mr. President, by direction of the steering committee, I ask that the Senator from Maryland [Mr. TYDINGS] be excused from further service upon the Committee on Interstate Commerce, and that he be assigned to service on the Committee on Appropriations.

The VICE PRESIDENT Without objection, that order will be made.

Mr. ROBINSON of Arkansas. I also ask that the senior Senator from North Carolina [Mr. BAILEY] be excused from further service upon the Committee on Military Affairs, and that he be assigned to duty upon the Committee on Interstate Commerce to fill the vacancy created a moment ago.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. ROBINSON of Arkansas. I ask that the junior Senator from North Carolina [Mr. REYNOLDS] be assigned to the Committee on Banking and Currency and the Committee on Military Affairs.

The VICE PRESIDENT. Without objection, that order will be made.

THE CALENDAR

The VICE PRESIDENT. The morning business is closed. The Calendar under Rule VIII is in order.

Mr. VANDENBERG. I ask unanimous consent that the calling of the Calendar be suspended.

The VICE PRESIDENT. Without objection, it is so ordered.

DEATH OF THE LATE REPRESENTATIVE HENRY ST. GEORGE TUCKER

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 301) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. HENRY ST. GEORGE TUCKER, a Representative from the State of Virginia.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. GLASS. Mr. President, I present resolutions which I send to the desk, and ask for their immediate consideration.

The resolutions (S. Res. 288) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. HENRY ST. GEORGE TUCKER, late a Representative from the State of Virginia.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF THE LATE REPRESENTATIVE CHARLES A. KARCH

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 303) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. CHARLES A. KARCH, a Representative from the State of Illinois.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. GLENN. Mr. President, I send to the desk resolutions and ask unanimous consent for their immediate consideration.

The resolutions (S. Res. 289) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES A. KARCH, late a Representatives from the State of Illinois.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF THE LATE REPRESENTATIVE J. CHARLES LINTHICUM

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 300) was read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. J. CHARLES LINTHICUM, a Representative from the State of Maryland.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. TYDINGS. Mr. President, I offer the resolutions which I send to the desk, and ask for their immediate consideration.

The resolutions (S. Res. 290) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. J CHARLES LINTHICUM, late a Representative from the State of Maryland.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF THE LATE REPRESENTATIVE JAMES C. M'LAUGHLIN

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representative, which will be read.

The resolution (H. Res. 302) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. JAMES C. MCLAUGHLIN, a Representative from the State of Michigan.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. VANDENBERG. Mr. President, I send to the desk resolutions and ask unanimous consent for their immediate consideration.

The resolutions (S. Res. 291) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JAMES C. MCLAUGHLIN, late a Representative from the State of Michigan.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

ADJOURNMENT

Mr. VANDENBERG. Mr. President, as a further mark of respect to the memory of the deceased Representatives I move that the Senate adjourn.

The motion was unanimously agreed to; and (at 1 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, December 7, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 6, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, our Heavenly Father, that Thou art ever near the whisper-reach of the souls of men. Make us sensitive to Thy overtures, that we may keenly realize the greatness of Thy love, the pity of Thy heart, and the strength of Thy grace; may we hug these riches to our perishing bosoms. Our country, with its manifold needs, is calling us; great tasks are at our doors. Almighty God, be pleased to help

us crave the ambition to toil for our fellow citizens with free and earnest hearts. Be in all our councils, that we may labor, live, and love, so that the unborn to-morrows shall call us blessed. Preserve Thou the health of our bodies and the vigor of our minds, and ever whisper to us in that music that can not be misunderstood. Thou who art the Creater of the heavens and earth, make known Thy way among all peoples and Thy saving grace among all nations. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. RAINEY. Mr. Speaker, the committee appointed on the part of the House to join with a like committee upon the part of the Senate, to notify the President of the United States that the two Houses had assembled and that a quorum was present and that the Houses were ready for business, report that they have performed their duty, and beg leave to further report that the President advised them that he would communicate with both Houses to-day in writing, and that to-morrow he would send down his Budget message, and that later on in the session there would be further messages.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

ANNUAL MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 401)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the state of the Union and ordered printed.

[For message see Senate proceedings.]

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, ladies and gentlemen of the House, I have received so many inquiries as to the status of the appropriation bills that I feel it is proper to take a few minutes to tell the entire membership of the House just what the progress with reference to the preparation of those bills has been and is now. Prior to the election, following the usual custom, I requested the Director of the Budget to furnish to the Committee on Appropriations advance copies or proofs of the Budget estimates for the various departments, and particularly with reference to the Treasury and the Post Office appropriation bill, and the Interior, the Agricultural, and the State, Justice, Commerce, and Labor appropriation bills, as well as the bill for the War Department. I stated to him that it was my purpose to begin hearings as soon after election as possible, and that the date of November 14 had been fixed to begin hearings on those bills, provided he would be in a position to furnish us with those advance proofs. The Director of the Budget responded freely and promptly and stated that he would have those estimates before the committee at the earliest possible moment. There was some delay of two days, and as a result the subcommittee on the Treasury and Post Office appropriation bill did not actually begin its hearings until November 16. The subcommittees on the other bills I mentioned began their hearings within a day or two thereafter. Since that time all of these subcommittees have been steadily at work, beginning early in the morning, sometimes before 10 o'clock, proceeding all day, and sometimes until late in the evening.

The hearings on the Post Office and Treasury appropriation bill were concluded last week. About that time there appeared a statement in the newspapers that the President was contemplating sending additional estimates reducing those estimates that had been submitted. The subcommittee felt, therefore, that under those circumstances, and also because it was not considered a proper thing to do to present an appropriation bill in advance of the Budget message of the President, that the preparation of that bill should be delayed for a few days. We began to mark up that bill this morning, starting at 9.30 o'clock, and we are going to proceed with that all day up into the night if necessary, hoping to complete writing the Treasury and Post Office appropriation bill by 12 o'clock to-morrow.

I am informed by the gentleman from Colorado [Mr. TAYLOR], who is the chairman of the subcommittee in charge of the Interior appropriation bill, and by the gentleman from Texas [Mr. BUCHANAN], who is chairman of the subcommittee in charge of the agricultural bill, that their bills will follow along in quick succession.

After that the gentleman from Alabama [Mr. OLIVER], chairman of the subcommittee in charge of the State, Justice, Commerce, and Labor appropriation bill, and the gentleman from Mississippi [Mr. COLLINS], chairman of the subcommittee having under consideration the War Department appropriation bill, will be ready to report, so that if the way is clear and the opportunity presented, there will be no delay on the part of the Committee on Appropriations in the consideration of these appropriation bills, because the other four regular bills and the deficiency bills will be prepared and be ready as soon as those other bills are out of the way.

It has been my hope, and it is still my hope, that this House can consider, with due deliberation, and pass three of those bills between now and the holiday recess, if one is taken, to wit, the Treasury and Post Office appropriation bill, the Interior Department appropriation bill, and the Agriculture Department appropriation bill. That can be done even now, if Members of the House are willing to forego speeches upon general subjects in general debate when these bills are under consideration. I venture this suggestion to our esteemed Speaker and to the majority leader, that opportunity be given to those Members, if there are any, who want to discuss matters outside of these appropriation bills, to discuss the President's message to-morrow and Thursday, prior to the introduction of the first appropriation bill, which will be that of the Treasury and Post Office Departments. I hope and expect that bill will be ready to be sent down to the printer to-morrow.

You are aware that it will take a day or two for the Clerk to figure up the final totals passed upon by the subcommittee and to get the bill back from the Public Printer and have it ready for report to the full committee. It may be possible to have that bill ready Friday. I hope it will be; but I want to assure the Members that the committee will sit at night, if necessary, and the clerks will work at night in order to bring that about. It may be Saturday before it can be ready. I simply wanted the House to know that your committee has been working earnestly, day and night, for over three weeks, in an effort to get these bills ready, and that you will have them at the first opportunity. If the way is clear, we can get three of those bills passed before Christmas; and if the Speaker and the leadership of the House decide to open the doors for debate on to-morrow and next day and prior to the introduction of this bill, I will take it as an indication not only that the leadership but that the membership of the House approves of the suggestion I have made, and I will ask unanimous consent that general debate upon those bills, when they come up, be limited to the subject matter of the bill.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. For general information to the country, would the chairman of the Committee on Appropriations kindly state in round numbers how much the Congress in the last session cut below the President's Budget for 1933, and how much did Congress thus save for the people? How much below the President's Budget of 1933 were the supply bills?

Mr. BYRNS. The gentleman means at the last session?

Mr. BLANTON. Yes.

Mr. BYRNS. Well, when we take into consideration the amount estimated to be saved by the economy bill it is something over $334,000,000.

Mr. BLANTON. The President's Budget for each of the last three years amounted, in round numbers, to $4,000,000,000.

Mr. BYRNS. More than that.

Mr. BLANTON. Four billion dollars a year.

Mr. BYRNS. More than that.

Mr. BLANTON. Well, I am speaking of the President's Budget proper, as he submitted it to Congress.

Mr. BYRNS. It was more than that.

Mr. BLANTON. Well, what are his Budget estimates for the year 1934?

Mr. BYRNS. I would prefer to wait until the President sends in his message before making such a statement. I have the facts, but I think the President should be permitted to speak on the subject first.

The SPEAKER. The time of the gentleman from Tennessee has expired.

SESSIONS OF COMMITTEE ON WAYS AND MEANS

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be permitted to sit during the sessions of Congress for the remainder of the session.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALENDAR WEDNESDAY

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with to-morrow.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HON. CLEMENT C. DICKINSON, REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. DYER. Mr. Speaker, I ask unanimous consent to proceed for one minute in order to make an important announcement.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DYER. Mr. Speaker, to-day is the birthday of one of the fine and distinguished Members of this House, my colleague, Judge DICKINSON, of Missouri. He is 83 years old to-day. [Applause.]

Mr. Speaker, Judge DICKINSON is the oldest Member, in point of years, of the present Congress. He has served here for more than 20 years. Before that he served his county and his State with distinguished honor, and he is loved and respected by all Missourians, regardless of politics. [Applause, the Members rising.]

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following communication:

DECEMBER 6, 1932.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives, Washington, D. C.

SIR: I hereby tender my resignation as a member of the Committee on Elections No. 3 of the House of Representatives.

Cordially yours,

HARRY A. ESTEP,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER laid before the House the following communication:

DECEMBER 6, 1932.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives, Washington, D. C.

SIR: I hereby tender my resignation as a member of the Committee on Enrolled Bills of the House of Representatives.

Cordially yours,

HARRY A. ESTEP,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

LEGISLATIVE MEDICINE

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the economic situation.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. LAMNECK. Mr. Speaker, some medicines relieve pain, others cure. That illustrates the difference between legislation only temporary in character as contrasted with legislation permanent in character.

What we want and need in this country is a confidence based on sound economic principle, social justice, equality of treatment for all groups, to the end that confidence may abide. To restore confidence upon a permanent basis we must have a definite, certain program that will not only be reassuring for to-day but to-morrow also. Industry, agriculture, and labor want to know what the future is to be. Suggested relief measures have not given that assurance. People are more optimistic, but still in doubt as to the final outcome of our present economic situation.

Patience, even greater patience, is needed, and the reward of patience must be definite legislation that will provide frugality of Government expenditure, balance between economic groups with profit for labor and capital wisely employed, and insure social peace and happiness. Confidence is the chief corner stone to any form of government, and with equal rights, equal justice, and equal opportunity constituting the other three, there is no reason why we should not proceed in an orderly fashion as a people to greater achievements than those already accomplished.

I have given considerable thought to our present unfortunate situation and the measures which, in my judgment, should relieve existing conditions and put us upon a sound basis. Every man, of course, has his own plan, and this results in much confusion. That is true in Congress. Various Members come forward with programs of their own.

I do not want to confuse or complicate the situation. On the contrary, I want to offer something which, in my firm belief, would be helpful to a favorable solution of the various problems now confronting this Nation. I shall touch briefly upon five subjects in the order of their importance as they occur to me. They are: Agriculture, industry, labor, taxes, and transportation.

AGRICULTURE

Most authorities will agree that there can be no prosperity unless agriculture is on a profitable basis. The farmer is the producer of a great proportion of new wealth. Also, he is one of the greatest consumers of the production of mine and factory. His importance, in the general scheme of things, is recognized and admitted. He is the key man to economic stability.

What a blessing it is that we are able to have an abundance of the products of the farm. Yet this abundance, or so-called surplus, has created a condition that tends to wreck the very foundation of the Nation. This surplus of farm products, we can not, and should not, permit to destroy, very largely, the value of the whole, which will ruin agriculture directly and every other business indirectly.

My efforts will be exerted to the control of the surplus products of the farm, as a means to restore agriculture to a normal situation, and place the farmer in a position to earn enough to again become a great consumer of the products in other lines of industry and this without putting the Government into the business or subsidizing with Government funds.

INDUSTRY

At no time in American history have industry and agriculture suffered the trials and tribulations through which they are now passing. The capacity of each to produce more than can be consumed is largely responsible. This results in unrestricted competition with no consideration

whatever given the cost of production, the loss of capital, or the effect upon labor.

Unrestricted competition of the kind, if permitted to run its course, will produce a situation where a standard of pay would be forced upon American labor that would not permit even a respectable existence.

That would not only be fatal to labor but likewise disastrous to industry in the certain depletion of capital and in no way in the public interest. Finally, dissolution would be the inevitable result in many lines of legitimate business.

The antitrust law, which was enacted to prevent monopoly and conspiracy in restraint of trade, has been wise and beneficial and should be maintained, but as the law not only permits but even encourages excessive competition, now generally known as cutthroat competition, which destroys capital, injures labor, and threatens industry itself, and constitutes the greatest restraint of trade that we have ever had, it should be so amended as to make possible the elimination or minimizing of this destructive force in the public interest.

LABOR

Industry, agriculture, and labor are so interdependent that they stand or fall together. One can not suffer without extreme hardship to the other. With industry and agriculture operated upon a proper basis, the problem of labor can be more readily solved.

Labor is entitled to a fair wage more than a living wage, just as industry and agriculture are entitled to a fair profit, which will permit an accumulation for the proverbial rainy day.

Our problem at this time is as much underconsumption as overproduction. The policy of some industries to reduce wages to a low standard feeds the depression, for the reason that it reduces the purchasing power of the people.

Our first duty is to seek to control and get the surplus products of farm and factory to moving out into the markets of the world. When this comes about the sunshine of prosperity will replace the gloom of despair.

TAXES

Taxes must be reduced in all Federal, State, and local governments. The extremely high taxes existing at the present time are eating at the very vitals of the Government. The proper solution of the tax question is one of the most important matters before the public.

The American people are tax-ridden beyond the power of endurance. To reduce governmental taxes means that there will have to be considerable change in our present governmental set-up. In other words, Government must get back to a solid foundation and confine its activities to governmental matters and not to interest in private enterprise. It is only by this method that we can materially reduce the expenses of government.

TRANSPORTATION

Our transportation problem is one of the greatest facing the American people. It has become a problem because unfair competition has made it so. The railroads, for instance, pay hundreds of millions of dollars, while competing companies pay little or nothing in taxes.

We must either remove the restrictions under which the railroads are now operating or place the same restrictions upon their competitors. Furthermore, the Government should not become a competitor in any respect with these companies, and any proposals with that in mind should be promptly and emphatically rejected.

Adequate and better railway systems are the greater need of the country to better serve the communities. They should be afforded such protection and such encouragement as would lead to greater expansion. They are a fixture because they are a necessity. Discriminations against them are unfair and unjust, not alone to the carriers but their employees and the public as well.

Of equal importance to any of these and all of these is the protection of the people in the exercise of their individual rights under the fundamental laws of the country. These rights have been abridged, ignored, and entirely forgotten in much legislation that has been enacted in this country in the special interest of others. Under our Constitution every man is the equal of every other man. That is the way it should be if we are to have a democracy in reality as well as in name. The protection and restoration of these rights is one of the vital issues of the day, and should continue to be the issue until these matters are rightly settled in favor of the individual.

PHILIPPINE INDEPENDENCE DUE

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks on Philippine independence in the RECORD by inserting an address delivered October 24, 1932, at Princeton University under the auspices of the School of Public and International Affairs.

There was no objection.

The address is as follows:

Mr. Chairman, members of the faculty and of the student body, you have done me honor in affording me this opportunity to discuss the problem closest and dearest to me before the constituency of Princeton University.

My subject is Philippine Independence Due. I wish frankly to state at the very outset that the conviction of the people whom I represent in Congress and of myself is that it is overdue and that its grant should be forthcoming without further delay. Assured that this is an audience desirous to know the truth and the facts, and university man that I am myself, I shall endeavor to be factual and dispassionate in the presentation of my thesis.

INTEREST IN PHILIPPINE QUESTION

There is to-day a widespread and increasing interest in the Philippine question. It has become a major American problem pressing for immediate action and satisfactory solution. The House of Representatives by the overwhelming vote of 306 to 47 passed a Philippine independence bill at its last session. The United States Senate voted to take up the measure on the 8th of December next.

That there should be a live interest in Philippine independence at Princeton is but natural, considering its historic and intimate relationship with the life of the former president of this great institution, the immortal Woodrow Wilson. As Chief Magistrate of the American Nation, he did much to bring the national ideal of the Filipino people nearer its realization. He it was who, in 1913, reiterated the assurance that the American people regard themselves "as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands" and the formal pledge that every step to be taken "was with a view to the ultimate independence of the islands."

GEOGRAPHICAL FACTS

In order that our discussion may be intelligent and fruitful, let me furnish a little geographic and historical background.

The Philippines is a group of some 7,000 islands lying wholly in the Tropics southeast of the mainland of Asia. They are situated between 4° 40′ and 21° 10′ north latitude and 116° 40′ and 124° 34′ east longitude.

Manila is 7,164 miles from San Francisco, 6,923 miles from Seattle, 7,520 miles from Los Angeles, 14,533 miles from New York via Panama Canal, and 13,288 miles from New York via Suez Canal. The travel by boat from Manila to Seattle and by rail from Seattle to Washington is of 26 days' duration. It takes much less than half the time necessary for a journey from any point in the United States to the Philippines to reach London, Berlin, Madrid, Paris, or Constantinople. When it is 8 o'clock at night here or in the Capital of the United States it is 9 o'clock in the morning of the next day in the capital of the Philippines.

The land area of the country is over 114,400 square miles. In size thus the Philippines is larger than Switzerland, Denmark, Holland, Portugal, and Belgium put together. It is equal to all the New England States plus New York. About 67 per cent of the land area is comprised in the two largest islands, Luzon in the north and Mindanao in the south, and about 95 per cent of the land area is comprised in the 11 largest islands.

The climate of the Philippines is tropical. The average temperature in the lowlands is 79.5° F. The thermometer in most localities rarely registers below 70° or over 90°. In Baguio, a popular summer resort in the Mountain Province, the temperature during the year ranges from 50° to 75°. At night, even in the lowlands, it is invariably cool and pleasant and during the coolest months it is sometimes as low as 59° in Manila. The year is divided into two seasons, the dry season and the wet season.

With soil so fertile and with climate so favorable, agriculture is the basic industry. Rice, corn, sugarcane, coconuts, tobacco, hemp, rubber, all kinds of fruit trees, and vegetables are grown. With but about 13 per cent of the land area under cultivation there is great room for agricultural expansion.

The forestal wealth of the country is immense. It is the greatest single wealth of the Philippines. The stand of commercial timber is roughly estimated at 486,000,000,000 board feet. About 63 per cent of the vegetative area of the islands is commercial and noncommercial forest. This fact is indicative of the extent of hills and mountains.

The Philippines is endowed with rich and varied minerals, metallic and nonmetallic. Among the more important mines are

gold, silver, copper, lead, iron, zinc, manganese, sulphur, chromite, asbestos, and coal. The mining industry in the islands is in its infancy.

Another great source of wealth comes from the waters in and around the isles. Large rivers traverse the principal islands. Some of these are navigable. They are potential agencies to supply heat, fuel, and power and to help industrial development. There are lakes and streams which teem with fish. These and the seas and bays are fishing grounds. The field for development in the fishing industry and in the gathering of marine products like pearls, shells, trepang, and sponges, is almost limitless. (Miller and Polley, Intermediate Geography; Forbes, The Philippine Islands, vol. 1, ch. 1; Faustino, The Natural Resources of the Philippine Islands.)

The Philippines with its area and boundless resources is large and sufficient enough comfortably to be the home of fifty or sixty million. Its present population is 13,000,000.

HISTORICAL FACTS

Let me now present a few pertinent historical facts.

The rank and file of the people of the Philippines belong to the brown race, one of the five races of mankind. The bulk of our population is Malayan. Our ancestors migrated from the Malay Peninsula and Malay Archipelago. Those pioneering and adventurous Malayans braved the elements and in their frail barks called barangay crossed uncharted seas to establish settlements and build homes in a new country, styled by poets as the Pearl of the Orient Seas.

Before I pass on to other points I desire at this juncture to emphasize the fact that the Filipino people are racially homogeneous. If deemed necessary, I could adduce numerous authorities whose investigations and writings attest our racial solidarity.

Asiatic in its setting, the Philippines had extensive relations with oriental countries before having any contact with Europe. It had early dealings with Indo-China, China proper, India, Arabia, and neighboring islands of Malaysia.

Comparatively recent investigations have disclosed the fact that the Philippines formed a part of the empire Sri-Vishaya with Sumatra as its capital. From this Hindu-Malayan empire is derived the word Visayas, the name of the central group of islands in the Philippine Archipelago between the Luzon group and the Mindanao-Sulu group. This empire existed during the period from about the seventh to the fourteenth century of the Christian era. The grade of civilization which prevailed among the people of that empire may be partly gauged from "the use of a written language, metal weapons, coat armor, raft dwellings, and walled towns."

The decline of the Sri-Vishayan Empire was followed by the founding of the Empire of Madjapahit, which flourished during the last quarter of the fourteenth century. The Philippines was a part of this Javan Brahman Empire. (Steiger, Beyer, Benitez, A History of the Orient, chs. 9 and 14.)

With the break-up of the Empire of Madjapahit which terminated about the early part of the fifteenth century the Philippines came in contact with Arabia through Arab traders and missionaries. Islamism began to spread in Malaysia in the fourteenth century. To the period from 1380 to 1450 "belongs the Mohammedan invasion of the Archipelago." (Saleeby, Studies in Moro History, Law, and Religion, ch. 3.)

The early contacts of the inhabitants of the Philippines with their various oriental neighbors exerted lasting influence upon their commercial, social, political, cultural, and spiritual life.

After these bare statements of oriental relationships of the Philippines we shall point out the next important development, the impact of western influence. Ordinary readers of things Philippine begin centuries late. They start with the information that Magellan discovered the Philippines on March 16, 1521.

The chapter of Philippine history which deals with Spanish-Filipino relations in the sixteenth century really dates back to the issuance of the bulls by Pope Alexander VI in 1493 establishing the Line of Demarcation, modified by the treaty signed by the representatives of the Spanish and Portuguese monarchs June 7, 1494, at the city of Tordesillas. (Blair and Robertson, The Philippine Islands, vol. 1, pp. 97–129.)

Out of these grew the extension of the imperial sway of the two kingdoms of the Iberian Peninsula over the seas until they embraced almost the whole world. The extraordinary activities of Portugal and Spain during the latter part of the fifteenth century and the sixteenth century in the discovery and conquest of lands in the eastern world served to check the expansion of the Mohammedan empire, which was fast extending into the Malaysian region.

Twenty years passed after Magellan's discovery in 1521, before serious attempts were made by Spain to secure possession of the Philippines. Several expeditions, ostensibly for such a purpose, were undertaken. The expedition of Loaisa in 1525, of Saavedra in 1527, and of Villalobos in 1543 did not succeed in effecting the conquest of, or establishing any settlement in, the archipelago, which began to be referred to as Las Felipinas in honor of the new king, Felipe II. (Blair and Robertson, The Philippine Islands, vol. 2, pp. 25–73.)

King Philip II wanted the colonization of the Philippines. He commanded the viceroy of New Spain, as Mexico was then called, to prepare a fleet for an expedition as early as 1559. This materialized five years later. On November 21, 1564, the fleet of four vessels set sail from Navidad, Mexico, under the command of Miguel Lopez de Legaspi, assisted by Friar Andres de Urdaneta as "spiritual leader and chief navigator." (Fernandez, History of the Philippines, ch. 3; Blair and Robertson, v. 2, pp. 196–216.)

The fleet anchored near Cebu on February 13, 1565. Legaspi, bent on the conquest of the Philippines, found the islanders hostile. Urdaneta objected to the colonization of the islands because he thought they belonged to Portugal and because the warrant of the Augustinian authorities in Mexico emphasized his spiritual mission "of leading peoples to embrace the faith" so that "the most brilliant light of faith may beam upon the populous races that dwell in that region of the world." The warrant further continues in its characteristic language: "Through the benignity of God, most holy and supreme, and your preaching, there is hope that those benighted barbarians may cast aside the errors and more than Cimmerian darkness of idolatry for the splendor of the gospel; and that they who so long unacquainted with gospel truth have been groping in the gloom of satanic bondage may now at last, through the grace of Christ, the common savior of all men, gaze at the full light of truth in their knowledge of His name." (Blair and Robertson, v. 7, p. 162.)

The first Spanish settlement in the Philippines was that of Cebu in 1565. From that year on the task of conquest through the combined agencies of the cross and the sword was vigorously pushed. Legaspi founded Manila, the capital of the archipelago, in 1571. The expedition of Legaspi and Urdaneta inaugurated the Spanish rule of the Philippine Islands, which lasted for more than 300 long years.

To complete the recital of a few outstanding historical facts let me say that a number of revolutions took place in the Philippines during the Spanish occupation. These were for purposes of reform and later for separation and absolute freedom. The most successful was the revolution of 1896, which resulted in the establishment of the Philippine Republic. That government was republican in form and had for its basis a written constitution vesting power and authority in the people. That document was "voted, decreed, and sanctioned" at Malolos by "the representatives of the Filipino people." (English text in hearings before the Committee on the Philippines, United States Senate and the Committee on Insular Affairs, House of Representatives, 1919, pp. 41–50.)

"The newly promulgated instrument," says Fernandez, a Filipino historian, "proclaimed that 'the political association of all Filipinos' constituted a 'nation' called the Philippine Republic, the sovereignty of which resided exclusively in the people. It defined the government of the Republic, which was declared 'free and independent,' as one that should be 'popular, representative, alternative, and responsible,' and exercised 'by three distinct powers, called the legislative, the executive, and the judicial.'" (Fernandez, The Philippine Republic, pp. 144–145.)

We next come to the war waged by the United States against Spain in 1898; the order of April 25, cabled Commodore Dewey, who was at Hong Kong, to "proceed to the Philippine Islands, commence operations at once against Spanish fleet, capture vessels or destroy"; the Battle of Manila Bay and the triumph of American arms; the capitulation of Manila; and the entry of American forces into the Walled City on August 13, 1898, the date American occupation began in the Philippines. The treaty of peace ending the state of war was signed by the representatives of the United States and Spain in Paris, December 10, 1898. By that instrument "Spain ceded to the United States the archipelago known as the Philippine Islands."

Lack of understanding between Americans and Filipinos, the implantation of American control, and the thwarting of the Filipinos' plan for a Philippine republic, free and independent, the objective for which they fought and sacrificed in many revolutions against the previous régime, led to the unfortunate American-Filipino War, which lasted more than three years. When peace was restored and America gave assurance that it was her policy "not to exploit but to develop" and to bring to the Philippines "the richest blessings of a liberating rather than a conquering nation," an era of cooperation was inaugurated which had continued during the last three decades.

COLONIAL RULE AND INDEPENDENCE

It would be helpful now to indulge in retrospection to make clear the persistency and continuity of the Filipinos' struggle for freedom and independence.

Chroniclers of the early Spanish régime have recorded the opposition of the Filipinos to foreign rule. In fact, there stands to-day in the little isle of Mactan, where he died, a monument to Magellan which is a reminder of the intrepedity of that great navigator and of the battle fought by our ancestors against his exaction of tribute and demand that they acknowledge a new sovereignty.

With full acknowledgment of the good that Spain has done—the establishment of schools and colleges numbering over 2,000 when the American flag was first unfurled in the Philippines; the roads, bridges, and public improvements; the organization of social and political units; the advance such as it was in the agricultural and economic life of the country; and, above all, the introduction of western culture and the implantation of Christianity—it is necessary to state that there were many abuses, excesses, and impositions which were irksome and intolerable. The last century of Spanish colonial rule was a bloody one. The Filipinos resorted to all means to institute reforms with little or no avail. The rulers and colonizers, drunk with power, became greedy and ruthless and ignored their original purposes, couched in the most sublime and humanitarian terms.

Apolinario Mabini, patriot and thinker, one of the brains of the revolution of 1896, spoke accurately and with moderation when he said:

"The ostensible object of the conquest was the propagation of Catholicism, to rescue the heathens from the clutches of barbarism and of the devil and make them coparticipants in the benefits of civilization and of life everlasting. No purpose could have been more disinterested and generous. But as the conquerors had to risk the perils of the seas then unknown and contend with savage forces and climes to which they were unaccustomed, the sole object of doing good to an unknown folk was not nor is an inducement sufficient to inspire the general run of men for enterprises of this kind. Of necessity there had to be a more positive motive, another object covert but more real, like the love of riches. The gold of America had awakened the covetousness of adventurous spirits. Besides, the conquest of new territories has always meant extension of property, increase in wealth. By teaching their religion and customs to the natives, the conquerors could dominate them body and soul and subdue them better to secure from them the greatest possible gain. Whether warriors, priests, or merchants, conquerors have gone and will go ever after material riches and although making loud protestations of humanitarianism, they will not practice it except as a means of securing their chief objective." (Mabini, La Revolución Filipina, edited by T. M. Kalaw, vol. 2, p. 279.)

When it is borne in mind that a colonial venture undertaken for the missionary purpose of spreading the Christian faith should have ended so tragically, we are led to wonder whether greed is not inherent in all colonial enterprises!

The irrefutable fact in the case of the Spanish rule in the Philippines, especially toward its closing years, is that there have been so many cruelties and injustices, so much carnage and bloodshed, climaxed by the execution of José Rizal, the greatest Filipino patriot and martyr, on December 30, 1896. By that time a veritable lake of blood had formed as an impassable chasm between the nationals and their rulers. From that day on the Filipino people, with increasing intensity, have had for their supreme aspiration the complete freedom and the absolute independence of their fatherland beloved.

AMERICA AND ORIENTAL TRADE

Let us now pass in review America's interest in Asia.

Tyler Dennett, in "a critical study of the policy of the United States" with reference to the Far East entitled "Americans in Eastern Asia," maintains that trade is the foundation of American policy in Asia. "Where trade was free," this author writes, "there was no policy. Where trade was a policy its weight was in direct ratio to the desire of the Americans for the trade" (p. 69). Speaking of the annexation of Hawaii, he says: "At that time (1842) the American interest in the islands arose out of their value to the Pacific and trans-Pacific trade, particularly to the American whalers in the North Pacific which found at Honolulu a convenient place to refit" (p. 609).

In connection with his treatment of the Philippines he quotes the following declaration of McKinley: "Incidental to our tenure of the Philippines is the commercial opportunity to which American statesmanship can not be indifferent. It is just to use every legitimate means for the enlargement of American trade. * * * The commercial opportunity which is naturally and inevitably associated with this new opening depends less on large territorial possessions than upon an adequate commercial basis and upon broad and equal privileges." Anent this declaration, Dennett makes this significant comment: "This, the first use in an American document of the 'open-door' phrase, established the connection between McKinley's Chinese and Philippines policies. A fortuitous concurrence of events had brought within American grasp the very expedient which Commodore Perry and Dr. Peter Parker had urged in 1853 and 1857. Manila might become the equivalent of Hong Kong and the leased ports of China, for the lack of which American trade and interests in the Far East were, in the summer of 1898, in serious prospective if not present embarrassment." (P. 622.) Another writer on far eastern problems, Hornbeck, discussing America's open-door policy, says: "With the acquisition of the Philippines the Republican administration became suddenly enthusiastic over the possibilities of American commercial expansion in the Pacific." (Politics in the Far East, pp. 231–232.)

It is not, of course, to be understood that commercial advantage was the sole motive for American administration of Philippine affairs for did not McKinley insist on "the necessity for taking Cuba, not only on the grounds of humanity and civilization, but to assure peace * * *"? (Millis, The Martial Spirit, p. 374.) Did not Secretary Hay telegraph this message to Mr. Day, in Paris, on October 28, 1898: "It is imperative upon us that as victors we should be governed only by motives which will exalt our Nation. Territorial expansion should be our least concern; that we shall not shirk the moral obligations of our victory is of the greatest * * *. The sentiment in the United States is almost universal that the people of the Philippines, whatever else is done, must be liberated from Spanish domination." (Papers relating to the treaty with Spain, S. Doc. No. 148, 56th Cong., 2d sess., p. 37.) And did not the Government of the United States make solemn and formal avowal in a legislative enactment that "it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement"?

The Filipinos have placed reliance on the sense of right and justice on the part of the Government and people of the United States these 30 and more years. Their fathers cherished the belief that definite action on their national emancipation must be in the offing. The people and their authorized spokesmen to-day are keeping the faith.

TWO ESTABLISHED FACTS

Fortunately for both the American and Filipino peoples the solution of the problem can be approached without recrimination and in the spirit of amity. The Filipinos' ability to govern themselves is no longer questioned. The sincerity of their demand for independence is no longer impugned. There is a greater disposition on the part of proponents and opponents of definite independence measures to recognize that the present uncertainty is harmful to American and Filipino interests and should be removed, and that the temporary political status of the Philippines should be altered and placed upon a permanent basis. It is natural, of course, that there should be honest differences of opinion in matters of detail both in the United States and in the Philippine Islands on the concrete legislative measure to achieve these desirable ends. It is at once the strength and the inefficiency of democracies that individuals may disagree and yet be agreed in their pursuit of a common objective.

There are a number of points involved in American-Filipino relationship which are not debatable, but two facts deserve emphasis because they are basic in satisfactorily effecting a righteous settlement. These are (1) the formal promise of Philippine independence by the United States, and (2) the strong and united aspiration of the Filipino people to be free and independent. (OSIAS'S testimony in hearing before House of Representatives Committee on Insular Affairs, 1932, pp. 355–357.)

The fact of American promise of the grant of Philippine independence is established. It is a definite commitment. It is the fundamental policy of America in temporarily administering Philippine affairs at the very incipiency of civil government under the American régime.

Senator VANDENBERG on the floor of the Senate declared: "There is no doubt in my mind about the obligation of the American people in this respect. No one can deny the obligation. * * * Congress indisputably has led the Filipinos to believe that they are to have their independence as soon as a stable government is established. The promise, furthermore, is written into numerous pronouncements by both Republican and Democratic Presidents of the United States." The present administration has admitted that "Independence of the Philippines at some time has been directly or indirectly promised by every President and by the Congress."

In the light of this admission it is not necessary to recite executive pronouncements, party declarations, and congressional statements bearing on America's formal and solemn pledge. (Hawes, Philippine Uncertainty, ch. 8, Roxas, American Policy Toward the Philippines, in hearings before the House Committee on Insular Affairs, 1932, pp. 17–21; Osias, America's Promise of Philippine Independence.)

Another important and indisputable fact is that the Filipino people vehemently and unitedly desire the early grant of their national independence. In war and in peace under the Spanish and American rules the Filipinos have demonstrated convincing proofs that such is their national determination.

The revolution of 1896 against Spain, to mention no others, was fought for liberty and independence.

Mabini in 1899, while the American-Philippine war was in progress, said: "The Filipino people fight and will fight in defense of their liberty and independence with the same tenacity and perseverance which they have demonstrated in suffering. Their unalterable faith in the justice of their cause inspires them." (La Revolución Filipina, v. 2, p. 38.)

Philippine political parties advocate "immediate, absolute, and complete independence" in their platforms. (Plataforma y Reglamento del Partido Nacionalista Consolidado, 1924, p. 7; Partido Democrata, Plataforma y Programa de Gobierno, 1924, p. 2.) In 1926 the two parties formed a coalition to labor for independence "with greater vigor and efficacy" and so that the Filipinos may the better assume "a common and undivided responsibility." (Constitución y Reglamento del Consejo Supremo Nacional, 1926, pp. 4–5.)

The municipal councils, the provincial boards, and the Philippine Legislature approved numerous resolutions officially petitioning the Congress and the President of the United States for the early grant of independence. (Hearings, United States Senate Committee on Territories and Insular Affairs, 1930, pp. 488–528.)

In February, 1930, "on the initiative of private citizens," an independence congress was held in Manila, "composed of representatives of business and agriculture, directors of civic organizations, leaders in the various professions, publicists, educators, laborers, religious and student leaders, municipal presidents, Moro chiefs, coworkers of Rizal and Del Pilar in Spain, veterans of the revolution, elective officials of the provincial governments, high officials of the former Philippine Republic, past and present members of the Philippine Legislature, and Filipino members of the Council of State; after deliberating upon the problems of independence, including national defense, finance, and economics, as well as political, social, and educational questions which would be faced by an independent Philippines," reached the conclusion that "we are convinced that immediate independence is the only solution in consonance with the unalterable desires of the Filipino people." (Independence Congress Proceedings, pp. 324–325; M. M. Kalaw, The Philippine Question, pp. 9–18.)

The different resident commissioners from the Philippines and the various Philippine independence missions to the United States have all pleaded for immediate independence before the Government and people of the United States.

Every elected official in the islands from the President of the Philippine Senate to the last councilor of a municipality is

elected on an independence plank. It is no exaggeration to say that no one against independence could be elected to an office necessitating popular suffrage.

An emissary of President Coolidge sent to the Philippines, Carmi Thompson, on his return reported that "all Filipinos who are interested in public affairs are openly for independence * * *. I believe that practically the entire voting population is for independence."

Senator HAWES noted the universality of the sentiment when he made an extensive visit to the Philippines in 1931. In the informing book which he subsequently wrote, he says: "Every class and condition of Filipinos desires independence. Abundant attestation of that fact I found on my visit to the islands." (Philippine Uncertainty, pp. 196–197.)

A student of world affairs and not engaged in politics corroborates the foregoing testimony. Sherwood Eddy says in a recent volume from his pen: "The Filipinos desire independence, as we have seen, probably more unanimously than any other subject people in the world." (The Challenge of the East, p. 180.)

It is clear from the foregoing discussion that the grant of independence would be the fulfillment of a sacred pledge honorably made by the United States and the satisfaction of an age-long aspiration so universally coveted by the people of the Philippines.

THE ECONOMIC FACTOR

But independence is an ideal whose consummation is anxiously awaited, not alone for sentimental or idealistic reasons. It is desired for practical reasons, or, if you please, on the grounds of enlightened selfishness. In America independence legislation is urged not only by those animated by disinterested, altruistic, and humanitarian motives but by "selfish interests," as expressed by an American writer, "without criticism, express or implied."

There is no blinking the fact that from the ranks of such "selfish interests" came the most stubborn, systematic, and effective opposition to independence for a number of years. "Opposing independence," says Senator HAWES, "will be found: (1) The 'Manila-American' group * * *; (2) bureaucrats who fear the loss of their positions or the curtailment of our governmental activities in the islands; (3) some American manufacturers who have found in the islands a free market for their products; (4) importers of Philippine products, which are not taxed under tariff laws as similar products from other countries are; and (5) Americans who have investments in the islands." (Philippine Uncertainty, p. 222.) Imperialism and trade have played a great rôle in the delay of favorable action on independence. (Reyes, Legislative History of America's Economic Policy Toward the Philippines.)

Strangely enough, especially in the last few years, economic factors have strengthened the movement for Philippine independence in the United States. The American Federation of Labor, the American Farm Bureau Federation, the National Beet Growers' Association, the National Grange, the National Cooperative Milk Association, the Farmers' Union, the National Dairy Union, the railroad brotherhoods, the Southern Tariff Association, some local chambers of commerce, and other individuals and entities have come forward strongly favoring legislation granting Philippine independence at the earliest possible date. These, together with other elements who for a long time believed it unjust to withhold independence, have aided us materially in bringing the issue to a head.

Since the economic factor can not be ignored, and since it is alleged by the opponents that independence would bring "economic chaos" to the Philippines, it is well to analyze this phase of the question in some detail.

The beginning of American-Philippine tariff relations was governed by the treaty of peace between the United States and Spain which included the following provision:

"ARTICLE IV. The United States will, for the term of 10 years from the date of the exchange of the ratifications of the present treaty, admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States."

At the expiration of the 10-year period from April 11, 1899, a unique trade arrangement erroneously referred to as "reciprocal free trade" between the United States and the Philippines was effected by the enactment of the Payne-Aldrich bill of 1909. The so-called free-trade proposition was opposed by the Philippine Assembly because "free trade between the United States and the islands would in the future become highly prejudicial to the economic interests of the Filipino people and would bring about a situation which might hinder the attainment of independence." The Filipino leaders then placed the independence of the people above trade advantages and foresaw the economic dislocation which its discontinuance would bring about with the grant of independence. The American authorities in Manila and the Congress, however, imposed the arrangement which the Filipinos opposed. By the law passed American goods were admitted free of duty to the Philippines, but important limitations were placed upon Philippine products entering the American market. Quantity limitations were placed upon sugar and tobacco. Another limitation was placed upon Philippine products containing 20 per cent or more of foreign material. No limitation of any kind was placed upon American products, so that the so-called free trade was really unilateral and from that day to this never really reciprocal.

With the enactment of the Underwood-Simmons tariff law of 1913 part of the glaring injustice of the tariff was removed by the elimination of the limit in the amount of sugar and tobacco authorized to enter the United States free of duty. The 20 per cent foreign material provision was not eliminated. American products of every kind and description and in unlimited quantities continued to be admitted free of duty.

Virtually the same general tariff arrangement was maintained in the Fordney-McCumber tariff law of 1922 and the Hawley-Smoot Tariff Act of 1930. During the Seventy-first Congress there was great agitation by American interests to place a duty or limitation upon Philippine products, especially coconut oil and sugar. I had several occasions to fight against such iniquitous proposals in committees and on the floor of Congress. The very first speech I delivered in Congress had to do with our tariff relations against "the proposed imposition of duty or placing limitations upon Philippine products coming into this country while American goods going to the Philippines are absolutely free and without limit" and while the American flag waved over the islands. (Speech in CONGRESSIONAL RECORD, May 25, 1929; statement before Senate Finance Committee, July 16, 1929, pp. 262–279.)

To be truthful and accurate, it should be said that the Philippines made great material progress during her relationship with the United States, and the people are appreciative of America's contribution. But the United States likewise benefited, as shown by the fact that her trade and commerce in the Orient increased by 400 per cent and in the Philippines 1,200 per cent. (OSIAS, Trade Relations between the United States and the Philippine Islands in a Billion Potential Customers, v. 2, pp. 29–35.)

From the Report of the Insular Collector of Customs for 1930—and I chose this year, being more typical than 1931—we learn that the total foreign trade of the islands "dropped from ₱623,214,234 in 1929 to ₱512,520,162 in 1930, or a decrease of ₱110,694,072," and that the total trade with the United States amounted to over ₱367,050,179, the amount of ₱156,366,057 representing imports and ₱210,684,122 representing exports.

With full knowledge of the mutual benefits that have accrued from our trade relations, the Filipinos at the same time are not unmindful of the precariousness of their uncertain status, their lack of power and authority in matters of tariff between the United States and their country, the harm that would come with the extension of American coastwise laws, and the utter impossibility of stability in their economic life while their political status is undetermined.

To the allegation that with independence there will inevitably be economic chaos, we answer, "No." We may admit that there will be some economic dislocation, yet we want our independence, for we can stand the shock better if it comes soon rather than if it is long delayed; we are powerless to effect economic treaties with other countries while we are dependent; we are not happy nor safe to be enmeshed in America's economic system without a real voice in the determination of governmental policies; we are without real authority now to legislate on our tariff, our mines, our forests, and our public domain so essential to our economic life; and we better start placing ourselves in a position to compete on a world basis so that we may thereby effect our economic stability on a permanent basis.

One of the largest sugar producers of the Philippines, Mr. Rafael Alunan, secretary of agriculture and natural resources, made a significant statement last month when he said: "Were I asked to choose between the proposed limitation of 850,000 tons embodied in the two bills now pending in Congress and the immediate termination of free trade and the consequent full application of the American tariff, I would, without hesitation, choose the latter, if accompanied by independence. For an independent Philippine government will be free to make arrangements with other countries for the marketing of our sugar." (Philippines Herald, September 8, 1932, p. 12.) This frank declaration of a man engaged in the industry which will be affected most adversely by the grant of independence pleases me immensely, because I have always been more interested in our national freedom than in temporary material advantage.

Let me say here and now that independence can not come too soon for me. I would like it to come advantageously if possible or with the least disturbance to the economic life of my people, but I unhesitatingly declare that an independent existence is the best for the Philippines with all the attendant risks and difficulties, burdens and responsibilities.

THE ONLY PREREQUISITE

After a rather disproportionate attention given to the material phase of the question, it is well to recall at this juncture the only condition precedent upon the grant of independence. In the Philippine autonomy act passed by Congress and approved by the President in 1916 it was clearly stated. It was unequivocally proclaimed to the world that "it is as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

Did the Filipino people comply with the only prerequisite exacted? We have it on the authority of a President of the United States that they did. President Wilson in his message to Congress in 1920 certified to their compliance thus:

"Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf and have thus fulfilled the condition set by the Congress as precedent to a consideration of granting independence to the islands. I respectfully submit that the condition precedent having been fulfilled it is now our liberty and our duty to keep

our promise to the people of those islands by granting them the independence which they so honorably covet."

Twelve years have elapsed since this authoritative certification, but the promise remains unredeemed.

This year the House Committee on Insular Affairs held exhaustive hearings on the Philippine question and after thoughtful consideration of the evidence presented decided favorably to report out the Hare bill (H. R. 7233) which was passed on April 4, 1932, by the House of Representatives by one of the largest majorities in legislative history. In the committee's official report recognition was made of the "lofty purpose of the United States * * * to grant independence to the Philippines." The report added: "The only condition precedent imposed by the Congress was the establishment of a stable government. It is believed that a stable government now exists in the Philippines, that is, a government capable of maintaining order, administering justice, performing international obligations, and supported by the suffrage of the people."

UNEXPLAINABLE INACTION

The Filipino representatives have from time to time appeared before appropriate committees and officials to present a factual record of progress made in the Philippines. During the Seventy-first and Seventy-second Congresses they submitted facts and figures at the comprehensive hearings held by the Senate and House committees demonstrative of their preparedness. The records contain evidence of their social and cultural preparedness, the stability of the Philippine currency, the balanced budget of the government, which, by the way, has been self-supporting since 1901, and the governmental experience and political readiness of the Filipinos to guide their own ship of state. After an investigation and study of all phases of the Philippine problem a distinct advance, the greatest in the course of our emancipatory struggles, was made. For the first time both the Senate committee and the House committee actually reported out concrete independence measures. (H. Rept. No. 806, 72d Cong., 1st sess.; S. Rept. No. 354, 72d Cong., 1st sess.) For the first time, too, the House of Representatives actually voted and passed an independence bill, known as the Hare bill. The House bill was sent to the Senate, the Senate committee approved it with amendment substituting the Hawes-Cutting bill, brought it on the floor several times for discussion, postponed action till December.

In the light of the fulfillment of the only condition required there are naturally a number of people, Americans and Filipinos, disappointed and discouraged by the repeated delays. In bewilderment many in the islands are asking: Why this apathy, this indifference, this passivity? They are heartened somewhat by the favorable House action, by the definite recognition by the Congress that the Filipinos "are now ready for independence politically, socially, and economically," and by the expectation of definite action in the Senate at the early part of the coming session.

THE BILL—DIFFERENCES OF OPINION—CONFLICT OF INTERESTS

The House independence bill, H. R. 7233, provides authorization for a constitutional convention to frame a constitution for a more autonomous government of the commonwealth to be created, its submission to the President of the United States and the Filipino people, quantity limitations on Philippine products duty free until complete independence is granted, the amounts fixed being 850,000 tons for sugar, 200,000 tons for coconut oil, and 3,000,000 pounds for cordage, regulation of Philippine immigration fixing a maximum annual quota of 50, the withdrawal of American sovereignty and the grant of absolute independence after eight years, the reservation, at America's discretion, of military and naval bases, and the tariff duties to be levied after independence. The bill pending in the Senate contains amendments lengthening the period from 8 to 15 years, providing for a plebiscite, recognition of American authority, and a graduated tariff levy after the first 10 years, etc.

Lately there have been dispatches, news items, and articles in the American press tending to convey to the American public the idea that "Filipinos are opposed to the freedom bill," because criticisms have been leveled at Filipino leaders, and because objections have been raised against certain provisions of the Hare bill or the Hawes-Cutting bill in the islands.

Need I explain that Filipino political leaders are no more immune from criticism than are American political leaders? Who among the prominent candidates in the United States during this presidential campaign is spared from criticism and even vilification?

There are bound to be differences of opinion when you translate a great idea or principle into action. Right now you have an excellent example in this country regarding the tariff. One group rallies around the principle of protective tariff, and another group around the principle of competitive tariff. Now, if you translate these principles into legislative action in Congress you will find opinions clashing, and among the very people who at one time marched under the same banner there will be all shades of opinion representing varying degrees of "protectiveness" or "competitiveness" of tariff rates.

In the case of the Hare bill and the Hawes-Cutting bill, it would be a miracle if there were unanimity of opinion among Americans and Filipinos. There are conflicting interests involved. The Filipino labor elements, for example, would prefer no limitation on immigration, while American labor elements want restriction and even exclusion. The Americans and Filipinos who have invested in the Philippine sugar industry would prefer no limitation or a limitation not less than one million or a million and a half tons, while the sugar interests in the United States would want that figure as low as possible or a tax on every pound that enters the American market. The same would be true with oil or cordage. And the time? The Filipinos, by and large, would want independence immediately; the "Manila Americans" want it delayed at least 30 years, and some would not want it granted at all.

Of course, the Filipinos are not satisfied with each and every provision of the pending bill. It is not absolutely in conformity with the desires of the authors themselves nor with mine. Neither the Hare bill nor the Hawes-Cutting bill came out of the committees as it was originally presented. Mr. HARE would have preferred a shorter period, and so would Senator HAWES or Senator CUTTING. I know Mr. HARE would have liked it better if the time were five years. But although he is chairman, there are 20 others in his committee, some favoring 5 years or less, others favoring 10 or 15 or 20 years, and 1 or 2 even longer. And there are other provisions on which he had to yield. I, too, know that Senator HAWES is not wholly satisfied with the bill as reported by the committee. But anyone who works with a committee of 15 Senators knows that he can not have his way entirely. The excellent bill of Senator KING, a member of the Senate committee who valiantly and disinterestedly has been fighting for Philippine independence for a number of years, received only 2 votes. The Senator from Missouri, who has given of his time and talent without stint to this great cause of human freedom, said last year: "There may be honest differences of opinion as to whether independence should be given in 5, 7, or 10 years, but the proposal to delay decision for 15 or 20 or 30 years is not a plan; it is a subterfuge."

If the Filipino leaders or I were to have our way, the time would be shortened, the economic provisions liberalized and made reciprocal, and certain other features removed. Those who are imbued with the generous period accorded Spain's ships and merchandise in the treaty of Paris, including Aguinaldo, contemplate the grant of independence immediately after which "readjustment of free-trade relations should come," must realize that in the interplay of "selfish factors" this finds no cordial reception among those who have the power of decision. The plan that has gained acceptance and holds promise of becoming a law is not one that means abrupt termination, but one that provides certain steps, processes, and mechanism to be put into operation after which complete independence will eventuate. (H. R. Committee Report No. 806, pp. 2, 12.)

After years of unremitting labor for our national emancipation, it seems to me the part of wisdom and prudence for all to face the cold facts of reality and for the Filipino people and their representatives to be prepared for sacrifices and bend their best effort and energy toward securing definite action on a measure that embodies the best and most liberal terms to the end that the independence we so dearly cherish come on a fixed and early date.

The period of theoretical discussion, I hope, is passed. I trust we have entered upon the last stage of concrete action. That action should come definitely and soon so that the Filipinos who have trusted America may not be plunged into disillusionment, despair, and desperation and so that America herself may not rue the day when, because of the apathy or self-complacency of those clothed with power and responsibility, she may be subjected to the charge of premeditated delay.

EXCUSE FOR INACTION

I have been in the thick of the fight for independence for several years and I have been fairly amazed by the arguments or excuses in favor of inaction. At one time, when all was peace in the Orient, we had to contend with the excuse that no action on the Philippine question should be taken because it might disturb the equilibrium of the East. At another time when the nonwithdrawal of American sovereignty over the Philippines did not after all insure equilibrium, the new situation was again utilized as an excuse for inaction. The Senate committee acted wisely when it refused to give weight to "the varying fortunes of conflicting forces on the other side of the Pacific * * * as an excuse for delaying the solution of our problems," reaching the sound conclusion that "the fulfillment of our (America's) duty toward the Philippines must be determined upon the basis of the welfare of the people of the United States and the 13,000,000 people of the Philippine Islands."

As regards the international phase of this question, there are two camps of thought in the United States to consider: First, there are those who are averse to America's involving herself in foreign entangling alliances, and, secondly, those who have faith in the peace pacts renouncing war as an instrument of national policy and resorting to pacific means in the settlement or solution of international disputes or conflicts.

Either view really argues for Philippine independence. Those who wish to see America avoid entangling alliances in Europe, to be consistent, must favor her extricating herself from entanglements in the Far East. Those who believe in the sacredness of treaties must see world safety in peace. The United States, in the Root treaties of 1907, in the Taft treaties of 1910, in the Bryan treaties and the Kellogg-Briand treaties, has shown unmistakably her determination to build up a sentiment of peace and the observance of the principle of peace in international relations. World opinion has made the declaration of independence from war against the old practice based upon a code of war.

There will be risk, of course, in independence. Of that the Filipinos are fully conscious. But for that matter there is risk in their present status. History holds to them the promise that

the visitations of great wars come not oftener than once in an active lifetime. Be the cross ever so heavy if it means redemption.

The outstanding fact about the Filipino people is that they have irrevocably made their determination to be free and independent. They have set their heart and mind and soul upon independence as the crowning glory of their earthly existence. They are justly entitled to it. The power and authority to decide rest with the United States. My people are still strong in the faith and expectation that America will decide soon and aright.

GAINS WITH GRANT OF INDEPENDENCE

By the early grant of independence to the Philippine Islands great gains will be reaped by America, the Philippines, and the world.

AMERICA'S GAINS

Granting independence to the Philippines early and upon terms just and righteous, America's will be the glory of honorably fulfilling a promise solemnly made. Americans will experience that happiness which comes from the solid satisfaction of having successfully terminated their colonial venture in the Orient. The fear of menace from Philippine competition entertained by American farmers will be removed. The demands of American labor for the restriction of Filipino immigration will be satisfactorily met. The greatest source of military and naval weakness to the United States will be eliminated. Economy to the taxpayers and simplification of governmental machinery can be effected. Greater confidence in the Government and people of the United States will be created throughout the Orient, where dwell a billion of potential customers.

PHILIPPINE GAINS

To the Filipino people the grant of independence will mean the satisfaction of their highest national aspiration. It will remove the uncertainty with its benumbing effect upon our economic progress. It will place the instruments of our economic salvation in our hands. It will result in the approval of a constitution of our own creation and which will give unity to our legal system and jurisprudence. It will make for better orientation in our social and educational development, for it will enable us to have a definite type of citizenship which we are denied under a dependent status. It will make for greater self-reliance and initiative. It will give us control and direction in our individual and institutional life. It will release our intellectual and spiritual powers for creative achievements. It will enable us to determine our own standards of life and conduct deemed most conducive to the well-being and happiness of the people of the Philippine Islands.

WORLD GAINS

Philippine independence will likewise result in gains for the world because it will enhance understanding and friendship between the East and the West. It will be a deathblow to imperialism and the reign of greed. It will deepen faith in a world suffering from doubt and fear. It will make the Philippines a concrete laboratory for harmonizing the best in oriental and occidental civilizations. It will be a demonstration of the efficacy of justice, right, and idealism in international and interracial dealings. It will be a contribution to world peace for America, and the Philippines will have shown that freedom and independence may be achieved not hrough war or bloodshed but absolutely through peace agencies and constitutional processes.

JUSTICE

The Filipinos' appeal for independence is an appeal for plain and simple justice. Will America heed our just petition? We believe the hour has struck for America to discharge her moral obligation.

MEMBERSHIP OF COMMITTEES

Mr. SNELL. Mr. Speaker, I offer a resolution, which I send to the desk, and I ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 309

Resolved, That the following Members be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

HARRY A. ESTEP, of Pennsylvania, to the Committee on Ways and Means.

JOSEPH F. BIDDLE, of Pennsylvania, to the Committees on Coinage, Weights, and Measures; Revision of the Laws; and Expenditures in the Executive Departments.

ROBERT L. DAVIS, of Pennsylvania, to the Committees on the District of Columbia, and Public Buildings and Grounds.

HOWARD W. STULL, of Pennsylvania, to the Committee on the Census.

The resolution was agreed to.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 56 minutes p. m.) the House adjourned until to-morrow, Wednesday, December 7, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, December 7, 1932, as reported to the floor leader.

WAYS AND MEANS

(10 a. m.)

Hearings on beer bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

742. A letter from the Secretary of War, transmitting a copy of the fourth annual report of the Puerto Rican Hurricane Relief Commission (H. Doc. No. 486); to the Committee on Insular Affairs and ordered to be printed.

743. A letter from the Secretary of Agriculture, transmitting a report of the Migratory Bird Conservation Commission for the fiscal year ended June 30, 1932 (H. Doc. No. 487); to the Committee on Agriculture and ordered to be printed.

744. A letter from the Secretary of War, transmitting the annual report of the sales of surplus property in the possession of the War Department within the United States, as shown in reports received from the various field agencies during the period October 15, 1931, to October 15, 1932, inclusive; to the Committee on Expenditures in the Executive Departments.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN of Missouri: A bill (H. R. 13303) to amend the Federal home loan bank act to provide for the making of loans by the banks to home owners; to the Committee on Banking and Currency.

By Mr. REID of Illinois: A bill (H. R. 13304) to authorize the appointment of secretaries to United States circuit and district judges; to the Committee on the Judiciary.

By Mr. LEAVITT: A bill (H. R. 13305) to amend the emergency relief and construction act of 1932 so as to provide for regional mercantile credit corporations; to the Committee on Banking and Currency.

By Mr. FULMER: A bill (H. R. 13306) to limit the purchases of the Post Office Department, so far as possible, to articles of the growth, production, and manufacture of the United States; to the Committee on the Post Office and Post Roads.

By Mr. CRAIL: A bill (H. R. 13307) making it illegal to employ any alien while there are American citizens out of work, who are able and willing to work, and fixing the penalty for willful violation thereof; to the Committee on Labor.

By Mr. WARREN: A bill (H. R. 13308) to authorize a survey from Pamlico Sound to Mill Creek, N. C.; to the Committee on Rivers and Harbors.

By Mr. ESTEP: A bill (H. R. 13309) to repeal the national prohibition act, as amended and supplemented; to the Committee on the Judiciary.

By Mr. NORTON: A bill (H. R. 13310) to amend the agricultural marketing act, approved June 15, 1929; to the Committee on Agriculture.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13311) granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER: A bill (H. R. 13312) to provide revenue by the taxation of certain nonintoxicating liquors, and for other purposes; to the Committee on Ways and Means.

By Mr. CANFIELD: A bill (H. R. 13313) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. SMITH of Virginia: A bill (H. R. 13314) to provide for the acquisition of Chappawamsic Island, Va., for the use of the Navy Department; to the Committee on Naval Affairs.

By Mr. SABATH: A bill (H. R. 13315) to amend paragraph 1, section 201, title 2 of the emergency relief and construction act of 1932; to the Committee on Banking and Currency.

Also, a bill (H. R. 13316) to amend paragraph 1, section 201, title 2 of the emergency relief and construction act of 1932; to the Committee on Ways and Means.

By Mr. WARREN: A bill (H. R. 13317) to amend section 301 (a) (1) of the emergency relief and construction act of 1932; to the Committee on Roads.

By Mr. LINDSAY: Resolution (H. Res. 310) providing for the payment of six months' compensation to the widow of Samuel T. Craig; to the Committee on Accounts.

By Mr. PEAVEY: Joint resolution (H. J. Res. 488) for the relief of Henry A. Behrens; to the Committee on Military Affairs.

By Mr. CANFIELD: Joint resolution (H. J. Res. 489) proposing an amendment to the Constitution to repeal the eighteenth amendment, and providing for a referendum on a proposed substitute; to the Committee on the Judiciary.

By Mr. DYER: Joint resolution (H. J. Res. 490) proposing an amendment to the Constitution to repeal the eighteenth amendment; to the Committee on the Judiciary.

By Mrs. PRATT: Joint resolution (H. J. Res. 491) proposing an amendment to the eighteenth article of amendment to the Constitution; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the electors of the State of Connecticut, urging the repeal of the eighteenth amendment, and that the power to regulate or to prohibit the manufacture, sale, or transportation of intoxicating liquors be reserved to the several States; to the Committee on the Judiciary.

Memorial of the City Council of the City of Cambridge, memorializing the Congress of the United States to the speedy modification of the Volstead Act at its session commencing in December, 1932, that will permit the manufacture and sale of beer with a 4 per cent alcoholic content; to the Committee on the Judiciary.

Memorial of St. Paul City Council, approving the Garner-Wagner bill, and urging upon Congress and President Hoover its passage and adoption; to the Committee on Ways and Means.

Memorial of the municipal government of Balayan, Batangas, P. I., voicing its strong opposition to the Hawes-Cutting bill; to the Committee on Insular Affairs.

Memorial of the Council of the Seneca Nation of Indians, requesting the clerks of the House of Representatives and of the Senate to notify the officers of the Seneca Nation of all acts proposed in Congress which in any way affect the Seneca Nation; to the Committee on Indian Affairs.

Memorial of the House of Representatives and the Senate of Puerto Rico, requesting the Congress of the United States to authorize the Legislature of Puerto Rico to legislate in the matter of prohibition; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKBEE: A bill (H. R. 13318) for the relief of Laura B. Hayes; to the Committee on Claims.

By Mr. CONNOLLY: A bill (H. R. 13319) for the relief of James Holl; to the Committee on Naval Affairs.

Also, a bill (H. R. 13320) for the relief of Daniel Webster Freeman; to the Committee on Naval Affairs.

Also, a bill (H. R. 13321) for the relief of Edward J. Gorman; to the Committee on Naval Affairs.

Also, a bill (H. R. 13322) for the relief of Alexander H. Vivian; to the Committee on Military Affairs.

By Mr. CRAIL: A bill (H. R. 13323) for the relief of Gladding, McBean & Co.; to the Committee on Claims.

By Mr. FOSS: A bill (H. R. 13324) for the relief of Everett P. Sheridan and Exilda Sheridan; to the Committee on Claims.

By Mr. FULBRIGHT: A bill (H. R. 13325) for the relief of H. J. Walker; to the Committee on the Post Office and Post Roads.

By Mr. FULMER: A bill (H. R. 13326) granting an increase of pension to Ida C. Watson; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 13327) for the relief of Charles H. Reed; to the Committee on Naval Affairs.

By Mr. HARDY: A bill (H. R. 13328) granting an increase of pension to Emma G. Mills; to the Committee on Invalid Pensions.

By Mr. HOOPER: A bill (H. R. 13329) granting a pension to Lena P. Riddick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13330) granting an increase of pension to Sophia L. Farlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13331) granting a pension to Sarah E. Fortner; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 13332) for the relief of William Fenwick Howey; to the Committee on Claims.

By Mr. KOPP: A bill (H. R. 13333) granting a pension to May E. Neely; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13334) granting a pension to Charles T. Griggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13335) granting a pension to Emma Hellwig; to the Committee on Pensions.

Also, a bill (H. R. 13336) granting a pension to Mary Pearl Drake; to the Committee on Pensions.

Also, a bill (H. R. 13337) granting a pension to Frances S. Williams; to the Committee on Invalid Pensions.

By Mr. MAJOR: A bill (H. R. 13338) granting a pension to Ella Mae Johnson; to the Committee on Pensions.

Also, a bill (H. R. 13339) granting a pension to Izuma Shipley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13340) granting a pension to Carrie Isabel Shipley; to the Committee on Invalid Pensions.

By Mr. MICHENER: A bill (H. R. 13341) granting a pension to Vanela Rider; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 13342) granting an increase of pension to Mary E. Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13343) granting an increase of pension to Anna M. Thompson; to the Committee on Invalid Pensions.

By Mr. PEAVEY: A bill (H. R. 13344) for the relief of the Phillips Creamery Co. (Inc.); to the Committee on Claims.

Also, a bill (H. R. 13345) granting an increase of pension to Sarah St. Germain; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 13346) granting an increase of pension to Mahala Leazenby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13347) granting an increase of pension to Harry G. Ross; to the Committee on Pensions.

Also, a bill (H. R. 13348) granting an increase of pension to Sarah E. Saxton; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 13349) to confer jurisdiction on the Court of Claims to hear and determine the claim of Mount Vernon, Alexandria & Washington Railway Co., a corporation; to the Committee on the District of Columbia.

By Mr. SWANSON: A bill (H. R. 13350) granting an increase of pension to Emily L. Burdick; to the Committee on Invalid Pensions.

By Mr. TARVER: A bill (H. R. 13351) granting a pension to Sarah M. Emmerson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13352) for the relief of Marshall W. Sanders; to the Committee on Military Affairs.

Also, a bill (H. R. 13353) granting a pension to Joe S. Turner; to the Committee on Pensions.

By Mr. TREADWAY: A bill (H. R. 13354) for the relief of Holyoke Ice Co.; to the Committee on Claims.

By Mr. WICKERSHAM: A bill (H. R. 13355) for the relief of Joe Reno; to the Committee on Claims.

By Mr. DICKSTEIN: Concurrent resolution (H. Con. Res. 41) authorizing a special committee to investigate into the facts and circumstances relating to the death of Esther Louise Klein; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8665. By Mr. BUCKBEE: Petition of Mr. and Mrs. William Harper and 21 others, residents of Morris, Ill., asking Congress not to change the eighteenth amendment, and stating their opposition to any beer legislation; to the Committee on the Judiciary.

8666. Also, petition of Mr. and Mrs. Paul Nielsen and 24 others, residents of Morris, Ill., asking Congress not to change the eighteenth amendment, and stating their opposition to any beer legislation; to the Committee on the Judiciary.

8667. By Mr. CRAIL: Petition of the Men's Bible Class of the First Methodist Episcopal Church of Los Angeles, Calif., favoring more adequate appropriations for the enforcement of the eighteenth amendment of the Constitution; to the Committee on the Judiciary.

8668. By Mr. GLOVER: Petition of Standard Brake & Shoe Foundry Co.; to the Committee on Expenditures in the Executive Departments.

8669. By Mr. HANCOCK of New York: Petition of the West District Woman's Home Missionary Society of Syracuse, N. Y., signed by Ella L. McCarthy and other residents of Syracuse, N. Y., favoring the creation of a Federal motion-picture commission, and urging the passage of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

8670. By Mr. HARLAN: Petition of F. A. Hamilton Council, No. 109, Daughters of America, urging passage of House bill 10602; to the Committee on Immigration and Naturalization.

8671. By Mr. LINDSAY: Petition of the New York Academy of Medicine, New York City, urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

8672. Also, petition of the United National Association of Post Office Clerks, opposing continuation of the furlough plan; to the Committee on Ways and Means.

8673. Also, petition of E. S. Ullman, 131 West Thirtieth Street, New York City, urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

8674. Also, petition of William A. Worboys Co., New York City, urging the use of wooden barrels as containers for beer; to the Committee on the Judiciary.

8675. Also, petition of National Association of Letter Carriers, urging repeal of the economy act and the correction of its injustices; to the Committee on Ways and Means.

8676. By Mr. LUCE: Petition of Woman's Home Missionary Society of Grace Methodist Episcopal Church, Cambridge, Mass., relating to motion-picture censorship; to the Committee on Interstate and Foreign Commerce.

8677. By Mr. RAINEY: Petition of D. C. H. Harwood, mayor, and 163 other citizens of Charleston, Coles County, Ill., protesting against further moratoriums; to the Committee on Ways and Means.

8678. By Mr. ROBINSON: Petition of Mildred Jones, of Gilman, Iowa, signed by about 40 other citizens of Gilman, Iowa, urging that the eighteenth amendment shall not be repealed; to the Committee on the Judiciary.

8679. By Mr. RUDD: Petition of the Associated Cooperage Industries of America, protesting against discrimination in the method of packaging legal beer as set forth in bills drafted for consideration; to the Committee on the Judiciary.

8680. By Mr. TARVER: Petition of eighth district convention, Junior Order United American Mechanics of Georgia, asking the enactment of legislation to exclude aliens from the count in determining congressional representation, and also legislation making it a criminal offense for any person to advocate the destruction of our Government by violence, and also for continued efforts to further restrict foreign immigration; to the Committee on the Judiciary.

8681. Also, petition of the Cedartown (Ga.) Kiwanis Club, for agricultural relief; to the Committee on Agriculture.

8682. Also, petition of J. F. Funderburk and others, of Richland, Ga., protesting against the proposed resolution for the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8683. By Mr. TEMPLE: Petition of the Woman's Christian Temperance Union of Eldora and the Woman's Christian Temperance Union of Monongahela, Washington County, Pa., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8684. By the SPEAKER: Petition of the Brotherhood of Locomotive Firemen and Enginemen of Magnet Lodge, No. 227, of Binghamton, N. Y., protesting against the unfair tactics pursued by the National Economy League in their attempt to break down beneficial veteran legislation; to the Committee on Expenditures in the Executive Departments.

8685. Also, petition of Helen C. Marshall and other citizens of Missouri, protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8686. Also, petition of Nettie Ireland and other citizens of Oroville, Calif., opposing any legislation to weaken the eighteenth amendment or nullify that part of the Constitution in any way; to the Committee on the Judiciary.

8687. Also, petition of the Advent Christian Conference of America, urging support of changes in the naturalization laws which will permit liberty of conscience in citizenship; to the Committee on Immigration and Naturalization.

8688. Also, petition of General Eastern Young People's Society of Loyal Workers, opposing any change in the prohibition laws; to the Committee on the Judiciary.

8689. Also, petition of the Unemployed Councils of the United States of America; to the Committee on Ways and Means.

8690. Also, petition of Jesse C. Duke, asking the impeachment of F. Dickinson Letts, an associate justice of the Supreme Court of the District of Columbia, and of Leo A. Rover, United States attorney for the District of Columbia; to the Committee on the Judiciary.

SENATE

WEDNESDAY, DECEMBER 7, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, who despisest not the sighing of a contrite heart nor the desire of such as are sorrowful, we humbly beseech Thee mercifully to look upon our infirmities, and for the glory of Thy name turn from us all those evils that we most justly have deserved and grant that in all our troubles and adversities whensoever they oppress us we may rejoice in the comfort of Thy mercy and evermore serve Thee in holiness and pureness of living, to Thy honor and glory; through our only mediator and advocate, Jesus Christ our Lord. Amen.

JAMES J. DAVIS, a Senator from the State of Pennsylvania, and HENRY W. KEYES, a Senator from the State of New Hampshire, appeared in their seats to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schall
Austin	Cutting	Kendrick	Sheppard
Bailey	Dale	Keyes	Shipstead
Bankhead	Davis	King	Shortridge
Barbour	Dickinson	La Follette	Smith
Barkley	Dill	Logan	Smoot
Bingham	Fess	Long	Steiwer
Black	Fletcher	McGill	Swanson
Blaine	Frazier	McKellar	Thomas, Okla.
Borah	Glass	McNary	Townsend
Broussard	Glenn	Metcalf	Trammell
Bulkley	Goldsborough	Moses	Tydings
Bulow	Gore	Neely	Vandenberg
Byrnes	Grammer	Norbeck	Wagner
Capper	Hale	Nye	Walcott
Caraway	Harrison	Oddie	Walker
Carey	Hastings	Patterson	Walsh, Mass.
Cohen	Hatfield	Pittman	Walsh, Mont.
Connally	Hawes	Reed	Watson
Coolidge	Hayden	Reynolds	Wheeler
Copeland	Hull	Robinson, Ark.	White
Costigan	Johnson	Robinson, Ind.	

Mr. METCALF. I desire to announce the necessary absense of my colleague [Mr. HEBERT].

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

SENATORS FROM NEW JERSEY AND COLORADO

Mr. KEAN. Mr. President, I send to the desk the certificate of election of my colleague, Hon. W. WARREN BARBOUR, and ask that it may be read.

The VICE PRESIDENT. The certificate of election will be read.

The Chief Clerk read as follows:

CERTIFICATE OF ELECTION OF THE STATE OF NEW JERSEY

The board of State canvassers hereby determines, that at a general election held in the said State, on the 8th day of November, A. D. 1932, W. WARREN BARBOUR was duly elected a Member of the United States Senate of the United States to represent the State of New Jersey to fill the vacancy caused by the death of Dwight W. Morrow.

In witness whereof I have hereunto set my hand and affixed my official seal at Trenton this 6th day of December, A. D. 1932.

[SEAL.] THOMAS A. MATHIS,
Secretary of State.

The VICE PRESIDENT. The certificate of election will be placed on file.

Mr. COSTIGAN. Mr. President, I send to the desk the credentials of Hon. KARL C. SCHUYLER as the successor of Hon. Walter Walker for the unexpired term of the late Hon. Charles W. Waterman, of Colorado. The Senator elect is in the Chamber and prepared to take the oath of office.

The VICE PRESIDENT. Let the certificate of election be read.

The Chief Clerk read the credentials, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, KARL C. SCHUYLER was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States to fill the vacancy therein, caused by the death of Hon. Charles W. Waterman.

Witness: His excellency our governor, William H. Adams, and our seal hereto affixed at Denver, this 5th day of December A. D. 1932.

By the governor:

WM. H. ADAMS, *Governor.*

[SEAL.] CHAS. M. ARMSTRONG,
Secretary of State.
A. G. SUEDEKER,
Deputy.

The VICE PRESIDENT. The certificate will be placed on file. The Senators elect will present themselves at the Vice President's desk and the oath of office will be administered to them.

Mr. BARBOUR, escorted by Mr. KEAN, and Mr. SCHUYLER, escorted by Mr. COSTIGAN, advanced to the Vice President's desk; and the oath of office having been administered to them, they took their seats in the Senate.

CREDENTIALS

The VICE PRESIDENT. The Chair lays before the Senate the credentials of Senators-elect ADAMS, of Colorado; DIETERICH, of Illinois; HAYDEN, of Arizona; GEORGE, of Georgia; DUFFY, of Wisconsin; OVERTON, of Louisiana; and TYDINGS, of Maryland, which, if there be no objection, will be printed in full in the RECORD without reading and placed on file.

The credentials were ordered to be placed on file, and they are as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, ALVA B. ADAMS was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, William H. Adams, and our seal hereto affixed at Denver, this 5th day of December, A. D. 1932.

By the governor:

WM. H. ADAMS, *Governor.*

[SEAL.] CHAS. M. ARMSTRONG,
Secretary of State.
A. G. SUEDEKER, *Deputy.*

STATE OF ILLINOIS.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, WILLIAM H. DIETERICH was duly chosen by the qualified electors of the State of Illinois a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Hon. Louis L. Emmerson, and our seal hereto affixed at Springfield, Ill., this 1st day of December, A. D. 1932.

By the governor:

LOUIS L. EMMERSON,
Governor.

[SEAL.] WILLIAM J. STRATTON,
Secretary of State.

EXECUTIVE OFFICE, STATEHOUSE,
Phoenix, Ariz., November 29, 1932.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, CARL HAYDEN was duly chosen by the qualified electors of the State of Arizona a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, George W. P. Hunt, and our seal hereto affixed at Phoenix, this 29th day of November, A. D. 1932.

By the governor:

GEORGE W. P. HUNT,
Governor.

[SEAL.] SCOTT WHITE,
Secretary of State.

STATE OF GEORGIA, EXECUTIVE OFFICE,
Atlanta.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

A general election having been held in the State of Georgia on the 8th day of November, 1932, for the selection of a United States Senator from Georgia for a full term to succeed Hon. WALTER F. GEORGE, and the governor, secretary of state, and comptroller general having canvassed, counted, and consolidated the votes cast in said election, and having declared Hon. WALTER F. GEORGE duly elected to said office:

Therefore, this is to certify that on the 8th day of November, 1932, Hon. WALTER F. GEORGE was duly chosen by the qualified electors of the State of Georgia Senator to represent said State in the Senate of the United States for a full term beginning the 4th day of March, 1933, to succeed himself.

In witness whereof I have hereunto set my hand and caused the great seal of the State of Georgia to be affixed at the capitol, in the city of Atlanta, on the 23d day of November, A. D. 1932, and of the independence of the United States of America the one hundred and fifty-seventh.

By the governor:

RICHARD B. RUSSELL, JR.,
Governor.

[SEAL.] JOHN B. WILSON,
Secretary of State.

UNITED STATES OF AMERICA,
THE STATE OF WISCONSIN,
DEPARTMENT OF STATE.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, F. RYAN DUFFY was duly chosen by the qualified electors of the State of Wisconsin a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th of March, 1933.

Witness: His excellency our governor, Philip F. La Follette, and our seal hereto affixed at the capitol, in the city of Madison, this 29th day of November, A. D. 1932.

By the governor:

PHILIP F. LA FOLLETTE,
Governor.

[SEAL.]

THEODORE DAMMANN,
Secretary of State.

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, JOHN H. OVERTON was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Oscar K. Allen, and our seal hereto affixed at Baton Rouge this 1st day of December, A. D. 1932.

By the governor:

OSCAR K. ALLEN, *Governor.*

[SEAL.]

E. A. CONWAY,
Secretary of State.

THE STATE OF MARYLAND,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

I, Albert C. Ritchie, Governor of the State of Maryland, and having control of the great seal thereof, do hereby certify that on the 8th day of November, 1932, MILLARD E. TYDINGS was duly chosen by the qualified electors of the State of Maryland a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

In testimony whereof I have hereunto set my hand and have caused to be hereto affixed the great seal of the State of Maryland at Annapolis, Md., this 30th day of November, in the year 1932.

By the governor:

ALBERT C. RITCHIE.

[SEAL.]

DAVID C. WINEBRENNER, 3d,
Secretary of State.

Mr. BANKHEAD. Mr. President, I send to the desk the credentials of my colleague, Hon. HUGO L. BLACK, and ask that they may be printed in the RECORD and filed.

The credentials were ordered to be placed on file and to be printed in the RECORD, as follows:

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

CERTIFICATE OF ELECTION

I, Pete B. Jarman, jr., secretary of state, in accordance with the provisions of section 516 of the Code of Alabama, do hereby certify that, as shown by the returns of election on file in this office, HUGO L. BLACK was elected United States Senator at the general election held in this State on Tuesday, the 8th day of November, 1932.

Witness my hand this 23d day of November, 1932.

[SEAL.]

PETE B. JARMAN, Jr.,
Secretary of State.

SENATE OFFICE BUILDING COMMISSION

The VICE PRESIDENT. The Chair appoints the junior Senator from Delaware [Mr. TOWNSEND] a member of the Senate Office Building Commission, to fill the vacancy caused by the death of Hon. Wesley L. Jones, late a Senator from the State of Washington.

REPORT OF THE SECRETARY OF THE TREASURY

The VICE PRESIDENT laid before the Senate the annual report of the Secretary of the Treasury, submitted pursuant to law, on the state of the finances for the fiscal year ended June 30, 1932, which was referred to the Committee on Finance.

REPORTS OF THE ATTORNEY GENERAL

The VICE PRESIDENT laid before the Senate the annual report of the Attorney General of the United States, submitted pursuant to law, for the fiscal year ended June 30, 1932, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from the Attorney General, submitting, pursuant to law, a list of suits arising under the public vessel act of March 3, 1925 (43 Stat. 1112), in which final decrees were entered, exclusive of cases on appeal, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from the Attorney General, submitting, pursuant to law, a list of suits arising under the act of March 9, 1920 (41 Stat. 525), authorizing suits against the United States in admiralty involving merchant vessels, in which final decrees were entered against the United States, exclusive of cases on appeal, which was referred to the Committee on the Judiciary.

COST-ASCERTAINMENT REPORT, POST OFFICE DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, transmitting, pursuant to law, the cost-ascertainment report of the Post Office Department for the fiscal year 1932 and stating that the appendix to the report will be submitted at a later date, which, with the accompanying report, was referred to the Committee on Post Offices and Post Roads.

REPORT OF THE FEDERAL FARM BOARD

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Farm Board, transmitting, pursuant to law, the third annual report of the board for the year ended June 30, 1932; which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

RECOMMENDATIONS FOR LEGISLATION—FEDERAL FARM BOARD (H. DOC. NO. 489)

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Farm Board, transmitting, pursuant to law, a special report of the board on "Recommendations for Legislation," which, with the accompanying special report, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

JUDGMENTS OF THE COURT OF CLAIMS (S. DOC. NO. 147)

The VICE PRESIDENT laid before the Senate a letter from the chief clerk of the Court of Claims, transmitting, pursuant to law, a statement of all judgments rendered by the Court of Claims for the year ended December 3, 1932, which, with the accompanying statement, was referred to the Committee on Appropriations and ordered to be printed.

THE BUDGET

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

Mr. ROBINSON of Arkansas. Mr. President, pending the reading of the message, may I inquire if copies of the same are available for the use of Senators?

The VICE PRESIDENT. No copies have been delivered to the Senate. The clerk will read the message.

The Chief Clerk read the message, as follows:

To the Congress of the United States:

I have the honor to transmit herewith the Budget of the United States for the fiscal year ending June 30, 1934. The appropriations herein recommended for the fiscal year 1934 have been reduced by about $830,000,000 below the appropriations for the current fiscal year, which reduction is offset by about $250,000,000 of unavoidable increases in items not subject to administrative control, making a net reduction of about $580,000,000.

The following tabulation summarizes the estimates of appropriations (a) as contained in the body of the Budget and (b) as modified by the further recommendations contained in this message, compared with the appropriations made by the Congress for the current fiscal year:

Department or establishment	Fiscal year 1934 estimates—		Fiscal year 1933, appropriations	Increase (+) or decrease (−) of fiscal year 1934 compared with fiscal year 1933—	
	As estimated in the body of the Budget	As modified by additional recommendationsin the Budget message		As estimated in the body of the Budget	As modified by additional recommendations in the Budget message
Legislative	$21,088,928	[1] $17,558,317	$18,822,141	+$2,266,787	−$1,263,824
Executive Office and independent establishments (except Veterans' Administration)	47,062,220	45,771,848	84,892,891	−37,830,671	−39,121,043
Veterans' Administration	1,060,976,834	931,077,773	1,020,464,000	+40,512,834	−89,386,227
Agriculture	118,814,909	115,883,297	317,883,236	−199,068,327	−201,999,939
Commerce	37,934,323	36,409,372	44,784,408	−6,850,085	−8,375,036
Interior	58,190,929	56,594,543	81,325,484	−23,134,555	−24,730,941
Justice	45,082,487	43,421,843	45,996,000	−913,513	−2,574,157
Labor	13,393,345	12,793,616	12,924,770	+468,575	−131,154
Navy	309,647,536	308,695,579	328,906,141	−19,258,605	−20,210,562
Post Office:					
From postal revenues	627,293,161	627,293,161	651,104,675	−23,811,514	−23,811,514
From the Treasury	97,000,000	67,215,330	155,000,000	−58,000,000	−87,784,670
State	13,008,627	12,505,304	13,694,793	−686,166	−1,189,489
Treasury	289,861,557	284,898,147	375,027,597	−85,166,040	−90,129,450
War:					
Military	278,606,741	276,863,201	305,739,924	−27,133,183	−28,876,723
Nonmilitary	73,296,440	71,559,462	151,718,158	−78,421,718	−80,158,696
Panama Canal	13,106,404	12,553,368	11,146,661	+1,959,743	+1,406,707
District of Columbia	39,743,270	38,643,862	44,497,622	−4,754,352	−5,853,760
Public debt:					
Reduction in principal	534,070,321	534,070,321	496,803,478	+37,266,843	+37,266,843
Interest	725,000,000	725,000,000	640,000,000	+85,000,000	+85,000,000
Total	4,403,178,032	4,218,808,344	4,800,731,979	−397,553,947	−581,923,635

[1] After deducting $1,968,000, economy act savings.

The appropriations which I recommend be made for the fiscal year ending June 30, 1934, as shown above, total $4,218,808,344, and are predicated upon the enactment of legislation, which I hereby recommend, providing (a) for a temporary reduction in the rate of pay of Federal personnel, to be applied to all civil employees prior to the application of the provisions of Title I of Part II of the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes (the continuation of which for another year is submitted in the body of the Budget), effecting an additional saving of $55,000,000, and (b) amending certain laws providing for benefits to veterans, producing a further saving of $127,000,000. I recommend that this legislation be in the language appended to this message.

EXPENDITURES

The appropriations made for any fiscal year control the obligations which may be incurred during that year, but do not accurately reflect the expenditures of the year, as many expenditures are made in liquidation of obligations of a prior year and out of the prior year's appropriation, while many obligations incurred during the year are liquidated in a subsequent year.

Expenditures, therefore, while based upon the appropriations available, must be separately estimated. The following tabulation summarizes the expenditures contemplated during the fiscal year 1934 under appropriations (a) as recommended in the body of the Budget and (b) as modified by the further recommendations contained in this message, compared with the estimated expenditures for the current fiscal year:

Department or establishment	Fiscal year 1934—		Fiscal year 1933, as estimated in the body of the Budget	Increase (+) or decrease (−) of fiscal year 1934 compared with fiscal year 1933—	
	As estimated in the body of the Budget	As modified by additional recommendations in the Budget message		As estimated in the body of the Budget	As modified by additional recommendations in the Budget message
Legislative	$20,581,300	$17,050,700	$24,675,800	−$4,094,500	−$7,625,100
Executive Office and independent establishments (except Veterans' Administration)	51,675,800	50,385,500	128,904,800	−77,229,000	−78,519,300
Veterans' Administration	1,105,008,000	975,109,000	1,073,381,000	+31,627,000	−98,272,000
Agriculture	144,876,400	141,944,800	314,204,500	−169,328,100	−172,259,700
Commerce	40,066,000	38,541,100	44,743,400	−4,677,400	−6,202,300
Interior	71,010,500	69,414,209	75,605,800	−4,595,300	−6,191,600
Justice	44,654,000	42,993,400	46,081,300	−1,427,300	−3,087,900
Labor	13,368,500	12,768,800	12,337,400	+1,031,100	+431,400
Navy	330,126,000	329,174,100	356,360,500	−26,234,500	−27,186,400
Post Office:					
From postal revenues	625,000,000	625,000,000	600,000,000	+25,000,000	+25,000,000
From the Treasury	97,075,000	67,290,400	134,075,000	−37,000,000	−66,784,600
State	13,118,800	12,615,500	14,779,000	−1,660,200	−2,163,500
Treasury	336,365,700	331,402,300	367,725,800	−31,360,100	−36,323,500
War:					
Military	286,046,400	284,302,900	306,409,200	−20,362,800	−22,106,300
Nonmilitary	108,071,000	106,334,100	121,077,700	−13,006,700	−14,743,600
Panama Canal	12,933,000	12,380,000	13,421,800	−488,800	−1,041,800
District of Columbia	40,747,500	39,648,100	41,952,000	−1,204,500	−2,303,900
Public debt:					
Reduction in principal	534,070,300	534,070,300	498,153,400	+35,916,900	+35,916,900
Interest	725,000,000	725,000,000	695,000,000	+30,000,000	+30,000,000
Total	4,599,794,200	4,415,425,200	4,868,888,400	−269,094,200	−453,463,200
Deduct Postal Service payable from postal revenues	625,000,000	625,000,000	600,000,000	+25,000,000	+25,000,000
Total payable from the Treasury	3,974,794,200	3,790,425,200	4,268,888,400	−294,094,200	−478,463,200

The total expenditure in 1934 is increased above the normal carry-over of funds from prior appropriations by $110,000,000 from the 1933 appropriations for construction as contained in the emergency relief and construction act, in opposition to which appropriations I presented my views to the last Congress. This unusual carry-over accounts for the major difference between reduction of appropriations and reduction of expenditures.



EXPENDITURES AND RECEIPTS

The following tabulation summarizes the estimated expenditures and receipts for the fiscal years 1934 and 1933 compared with the actual expenditures and receipts for 1932. The expenditures for 1934 are predicated upon the appropriations for that year recommended above and the receipts for 1934 upon existing revenue laws:

	1934	1933	1932
Total payable from Treasury	$3,790,425,200	$4,268,888,400	$5,006,590,306
Deduct public-debt retirements	534,070,300	498,153,400	412,629,750
Total other expenditures	3,256,354,900	3,770,735,000	4,593,960,555
Receipts	2,949,162,713	2,634,256,693	2,121,228,006
Excess of expenditures	307,192,187	1,146,478,307	2,472,732,549

From this tabulation it will be seen that, in spite of the large reduction in expenditures, the revenues under existing laws are expected to fall short of providing sufficient money to avoid a further increase in the public debt in the fiscal year 1934 by about $307,000,000.

To meet this situation I recommend—

(a) That the Federal tax on gasoline, which is effective only until June 30, 1933, be continued until June 30, 1934, producing about $137,000,000 additional revenue in the fiscal year 1934, and

(b) That the manufacturers' excise taxes now imposed on certain articles be extended and in part replaced by a general uniform tax (excluding food). I have been advised that the annual yield of such a general tax, at a 2¼ per cent rate, would be approximately $355,000,000.

The additional $492,000,000 of revenue produced in this way will not only make possible the replacements referred to above but will also avoid a further increase in the public debt during the fiscal year 1934. The details of these recommendations will be presented by the Secretary of the Treasury.

CONTINUANCE OF CERTAIN ECONOMY PROVISIONS

In arriving at the amounts of the estimates of appropriations contained in this Budget for the Executive branch of the Government, I have predicated my action on a continuance during the fiscal year 1934 of certain sections of parts of sections of the so-called economy act of June 30, 1932, which, by the terms of that act, are now limited in their application to the fiscal year 1933. The recommendation for the continuance of these sections of the economy act will be found in the general provisions which have been incorporated in the chapter of this Budget pertaining to the Post Office Department. These provisions have been inserted in that chapter for the reason that it has been the general policy of Congress to include in the consolidated act making appropriations for the Treasury and Post Office Departments general provisions which are to have application to all departments and establishments.

The provisions of section 110 of the economy act, which deal with the impounding of funds unexpended by reason of the operation of the provisions of Title I of that act are not, of course, recommended for continuance, as the savings which will result from the continuance during 1934 of the provisions of this title have been taken into consideration in framing the estimates of appropriations for 1934, including the permanent appropriation estimates. With regard to the permanent specific appropriations there is included in the recommendations a provision that these appropriations shall be reduced for 1934 in an amount which represents the savings which will be made therefrom by the continuance of the provisions of the economy act.

I am recommending the retention of so much of section 202 as precludes administrative promotions, but do not recommend the continuance of that portion of said section, nor of section 203, which for the current fiscal year requires the written authorization or approval of the President for the filling of vacant positions. This is a detail of administrative responsibility which should be restored to the heads of the departments and establishments, where it has uniformly rested in the past. The estimates of appropriations for 1934 provide only for the personnel needed under the existing organizational set-up. If vacancies occur which are not necessary to be filled, I am confident that we can rely upon the heads of the departments and establishments to see that they are not filled. I feel that we are weakening the responsibility which should devolve upon and be intrusted in the heads of the departments and establishments by requiring the Chief Executive to authorize or approve in writing the filling of any vacancies which may occur in their personnel.

The reductions in the estimates of appropriations contained in this Budget which are due to the recommendation that certain provisions of the economy act be continued in force during 1934 amount to $97,398,000. This is exclusive of the estimates of appropriations for the legislative branch of the Government, which do not, of course, reflect the savings which would result from the continuance in 1934 of these provisions of the economy act. The Budget and Accounting Act of 1921 provides that the estimates for the legislative branch of the Government shall be presented to the Congress without Executive revision. If these provisions of the economy act are continued in effect during 1934 they would automatically reflect a reduction in the estimates of appropriations for the legislative establishment of approximately $1,968,000.

MOTOR VEHICLES

The provisions which have appeared annually in the separate appropriation acts relating to the purchase, use, and general maintenance of passenger-carrying automobiles have been consolidated and appear as section 3 of the Post Office Department chapter of this Budget, in language which makes the provision applicable to the appropriations for all of the executive departments and independent establishments for the fiscal year 1934. The adoption of a general provision will assure uniformity and avoid the necessity of carrying individual restrictions of this nature in each of the appropriation acts.

VETERANS' ADMINISTRATION

The appropriations recommended for the Veterans' Administration for 1934 amount to $931,078,000, after deducting the savings to be accomplished by the legislation recommended above. The appropriations for 1933 total $1,020,646,000. Without the savings now recommended above the appropriations for 1934 would exceed $1,060,000,000. About $21,000,000 of each of these amounts represents the cost of the civil-service retirement and disability fund which is administered by the Veterans' Administration. Deducting this amount gives a cost for care of veterans for 1934 of $932,956,000 as against $999,464,000 for 1933. This would indicate a decrease of about $66,500,000, but the Veterans' Administration will require an additional amount of about $16,250,000 for military and naval insurance during the current fiscal year, so that the real decrease in cost for 1934 under 1933 is about $82,750,000.

The principal items of decrease are the $127,000,000 to be accomplished by the legislation mentioned above and decreases in construction and in general administration. These decreases are partially offset by increases in military and naval insurance and in military and naval compensation.

RETIREMENT FUNDS

The actuarial revaluation of the civil-service retirement and disability fund so as to cover the changes made by the act of May 29, 1930, has not been completed. Pending the completion of this revaluation the estimates for the financing of the Government's liability to the fund is presented in the same amount as has been appropriated for each of the last two years, namely, $20,850,000.

With regard to the Foreign Service retirement and disability fund the actuarial valuation shows that a Federal contribution of $427,000 will be required for the fiscal year 1934 to maintain the solvency of the fund. The Government's liability to the fund was increased by the act approved February 23, 1931, but there has been no change in

the existing statutory authorization that appropriations to meet the Government's liability should at no time exceed the total of the contributions of the Foreign Service officers and accumulated interest thereon. Under existing law there is no authorization for an appropriation for 1934 in excess of $292,700, so that this Budget contains an estimate in that amount only.

SHIPPING BOARD

No direct appropriation for the Shipping Board shipping fund was made for 1933, the operating costs for that year being met by the authority granted by Congress to utilize balances and reserves on hand. In addition to recommending a continuance of this authority for 1934 the estimate for the shipping fund contained in this Budget provides for a direct appropriation of $2,875,000. The requirements of the Shipping Board shipping fund to meet its operating costs is dependent upon the lines of vessels which it may operate and each line which is sold operates to reduce the amount needed. Where the sale of lines by the Shipping Board is conditional upon the private operators receiving an ocean mail contract from the Post Office Department the board should be in a position to transfer to that department the savings which are reflected in the operating costs. For this purpose a provision has been incorporated in the estimates of appropriations for the Shipping Board to permit of the transfer of not exceeding $4,000,000 to the Post Office Department to be available only for meeting the cost in 1934 of ocean mail contracts entered into by that department under the provisions of the merchant marine act of 1928 for service upon steamship lines which may be sold by the Shipping Board.

PUBLIC WORKS

Speaking generally of public works, this program is well in advance of the country's immediate need by virtue of the vast appropriations made for this purpose as a means of increasing employment. The authorization of large programs of self-liquidation works to be financed by the Reconstruction Finance Corporation provides aid to employment upon an even larger scale without burden upon the taxpayers. For this reason the estimates for public works generally for 1934 show a marked reduction below the appropriations for 1933.

FEDERAL-AID HIGHWAY SYSTEM

The authorization for appropriations for the Federal-aid highway system expires with the current fiscal year, 1933, and the unappropriated balance of the authorizations amounts to $51,560,000. This Budget contains an estimate of appropriation of $40,000,000 of this balance, this being the amount which will be required for expenditure in 1934 in the absence of any further legislative authorization for appropriation. I earnestly recommend to the Congress that there be no further grant of legislative authority for appropriation for Federal-aid highways until the financial condition of the Treasury justifies such action. The annual program of Federal aid for the highway system was increased from $75,000,000 to $125,000,000 beginning with the fiscal year 1931, and has been materially further advanced within the last two years by the appropriation of $80,000,000 made in the emergency construction appropriation act of December 20, 1930, and the appropriation of $120,000,000 contained in the emergency relief and construction act of July 21, 1932. I am not unmindful that these emergency appropriations, amounting to $200,000,000, represent advances only and that under the provisions of the acts making them the entire amount, less the $15,000,000, returnable to the United States from the authorization for 1933, is eventually to be reimbursed to the United States by deductions from the apportionments which may be made to the States under any future authorizations that may be granted for carrying out the Federal highway act. I do not, however, view this as a commitment which of itself necessitates further authorization for Federal appropriations until such time as the financial condition of the Treasury justifies such action.

BUILDINGS

The Federal public-building program authorized by the act of May 25, 1926, is progressing satisfactorily and the activities under it have been of material assistance in the relief of the unemployed. The program involves a total expenditure for all purposes of approximately $700,000,000, of which $190,000,000 is for land and buildings in the District of Columbia.

In furtherance of the provisions of the enabling legislation 817 projects have been specifically authorized at limits of cost aggregating $470,717,000. On October 31, last, 254 of these projects had been completed, 400 projects were under contract either in whole or in part, and 110 projects were being processed toward the contract stage, the drawings therefor having been completed. In accordance with provisions of the legislative appropriation act for the fiscal year 1932, original limits of cost were reduced 10 per cent for over 200 projects not under contract on July 1, 1932. Further savings have been made as a result of the decline in price of materials, and it is estimated that of the $470,717,000 specifically authorized for the 817 projects, at least $40,000,000 will be saved and all of them completed within $430,000,000.

In carrying on the program, including additional land in the District of Columbia, obligations aggregating $378,804,417.52 were incurred to October 31, last, and $261,278,065.75 actually expended.

The funds available for expenditure in the fiscal year 1933 amount to $134,053,401.19. It is expected that this amount, together with the $60,000,000 included in the estimates for 1934 not transmitted, will all be spent in the fiscal years 1933 and 1934.

These activities under the building program were increased to a marked degree by the appropriation of $100,000,000 for public buildings contained in the emergency relief and construction act of 1932, which was approved on July 21, 1932. This act stipulated that the projects undertaken under the emergency appropriation should be selected from those to which funds authorized under the regular public-building program had been allocated. After a comprehensive survey of applicable conditions about 410 projects have been selected and plans have been laid to proceed with the work to the end that practically all of the funds appropriated will be obligated in the fiscal years 1933 and 1934.

No provision is made for additional projects in the Budget now transmitted other than estimates aggregating $2,505,000 for miscellaneous projects not coming within the purview of the regular building program, as I do not deem further building at this time in the public interest.

RIVERS AND HARBORS AND FLOOD CONTROL

The estimate for the annual appropriation for the maintenance and improvement of existing river and harbor works contained in this Budget is $39,388,129, a reduction from the comparable amount of the regular annual appropriation for 1933 of $20,161,871. The emergency appropriations made last July for public works, with a view to increasing employment, contained $30,000,000 for rivers and harbors, which is in addition to the annual appropriation of $60,000,000 for 1933. Adding the estimate of appropriation for 1934 to the two appropriations for the current fiscal year will provide $129,388,129 for the two years, or an average of nearly $65,000,000 per year, and if there be included with these appropriations the amount of cash on hand June 30, 1932, the cash availability for river and harbor works during the fiscal years 1933 and 1934 totals approximately $149,445,000, or an average of $74,722,000 per year. Because of a reduction in the cost of labor and materials for work of this character, the value of the work of river and harbor improvement which can be accomplished during the fiscal years 1933 and 1934 with the funds available would represent an increase of from 15 to 40 per cent, or between $171,862,000 and $209,223,000 at 1929 costs.

For flood control the 1934 estimates of annual appropriations provide $19,653,424 for the Mississippi River and its tributaries and $768,480 for the Sacramento River, reductions of $12,066,576 and $207,520 from comparable amounts provided in the regular annual appropriations for 1933. In addition to the regular annual appropriation of $32,000,000 for the fiscal year 1933, there was provided $15,500,000 for

flood-control work on the Mississippi River and its tributaries by the relief act approved July 21, 1932. Adding the estimate of appropriation for 1934 to the two appropriations for the current fiscal year will provide $67,153,424 for flood control on the Mississippi for the two years, or an average of over $33,500,000 per year, and if the cash on hand on June 30, 1932, be included, the cash availability for the two years is approximately $85,523,000, or an average of $42,761,000 per year. In value of work these amounts will produce an increase of between 15 and 40 per cent over the work which could have been secured with the same amounts at 1929 costs, due to the reduction which has taken place in the cost of this character of work.

The total of the estimates contained in this Budget for rivers and harbors (including maintenance and operation of Dam No. 2, Muscle Shoals) and flood control is $71,255,217, of which $49,935,313 is for rivers and harbors and $21,319,904 for flood control. The total of $71,255,217 includes $10,868,500 to meet requirements under authorizations of law covering permanent specific and indefinite appropriations, advances, and contributions for rivers and harbors, and flood-control work.

For maintenance and operation of the Panama Canal and the sanitation and civil government of the Canal Zone this Budget provides for a total of $13,106,404, after deducting $471,718 to cover reductions based upon a continuation in 1934 of certain provisions of the economy act. This gives $13,578,122 to be used for purposes of comparison with the 1933 appropriation of $11,146,661, and indicates a net increase in 1934 of $2,431,461. However, it is to be noted that the Budget estimate for 1933 was reduced by $3,500,000 and the amount appropriated supplemented to the same extent by a provision in the act reading "and such sums, aggregating not to exceed $3,500,000, as may be deposited in the Treasury of the United States as dividends by the Panama Railroad Co. in excess of 10 per cent of the capital stock of such company." While this resulted in a facial reduction in the estimate as submitted in the Budget for 1933, it did not affect any saving, as it reduced by a corresponding amount the dividends which otherwise would have been paid into the Treasury by the Panama Railroad Co. Therefore, from the standpoint of availability of funds, the 1934 estimate is $1,068,539 below the appropriations for 1933.

TREASURY DEPARTMENT

The estimates of appropriations for the Treasury Department as presented in this Budget, aside from interest on the public debt and public-debt retirements from ordinary receipts, are $85,166,000 less than the appropriations for 1933. Excluding the amount of deductions predicated on a continuance of certain sections of the economy act, which amount to approximately $8,000,000, and taking into consideration that an additional amount of about $40,000,000 will be required in 1933 for refunding taxes illegally collected, the net decrease, aside from the public-debt items, amounts to approximately $37,160,000.

The principal decrease is $148,000,000 in the items for construction of new Federal buildings. This decrease is made possible by reduced expenditure requirements amounting to $48,000,000 under the regular public-building program and the fact that the emergency relief and construction act of 1932 provided $100,000,000 for public buildings, which is available during 1933 and subsequent years. Among the other decreases are $5,700,000 for customs administration, due largely to reimbursable items resulting from the decline in customs receipts; $1,084,000 in the Coast Guard items; and $753,000 under the Bureau of Engraving and Printing due to reduced production program.

On the increase side the main items, excluding those pertaining to the public debt, are $68,000,000 for refunding taxes illegally collected, for which no direct appropriation was made for the current fiscal year, and $7,715,000 for the Office of the Supervising Architect, which is made up principally of items having to do with the operation and maintenance of the large number of Federal buildings which will be completed during 1934, the remodeling and enlarging of old buildings, and the increase in force and related expenses, both in Washington and in the field, incident to the enlarged construction program.

With regard to public-debt transactions the estimate under the permanent appropriation for 1934 for interest on the public debt shows an increase of $85,000,000 in excess of the appropriation for 1933. There is also an increase of $37,266,843 for public-debt retirements from ordinary receipts, consisting of the cumulative sinking fund, additional sinking-fund requirements to carry into effect the provisions of section 308 of the emergency relief and construction act of 1932, receipts from foreign governments to be applied to debt retirements, and retirements from franchise-tax receipts from Federal reserve banks.

NATIONAL DEFENSE

Excluding all items of a nonmilitary nature the estimates of appropriations contained in this Budget for national defense under the War and Navy Departments amount to $586,447,000 as compared with appropriations of $632,466,000 for 1933, which indicates a decrease of $46,019,000. To obtain a proper basis for comparison, however, there should be deducted $16,996,000, which represents the deductions made in the 1934 estimates predicated upon a continuance during that fiscal year of certain provisions of the economy act. On this comparable basis the decrease is slightly more than $29,000,000.

With regard to the War Department the net decrease is $18,215,000, which results from a large number of items of increase and decrease. The principal item of decrease is Army construction, for which $17,414,000 was appropriated in 1933, and for which no similar item is included in this Budget. Construction under the Army housing program has progressed to such a stage that a postponement of further construction can be made at this time without detriment to the Army. Other decreases which merit mention here are $3,590,000 in arming, equipping, and training the National Guard, effected principally by the inclusion in the estimate of appropriation of a provision temporarily suspending existing law so as to permit a reduction in the number of armory drills paid for by the United States from 48 to 24, and $1,592,000 for citizens' military training camps, made possible by a reduction of the number of trainees to be ordered to such camps. The principal increase is $4,483,000 for subsistence of the Army, which is due to the fact that the appropriation for 1933 was supplemented by $5,435,000 of excess stock and funds accumulated from prior year appropriations—no similar assets being available for 1934. There is also an increase of $1,243,000 for transportation of the Army, required principally for the procurement of trucks and ambulances and the transportation of Army supplies and its personnel and baggage.

Provision is made in these estimates for average active strengths of 12,000 commissioned officers, 883 warrant officers, and 118,750 enlisted men of the Regular Army, and 6,500 enlisted men of the Philippine Scouts; for an actual average strength of 185,000 officers and men of the National Guard; for the training of 16,722 members of the Organized Reserves for varying periods; for the enrollment and instruction of 127,565 students in the Reserve Officers' Training Corps units in schools and colleges, and the training of 7,200 of this number in 30-day camps; and for 30 days' attendance at citizens' military training camps of 13,000 trainees. The estimates for 1934 make provision for the adequate maintenance and operation of Army Air Corps activities and for the procurement of 375 new airplanes, which will give the Air Corps a total of 1,537 airplanes, on hand and on order on June 30, 1934, leaving a shortage of only 111 in the approved program of 1,648 airplanes for the Regular Army.

For the Navy Department the net decrease in the estimates for 1934 from the appropriations for 1933 is $10,807,000. There is a reduction of $12,554,000 for ordinary maintenance and operating expenses; $10,240,000 for public-works projects, and $9,450,000 in the amount for modernization of battleships. Offsetting these reductions, totaling $32,244,000, is an increase of $21,437,000 for construction of new vessels.

The items for ordinary maintenance and operation provide for maintaining during the fiscal year 1934 an average of 79,700 enlisted men of the Navy, the same as provided for 1933, and an average of 13,600 enlisted men of the Marine Corps as compared with an average of 15,343 men provided for 1933.

The estimate of $4,400,000 included in this Budget for modernization of battleships is sufficient to complete work on two battleships and to carry forward work on the other ship now in dock.

For construction of new vessels the 1934 estimates total $38,845,000. This sum, together with the amount of $5,000,000 to be transferred to this account from the naval supply account fund and an estimated balance of $9,525,000 to be carried over from 1933, will make available for 1934 a total of $53,380,000. This amount is ample to continue work at a normal rate of progress on all vessels now under way, and, in addition, on one 8-inch cruiser to be laid down in January, 1933, another such cruiser to be laid down in January, 1934, and four destroyers to be laid down in the first half of the fiscal year 1934. The amount appropriated for 1933 for construction of new vessels was $18,063,000. In addition, $7,000,000 was authorized to be transferred from other appropriations and a balance of $37,817,000 was carried over from 1932, making a total availability for 1933 of $62,880,000. While the estimates for vessel construction for 1934 are about $21,000,000 in excess of the appropriation for 1933, the availability for 1934 will be some $9,500,000 less than the availability for 1933. This difference is largely accounted for in the estimated savings due to the continuation of provisions of the economy act and the anticipated reduction in labor costs.

The present schedule of wages for per diem employees of the Naval Establishment has been in effect since January 1, 1929. A provision of the economy act prohibits a reduction in such wage rates during the fiscal year 1933. This provision is not recommended for continuation through 1934.

A total decrease of $4,576,000 in the cost of national defense is reflected in this Budget by the inclusion in the Post Office Department chapter of a general provision suspending, for the fiscal year 1934, the reenlistment allowance or bonus to enlisted men. There is certainly at this time no necessity of the military service which justifies the payment of a cash bonus to men for reenlisting in the service.

UNEXPENDED BALANCES

Following the policy which I have uniformly pursued and which has had the concurrence of the Congress, I am not recommending that the requirements for 1934 be met in part by a reappropriation or extension of the availability of unexpended balances of appropriations for the fiscal year 1933 except in those cases in which moneys appropriated for a specific nonrecurring project remain unexpended and it is necessary to continue the availability of the funds for the same purpose or purposes for which originally appropriated.

CONCLUSION

Notwithstanding the large reduction in expenditures estimated for the current fiscal year below those in the fiscal year 1932 and the increased revenues anticipated during this year under the revenue laws enacted at the last session of Congress, a large excess of expenditures with consequent increase in the public debt is anticipated for the current fiscal year.

Such a situation can not be continued without disaster to the Federal finances. The recommendations herein presented to the Congress for further drastic reductions in expenditures and increased revenues will serve to prevent a further increase in the public debt during the fiscal year 1934 only if Congress will refrain from placing additional burdens upon the Federal Treasury.

I can not too strongly urge that every effort be made to limit expenditures and avoid additional obligations not only in the interest of the already heavily burdened taxpayer but in the interest of the very integrity of the finances of the Federal Government.

HERBERT HOOVER.

DECEMBER 5, 1932.

APPENDIX

TEXT OF LEGISLATION RECOMMENDED IN THE "MESSAGE TRANSMITTING THE BUDGET"

"COMPENSATION REDUCTION OF FEDERAL EMPLOYEES

"During the fiscal year ending June 30, 1934—

"(a) The compensation for each civilian office, position, or employment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced as follows: Compensation at an annual rate of $1,000 or less shall be exempt from reduction; and compensation at an annual rate in excess of $1,000 shall be reduced by 11 per cent of the amount thereof in excess of $1,000.

"(b) The term 'compensation' shall be defined and computed as provided in subsections (b) and (c) of section 104 of Part II of the act entitled 'An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes,' approved June 30, 1932, in so far as such subsections are applicable to any civilian office, position, or employment.

"(c) In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of subsection (a) herein to offices, positions, and employments under such corporation and to officers and employees thereof.

"(d) The reduction provided herein shall not apply to any office, position, or employment the amount of compensation of which is expressly fixed by international agreement; any office, position, or employment the compensation of which is paid under the terms of any contract in effect on the date of the enactment of this act if such compensation may not lawfully be reduced; any office the compensation of which may not, under the Constitution, be diminished during the term of office; any office, position, or employment the compensation for which is adjustable to conform to the prevailing local rate for similar work, but the wage board or other body charged with the duty of making such adjustment shall take such action as may be necessary to make such adjustment effective July 1, 1933; nor to any office, position, or employment the compensation for which is derived from assessments on banks and/or is not paid from the Federal Treasury."

NOTE.—The reductions to be accomplished by the foregoing legislation amount in all to approximately $55,382,000. This pertains to all of the appropriation items which make provision for personal services. A statement will be made available to the proper committees of Congress showing the amount of the reduction which pertains to each appropriation item.

"PROVISIONS AFFECTING VETERANS' ADMINISTRATION

"(a) Income limitations: Notwithstanding the provisions of law in effect at the date of enactment of this act, except as to those persons who have attained the age of 65 years, or those persons who served in the active military or naval forces and who actually suffered an injury or contracted a disease in line of duty as a result of and directly attributable to such service, or those persons who, in accordance with the World War veterans' act, 1924, as amended, or the laws granting military or naval pensions, are temporarily totally disabled or permanently and totally disabled as a result of disease or injury acquired in, or aggravated by, active military or naval service, or those persons who while in the active military or naval service engaged in actual combat with, were under actual fire of, or served in the zone of active hostilities against, the armed forces of the enemy in any war in which the United States was engaged, no allowance, compensation, retired pay, pension, hospitalization, or domiciliary care under the war risk insurance act, as amended, the World War veterans' act, 1924, as amended, the laws governing the granting of Army and Navy pensions, the laws governing the granting of domiciliary care by the Veterans' Administration, or the emergency officers' retirement act of May 24, 1928, shall be payable or granted to any person whose net income as defined by the Administrator of Veterans' Affairs, was $1,500 or over, if single, and $3,500 or

over, if married, for the year preceding the enactment of this act or the year preceding the filing of application for benefits, whichever is the later. The minimum amounts above specified shall be increased by $400 for each person dependent upon the applicant during the period prescribed. Such benefits shall not be paid or granted during any year following that in which the net income plus allowance for dependents exceeds the prescribed amounts: *Provided*, That irrespective of the income for a preceding year, upon submission of proof satisfactory to the administrator of reduction in income during the current year below the amounts specified herein, when prorated monthly, such benefits as may otherwise be authorized shall be allowable from the date of administrative determination. Payments of Government insurance, allowance, compensation, retired pay, or pension shall not be considered as income within the provisions of this section. The Secretary of the Treasury is hereby directed upon request, to transmit to the administrator a certificate containing the information required by the administrator to carry out the purposes of this section affecting each person who is applying for or receiving such allowance, compensation, retired pay, pension, hospitalization, or domiciliary care, and such certificate shall be conclusive evidence of the facts stated therein. As to allowance, compensation, retired pay, or pension being paid, or hospitalization or domiciliary care being furnished, at the date of enactment of this act, this section shall take effect six months after such date, and no continuance or granting of allowance, compensation, retired pay, pension, hospitalization, or domiciliary care shall thereafter be authorized except in accordance herewith. As to pending claims and claims filed after the date of enactment of this act, the provisions of this section shall take effect on such date: *Provided*, That this section shall not apply to such persons as are entitled to benefits described in this section on account of the death of any person who served in the active military or naval service.

"(b) Disability allowance: Notwithstanding the provisions of law in effect at the date of enactment of this act, no disability allowance under the World War veterans' act, 1924, as amended, shall be payable to any former soldier, sailor, or marine who is not totally and permanently disabled under the laws and regulations governing the payment thereof: *Provided*, That payment of disability allowance to those former soldiers, sailors, or marines in receipt thereof at the date of enactment of this act shall continue until the first day of the third calendar month following the month during which this act is enacted, but no continuance or granting of disability allowance shall thereafter be authorized except in accordance with this section.

"(c) Veterans in institutions: The first two paragraphs of subdivision (7) of section 202 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 480), are hereby amended to read as follows:

"'Effective as of the first day of the third calendar month following the month during which this amendatory act is enacted, where any person shall have been maintained as an inmate of the United States Soldiers' Home, or of any National or State soldiers' home, or of St. Elizabeths Hospital, or maintained by the Veterans' Administration in an institution or institutions, for a period of 30 days or more, the compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, shall thereafter not exceed $20 per month so long as he shall thereafter be maintained: *Provided*, That if such person has a wife, a child or children, or dependent parent or parents, the difference between the $20 and the amount to which the veteran would otherwise be entitled except for the provisions of this subdivision may be paid to the wife, child or children, and dependent parent or parents in accordance with regulations prescribed by the administrator.

"'All or any part of such compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, of any mentally incompetent inmate of such institution may, in the discretion of the administrator, be paid to the chief officer of said institution to be properly accounted for and to be used for the benefit of such inmate: *Provided, however*, That in any case where the estate of such mentally incompetent veteran without dependents, derived from funds paid under the war risk insurance act, as amended, the World War veterans' act, 1924, as amended, the laws governing the granting of Army and Navy pensions, or the emergency officers' retirement act of May 24, 1928, equals or exceeds $3,000, payment of compensation, pension, allowance, or retired pay shall be discontinued until the estate is reduced to $3,000, and this proviso shall apply to payments due or accruing prior or subsequent to the date of enactment of this amendatory act: *Provided further*, That if such person shall recover his reason and shall be discharged from such institution as competent, such sum shall be paid him as is held in trust for him by the United States or any chief officer of an institution as a result of the laws in effect prior and/or subsequent to the enactment of this amendatory act: *Provided further*, That if in the judgment of the administrator a mentally incompetent person without dependents, receiving compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, requires institutional care for his mental condition and his guardian or other person charged with his custody refuses to accept or permit the continuance of the institutional care offered or approved by the administrator, compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, payable, shall not exceed $20 per month so long as the need for such institutional care shall continue. The administrator in his discretion, upon showing of proper treatment in a recognized reputable private institution, may waive the reduction provided by this subdivision.

"'All pensioners who are or may, from the date of enactment of this amendatory act, become inmates of the naval home at Philadelphia, Pa., a naval hospital, the United States Soldiers' Home, Washington, D. C., or of the Veterans' Administration homes, or of St. Elizabeths Hospital, shall have the pension to which they are entitled paid to them directly or to their guardians in case they be insane or otherwise incompetent and under guardianship, except as to payments made to the chief officer of an institution as provided in the preceding paragraph of this section, provided that from and after the enactment of this amendatory act the payment of pensions in all cases where pensioners are under guardianship may be made to the legal guardians of such persons without submission of vouchers.'

"(d) Arrested tuberculosis: That paragraph 3 of section 202(7) of the World War veterans' act, as amended (U. S. C., title 38, sec. 480), is hereby amended by adding at the end thereof the following proviso:

"'*Provided further*, That the compensation of not less than $50 per month shall be terminated effective six months after the approval of this amendatory act or five years after the effective date of the award of $50 per month, whichever is the later.'

"(e) Emergency officers' retired pay: In the administration of the act of May 24, 1928, entitled 'An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War' (U. S. C., Supp. V, title 38, secs. 581 and 582), no officer or former officer shall receive retired pay thereunder, unless he served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918, inclusive, and within such period actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to such service, or unless he served a period of 90 days or more between April 6, 1917, and November 11, 1918, inclusive, and actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to service between November 12, 1918, and July 2, 1921, inclusive, and unless he has been or is found by the former Veterans' Bureau or the Veterans' Administration to be not less than 30 per cent permanently

disabled as a result thereof prior to May 24, 1928, or within one year thereafter, in accordance with the rating schedule and amendments promulgated pursuant to subdivision (4) of section 202 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 477), in force at that time, and unless he is found by the Veterans' Administration to be not less than 30 per cent permanently disabled at the time of the enactment of this act under such rating schedule as amended and in effect at the date of the enactment of this act: *Provided*, That no person shall be retired without pay except in accordance with the foregoing provisions of this section, except that the degree of disability required for retirement without pay shall be less than 30 per cent and more than 10 per cent permanent disability.

"The Veterans' Administration is hereby authorized and directed to review all claims heretofore filed under the emergency officers' retirement act of May 24, 1928, and to remove from the rolls of retired emergency officers the names of such officers as are not found to be entitled to retirement under the first paragraph of this section. The Administrator of Veterans' Affairs is further authorized and directed to cause to be certified to the Secretary of War or the Secretary of the Navy, as the case may be, the names of those officers who are removed from the rolls, and the Secretary of War and the Secretary of the Navy are hereby authorized and directed to drop from the emergency officers' retired list and the Army and Navy registers the names of such officers. Payment of emergency officers' retired pay, in the case of any officer whose name is removed from the rolls or transferred to the list of those retired without pay by reason of the provisions of this section, shall cease on the first day of the third calendar month following the month during which certification or transfer is made, as the case may be. The Administrator of Veterans' Affairs is hereby authorized and directed to transfer the name of each officer removed from the rolls of those entitled to emergency officers' retired pay, to the compensation rolls of the Veterans' Administration and to pay, commencing with the first day of the third calendar month following the month during which certification is made by the administrator of the name of the officer removed from the rolls, as herein provided, compensation in accordance with the provisions of the World War veterans' act, 1924, as amended, notwithstanding that no previous application for compensation has been made.

"The review of all claims authorized and directed under the second paragraph of this section shall be final, except for one reconsideration. No rerating or review shall thereafter be authorized in such claims.

"After the expiration of one year following the enactment of this act no review, appeal, or other consideration shall be authorized in connection with any claim for emergency officers' retirement upon which a decision has at any time been rendered by the Veterans' Administration or Bureau.

"No person shall be entitled to benefits under the provisions of this section, except he shall have made valid application under the provisions of the emergency officers' retirement act of May 24, 1928.

"All provisions of the emergency officers' retirement act of May 24, 1928, in conflict with or inconsistent with the provisions of this section are hereby modified and amended to the extent herein specifically provided and stated as of the date of enactment, May 24, 1928.

"(f) Repeal of per diem allowances: Section 203 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 492), is hereby amended to read as follows:

"'SEC. 203. That every person applying for or in receipt of compensation for disability under the provisions of this title and every person applying for treatment under the provisions of subdivisions (9) or (10) of section 202 hereof, shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the administrator. He may have a duly qualified physician designated and paid by him present to participate in such examination. For all examinations he shall, in the discretion of the administrator, be paid his reasonable traveling and other expenses. If he shall neglect or refuse to submit to such examination, or shall in any way obstruct the same, his right to claim compensation under this title shall be suspended until such neglect, refusal, or obstruction ceases. No compensation shall be payable while such neglect, refusal, or obstruction continues, and no compensation shall be payable for the intervening period.'

"(g) Limitation of retroactive benefits: Section 205 of the World War veterans act, 1924, as amended (U. S. C., title 38, sec. 494), is hereby amended to read as follows:

"'SEC. 205. The Veterans' Administration may at any time review a claim for benefits under this act, or the laws governing the granting of Army and Navy pensions, and in accordance with the facts found and the law applicable, award, end, diminish, or increase allowance, compensation, or pension, but no allowance, compensation, or pension shall be awarded as a result of such review for any period more than six months prior to date of administrative determination. Where the time for appeal prescribed by regulations has expired a claimant may make application for review upon the evidence of record at the time of the last adjudicatory action but no allowance, compensation, or pension, or increased allowance, compensation, or pension, as a result of such review, shall be awarded for any period more than six months prior to date of application. No review of any claim shall be made except as provided herein. Except in cases of fraud participated in by the beneficiary, no reduction in allowance, compensation, or pension shall be made retroactive, and no reduction or discontinuance of allowance, compensation, or pension shall be effective until the first day of the third calendar month next succeeding that in which such reduction or discontinuance is determined. The proviso in the paragraph under the heading "Pension Office" in the act entitled "An act making appropriations to supply further urgent deficiencies in the appropriations for the fiscal year ending June 30, 1894, and for prior years, and for other purposes," approved December 21, 1893 (U. S. C., title 38, sec. 56), is hereby repealed.'

"(h) Transfer from compensation to pension rolls: The first paragraph of section 200 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 471), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"'*Provided further*, That where no active military or naval service was rendered between April 6, 1917, and November 11, 1918, no compensation shall be payable for disability or death resulting from injury suffered or disease contracted during active service in an enlistment entered into after November 11, 1918, or for aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the active military or naval service in an enlistment entered into after November 11, 1918: *Provided further*, That the Administrator of Veterans' Affairs is hereby authorized and directed to transfer to the general pension rolls for the Regular Establishment the names of those persons in receipt of compensation who, by reason of the enactment of this amendatory act, are no longer entitled to compensation, and to pay such persons pension in accordance with the rates provided for their disabilities under the general pension laws, but this transfer shall not take effect until six months following the date of the enactment of this amendatory act: *Provided further*, That this act, as amended, and the laws governing the granting of Army and Navy pensions shall not be construed to deny the right of any person to receive pension on account of active military or naval service subsequent to November 11, 1918: *Provided further*, That the provisions of section 602 of the World

War veterans' act, 1924, as amended, shall not be construed to authorize the payment of compensation contrary to the provisions of this amendatory act.'

"(i) Testimony in suits upon insurance claims: The first paragraph of section 19 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 445), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"'*Provided further*, That in any suit tried under the provisions of this section the court shall not receive, admit, or entertain the testimony of any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, and the date of issuance of the letter of disagreement required by this section shall be the date of denial of the claim, except that if in a preliminary proceeding prior to trial of the claim sued upon, it is shown by the plaintiff to the satisfaction of the court that relevant and material testimony is available from any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, the court shall stay all proceedings in the suit until the statement of such person is submitted to the Administrator of Veterans' Affairs, who shall cause the claim to be immediately reviewed, and in case the administrator allows such claim, the suit shall be dismissed but if the administrator disallows the claim, such person may be a witness in the trial of the cause: *Provided further*, That the last preceding proviso shall apply to all suits pending on the date of the enactment of this amendatory act against the United States under the provisions of the war risk insurance act, as amended, or this act, as amended.'

"(j) Revival of Government insurance restricted: Sections 305 and 309 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, secs. 516, 516b), are hereby repealed as of the date of their enactment, and notwithstanding the provisions of section 602 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 571), no additional payments shall be made under such sections or the third proviso of section 408 of the war risk insurance act, as amended, except to those persons actually receiving payments on the date of enactment of this act, or in those claims where, prior to the date of the enactment of this act, it has been determined by the Veterans' Administration that all or part of the insurance is payable under such sections and the interested person or persons entitled thereto have been informed of such determination: *Provided*, That where a beneficiary receiving insurance payments under such sections dies and there is surviving a widow, child or children, or dependent mother or father, of the veteran, the remaining unpaid installments shall be paid to the following permitted class of beneficiaries in the following order of preference: (1) To the widow of the veteran if living at date of death of the beneficiary; (2) if no widow, then to the child or children of the veteran, share and share alike; (3) if no wife, child, or children, then to the dependent mother of the veteran; (4) if no wife, child or children, or dependent mother, then to the dependent father of the veteran, but no payments under this proviso shall be made to the heirs or legal representatives of any beneficiaries in the permitted class who die before receiving the monthly installments to which they are entitled and the remaining unpaid installments shall be paid to the beneficiary or beneficiaries in the order of preference prescribed in this proviso."

NOTE.—The reductions to be accomplished by the legislation recommended above pertain to appropriations for the Veterans' Administration, as follows:

Salaries and expenses	$2,300,000
Army and Navy pensions	11,241,000
Military and naval compensation	107,479,000
Military and naval insurance	6,000,000
Total	127,020,000

HERBERT HOOVER.

DECEMBER 5, 1932.

The VICE PRESIDENT. The President's message with the accompanying Budget will be referred to the Committee on Appropriations and printed.

REPORT OF BELLEAU WOOD MEMORIAL ASSOCIATION

The VICE PRESIDENT laid before the Senate a letter from the honorary president of the Belleau Wood Memorial Association transmitting, pursuant to law, the report of the association for the year ended December 31, 1931, which, with the accompanying report, was referred to the Committee on Military Affairs.

CHANGE IN THE DATE OF THE INAUGURATION

The VICE PRESIDENT laid before the Senate a communication from the Governor of the State of Texas with an accompanying joint resolution of the State legislature, which, with the attached papers, was ordered to lie on the table, as follows:

EXECUTIVE DEPARTMENT,
Austin, Tex., September 9, 1932.

Hon. CHARLES CURTIS,
President of the Senate of the United States,
Washington, D. C.

SIR: I attach hereto certified copy of House Joint Resolution No. 1, recently passed by the Forty-second Legislature of Texas, in special session, and approved by me on September 8, 1932, ratifying an amendment passed by the Seventy-second Congress of the United States at its first session, beginning December 7, 1931, which amendment, in substance, provides and fixes the commencement of the terms of President and Vice President and Members of Congress and fixes the time of the assembling of Congress.

Very truly yours,

R. S. STERLING, *Governor.*

House joint resolution ratifying an amendment to the Constitution of the United States of America passed by the Seventy-second Congress of the United States of America at its first session, begun and held at the city of Washington on Monday, the 7th day of December, 1931, which amendment, in substance, provides and fixes the commencement of the terms of President and Vice President and Members of Congress and fixes the time of the assembling of Congress, and that said amendment shall take effect on the 15th day of October following its ratification; and providing further that this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution within seven years from the date of submission to the States by Congress

PREAMBLE

And whereas both Houses of the Seventy-second Congress of the United States of America at its first session, by a constitutional majority of two-thirds thereof, made the following proposition to amend the Constitution of the United States of America, in substance, to wit:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

JOHN N. GARNER,
Speaker of the House of Representatives.
CHARLES CURTIS,
Vice President of the United States and President of the Senate.

Now, therefore, be it

Resolved by the Legislature of the State of Texas (by senate and house concurring):

SECTION 1. That said proposed amendment to the Constitution of the United States of America proposed by the Seventy-second Congress of the United States at its first session, reading as follows, to wit:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified, and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission,"

be, and the same is, hereby ratified by the Legislature of the State of Texas.

SEC. 2. That certified copies of the foregoing preamble and this joint resolution be forwarded by the Governor of the State of Texas to the President of the United States, the Secretary of State of the United States, the President of the Senate of the United States, and the Speaker of the House of Representatives of the United States.

EDGAR E. WITT,
President of the Senate.
FRED H. MINOT,
Speaker of the House.

I hereby certify that House Joint Resolution No. 1 was passed by the house on September 1, 1932, by the following vote: Yeas 125, nays 0.

LOUISE SNOW PHINNEY,
Chief Clerk of the House.

I hereby certify that House Joint Resolution No. 1 was passed by the senate on September 7, 1932, by the following vote: Yeas 27, nays 0.

BOB BARKER,
Secretary of the Senate.

Received state department, September 8, 1932, Austin, Tex.

JAMES Y. MCCALLUM,
Secretary of State.

Received in the executive office this 8th day of September, 1932, at 9 o'clock a. m.

M. L. WIGINTON,
Secretary to the Governor.

Approved September 8, 1932.

R. S. STERLING,
Governor.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jane Y. McCallum, secretary of state of the State of Texas, do hereby certify that the foregoing is a true and correct copy of House Joint Resolution 1 passed at the third called session, forty-second legislature, with the indorsement thereon, as now appears of record in this department.

In testimony whereof I have hereunto signed my name officially and caused to be impressed hereon the seal of state at my office in the city of Austin, this 9th day of September, A. D. 1932.

[SEAL.] JANE Y. MCCALLUM,
Secretary of State.

The VICE PRESIDENT also laid before the Senate a communication from the Governor of the State of Alabama with an accompanying joint resolution of the State legislature, which, with the attached papers, was ordered to lie on the table, as follows:

STATE OF ALABAMA,
EXECUTIVE DEPARTMENT,
Montgomery, September 22, 1932.

The PRESIDING OFFICER OF THE UNITED STATES SENATE,
Washington, D. C.

DEAR SIR: Pursuant to section 2 of House Joint Resolution No. 13, adopted by the Legislature of Alabama, ratifying a proposed amendment to the Constitution of the United States, fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress, I, as Governor of Alabama, herewith transmit to you a copy of said House Joint Resolution No. 13, duly certified as required by law.

Respectfully,

B. M. MILLER,
Governor of Alabama.

House Joint Resolution 13

Whereas both Houses of the Seventy-second Congress of the United States of America by constitutional majority of two-thirds thereof proposed an amendment to the Constitution of the United States which should be valid to all intents and purposes as a part of the Constitution of the United States when ratified by the legislatures of three-fourths of the States, which resolution is in words and figures following, to wit:

Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January unless they shall by law appoint a different day.

"SEC. 3. If at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

Now, therefore, be it

Resolved by the House of Representatives of the Legislature of Alabama (the Senate concurring therein):

SECTION 1. That said proposed amendment to the Constitution of the United States of America be, and the same is hereby, ratified by the Legislature of the State of Alabama.

SEC. 2. That certified copies of this preamble and joint resolution be forwarded by the governor of this State to the Secretary of State at Washington, D. C., to the Presiding Officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

A. M. TUNSTALL,
Speaker of the House of Representatives.
HUGH D. MERRILL,
Lieutenant Governor and Presiding Officer of the Senate.

Approved September 17, 1932.

B. M. MILLER, *Governor.*

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

I, Pete B. Jarman, jr., secretary of state of the State of Alabama, having custody of the great and principal seal of said State, do hereby certify that the pages hereto attached contain a true, accurate, and literal copy of House Joint Resolution 13, approved September 17, 1932.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol, in the city of Montgomery, this 23d day of September, 1932.

[SEAL.] PETE B. JARMAN, Jr.,
Secretary of State.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Alabama, which was referred to the Committee on Banking and Currency:

House Joint Resolution 152

Whereas the price of corn, cotton, wheat, and other farm products has been, during the past several years, and is now, materially below the actual cost of production of said products; and

Whereas thousands of farmers in the United States obtained loans, secured by mortgages upon their homes and farms, from the Federal land banks at a time when the prices of farm products were materially higher than at the present time; and

Whereas many thousands of these farmers are now faced with foreclosure of the mortgages securing their loans and the consequent loss of their homes and farms because of conditions over which they have had no control: Now, therefore, be it

Resolved by the House of Representatives of Alabama (the Senate concurring), That we hereby memorialize and petition the Congress of the United States of America to enact such legislation at the next session of Congress as will give immediate relief to those farmers who are about to, or have already, lost their homes and farms, and to so deal with the question of farm mortgages that further foreclosures may be prevented; that lower interest rates may be provided and that, if need be, a moratorium of from three to five years be provided for on said loans in all cases in which it is reasonably made to appear that the borrower is unable to pay the installments on said loan. That the Governor of Alabama immediately upon the passage of this resolution transmit a duly authenticated copy of the same to the Speaker of the House of Representatives, the President of the United States Senate, and to each Congressman and United States Senator from Alabama.

Approved November 8, 1932.

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

I, Pete B. Jarman, jr., secretary of state of the State of Alabama, do hereby certify that the pages hereto attached, contain a true, accurate and literal copy of House Joint Resolution 152, by Snodgrass, approved November 8, 1932, as the same appears on file and of record in this office.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol, in the city of Montgomery, this 8th day of November, 1932.

[SEAL.] PETE B. JARMAN, Jr.,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Illinois, which was referred to the Committee on Education and Labor:

House Resolution 5

Whereas there exists in America at present a condition of unemployment which is unprecedented in the history of our country, and many of the millions of our patriotic and loyal citizens who are suffering from unemployment are without sufficient food, shelter, and clothing; and

Whereas the American Federation of Labor has made a comprehensive study of the problems of unemployment and has submitted a legislative program to Congress which is designed to relieve this condition: Now, therefore, be it

Resolved by the house of representatives of the fifty-seventh general assembly at the third special session thereof, That the President of the United States and the Senate and House of Representatives of the present Congress be memorialized to enact legislation in so far as reasonably possible to carry out the program designed for unemployment relief which was recently submitted to Congress by the American Federation of Labor; and be it further

Resolved, That a copy of this preamble and resolution be forwarded to the President of the Senate and the Speaker of the House of Representatives of the present Congress, and to each Senator and Representative therein from the State of Illinois.

I hereby certify the foregoing to be a true copy of a resolution adopted by the House of Representatives of the State of Illinois on the 10th day of February, A. D. 1932.

GEO. C. BLAEUER, *Clerk of the House.*

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Illinois, which was referred to the Committee on the Judiciary:

House Resolution 13

Whereas the Seventy-second Congress of the United States has convened and has many measures before it for consideration; and

Whereas among the most important of these measures are those modifying or repealing the Volstead law and granting to the several States the power and authority to determine whether they shall legalize and permit the sale of light wines and beer; and

Whereas the governor of this State has convened the general assembly in special session, mainly for the purpose of enacting legislation to relieve owners of real property of the burden of taxation and providing new sources of revenue and to provide unemployment relief and agricultural relief; and

Whereas the people of this State have already voted overwhelmingly in favor of the legalization of light wines and beer; and

Whereas if the Congress of the United States would authorize this State to legalize and tax the sale of light wines and beer, a large amount of revenue would be derived from such tax, which the people of this State would willingly pay; and

Whereas the sale and taxation of light wines and beer in this State would produce a large amount of revenue annually and relieve the burden of the owners of real property, would furnish employment to thousands of unemployed, and would provide a market for large quantities of the surplus of farm products: Now, therefore, be it

Resolved by the House of Representatives of the Fifty-seventh General Assembly of the State of Illinois, That the President and Congress of the United States be memorialized to immediately enact legislation which will permit the several States to legalize and tax the sale of light wines and beer; and be it further

Resolved, That a copy of this preamble and resolution be forwarded to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the present Congress, and to each Senator and Representative therein from the State of Illinois.

I hereby certify the foregoing to be a true copy of a resolution adopted by the House of Representatives of the State of Illinois on the 27th day of April, A. D. 1932.

GEORGE C. BLAEUER,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs:

Resolucion concurrente para solicitar del Congreso de los Estados Unidos que autorice a la Asamblea Legislativa de Puerto Rico a legislar en materia de prohibición

Por cuanto, existe ambiente favorable, tanto en Puerto Rico como en la mayoría de los estados de la Unión Americana, en favor de la derogación de la ley de prohibición en vigor, o de su alteración en forma tal que permita la libre venta de licores suaves;

Por cuanto, el Congreso de los Estados Unidos de América habrá de reunirse en su sesión corta de diciembre, y dado el ambiente existente, es factible que se adopten medidas tendientes a conseguir dicha derogación o alteración de la ley prohibicionista, y de conseguirse alguna medida aplicable a Puerto Rico, gozaría el país desde ahora de las ventajas consiguientes a la aprobación de la misma;

Por cuanto, es una necesidad imperiosa en Puerto Rico arbitrar recursos para el sostenimiento de las cargas del gobierno, sin aumentar la contribución territorial ni ninguna otra de las que en la actualidad soporta el contribuyente del país; y la derogación o alteración de dicha Ley de Prohibición traería como secuela inmediata la entrada de importantes cantidades con las cuales solventar los déficits del erario público: Por tanto

Resuelvese por la Cámara de Representantes con la concurrencia del Senado de Puerto Rico:

Primero. Solicitar del Congreso de los Estados Unidos de América la aprobación de legislación facultando a la Asamblea Legislativa de Puerto Rico para legislar libremente en materia de prohibición, de acuerdo con los mejores intereses de El Pueblo de Puerto Rico.

Segundo. Solicitar del Honorable Gobernador de Puerto Rico y del Comisionado Residente en los Estados Unidos que presten su cooperación o influencia para el éxito de los objetivos que informan esta solicitud, interesando a los líderes del Congreso en los propósitos y fines de esta resolución.

RAFAEL ALONZO TORRES,
Presidente, Cámara de Representantes.
L. SANCHEZ MORALES,
Presidente, Senado de Puerto Rico.

GOVERNMENT OF PUERTO RICO,
BUREAU OF TRANSLATIONS,
San Juan, P. R., November 15, 1932.

Herminio Padial, chief of the bureau of translations of the Legislature of Puerto Rico, hereby certifies to the Governor of Puerto Rico, and George W. Roberts, assistant chief of the said bureau, certifies to the president of the Senate and to the speaker of the House of Representatives of Puerto Rico that each of them has duly compared the English and Spanish texts of a certain act (H. C. R. 1) of the fifth special session of the Twelfth Legislature

of Puerto Rico entitled "Concurrent resolution requesting the Congress of the United States to authorize the Legislature of Puerto Rico to legislate in the matter of prohibition," and finds that the same are full, true, and correct versions of each other.

H. PADIAL,
Chief, Bureau of Translations.
GEO. W. ROBERTS,
Assistant Chief, Bureau of Translations.

[Translation]

Concurrent resolution requesting the Congress of the United States to authorize the Legislature of Puerto Rico to legislate in the matter of prohibition

Whereas in Puerto Rico as well as in the majority of the States of the American Union there is a favorable atmosphere for the repeal of the prohibition law in force or for its modification in such form as to allow the free sale of mild liquors;

Whereas the Congress of the United States of America will meet in short session in December, and given the existing atmosphere it is possible that measures will be adopted tending to obtain said repeal or modification of the prohibition law, and should a measure applicable to Puerto Rico be enacted the island would from the present moment enjoy the advantages consequent upon the approval of such measure;

Whereas it is imperiously necessary in Puerto Rico to raise means to meet government expenses without increasing the land tax or any other tax now burdening the taxpayers of the country, and the repeal or modification of said prohibition law would result in the immediate receipt of important amounts wherewith to meet the deficits of the public treasury: Now, therefore, be it

Resolved by the House of Representatives (the Senate of Puerto Rico concurring):

First. To request the Congress of the United States of America to enact legislation empowering the Legislature of Puerto Rico to legislate freely in the matter of prohibition, according to the best interests of the people of Puerto Rico.

Second. To request the Governor of Puerto Rico and the Resident Commissioner in the United States to lend their cooperation and influence to the success of the objectives informed by this resolution by interesting the leaders of Congress in the purposes and ends hereof.

RAFAEL MOUTO TORRES,
Speaker House of Representatives.
L. SANCHEZ MORALES,
President of the Senate.

The VICE PRESIDENT also laid before the Senate a petition of sundry citizens of the United States, praying for the passage of legislation to regulate production by labor-saving machinery, which was referred to the Committee on Education and Labor.

He also laid before the Senate the petition of J. C. Lang, of Minneapolis, Minn., praying for the enactment of legislation to better safeguard creditor interests under the national bankruptcy act, which was referred to the Committee on the Judiciary.

He also laid before the Senate memorials of citizens of the States of Kansas, Missouri, New York, Massachusetts, California, and Pennsylvania remonstrating against the repeal of the national prohibition amendment to the Constitution or the modification of the prohibition enforcement act so as to permit the manufacture and sale of beer and wine, which were referred to the Committee on the Judiciary.

He also laid before the Senate the petition of American Legion Post No. 43, of Patillas, P. R., praying for the repeal of the national prohibition amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted at New York City by the United Restaurant Owners' Association (Inc.), of the State of New York, praying for the modification of the prohibition enforcement act so as to permit the sale of beer and light wines, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of the city council of the city of Cambridge, Mass., favoring the enactment of legislation to legalize the manufacture and sale of beer with a 4 per cent alcoholic content, which was referred to the Committee on the Judiciary.

He also laid before the Senate the petition of the United Victims of Ginger Paralysis Association, of Oklahoma City, Okla., praying for an investigation of the sale of a pharmaceutical preparation labeled "fluid extract of ginger, U. S. P.," which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a plan for legislation to control the production and surplus of agricultural products prepared by John Vaaler, of Crosby, N. Dak., which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by the Kiwanis Club of Milwaukee, Wis., favoring the ratification of the Great Lakes-St. Lawrence seaway treaty with Canada, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a memorial of the Bar Association of Hawaii, of Honolulu, Hawaii, remonstrating against the passage of Senate bill 4311, to consolidate the Territorial and Federal courts and administration in the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a resolution adopted at Milwaukee, Wis., by the National Commandery Naval and Military Order of the Spanish-American War, favoring the making of adequate appropriations for the maintenance of the Army and Navy, which was referred to the Committee on Appropriations.

He also laid before the Senate petitions of sundry citizens and organizations of the several States praying the making of an appropriation for winter relief and immediate unemployment insurance from the Federal Government, which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of John H. Taws, of Philadelphia, Pa., praying for the regulation of motor trucks and busses and remonstrating against subsidizing water and other forms of transportation, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the Council of the Seneca Nation of Indians, held on the Allegany Indian Reservation in the State of New York, requesting copies of legislation affecting the Seneca Nation, which was referred to the Committee on Indian Affairs.

He also laid before the Senate a communication from Edward Melve, of Souderton, Pa., amending his petition praying for a congressional investigation of his claim as the first inventor of the wireless telephone, which was referred to the Committee on Patents.

He also laid before the Senate resolutions adopted at Boston, Mass., by the National Council of State Garden Club Federations, favoring the passage of legislation to establish the Everglades National Park in Florida, the Ouchita National Park in Arkansas, and to prevent injury to grazing lands and stabilize the livestock industry dependent upon public ranges, which were referred to the Committee on Public Lands and Surveys.

He also laid before the Senate the petition of Moses M. Ashley, of Long Island City, N. Y., praying for the passage of legislation imposing a tax on machinery, which was referred to the Committee on Finance.

He also laid before the Senate the memorial of Magnet Lodge, No. 227, Brotherhood of Locomotive Firemen and Enginemen, of Binghamton, N. Y., remonstrating against the curtailment of benefits accorded to war veterans, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the National Hardwood Lumber Association at Chicago, Ill., favoring the exclusion of importations from Soviet Russia, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the United Irish-American Societies of New York and the Second Oregon Volunteer Infantry Reunion Association of the Spanish-American War, of Portland, Oreg., remonstrating against the reduction or cancellation of debts due the United States from foreign countries, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted at the annual session of the Order of United Commercial Travelers of America, favoring the imposition of a manufacturers' sales tax and the enactment of legislation to provide a fund to be known as the manufacturers' relief fund to enable manufacturers to make loans for the operation of their factories and business, which were referred to the Committee on Finance.

He also laid before the Senate a plan for unemployment relief of Henry Woodhouse, of New York City, by means of

loans to States through the Reconstruction Finance Corporation, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted at Kingsburg, Calif., by the League of Municipalities of the South San Joaquin Valley, favoring economies in the operation of the National Government and the enactment of legislation to prevent disastrous fluctuations in credit, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a plan of Murray Kay, of New York City, to raise money for unemployment relief and for the reduction of the public debt, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the League of Wisconsin Municipalities, adopted at Menasha, Wis., favoring the enactment of legislation to grant cities, villages, and counties the privilege of depositing their bonds and securing currency so as to reduce the interest payments on their public debt, which was referred to the Committee on Banking and Currency.

He also laid before the Senate the petition of Mrs. E. Nordlander, of Chicago, Ill., praying for relief from foreclosure of mortgage and the sale of her home for taxes, which was referred to the Committee on Banking and Currency.

He also laid before the Senate petitions of the Ada (Ohio) branch of the American Association of University Women and the Synod of the Reformed Presbyterian Church of North America, of Greeley, Colo., praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted at French Lick, Ind., by the Grain and Feed Dealers National Association favoring an investigation of the activities of the Federal Farm Board and the methods of trading in grain on exchanges, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Dan Colello Association (Inc.), of Jersey City, N. J., favoring the reelection of Herbert Hoover and Charles Curtis as President and Vice President, respectively, of the United States, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Invincible Club, of New York State, favoring the reelection of Herbert Hoover and Charles Curtis as President and Vice President, respectively, of the United States, which was ordered to lie on the table.

He also laid before the Senate a resolution of condolence on the death of Hon. Wesley L. Jones, late a Senator from the State of Washington, adopted by the Women's King County Republican Club, of Seattle, Wash., which was ordered to lie on the table.

He also laid before the Senate a telegram from the national secretary of the John Reed Clubs of the United States and the chairman of a mass meeting of workers in the Bronx, respectively, of New York City, favoring the reception in Washington without molestation of the so-called hunger marchers, which was ordered to lie on the table.

He also laid before the Senate memorials of sundry citizens of the United States remonstrating against the enactment of legislation providing for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

He also laid before the Senate a letter from the Secretary of War, transmitting a resolution adopted by the Planters Association of Barotac-Dumangas (Inc.), Barotac Nuevo, Iloilo, P. I., protesting against the passage of legislation restricting the free entry of Philippine products into the United States, which, with the accompanying resolution, was ordered to lie on the table.

He also laid before the Senate resolutions of the municipal government of Burgos, Province of Ilocos Norte, P. I., and the legislative commission from the Philippines in the United States, favoring the immediate independence of the Philippines, which were ordered to lie on the table.

He also laid before the Senate a cablegram from Emilio Aguinaldo, president of the Philippine Veterans' Association, of Manila, P. I., relative to relations to be maintained between the Governments of the United States and the Philippine Islands during the period prior to complete independence, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted at San Francisco, Calif., by the Northern Baptist Convention, favoring the Federal supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

Mr. WALCOTT presented the petition of Frank W. Gray, pastor, and sundry members of the Methodist Episcopal Church of East Hartford, Conn., praying for the passage of House Joint Resolution 320, proposing a constitutional amendment to prohibit sectarian appropriations, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Women's Society of the First Baptist Church, of Bristol, Conn., protesting against the passage of legislation to legalize any form of intoxicating liquors, and favoring the retention and strict enforcement of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented a memorial of members of the Methodist Episcopal Church, of South Manchester, Conn., remonstrating against the passage of legislation to repeal or modify the Volstead Act and the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Women's Home Missionary Society of the Methodist Church, of Milford, Conn., favoring the passage of legislation for the Federal supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented resolutions adopted by the Washington Park Auxiliary of the Woman's Home Missionary Society, of Bridgeport; the Woman's Home Missionary Society of the Methodist Church, of Milford; and the New England Regional Conference of the National Council of Jewish Women, of Hartford, all in the State of Connecticut, favoring the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of the following American Legion Auxiliary units: Taftville, No. 104, Taftville; Seicheprey, No. 2, Bristol; Gensi-Viola, No. 36, Windsor Locks; Milford, No. 34, Milford; Treadway-Cavanaugh, No. 64, East Hampton; Coyle Post, No. 1, Waterbury; Robert O. Fletcher, No. 4, Norwich; William H. Gordon, Ansonia; Woodstock, No. 111, Woodstock; Meriden, No. 45, Meriden; Dilworth-Cornell, No. 102, Manchester; Ernest Godreau, No. 91, Moosup; Westbrook unit, Westbrook; Lamson-O'Donnel, No. 46, Goshen; Gray-Dickinson, No. 59, Windsor; Morgan-Weir Post, No. 27, Litchfield; Eddy-Glover, No. 6, New Britain; YD Unit, No. 130, New Haven; Carlson-Sjovall, No. 105, Cromwell; Harry G. Faulk, No. 113, Old Saybrook; Ezra Woods, No. 31, New Milford; Brown-Landers, No. 77, East Hartford; Stanley Dobasz, Rockville; Emil Senger, No. 10, Seymour; Robert A. LaPlace, No. 18, Essex, second and fourth districts, all in the State of Connecticut, praying for the passage of House bill 4633, the so-called widows' and orphans' pension bill, which were referred to the Committee on Pensions.

Mr. COPELAND. Mr. President, I have here memorials, largely from the church people of my State, which have been given me by Mrs. D. Leigh Colvin, president of the New York Woman's Christian Temperance Union. She has classified them. I find that there are 48,653 signatures, representing every county in my State; and I ask that they be referred to the Committee on the Judiciary.

The VICE PRESIDENT. The petitions will be received and so referred.

The memorials above referred to, numerously signed by sundry citizens of the State of New York (presented by Mr. COPELAND), remonstrating against the passage of legislation legalizing alcoholic liquors stronger than one-half of 1 per cent, were referred to the Committee on the Judiciary.

Mr. COPELAND also presented the memorial of E. J. Ruliffson and sundry other citizens of Mayfield, N. Y., remonstrating against the repeal or resubmission of the

eighteenth amendment of the Constitution or the passage of any legislation weakening its enforcement, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Utica, N. Y., praying for the adoption of the so-called "stop alien representation" amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by Copake Grange, No. 935, Patrons of Husbandry, of Copake, N. Y., praying for the passage of legislation effecting a moratorium on all farm mortgages for the next three years, which were referred to the Committee on Banking and Currency.

He also presented petitions of sundry church missionary societies in the State of New York, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of sundry church missionary societies in the State of New York, praying for the Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

AGRICULTURAL RELIEF

Mr. COPELAND. Mr. President, I have a letter from the Corn Exchange of Buffalo, N. Y., inclosing a statement issued by authority of that organization in opposition to the so-called allotment plan. This is so well written that I ask that it be printed in the RECORD and then referred to the Committee on Agriculture and Forestry.

There being no objection, the letter and statement were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

BUFFALO, N. Y., *December 5, 1932.*

Hon. ROYAL S. COPELAND,
Senate Office Building, Washington, D. C.

DEAR SENATOR COPELAND: We inclose herewith copy of statement issued by the undersigned organization in opposition to the Hope bill, H. R. 12918; also Norbeck bill, S. 4985, companion measures offered as a relief to agriculture, and styled "Voluntary Domestic Allotment Plan."

The above measures were introduced during the closing days of the last session of Congress and it is expected will be brought forward for consideration at the present session.

In view of the wide publicity given to the question of farm relief legislation as proposed in the measures referred to, it is possible that entirely new measures, by either the same or different sponsors, may be introduced.

Our objections are aimed against the unsoundness and impracticability of the basic principles involved in the voluntary domestic allotment plan or to any other governmental activity through any means whatsoever seeking to regulate, stabilize, or fix the price of commodities or to artificially control production.

We urge your most careful analysis of the particular bills referred to, as well as any new measures that may be introduced along these lines.

Very respectfully yours,

THE CORN EXCHANGE OF BUFFALO.
FRED E. POND, *Secretary.*

[Inclosure]

STATEMENT ISSUED BY AUTHORITY OF THE BOARD OF DIRECTORS OF THE BUFFALO CORN EXCHANGE, BUFFALO, N. Y., OPPOSING NORBECK BILL, S. 4985, AND HOPE BILL, H. R. 12918

The Corn Exchange of Buffalo is opposed to legislation of the nature of the voluntary domestic allotment plan as proposed in Norbeck bill, S. 4985, and Hope bill, H. R. 12918, or to any suggested governmental activity setting forth principles of similar character.

Briefly, the voluntary domestic allotment plan proposes to establish a tariff (tax against the American consumer) effective on farm products of which there is an exportable surplus.

It is a proposed legislative effort to stabilize the price of agricultural commodities—wheat, cotton, etc.—at or near the pre-war exchange value for farm products.

The plan, to become operative, must be requested by at least 60 per cent of the producers of any farm product of which there is an exportable surplus. Whereupon the Federal Government agrees to collect from the processors—flour millers, packers, etc.—through an excise tax, to be ultimately charged against the cost of commodities, for the amount of the tariff on all of the products processed for domestic human consumption.

The tax thus collected, less Government cost of administration, would be allotted to and paid each year to the producers, parties to the agreement, in the proportion of the average production of each participating producer, based on the preceding five years' yield.

The conditions under which the producer is to participate in this allotment (Government bounty) is that he shall sign a contract with the Government, at the beginning of each allotment year, wherein he agrees to such horizontal reduction in his production, in acres to be planted or pounds of livestock to be marketed, as shall be dictated by the Federal administrative agency.

The plan proposes Federal legislation to stabilize the price of agricultural commodities through reduced production by offering an incentive therefor through the medium of money compensation in the form of special taxation against the body politic.

We submit the following objections to the voluntary domestic allotment plan with the view of attracting congressional attention to these proposals, the careful perusal of which instantly portrays the unsound and theoretical premise upon which they are based. A careful reading of the proposed measures will, we believe, expose the impracticability of the principles set forth:

First. The fundamentals of the proposed plan do not savor of the principles of legislation as bespeaks the high dignity and sound judgment of our Government in seeking to protect the interests of all of the people without special favor to preferred classes.

Second. It is contrary to the principles of the United States Constitution which grants power only to "lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States." This plan of taxation would necessarily be a special tax for the benefit of a limited group of producers, or a series of special taxes for special preferred groups.

Third. The voluntary domestic allotment plan represents the payment of a Government bounty in the form of special taxation against the consumer through increased cost of commodities, to be contributed (less Government expense of operation) to special classes of producers to curtail production in order to avoid price depressing surpluses, thereby attempting to create a basis for price stimulation. It is offering gratuity to the producer to render aid to himself, whereas the means of relief from depressed conditions is within his power, right, and duty to render to himself through the exercise of his will and agencies at his own command.

Fourth. It is a proposal to artificially accomplish the results which would naturally attain from the normal application of the economics of demand and supply. It is impractical in that it offers no sound fundamental basis upon which to develop and maintain a permanent structure for the growth, control, and disposition of commodities.

Fifth. The plan creates a stimulus to develop new fields for agricultural production in order that the producer may qualify as a recipient of the cash bounty at the expense of the consumer. This stimulates production and defeats the purpose of the project.

Sixth. The proposals are a verification of the fallacies of the United States agricultural marketing act of 1929 as an aid to the American farmer in the attempt of the United States Government to stabilize prices of agricultural products in contravention of the operation of the law of supply and demand. This proposed legislation is an offer of the Government to legislate a bounty to be paid to the producer in the form of a special tax assessed against the American taxpayer provided the producer will reduce his acreage planted to farm products according to specific limitations ordered by the Government.

Seventh. Basically, the enactment of the voluntary domestic allotment plan would not be legislation—it would constitute an agreement or an arrangement between the United States Government and a limited portion of its receptive-minded citizens engaged in agriculture whereby the Federal Government assumes the initiative in setting up a special tax against the American householder; becomes the tax-collection agency against all of its people; and remits the proceeds of the tax to the selected few producers who agree to minimize their agricultural activities under Government dictation and regulation.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AUSTIN:

A bill (S. 5059) to extend the time for completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt.; to the Committee on Commerce.

By Mr. COHEN:

A bill (S. 5060) granting a pension to Clarence Allen; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 5061) granting an increase of pension to Elizabeth Burrell (with accompanying papers);

A bill (S. 5062) granting an increase of pension to George Neill (with accompanying papers);

A bill (S. 5063) granting an increase of pension to Susie D. Hanscome (with accompanying papers);

A bill (S. 5064) granting an increase of pension to Margaret Thompson (with accompanying papers);

A bill (S. 5065) granting an increase of pension to Charlotte W. Stevens (with accompanying papers);

A bill (S. 5066) granting an increase of pension to Clara A. Colby (with accompanying papers);

A bill (S. 5067) granting a pension to Angie L. Moulton (with accompanying papers); and

A bill (S. 5068) granting a pension to Alice L. Preston (with accompanying papers); to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 5069) granting a pension to Richard R. Denton (with accompanying papers);

A bill (S. 5070) granting an increase of pension to Margaret Jane Loar (with accompanying papers);

A bill (S. 5071) granting an increase of pension to Polly Fuller (with accompanying papers); and

A bill (S. 5072) granting an increase of pension to Lucy Montgomery (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 5073) providing for a mine rescue station in Arizona; to the Committee on Mines and Mining.

By Mr. KEYES:

A bill (S. 5074) for the refund of customs duty paid by Salvatore Lascari on an importation of mosaic paintings for the Moody Currier Art Gallery in Manchester, N. H.; to the Committee on Finance.

By Mr. HASTINGS (for Mr. HEBERT):

A bill (S. 5075) to provide protection by registration of designs for textiles and other materials; to the Committee on Patents.

By Mr. WHEELER:

A bill (S. 5077) to extend the time of payment of certain loans made to farmers by the Secretary of Agriculture; to the Committee on Agriculture and Forestry.

By Mr. WALSH of Massachusetts:

A bill (S. 5078) granting an increase of pension to Lucy J. Whipple (with accompanying papers); to the Committee on Pensions.

By Mr. DALE:

A bill (S. 5079) granting an increase of pension to Sarah E. Harran (with accompanying papers);

A bill (S. 5080) granting an increase of pension to Eola E. Manley (with accompanying papers); and

A bill (S. 5081) granting an increase of pension to Eliza C. Lower (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 5082) for the relief of the Community Investment Co. (Inc.); to the Committee on Claims.

A bill (S. 5083) for the relief of Wilson G. Bingham; to the Committee on Finance.

A bill (S. 5084) granting a pension to Edward E. Harding; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 5085) for the relief of Leslie Jensen; to the Committee on Claims.

FEDERAL HOME-LOAN BANKS

Mr. BORAH. Mr. President, I desire to introduce a bill, and I ask permission of the Senate to make a brief statement with regard to it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator is recognized.

Mr. BORAH. Mr. President, this is a bill to repeal an act to create the Federal home-loan bank, excepting therefrom section 29.

I introduce this bill with the sincere desire to bring this matter to the immediate attention of the Congress.

In my opinion the act has proven, and will continue to prove, wholly unsatisfactory. It is not reaching and, in my judgment, will not reach the home owner or those who are really in need of assistance, those who should have help if the Government is going to enter into the matter at all.

During the discussion of this matter the question was brought up as to whether it would reach the home owner and prove of any real benefit to him.

I read briefly from the CONGRESSIONAL RECORD, reporting the debates upon this bill when it was being considered in the Senate:

> Mr. BORAH. I suppose the thing in which we are all interested is having a bill which will reach the home owner. * * * The gentleman appearing before the committee from whom the Senator from Michigan [Mr. COUZENS] read, Mr. Adams, says this bill does not comply with the President's idea and that it will not benefit the small home owner. To my mind, we ought to stop right here and settle that question. If there is a way to reach the small home owner and to know we are going to reach him, above all things in the world, we want to know that fact.

As the result of that discussion, in which a number of Senators took part, the Senator from Michigan [Mr. COUZENS] proposed an amendment to the bill which it was thought would give it some real beneficial effect in that respect; but the manner in which it is being administered, the rules which have been adopted, and the observations which I have been able to make, convince me that the law must be either repealed or drastically amended. My own judgment is that it can not be amended so as to be effective; but I have introduced the bill for repeal, desirous of bringing both propositions to the consideration of Congress.

I desire to read here a circular which has been issued by the Home Loan Bank of Portland. In this circular it is said:

> Those desiring first-mortgage loans on homes should first call the building and loan associations, savings and loan associations, agents of insurance companies, or other mortgage-lending institutions in their localities. Where such eligible institutions require additional funds to lend on first mortgages, they may obtain it by joining the Federal home-loan bank system. In States where the laws do not permit otherwise eligible institutions to purchase stock and join the system steps are being taken to amend the laws at approaching legislative sessions.
>
> There may be a minor exception to the above statement—

This refers to the Couzens amendment—

> but its extent is not yet determined. An amendment was included in the law to make sure that home owners are served by the member institutions. Under this clause the Home Loan Bank of Portland may consider direct applications for home loans from individuals, if the existing home-lending agencies do not meet legitimate needs. A policy on that point will be established after the eligible institutions have first had an opportunity to serve. It is now known, however, that if the bank eventually makes any such loans, they will be limited to 40 per cent of the fair appraisal on homes occupied by the owner who can show his ability to make regular payments.

I feel very certain, Mr. President, that we are going to build up a tremendous institution at very great expense to the Government without any real benefit to the home owners and home builders in the United States.

The VICE PRESIDENT. The bill will be received and properly referred.

The bill (S. 5076) to repeal "An act to create Federal home loan banks, to provide for the supervision thereof, and for other purposes," approved July 22, 1932, was read twice by its title and referred to the Committee on Banking and Currency.

Mr. COPELAND. Mr. President, I ask unanimous consent, because I know it will be out of order otherwise, to say a word in reply to what the Senator from Idaho has said.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. COPELAND. Mr. President, as one who has long been in favor of this home-loan bank plan, I recognize with regret that the law has accomplished very little, if anything, up to this moment.

There were those of us who took part in the debate who pointed out the unwisdom, if I may use that word, of having national banks participate in the benefits of this act, or of having national bankers share in its operations. The matter of home loans of necessity involves a long-term amortized mortgage. The whole theory of such loans is obnoxious to the national banker.

I think the President of the United States made a great mistake in his organization of the Home Loan Bank board of directors. He placed upon this board two national bankers. He made a national banker the chairman of the board. There has not been that anxiety that there should have been on the part of the building and loan associations to cooperate because of their disappointment over the personnel of the board.

I could say even more than that, but I do not want to be disagreeable. I simply hint at the possibility that the chairman of the board has been too active in the last few months in other enterprises than in this particular one.

Mr. President, in my opinion, this system has in it the possibility of great use to the country. I think it would be a mistake for us now to repeal this law. We should give the building and loan associations an opportunity to demonstrate their support of the plan. They should be given an opportunity to demonstrate the possibility of good in the measure. They have not had that as yet.

Further, as was pointed out in the debate here, there are many States, including my own State, under whose laws it is not possible for the building and loan associations to participate. Effort is being made by building and loan associations in New York State to have the New York State law amended so that they can participate. That is true of many other States of the Union.

Before these associations have had an opportunity to show their real attitude toward this measure, until the organization itself has had an opportunity untrammeled by the particular personnel in charge, it would seem to me a very wrong thing for us to take a back step now. I sympathize in many ways with what the Senator from Idaho has said, realizing that there are individuals who need to have a place where they can go for funds. Yet I do think it would be a great mistake for us now, before we have given the law a chance to show its value, to repeal it; and I hope that will not be done.

Mr. KING. Mr. President, I would like to ask the Senator from New York if the primary reason why many of these building and loan associations have not sought to cooperate with the Federal organization is because the latter, exercising some proper sagacity and a desire to protect the Treasury of the United States, refused to permit them to unload upon the parent organization much of the rubbish, frozen assets, and poor loans which were made and held by some of these organizations?

Mr. COPELAND. Mr. President, I am very happy to answer that, and I think I can answer it. Building and loan associations have not unloaded, if for no other reason than because the organization has not had any money. It is only within the last few days that they have been prepared to make loans. Certainly, so far as the bank in my district, located at Newark, N. J., is concerned, it is only within the last few days that they have been ready to do business. So, of course, nothing has been "unloaded" upon that board, whether the securities were good or bad.

Mr. DILL. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DILL. I want to ask the Senator whether he does not think, in light of the experience we have had, that had we retained the amendment whereby $400,000,000 would have been available to the home owners of this country, we really would have done much more service than we have done by the present plan?

Mr. COPELAND. Frankly, up to this moment I would say yes; there would have been greater benefit from the Couzens plan than by the other plan. But had the other plan been put into effect promptly, as we had a right to believe it would be, it would have been infinitely better than the Couzens plan.

Mr. DILL. I want to say to the Senator that it is impossible to put the present plan into effect in his own State or in the State of Washington. Had we kept the Couzens amendment, this law would have been in operation and the home-loan banks could have loaned money to home owners; but reconsideration by the Senate, and the taking out of that $400,000,000 provision embodied in the amendment of the Senator from Michigan, absolutely destroyed the usefulness of this legislation, so far as the emergency up to this time has been concerned.

Mr. COPELAND. Mr. President, let me say to the Senator from Washington that at the present time loans can be had from the Reconstruction Finance Corporation to do the thing about which the Senator speaks.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Florida?

Mr. COPELAND. I yield.

Mr. FLETCHER. Can the Senator give us an idea about how much time ought to be required for this board to organize and get to work? They have had six months. For six months now the board has been incurring expense, with all its bureau personnel, and that sort of thing, and up to this time nothing has been accomplished for the benefit of the home owner. How much more time does the Senator expect it will take the board to begin operation at all? We have been told that the home owners are being benefited, homes are being saved in foreclosure, and all that sort of thing; but not a single loan has been made, though six months have elapsed. How much more time is needed?

Mr. COPELAND. Mr. President, I want to answer the Senator; and in order to do so and make my answer truly responsive, I must say what I did not want to say. I do not want the word "politics" to enter into the discussion of any measure we may have before us this winter. In my opinion, the condition of this country is such that, whether a man is a Republican or a Democrat or a Prohibitionist, or whatever he may be, he ought to be on his knees every day praying to Almighty God that the Democratic Party, coming into power, shall succeed. I am confident it will succeed. But if it does not, and if we have a year or two of continuing and even greater depression, no man knows what will happen to the United States Government, and every man here knows that that statement is the exact truth.

I did not want to have the word "politics" enter into this matter, but the fact is the President of the United States appointed a man as chairman of this board who is most widely known as a politician. He has spent much of his time during these weeks, when the board ought to have been operating, in working for the election of his ticket. That is what has happened. This board has not had a fair chance, because its "lame-duck" chairman has been devoting his time and thought to other matters, rather than the interests of this great enterprise, which has in it so much of human significance.

I did not want to say that, and I tried to avoid saying it. But simple justice demands that the country should know that this board has not had its opportunity. It would be outrageous for us, as I see it, to think of repealing the law before the men who are on the board in lesser position and of lesser political influence shall have an opportunity to see whether it can not be made the useful agent for good which we anticipated.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. COUZENS. I do not want to have the Senator charge all the responsibility upon the president of the board. Yet I make no defense of him, because I know he was campaigning when he ought to have been running his job.

Mr. COPELAND. Pardon me; I am not talking about the President of the United States.

Mr. COUZENS. I know that.

Mr. COPELAND. I am talking about the president of the Home Loan Bank Board.

Mr. COUZENS. I understand. I say that the chairman of the board was campaigning when he ought to have been attending to the job for which he was being paid. But I do not want the responsibility all to fall upon him. An analysis of the careers of the other members of the board, and their associations and activities prior to the passage of the act, ought to have indicated to the Senator that the responsibility was upon the whole board, and not upon one member of the board.

Mr. COPELAND. I realize there may be some truth in what the Senator says. Nevertheless, the chairman of the board is the general of the army. If there had been at the head of this board a building and loan man who had just one thought, namely, the success of this home-loan bank, and the carrying out of the ideals of the building and loan

associations of this country, I think there would have been a different picture to-day. I grant that the picture is not a pleasant one at the present time. But at last the board has organized, they have opened the banks, at least the one in my district has been opened, and they have some money and will begin to make loans.

Mr. COUZENS. Mr. President, will the Senator yield again?

Mr. COPELAND. I yield.

Mr. COUZENS. I think the Senator is quite correct with respect to the board making some new loan to some home owner who has no mortgage on his property now, but I want to say that there is not a chance in a million to make any loan under the existing law to the home owner whose mortgage is in default, or about to become in default, and I defy the Senator to point out one paragraph in the act which would permit the accomplishment of that very desirable end.

Mr. COPELAND. Mr. President, we went all through that debate at the time the bill was before the Senate. But I am here to say now that, in my opinion, if this board will function, if it will put into practical application what the law provides, loans will be made and homes will be saved. Certainly, that is a very necessary thing, even more necessary now than it was when we debated the bill a few months ago.

Mr. GLASS. Mr. President, with the permission of the Senate, I merely want to say that, being a member of the Committee on Banking and Currency, I do not want altogether to prejudge the proposition presented by the distinguished Senator from Idaho [Mr. BORAH]; but I do want to call attention to the fact that the Senate was impressed with the idea that insurance companies, mortgage companies, banks, and real-estate associations, and all of the organizations eligible under the text of the law were standing ready and eager to run over one another to subscribe to the stock of this home-loan bank. As a matter of fact, the subscriptions were of such a meager nature that they have not enough in subscriptions, let alone in payments, to establish as many as 2 of the 12 banks. To my mind, unless I may be convinced to the contrary, that alone shows the fallacy and the folly of enacting this law. I voted against it; and unless somebody gives me some cogent reason for doing otherwise, I shall vote to repeal it.

I resent the assumption that no one in public life is a business man, or capable of conducting business organizations. Mr. Fort is a business man, a man of exceptional intelligence. His only dereliction in that respect was the supposition that he might reelect the President. But he is a business man, and a successful business man; and he is just as capable, in my judgment, of conducting the affairs of this innocuous institution as mostly any other man would be. I do not think any man is capable of making a success of it.

FURLOUGH OF FEDERAL EMPLOYEES

Mr. ROBINSON of Indiana. Mr. President, I ask unanimous consent to have inserted in the RECORD a resolution adopted by the Pittsburgh Central Labor Union protesting against the continuance of the furlough provision in the economy law.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

PITTSBURGH CENTRAL LABOR UNION,
Pittsburgh, Pa., December 1, 1932.

The Hon. ARTHUR R. ROBINSON,
Washington, D. C.

DEAR SENATOR: At a meeting of the Pittsburgh Central Labor Union, held at Pittsburgh, Pa., on December 1, 1932, the following resolution was adopted:

"Whereas the average salary of Federal employees is approximately $1,440 per year, it is undeniable that this salary is earned and that its total expenditure is required to even approach the American standard of life. It all goes back into trade to keep the wheels of industry in motion. Under the guise of balancing the Budget, an attempt, which failed in the House, was made in the last session of Congress to reduce this meager average allowance. It was actually accomplished later by the enactment of the furlough provision in the economy law, which reduced earnings by one-twelfth. This roundabout method was defended on the ground that it was not a salary reduction. Wage standards were preserved by this process, it was asserted. Moreover, the fact that it was merely an emergency law and limited to one year was strongly stressed. We protested, at that time, against this policy of unbalancing the budgets of 700,000 American families. Anticipating its blighting effect on general business and the inevitable diminished returns in Federal taxation, we predicted that this un-American procedure would not add one cent to our National Treasury. Our claims have, so far, been proved by its operation; and

"Whereas persistent efforts, backed by powerful interests, are now urging an extension of the furlough law through the fiscal year 1934, which clearly indicates piecemeal permanence, we again enter our solemn protest against wage slashing on the part of the Government, a policy which has never been resorted to in the past. It will sound the alarm in trumpet tones to the Nation that the economic depression is permanent, with the undoubted result that employers in private industry will still further reduce wages; and

"Whereas this policy, if pursued by those in charge of legislation, will lead to a diminished volume of general business, a sharp descent in commodity-price levels, and a restriction in consumption all along the line, this would prove a fatal blow aimed at returning confidence and mounting purchasing power. It would retard progress and, instead of hastening the return to prosperity, would sink us deeper into the slough of despondency and still further depress the depression: Therefore be it

"*Resolved*, That we earnestly request that you put forth your best efforts to prevent a continuance of the furlough provision in the economy law beyond the present fiscal year, thus sending out to the country a note of hope instead of one of despair."

Sincerely,

P. T. FAGAN, *President.*
P. J. MCGRATH, *Secretary.*

BLANKETING OF EMPLOYEES INTO THE CIVIL SERVICE

Mr. MCKELLAR. Mr. President, I have in my hand correspondence between myself and the chairman of the Civil Service Commission in reference to blanketing certain employees into the civil service, and I desire to have the correspondence printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NOVEMBER 25, 1932.

Hon. THOMAS E. CAMPBELL,
Civil Service Commission, Washington, D. C.

MY DEAR MR. CHAIRMAN: I have been informed that numerous bodies of men have recently been blanketed into the service by Executive order upon recommendation of the commission. One of these bodies that has been blanketed in are officers of soldiers' homes, and I have in mind one who is 70 years old, and I understand that in attempting to get around the age limit he was obliged to pay back dues since 1920.

If this has been done, it is a patent fraud on the part of the Civil Service Commission. Surely, the commission has not done anything like this; but in order to be sure, I want to get some information about it.

I want to know what officers of soldiers' homes—in particular the one at Johnson City, Tenn.—have been blanketed into the service, say, within the last two years or thereabouts.

I want to know what particular bodies of men in the employ of the Government have been blanketed in the service within the last two years. I know you have the figures, and I would like for you to give me all the facts with the dates of Executive orders blanketing these various bodies into the service, if such have been put in by Executive order.

I want also to have figures as to the number of persons put in the service by Executive order in the present administration and in the past four previous administrations.

Also, what, if any, persons are now contemplating being blanketed into the service.

It is hardly believable that the civil service can be used by its own officers for partisan purposes, and if it is being so used it ought to be abolished.

Kindly give me the facts.

Very sincerely yours,

KENNETH MCKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., November 29, 1932.

Senator KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: Reference is made to your letter of November 25, 1932, with respect to the inclusion of excepted employees within the classified civil service by Executive order.

The first problem presented by your letter has to do with the effect of such inclusions on evasions of the retirement act in the case of employees of the National Homes for Disabled Volunteer Soldiers.

The employees of these homes were made subject to the retirement act, not by Executive order but by an amendment to the retirement act passed by Congress on May 29, 1930.

Your second question has to do with the employees of soldiers' homes covered into the classified civil service. It should be said

in passing that the Executive order classifying the employees of these homes was in conformity with the act of Congress which consolidated the Veterans' Bureau, the Pension Office, and the National Homes for Disabled Volunteer Soldiers into the Veterans' Administration.

Table 1, herewith attached, gives the names, positions, salaries, dates of birth, and dates of appointment of all employees of the home at Johnson City, Tenn., brought into the classified service on July 1, 1931, under the Executive order of April 23, 1931.

Similar lists are available and can be typed for all employees in all of the other homes. These lists will be furnished if desired.

In Table 2 there is furnished the number of such employees in all of the homes on July 1, 1931.

In response to the third request in your letter there is furnished as Table 3, attached herewith, a list showing the groups of employees brought into the classified civil service by Executive order since July 1, 1930, giving the date of the Executive order, the department affected, type of group, and the number of employees involved.

In response to the fourth request in your letter there are furnished herewith Tables 4 and 5.

Table 4 shows, by years, the number of individual persons excepted from the requirements of the civil-service rules by special Executive orders and shows the names of the Presidents issuing the orders.

Table 5 shows the total number of persons blanketed into the classified civil service by the last four Presidents. These figures include individual Executive orders as well as blanket orders.

In response to the last request in your letter having to do with contemplated inclusions within the classified service by the Chief Executive, the commission is not aware that any specific persons or groups of persons are about to be included within the classified service. It has, however, for years recommended the classification of different groups of positions, believing that the inclusion of such groups of positions within the classified service to be in the interest of good administration.

In the commission's annual report for the fiscal year 1932 it recommended that the following positions be included within the classified service:

Postmasters at first, second, and third class offices.
Collectors and deputy collectors of internal revenue.
Collectors of customs.
Marshals and deputy marshals.
Attorneys of all grades.
All positions in the United States Employment Service.
Positions under the government of the District of Columbia.

I will be very happy to furnish any additional information which will be of service.

Sincerely yours,

THOMAS E. CAMPBELL, *President.*

TABLE 1.—*Employees, Veterans' Administration Home (formerly National Home for Disabled Volunteer Soldiers), Johnson City, Tenn., brought into the competitive classified service on July 1, 1931, under Executive order of April 23, 1931*

Name	Designation	Salary	Date of birth	Date of appointment
Abercrombie, Austin C	Clerk	$1,740	Oct. 23, 1896	Mar. 14, 1921
Alderson, Tom F	Stenographer	([1] $1,020) 1,440	July 16, 1893	Feb. 16, 1931
Alexander, Ray	Chauffeur	([1] 900) 1,320	Feb. 15, 1904	Jan. 24, 1923
Anderson, Robert C	Physician	3,800	Oct. 9, 1906	Aug. 1, 1930
Arnold, Caroline	Nurse	([1] 1,680) 2,100	Oct. 14, 1885	Oct. 13, 1922
Barrett, Daisy S	Aide (O. T.)	([1] 1,380) 1,800	Oct. 31, 1886	Mar. 1, 1931
Baurelle, Mrs. Maude F	Nurse	([1] 1,500) 1,920	Jan. 5, 1889	Nov. 5, 1925
Beacham, Mrs. Tiny D	do	([1] 1,320) 1,740	Sept. 20, 1888	Mar. 31, 1928
Beasley, Neill A	General mechanic (electrical)	1,980	June 24, 1888	July 1, 1910
Blevins, Hugh W	Mechanic's helper (painter)	1,320	Dec. 3, 1888	Feb. 13, 1923
Bomar, Mrs. Sarah D	Dietitian	([1] 1,500) 1,920	Nov. 14, 1893	June 16, 1926
Bosbury, Albert E	General mechanic (tinsmith)	1,980	Nov. 8, 1870	July 9, 1917
Bowman, Bruce	Fireman	1,500	Oct. 16, 1893	Feb. 10, 1926
Bragg, Mrs. Mayme M	Nurse	([1] 1,380) 1,800	Mar. 11, 1898	Oct. 1, 1927
Brice, Margaret L	do	([1] 1,440) 1,860	Oct. 4, 1876	May 1, 1927
Brice, Miss Nolie J	do	([1] 1,380) 1,800	July 26, 1885	Oct. 5, 1929
Britton, James N	Engineer	([2] 1,860) 1,980	Mar. 3, 1868	Feb. 1, 1904
Brookshire, Myrtle	Nurse	([1] 1,380) 1,800	Nov. 1, 1892	Sept. 7, 1928
Brumit, Philip I	Supply officer	([3] 3,110) 3,800	Feb. 2, 1876	Apr. 1, 1923
Bryant, Dr. Alexander J	Physician	([3] 3,510) 4,200	Jan. 19, 1884	May 1, 1927
Buchanan, Anita	Nurse	([1] 1,380) 1,800	Mar. 20, 1903	July 15, 1929
Burleson, Orville B	Guard	([1] 900) 1,320	May 8, 1895	July 8, 1921
Callicotte, Mrs. Mary	Nurse	([1] 1,440) 1,860	Mar. 16, 1880	Nov. 28, 1927
Carpenter, Dr. John D	Physician	([3] 3,960) 4,200	Mar. 29, 1880	Dec. 1, 1921
Cash, Mrs. Marie Rhodes	Nurse	([1] 1,860) 2,400	Sept. 23, 1887	Jan. 1, 1928
Collier, Mae	Stenographer	([1] 1,380) 1,800	May 24, 1899	Nov. 1, 1920
Cornett, Mrs. Anna L	Nurse	([1] 1,380) 1,800	Dec. 25, 1892	Mar. 9, 1928
Covington, Mary B	do	([1] 1,440) 1,860	Oct. 26, 1880	Feb. 20, 1921
Crowley, Miss Horacetine W	do	([1] 1,500) 1,920	Dec. 10, 1878	Oct. 16, 1926
Cupp, Dr. Horace B	Physician	3,800	Sept. 19, 1903	Feb. 1, 1930
Daniels, Mrs. Margaret C	Librarian	1,800	Oct. 1, 1861	Nov. 5, 1914
Davis, William F	Mechanical engineer	([2] 2,980) 3,400	Sept. 8, 1872	Oct. 14, 1903
Dinsmore, William E	Gardener	([2] 1,680) 2,100	July 13, 1870	July 1, 1910
Dodson, Esther A	Nurse	([1] 1,380) 1,800	Oct. 14, 1878	Mar. 13, 1928
Donnelly, James C	Administrative officer	([3] 3,310) 4,000	Dec. 23, 1877	Mar. 20, 1912
Dugger, Mary B	Nurse	([1] 1,380) 1,800	Feb. 9, 1891	Sept. 15, 1930
Dunn, Clinton C	Fireman	1,500	Apr. 10, 1895	June 8, 1912
Edwards, Mary L. (formerly Mrs. Hawkins)	Nurse	([1] 1,380) 1,800	July 17, 1892	June 1, 1929
Elliott, Arthur T	Clerk	1,200	Mar. 28, 1894	Aug. 25, 1930
Esteppe, Velma J	do	1,800	May 5, 1904	Aug. 16, 1922
Finegan, Dr. James F	Physician	([3] 3,500) 3,800	June 9, 1905	July 16, 1929
Fisher, Raymond W	Musician	([2] 1,200) 1,560	Sept. 13, 1892	May 1, 1914
France, Chester W	General mechanic (painter)	1,800	Oct. 24, 1890	Jan. 23, 1922
Fox, Thomas B	Clerk	1,620	Feb. 5, 1894	Mar. 1, 1924
Francis, Charles E	Fireman	1,560	Aug. 11, 1892	Sept. 26, 1922
Freeman, Leona I	Nurse	([1] 1,440) 1,860	Nov. 28, 1883	Aug. 11, 1927
Frost, Ethel V	do	([1] 1,380) 1,800	Oct. 29, 1885	Feb. 1, 1930
Fussell, Dr. George E	Dentist	5600	May 31, 1892	Mar. 1, 1930
Gallimore, Henry H	Fireman	1620	June 10, 1896	Jan. 1, 1912
Gargani, Fred	Bandmaster	([1] 1580) 2000	Sept. 18, 1893	Aug. 16, 1921
Gaulding, Mrs. Maude F	Nurse	([1] 1380) 1800	Apr. 20, 1905	Jan. 25, 1927
Gaynor, Robert W	Clerk	2040	May 17, 1893	Apr. 1, 1924
Goodwin, Miss Dessie A	Aide (P.T.)	([1] 1740) 2,100	Aug. 29, 1897	Oct. 1, 1926
Gray, Mr. Sankey	General mechanic (plumber)	1,980	Mar. 22, 1875	Jan. 15, 1904
Greer, Everett	Senior administrative officer	([4] 4,580) 5,000	May 26, 1890	Apr. 1, 1930
Grindstaff, Amanda J	Nurse	([1] 1,380) 1,800	Dec. 8, 1882	July 10, 1929
Hamley, Ralph E	Mechanic's helper (steam fitter)	1,320	Jan. 17, 1893	July 25, 1921
Hardin, Mrs. Lucy C	Nurse	([1] 1,380) 1,800	Jan. 13, 1907	July 20, 1929
Harrell, Mrs. Lena M	do	([1] 1,380) 1,800	Feb. 18, 1890	Oct. 8, 1930
Hart, Pearl N	do	([1] 1,380) 1,800	Dec. 19, 1901	Feb. 6, 1926
Hayman, Dr. Edwin H	Physician	([3] 3,110) 3,800	Apr. 18, 1868	Jan. 21, 1928
Heck, Cornelius	Mechanic's helper (concrete and plaster)	([2] 1,020) 1,320	Apr. 10, 1878	Mar. 7, 1908
Hensley, William H	Fireman	1,500	June 22, 1896	July 1, 1925
Henson, Wade H	Clerk	1,860	Mar. 16, 1899	June 8, 1922
Herren, John J	Clerk	1,860	Nov. 16, 1891	July 11, 1921
Herrin, Emmett	General mechanic (carpenter)	1,800	Jan. 27, 1897	July 1, 1921
Hodge, Ora B. (Miss)	Nurse	([1] 1,380) 1,800	Nov. 11, 1907	Mar. 7, 1930
Hoover, Eva L	do	([1] 1,380) 1,800	Sept. 15, 1897	Jan. 1, 1929
Humphreys, James F	Clerk	1,620	Sept. 8, 1888	Apr. 1, 1921
Ingle, Robert A	Shoemaker	1,320	June 17, 1894	Nov. 16, 1922
Jackson, Miss Clement M	Clerk	([1] 1,440) 1,860	Sept. 1, 1909	Sept. 16, 1927
Johnson, Cora L. (formerly Mrs. Koehler)	Nurse	([1] 1,380) 1,800	Sept. 24, 1906	Jan. 14, 1929
Johnson, Herbert L	Physician	([3] 3,910) 4,600	Nov. 2, 1891	Apr. 1, 1927
Jones, Roy W	General mechanic (painter)	1,800	Oct. 29, 1897	July 18, 1921
Jones, William H	Farm superintendent	([2] 1,980) 2,400	June 10, 1882	Apr. 29, 1929
Jordon, Anna H	Social worker	([1] 1,440) 1,860	Mar. 17, 1890	July 1, 1928

[1] Quarters and subsistence. [2] Quarters. [3] Subsistence.



TABLE 1.—*Employees, Veterans' Administration Home (formerly National Home for Disabled Volunteer Soldiers), Johnson City, Tenn., brought into the competitive classified service on July 1, 1931, under Executive order of April 23, 1931*—Continued

Name	Designation	Salary	Date of birth	Date of appointment
Julian, Edwin L.	Secretary	$2,500	May 25, 1880	Apr. 18, 1921
Julian, Nelle F.	Clerk	([1] 1,680) 2,100	Jan. 28, 1886	Sept. 10, 1924
Kelly, Thomas	Engineer	1,980	Aug. 3, 1887	June 15, 1908
King, Bessie	Nurse	([1] 1,380) 1,800	June 17, 1902	June 14, 1928
King, Mrs. Minervia F.	Assistant laboratorian (bacteriologist)	1,620	Dec. 29, 1886	Apr. 22, 1925
Kissel, Henry	Musician	([2] 1,260) 1,500	July 31, 1870	Apr. 19, 1923
Koehler, Carl E.	do	([1] 1,020) 1,440	Nov. 21, 1903	May 16, 1925
Lamons, Edward C.	Mechanic's helper (blacksmith)	1,320	Dec. 8, 1870	Jan. 1, 1921
Landreth, John B.	Clerk	1,440	June 15, 1878	Apr. 1, 1931
Leahy, David J.	Aide (P. T.)	([1] 1,380) 1,800	July 19, 1896	Nov. 5, 1929
Legg, Mrs. Grace C.	Nurse	([1] 1,380) 1,800	Apr. 29, 1896	June 4, 1927
Legg, Wallace	Laboratorian (Röntgen)	2,000	Sept. 29, 1895	Aug. 1, 1925
Lewis, Mr. Connie E.	Clerk	([1] 1,200) 1,620	Sept. 10, 1894	Oct. 1, 1924
Lewis, James C.	Chauffeur	([1] 900) 1,320	Oct. 12, 1903	Nov. 17, 1926
Lewis, Mrs. Lillian B.	Nurse	([1] 1,380) 1,800	Apr. 9, 1908	July 13, 1928
Locke, Mai	do	([1] 1,380) 1,800	Feb. 10, 1882	Jan. 30, 1928
Loudan, Florence A.	do	([1] 1,380) 1,800	Feb. 28, 1896	Nov. 1, 1922
Lowe, Elbert H.	Clerk	1,680	Feb. 26, 1898	Jan. 1, 1921
Lucas, James H.	do	1,440	Jan. 9, 1893	Sept. 15, 1927
Lyle, Mr. Cy H.	Administrative assistant	([3] 3,110) 3,800	Feb. 7, 1863	July 1, 1915
McDannel, Donald H.	Clerk	([1] 1,560) 1,980	Jan. 17, 1880	Mar. 12, 1920
McDonald, John B.	Musician	([1] 1,140) 1,560	Oct. 21, 1878	Sept. 24, 1917
McNeese, Myrtle D.	Nurse	([1] 1,380) 1,800	Dec. 5, 1907	Nov. 14, 1930
McQueen, Stacy S.	Pharmacist	([2] 2,740) 2,100	July 26, 1894	July 8, 1925
Mackey, Dr. Sidney L.	Physician	([2] 3,110) 3,800	May 20, 1881	Jan. 1, 1926
Marlin, Mrs. Mary J.	Nurse	([1] 1,380) 1,800	June 5, 1898	May 25, 1929
Martin, Walter E.	Administrative assistant	([2] 3,110) 3,800	Oct. 21, 1888	Feb. 4, 1930
Maxwell, Edwin P.	Aide (O. T.)	([2] 1,740) 1,800	Dec. 7, 1895	Feb. 1, 1924
Meredith, Robert H.	Superintendent of laundry	([2] 1,560) 2,000	Sept. 12, 1873	Feb. 19, 1904
Merritt, Albert	Mechanic's helper (plasterer)	1,320	June 6, 1875	Apr. 1, 1919
Mickle, Mary M.	Nurse	([1] 1,380) 1,800	Sept. 13, 1907	Dec. 11, 1930
Miller, Mr. Barnie F.	Aide (P. T.)	([1] 1,380) 1,800	Mar. 12, 1895	Nov. 16, 1920
Miller, James M.	Engineer	1,980	May 16, 1871	May 1, 1905
Moore, William Elmore	Dental mechanic	([2] 1,860) 2,000	Apr. 29, 1892	Aug. 1, 1924
Morelock, Louise	Dietitian	([2] 1,740) 2,160	Sept. 14, 1902	June 1, 1928
Morgan, Walter T.	Aide (O. T.)	1,800	Nov. 24, 1894	Jan. 1, 1921
Mori, Mr. Guido	Bandmaster	2,300	Aug. 15, 1891	Mar. 1, 1922
Morton, Murphy J.	Clerk	1,620	July 2, 1895	Apr. 10, 1928
Mulherin, Mrs. Sara P.	Aide (O. T.)	2,040	Dec. 28, 1890	Sept. 28, 1925
Mullins, Nathan R.	Dental mechanic	2,000	Jan. 18, 1901	Jan. 6, 1930
Mullis, John E.	Mechanic's helper (carpenter)	1,320	July 2, 1892	May 9, 1927
Murray, Joseph B.	Clerk	2,400	Oct. 10, 1873	May 7, 1912
Nieman, Dr. Samuel C.	Physician	([3] 4,790) 5,600	Mar. 20, 1876	Feb. 1, 1903
Nelson, Dr. James Van D.	do	4,600	May 1, 1878	Aug. 15, 1921
Nunez, Robert E.	Printer	1,680	Feb. 10, 1893	June 12, 1928
Onks, John N.	Fireman	1,560	Apr. 6, 1894	Nov. 26, 1921
Onks, Ralph C.	General mechanic (plumber)	1,860	Oct. 31, 1891	Jan. 16, 1921
Ottinger, Clayton C.	Clerk	([1] 1,200) 1,620	July 11, 1886	May 19, 1930
Parks, Shelby	Mechanic helper (electrical)	([2] 1,020) 1,320	Oct. 27, 1896	May 6, 1922
Payne, Christine O.	Stenographer	([1] 1,020) 1,440	Nov. 13, 1900	Aug. 1, 1927
Peterson, Dr. James M.	Physician	([2] 3,110) 3,800	May 5, 1872	Nov. 1, 1929
Peterson, Nils B.	Musician	([2] 1,140) 1,440	Dec. 29, 1870	Oct. 1, 1920
Pitts, Annie L.	Nurse	([1] 1,380) 1,800	Mar. 11, 1903	Nov. 8, 1929
Prochaska, Fred	Musician	([1] 1,020) 1,440	July 15, 1874	May 1, 1924
Pruitt, Mrs. Corrine M.	Nurse	([1] 1,380) 1,800	Oct. 13, 1894	Apr. 20, 1930
ReMine, Jay F.	Telephone operator	([1] 840) 1,260	Dec. 21, 1898	Aug. 17, 1921
Rich, Josephine	Nurse	([1] 1,380) 1,800	Feb. 24, 1898	Jan. 1, 1931
Roberts, Willie R.	Assistant laboratorian (bacteriologist)	1,620	Mar. 9, 1905	Nov. 25, 1920
Rowe, Robert L.	General mechanic (steamfitter)	1,980	Mar. 13, 1876	Aug. 15, 1906
Royal, Dr. Warren M.	Physician	([3] 3,910) 4,600	Jan. 7, 1885	Aug. 10, 1924
Schallenkamp, Mary P.	Nurse	([1] 1,380) 1,800	Jan. 16, 1898	Nov. 28, 1924
Scott, Ralph E.	General mechanic (carpenter)	1,740	Aug. 8, 1891	Jan. 1, 1929
Sells, William A.	Guard	([1] 1,020) 1,440	Jan. 29, 1891	Aug. 1, 1923
Shackelford, Lucy H.	Nurse	([1] 1,449) 1,860	Nov. 27, 1889	Nov. 16, 1925
Shearon, Mrs. Lillian M.	Laboratorian (bacterian)	([1] 1,680) 2,100	Sept. 18, 1903	Aug. 1, 1930
Shelnutt, Mrs. Myrtle C.	Stenographer	1,620	Oct. 15, 1905	Jan. 16, 1922
Shelton, William B.	Chief guard	([1] 1,260) 1,680	Sept. 19, 1894	Aug. 1, 1924
Simerly, John W.	Meat cutter	1,680	Oct. 11, 1895	Jan. 26, 1921
Smith, Mrs. Ruth Buchanan	Typist	1,440	Apr. 23, 1901	Feb. 4, 1924
Smith, Mrs. Thyrza S.	Nurse	([1] 1,380) 1,800	May 17, 1891	May 14, 1927
Starr, Ella Mae	do	([1] 1,380) 1,800	Apr. 30, 1905	June 26, 1928
Stump, Claude V.	General mechanic (automobile)	1,980	Sept. 1, 1894	Sept. 1, 1910
Taylor, David H.	Clerk	2,000	Jan. 3, 1891	Sept. 6, 1920
Taylor, Rufus N.	General mechanic (carpenter)	1,680	Apr. 4, 1878	Feb. 14, 1923
Trivett, Ulysses G.	General mechanic (electrical)	1,800	Jan. 7, 1896	Oct. 1, 1921
Tucker, George W.	Clerk	([1] 1,020) 1,440	Nov. 14, 1868	May 19, 1921
Van Brackle, Dr. Woodfin H.	Dentist	([2] 3,110) 3,800	Aug. 12, 1901	May 6, 1925
Vance, Edna	Stenographer	([1] 1,320) 1,740	Mar. 25, 1898	July 5, 1921
Von Bieberstein, Mrs. Anna K.	Nurse	([1] 1,380) 1,800	Nov. 14, 1898	Sept. 1, 1922
Waite, Mrs. Hettie A.	do	([1] 1,380) 1,800	Nov. 30, 1896	May 2, 1927
Wallace, Dr. James M.	Physician	([2] 4,310) 5,000	Apr. 10, 1878	Aug. 15, 1922
Warden, Arthur D.	General mechanic (refrigeration)	1,980	Apr. 21, 1891	Oct. 1, 1929
Wardrep, William R.	Clerk	([1] 840) 1,260	Sept. 21, 1896	Mar. 7, 1921
Wasson, Edgar F.	Foreman of laborers	1,320	Mar. 9, 1882	Dec. 1, 1929
Webb, Dr. George O.	Physician	([2] 3,110) 3,800	June 13, 1875	June 1, 1929
White, Samuel N.	General mechanic (steamfitter)	1,860	Oct. 24, 1875	Feb. 1, 1905
Whitlow, Clarence	General mechanic (painter)	1,980	Aug. 9, 1880	June 22, 1909
Williams, Miss Pearl	Nurse	([1] 1,440) 1,860	Nov. 30, 1893	Apr. 15, 1919
Willien, Dr. William F.	Physician	([2] 3,910) 4,600	Nov. 21, 1874	Oct. 1, 1925
Winkle, Leon	Dental mechanic	2,000	July 28, 1889	June 6, 1927
Yelton, Mrs. Mary J.	Nurse	([1] 1,380) 1,800	Apr. 21, 1894	June 11, 1928

[1] Quarters and subsistence. [2] Quarters. [3] Subsistence.

The following employees classified July 1, 1931, under Executive order of April 23, 1931, have since been separated from the service:

Name	Designation	Salary	Date of birth	Date of appointment	Date of separation
Bell, Carl C.	Head dairyman	([1] $1,560) $1,680	May 20, 1895	Aug. 1, 1916	June 28, 1932
Britton, John B.	Engineer	2,100	Mar. 2, 1861	Oct. 1, 1903	Nov. 30, 1931
Brown, Miss Willie M.	Nurse	([2] 1,380) 1,800	Dec. 11, 1907	Dec. 29, 1928	Aug. 31, 1932

[1] Quarters. [2] Quarters and subsistence.

Name	Designation	Salary	Date of birth	Date of appointment	Date of separation
Dillow, Simpson B	Guard	([2] $840) $1,260	July 29, 1894	Feb. 1, 1930	Dec. 31, 1931
Hodge, Mrs. Monie H	Nurse	([2] 1,380) 1,800	Nov. 3, 1901	Oct. 6, 1928	Oct. 2, 1931
Lucas, Mrs. Sallie M	do	([2] 1,380) 1,800	Aug. 16, 1905	Mar. 27, 1928	Nov. 30, 1931
McGinnis, Dr. John E	Physician	([1] 3,110) 3,800	June 26, 1872	Mar. 3, 1928	Aug. 26, 1932
Peyton, Dr. Robert L	do	([2] 4,060) 4,600	Dec. 29, 1876	June 4, 1922	Oct. 19, 1932
Stanley, Dr. Robert H	do	5,800	Sept. 21, 1868	Aug. 20, 1924	Sept. 26, 1931
Turner, Edmund A	Clerk	1,500	Dec. 29, 1869	Jan. 16, 1930	May 30, 1932

[1] Quarters.
[2] Quarters and subsistence.

The total number of employees classified at the Johnson City, Tenn., branch of the Bureau of National Homes, 177.
Prepared by Service Record and Retirement Division Nov. 28, 1932.

TABLE 2.—*Number of employees brought into the competitive classified service in the Veterans' Administration Homes on July 1, 1931, by Executive order of April 23, 1931*

Augusta, Me	77
Bath, N. Y	81
Danville, Ill	123
Dayton, Ohio	226
Hampton, Va	128
Hot Springs, S. Dak	71
Johnson City, Tenn	177
Leavenworth, Kans	122
Sawtelle, Calif	244
Marion, Ind	181
Milwaukee, Wis	191
Washington, D. C	14
Total	1,635

These figures do not include any persons appointed through civil-service examination prior to July 1, 1931.

TABLE 3.—*Groups of employees brought into the classified service by Executive order from July 1, 1930, to November 1, 1932*

Date of Executive order	Department	Type of group	Number of employees classified
Oct. 4, 1930	Commerce	Shipping commissioners	14
Jan. 30, 1931	Interior	Advisers, Indian Service	6
Apr. 23, 1931	Veterans' Administration.	Employees, excepting inmates of National Homes for Disabled Volunteer Soldiers.	1,635
May 15, 1931	Navy	Various groups, Philippine Service	115
Do	War	do	59
June 3, 1931	Veterans' Administration.	Attorneys	193
Aug. 10, 1931	Interior	Superintendents or officers in charge national parks or reservations.	13
Jan. 15, 1932	Commerce	Miners, Bureau of Mines	36
Feb. 2, 1932	Justice	Various groups	231
Mar. 10, 1932	Commerce	All employees in foreign and domestic commerce in the continental United States, Alaska, Hawaii, and Puerto Rico, heretofore excepted from competitive examination, except director and assistant directors of bureau.	147
June 21, 1932	Treasury	Mounted inspectors, Customs Service, on Mexican border.[1]	170
Total			2,619

[1] Pending for character investigation.

TABLE 4.—*Number of persons excepted from requirements of civil-service rules by special Executive orders by administrations and by years*

Year	President	Number
1914	Wilson	62
1915	do	74
1916	do	118
1917	do	97
1918	do	20
1919	do	25
1920	do	28
1921	do	43
		467
1922	Harding	47
1923	do	32
		79
1924	Coolidge	28
1925	do	29
1926	do	25
1927	do	29
1928	do	48
1929	do	47
		207

TABLE 4.—*Number of persons excepted from requirements of civil-service rules by special Executive orders by administrations and by years*—Continued

Year	President	Number
1930	Hoover	49
1931	do	23
1932	do	26
		98
Total		851

TABLE 5.—*Total number of persons blanketed into the classified service by the last four Presidents*

	Number
President Wilson	1,276
President Harding	79
President Coolidge	1,744
President Hoover	2,717
Total	5,816

NOVEMBER 28, 1932.

Hon. THOMAS E. CAMPBELL,
Civil Service Commission,
Washington, D. C.

MY DEAR GOVERNOR CAMPBELL: Will you kindly advise what has been done by your commission with the Personnel Classification Board?

Was it just moved over and made a part of the Civil Service Commission?

Were its officers or employees reduced in number or in grade?

What, if anything, will be saved by the consolidation?

Please give me a full report at once if you can.

Very sincerely yours,

KENNETH MCKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., November 29, 1932.

Senator KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: Reference is made to your letter of yesterday, requesting information concerning the consolidation of the Personnel Classification Board and the Civil Service Commission.

The first question propounded in your letter is as follows:

"Was it just moved over and made a part of the Civil Service Commission?"

All of the work having to do with the usual service functions, including personnel, disbursing, purchasing, maintenance of correspondence files, etc., of the Personnel Classification Board was taken over and assimilated by the staff of the commission occupied in these functions without increase of that staff.

Three members of the staff of the Personnel Classification Board were transferred to the commission's board of appeals and review to permit the board to assimilate the appellate functions in allocation work.

The functions of basic allocation and survey were placed under a separate division known as the personnel classification division with a greatly reduced force.

Your second question is as follows:

"Were its officers or employees reduced in number or in grade?"

The economy act contained an expression in section 506 which apparently withdrew from the Civil Service Commission authority to reduce the grade of employees brought over from the Personnel Classification Board. The commission, desirous of coordinating the salaries of the personnel of the Personnel Classification Board which are apparently on a somewhat higher level than the salaries of the personnel of the Civil Service Commission, asked information of the Comptroller General as to its authority to do so by letter of September 19, 1932.

The Comptroller General, by opinion dated October 4, 1932 (A-44810) held that the commission had no power to reduce the classification grades or salaries of persons transferred to the Civil Service Commission from the Personnel Classification Board under the specific language of the economy act. (The commission is

suggesting that this provision of law be eliminated so that these salaries may be properly adjusted.)

With respect to the number of employees transferred to the commission, the following tables are furnished.

The first table contains the names of those employees, with their grades and annual-salary rates, the services of whom are not being availed of by the Civil Service Commission since October 1, 1932, the date the board was transferred to the commission.

The second table contains the names, grades, and annual-salary rates of those employees now serving the commission who were transferred from the Personnel Classification Board on October 1, 1932.

Employees not now serving in the Civil Service Commission

Name	Grade	Salary
McReynolds, William H.	CAF-15	$8,500
Peck, Paul N.	CAF-13	6,000
Croissant, Victor G.	CAF-13	5,800
Van Leer, Carlos C.	CAF-13	5,800
Brown, Fay C.	P-6	5,600
Wilmot, Wilson E.	CAF-12	5,600
Kearful, John M.	CAF-11	3,800
Garrett, Bernard E.	CAF-7	3,200
Clark, John H.	CAF-7	2,800
Bateson, Charles E. W.	CAF-7	2,600
Hare, Inez M.	CAF-5	2,000
Dale, Roxy	CAF-4	1,980
Decker, Mrs. Pearl F.	CAF-3	1,980
Farrell, Helen F.	CAF-4	1,920
Fry, Mrs. Vallie G.	CAF-4	1,920
Peters, Ruth H.	CAF-3	1,920
Quinn, Agnes M.	CAF-4	1,800
Mason, Mrs. Chlorus K.	CAF-3	1,740
Jarvis, Mrs. Sarah G.	CAF-3	1,680

Employees transferred to Civil Service Commission and now serving

Name	Grade	Salary
Baruch, Ismar	CAF-14	$8,500
Ballinger, Edwin R.	CAF-12	4,600
Morman, Ray J.	P-5	4,600
Spilman, Joseph L. F.	CAF-11	4,600
Van Brunt, Edmund S.	P-4	4,600
Bowman, Ralph	CAF-10	4,000
Overholt, John A.	CAF-11	4,000
Almond, Virgil L.	CAF-11	3,800
Belsley, Gilbert L.	P-4	3,800
Brassor, Francis P.	CAF-10	3,500
Rader, Carl H.	CAF-10	3,500
Valentine, LeRoy W.	CAF-9	3,400
Burke, Ernest F.	CAF-9	3,200
Dirks, John F.	CAF-9	3,200
Hare, Robert S.	CAF-9	3,200
Murray, Oliver C.	CAF-7	3,000
Mathis, Mary R.	CAF-7	2,700
Moore, William L.	CAF-7	2,600
Danforth, Mrs. Ursula G.	CAF-6	2,300
Carley, Mrs. Mary C.	CAF-4	2,040
Murphy, Nellie	CAF-4	1,980
Geiger, Mrs. Dorothy H.	CAF-3	1,860
Quackenbush, Edgar G.	CAF-4	1,860
Dulin, Lucy J.	CAF-4	1,800
Loveland, Mrs. Margaret G.	CAF-4	1,800
Russell, Mrs. Amelia H. V.	CAF-4	1,800
Thompson, Aura	CAF-2	1,800
Wepper, Anna A.	CAF-4	1,800
Lemmer, Genevieve E.	CAF-3	1,740
Creeden, Mary	CAF-2	1,680
Manchester, Mrs. Ellen E.	CAF-3	1,680
Matera, Lenora C.	CAF-2	1,680
Lipscomb, Elizabeth	CAF-3	1,620
Potter, Alma	CAF-2	1,560
Crowley, Catherine F.	CAF-2	1,440
Van der Aarde, Mrs. Ruth A.	CAF-2	1,440
Berry, James H.	Cu-3	1,200

With respect to your third question, it will be noted from the above that on an annual basis the Personnel Classification Board's personnel pay roll was reduced in the amount of $67,240.

That part of the Personnel Classification Board's appropriation for 1932 unexpended because of the creation of vacancies due to the nontransfer to the Civil Service Commission of the personnel of the Personnel Classification Board is at present impounded in the Treasury under the provisions of section 203 of the economy act.

Sincerely yours,

THOMAS E. CAMPBELL, *President.*

DECEMBER 5, 1932.

Hon. THOMAS E. CAMPBELL,
Civil Service Commission, Washington, D. C.

MY DEAR GOVERNOR CAMPBELL: Your letter of the 29th in reference to the consolidation of the Personnel Classification Board with the Civil Service Commission received and noted.

On page 2 of your letter you have 19 employees listed under the head "Employees not now serving in the Civil Service Commission."

Will you kindly advise me if these employees are still serving the Government, and in what capacity, and in what bureau or department, and the salaries of each? You can easily see that my interest in the matter is what savings have been made by the consolidation.

Again, has the consolidation required you to put any members of your own force in with the remaining force of the Personnel Classification Board; and, if so, please give the names, number, and salaries of each?

Very sincerely yours,

KENNETH MCKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., December 6, 1932.

Senator KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: Reference is made to your letter of December 5, 1932, requesting information as to the disposition of the 19 employees who are not now serving in the Civil Service Commission who were on the staff of the Personnel Classification Board.

The following list shows the Personnel Classification Board grade and salary, the names of the employees, the office and department to which transferred, and the grade and salary in the office to which transferred:

Name	Personnel Classification Board		Department or office to which transferred	Grade	Salary
	Grade	Salary			
Ashton, Reginald H.	Cu-3	$1,200	Treasury	Cu-3	$1,200
Bateson, Chas. E. W.	CAF-7	2,600	do		2,600
Clark, John H.	CAF-7	2,800	do	CAF-6	2,600
Croissant, Victor G.	CAF-13	5,800	Post Office		4,500
Dale, Roxy	CAF-4	1,980	Bureau of the Budget	CAF-4	1,980
Decker, Mrs. Pearl F.	CAF-3	1,980	Treasury	CAF-1	1,620
Farrell, Helen F.	CAF-4	1,920	Post Office	CAF-3	1,800
Fry, Mrs. Vallie G.	CAF-4	1,920	Treasury	CAF-4	1,920
Garrett, Bernard E.	CAF-7	3,200	Post Office	CAF-6	2,500
Hare, Inez M.	CAF-5	2,000	Treasury	CAF-2	1,800
Jarvis, Mrs. Sarah G.	CAF-3	1,680	do	CAF-2	1,440
Kearful, John M.	CAF-11	3,800	do		3,800
McReynolds, Wm. H.	CAF-15	8,500	Bureau of the Budget	CAF-15	8,500
Mason, Chlorus K.	CAF-3	1,440	General Accounting Office.	CAF-2	1,440
Peck, Paul N.	CAF-13	6,000	Bureau of the Budget	CAF-13	6,000
Peters, Ruth H.	CAF-3	1,920	Not transferred		
Quinn, Agnes M.	CAF-4	1,800	Employment Compensation Commission.	CAF-4	1,800
Van Leer, Carlos C.	CAF-13	5,800	Not transferred		
Wilmot, Wilson E.	CAF-12	5,600	Bureau of Efficiency	CAF-12	5,000

In response to your telephonic inquiry of to-day, contact has been made by telephone with the various offices to which these employees have been transferred. I am informed that the following of the above employees were placed into newly created positions:

Charles E. W. Bateson, Roxy Dale,[1] William H. McReynolds,[1] Paul N. Peck,[1] and Wilton E. Wilmot.

The following employees, with grade and salary while with the Personnel Classification Board, were either not placed or were placed in positions made vacant by separation of an employee:

Ashton, Reginald H., Cu-3	$1,200
Clark, John H., CAF-7	2,800
Croissant, Victor G., CAF-13	5,800
Decker, Mrs. Pearl F., CAF-3	1,980
Farrell, Helen F., CAF-4	1,920
Fry, Mrs. Vallie G., CAF-4	1,920
Garrett, Bernard E., CAF-7	3,200
Hare, Inez M., CAF-5	2,000
Jarvis, Mrs. Sarah G., CAF-3	1,680
Kearful, John M., CAF-11	3,800
Mason, Mrs. Chlorus K., CAF-3	1,440
Peters, Ruth H., CAF-3	1,920
Quinn, Agnes M., CAF-4	1,800
Van Leer, Carlos C., CAF-13	5,800

It will be seen, therefore, that the general personnel of the Government service in so far as this particular consolidation is concerned was reduced by 14 employees and by annual salaries in the amount of $37,260. This number of employees will be increased to 17, and the total amount to $53,740 when the three temporary employees of the Bureau of the Budget are separated from the service.

With respect to the last question in your letter of December 5, requesting information as to whether or not the Civil Service Commission has put any members of its own force in with the remaining force of the Personnel Classification Board, you are informed that the personnel classification and original allocation work is being done in the Division of Personnel Classification, and there has not been added to that division any of the old staff of the Civil Service Commission. It is true that a part of the work heretofore done by the Personnel Classification Board's staff has been assimilated in the regular work of the Civil Service Commission and by the old staff of the commission. This part of the work has to do with disbursement of funds, procurement of

[1] Budget Bureau representative states these three positions purely temporary, to terminate in December, 1932.

supplies, filing work, correspondence work, and similar general service functions.

If there is any further information desired, I shall be pleased to furnish it if available.

Very truly yours,

THOMAS E. CAMPBELL, *President.*

DECEMBER 2, 1932.

SIR: In order that the commission may comply with requests for information as to the number of officers and employees in the Executive Civil Service whose appointments are not made through competitive examination, this office would appreciate your cooperation in obtaining this information at the earliest practicable moment.

The information desired covers all positions appointment to which is made by the President, by and with the advice and consent of the Senate; positions under Schedule A or Schedule B of the civil-service rules, positions under section 10 of Civil Service Rule II, positions excepted from civil-service examinations by law, and unclassified positions.

There are inclosed herewith sample forms (Tables I to IV, inclusive) showing the arrangement in which it is desired that the information be furnished. Please note that on Table II a column is provided in which to indicate the number of excepted positions filled by persons who have a civil-service status by reason of appointment, promotion, reinstatement, or transfer from the competitive classified service. Names of employees are not desired. Please make report in quadruplicate, and follow alphabetical order of States in recording the information.

The information called for is desired by December 16. The commission would appreciate an immediate acknowledgment of this letter and if, for any reason, the report can not be furnished on or before the 16th please advise earliest date at which it can be furnished.

By direction of the commission.

(Presidential offices)

(Department or establishment)

TABLE I.—*List of offices to which appointment is made by the President, by and with the advice and consent of the Senate, showing the location of such offices, date of appointment of the present incumbent, term of office, and salary*

Location—State and city	Service or bureau and position	Date of appointment	Legal tenure	Salary
Michigan: Detroit	Internal-revenue collector.	May 4, 1933	No statutory limitation.	$6,000
Alaska: Fairbanks	District attorney	July 8, 1917	4 years	5,000

(Excepted positions)

(Department or establishment)

TABLE II.—*List of positions which are excepted from examination by law, or under Schedule A or Schedule B of the civil-service rules, or under section 10 of Civil Service Rule II*

Location, State and city	Bureau and position	Salary	Number of positions	Number positions incumbent of which has classified status
Kentucky: Louisville	Internal-revenue deputy collector.	$3,000	1	----------
District of Columbia: Washington.	Customs, attorney	3,600	10	4

(Unclassified laborer positions)

GROUP 1

(Department or establishment)

TABLE III.—*List of unclassified laborer positions which are filled without regard to the labor regulations, showing location and salary range*

Location, State and city	Salary	Number	Location, State and city	Salary	Number
California: Riverside	$1,080	16	----------	----------	----------
Alaska: Nome	960	7	----------	----------	----------

GROUP 2

TABLE IV.—*List of unclassified laborer positions filled in accordance with the labor regulations*

Location, State and city	Salary	Number	Location, State and city	Salary	Number
California: Riverside	$1,080	16	----------	----------	----------
Alaska: Nome	960	7	----------	----------	----------

PHILIPPINE INDEPENDENCE

Mr. HAWES and Mr. METCALF each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. HAWES. Mr. President, to-morrow the Philippine independence bill will become the unfinished business of the Senate, and there is an agreement by the leaders on both sides that it shall be finally disposed of.

Before the general debate begins, it occurs to me that a recent address of Dr. Jacob Gould Schurman will be interesting and informative to the Members of the Senate.

It is short, but it will probably refresh our memory. As we know, Doctor Schurman was appointed by President McKinley to head the commission which was to introduce the first American civil government in the Philippine Islands after the United States acquired them from Spain. That was in February, 1899. Doctor Schurman is the last survivor of those who had intimate acquaintance with President McKinley's plans for the Philippines and a large share in their realization, so far as that was permitted before the assassination of the President. Moreover, Doctor Schurman has revisited the Philippines since the conclusion of his official labors there and has kept closely conversant with the policies and program of the United States in the islands. His views are therefore of the utmost importance and usefulness at a time when the Senate is about to take action with regard to a bill granting independence to the Filipino people.

For example, Doctor Schurman, recalling the significant words of the first Philippine Commission's proclamation, which was signed by himself and his associates in the commission, including Admiral Dewey, and approved by President McKinley, and which declared it the intention of the United States to "accustom them [the Filipino people] to free self-government in an ever-increasing measure, and to encourage them in those democratic aspirations, sentiments, and ideals which are the promise and potency of a fruitful national development," reminds us that "it is the nature of such ever-increasing liberty and self-government as that promised by the United States to issue finally in complete independence." To this he adds a quotation from the Philippine Commission's report to Congress—in 1901—in which its authors stated that it "would be a misrepresentation of facts" not to say to the American people "that ultimate independence—independence after an undefined period of American training—is the aspiration and goal" of the Filipinos themselves.

In two sentences with which Doctor Schurman closed his address he characterized and, in my judgment, justified the aims and objects of American occupation and government of the Philippines. I quote them:

> America for the Americans, the Philippines for the Filipinos, and government of the people, by the people, for the people as the ideal of all nations. To inaugurate in the Orient a republic dedicated to that ideal is, I believe, the glorious mission and the supreme duty of America in the Philippines.

I ask that the full text of Doctor Schurman's address be printed in the body of the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the body of the RECORD, as follows:

PHILIPPINE INDEPENDENCE

By Jacob Gould Schurman

There is now a bill pending in the Congress of the United States to grant independence to the Philippines. It has passed the House of Representatives and is to be taken up for further consideration by the Senate on December 8 with a view to final action. I earnestly hope the bill will be passed by the Senate and approved by the President.

Let me state with the greatest brevity the reasons why the Filipinos should be granted their independence.

In the first place, independence, if not specifically promised, was implied in the policy of President McKinley. His motive in compelling Spain, at the close of our victorious war in 1898, to cede to the United States her sovereignty over the Philippines was the humanitarian motive of freeing the Filipinos from the misgovernment and oppression of the Spanish colonial system. I know something of President McKinley's mind, for he talked over the subject very fully and frankly with me in December, 1898, when he asked me to accept the presidency of the first United States Commission to the Philippines. He did not want the Philippines, but they had come to us as a result of our victory over Spain. President McKinley's program was a very simple one. It was this: To emancipate the Filipinos, to eliminate Spain from the archipelago, and to replace Spanish sovereignty with the sovereignty of the United States. That done, it remained for the United States, according to President McKinley, to frame and carry into effect a policy in regard to the Philippines.

PRESIDENT M'KINLEY'S POLICY

President McKinley himself soon voiced the spirit of that policy. He declared that our commission were the bearers to the Philippines of the "blessings of a liberating rather than a conquering nation." In the national Republican platform on which McKinley and Roosevelt were elected in 1900 the keynote of the Philippine plan was American responsibility to the Philippine people. That plank declared that we must secure to them by law "the largest measure of self-government consistent with their welfare and our duties." In the proclamation addressed by our commission to the people of the Philippine Islands, published in Manila April 4, 1899, we had already declared that the United States was most desirous "to accustom them to free self-government in an ever-increasing measure and to encourage them in those democratic aspirations, sentiments, and ideals which are the promise and potency of a fruitful national development." That proclamation, which was signed not only by me as president of the commission but by all my associates, including Admiral Dewey, was approved by President McKinley.

I need not point out that it is the nature of such ever-increasing liberty and self-government as that promised by the United States to the Philippines to issue finally in complete independence. That also is what all Filipinos desired. And in the official report of our commission to Congress we stated that it "would be a misrepresentation of facts not to report that ultimate independence—independence after an undefined period of American training—is the aspiration and goal" of the Filipinos.

FILIPINOS MAKE SPLENDID RECORD

The Filipinos, like other nations, desire good government. But even a good government, if it is imposed upon them by a foreign nation, is not at all to their taste. They desire to conduct their own government in their own way, even if the result seems to us inferior. And I have no doubt, when I look at the splendid record they have made in one generation, that they would, as an independent sovereign nation, govern themselves as well as the majority of nations in the New World.

That independence would be the inevitable result of our Philippine policy of ever-increasing self-government was recognized by Mr. Taft in opening the newly established Philippine Assembly on October 16, 1907. He said:

"As this policy of extending control continues, it must logically reduce and finally end the sovereignty of the United States in the islands."

President Roosevelt was even more specific. In his message to Congress in 1908 he used these words:

"I trust that within a generation the time will arrive when the Filipinos can decide for themselves whether it will be well for them to become independent"—or remain under American sovereignty.

Well, a generation has now passed. The Filipinos have spoken. Nay, more, they have spoken through the only organ we can recognize as at once legal and reliable—their own duly elected legislature. And they unanimously demand independence.

PRESIDENT WILSON'S TESTIMONY

The noble and statesmanlike attitude of the political leaders of the United States whom I have already cited was not confined to Republican Presidents. The Democratic leaders were not less emphatic. President Wilson sent a message to the Filipino people in October, 1913, in which he solemnly declared:

"We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to the ultimate independence of the islands and as a preparation for that independence."

Nothing remained but to formulate the policy which our Chief Executives had followed and to embody it in an act of Congress, thus adding legislative sanction to Executive declarations and actions. And this consummation speedily came. In February, 1916, Congress took up the Philippine question in earnest, and the final result of the discussion of the matter was the passage of the act known as the Jones law. The full title of the Jones law is: "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands." The declaration of purpose is contained in the following preamble:

"Whereas it was never the purpose of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

STABLE GOVERNMENT MAINTAINED

Here, then, 16 years ago, is a solemn declaration by the Congress of the United States that the only condition for our granting independence to the Filipinos was the establishment of a stable government. Now, what is a stable government? It is a government supported by the people and capable of maintaining peace and order and fulfilling its obligations. Since the enactment of the Jones law in 1916 the Filipinos have had home rule over the archipelago, which began, indeed, in 1901 when we granted them control of municipal governments. This active, responsible part in making and administering their laws and in conducting their other public affairs has been for them a practical apprenticeship in self-government. All American authorities bear emphatic testimony to the great success of the Filipinos in governing themselves.

We Americans may be justly proud of that success. For our object and aim has always been to train the Filipinos in the practice of self-government and to prepare them for ultimate independence. It is my firm conviction that the Americans have educated the Filipinos in the school of self-government more thoroughly and effectively than any other nation has ever trained a dependent people in the history of the world. The rest the Filipinos must do for themselves. It is for us to give them the opportunity by granting them complete independence.

As I have already said the only remaining condition we have imposed upon them as a prerequisite to independence is the establishment and maintenance of stable government. And that condition they have fulfilled. A dozen years ago, in his farewell message to Congress, President Wilson certified to its fulfillment and pointed out the corresponding obligation of the American people. Listen to his moving appeal:

"I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence which they so honorably covet."

The Filipinos are grateful to Americans for training them in the ways of self-government. And, in spite of delays on our part, they have always maintained their confidence that we would eventually bestow upon them complete independence. They have always been loyal to us. In the terrible days of the World War the first act of the Philippine Congress, which opened on October 17, 1917, was the passage of a resolution affirming the adherence of the Filipino people to the cause of the United States. That action of the Philippine Congress was an impressive and moving vindication of our Philippine policy—the policy of liberty, home rule, and eventual independence.

JINGO ARGUMENT UNWORTHY

In the United States we have some jingoes and imperialists whose politiical philosophy is that of earlier and barbarous ages which conceives of dependent countries as the property of the conqueror or sovereign. They speak of the Philippines as our possessions and calmly assume we may do what we like with them. This is too barbarous to be taken seriously; it is not callousness of heart, it is only muddle-headedness. Do we—you and I and other Americans or the municipal or State or National governments we appoint as agents—do we own a single Filipino? Is he ours? I own my house and may sell or let it. But no one, thank God, can anywhere in Christendom to-day own a man. Do we then own the land which the Filipinos inhabit? Not an acre of it. It is owned by the men who grow rice, tobacco, sugar, hemp, and other products for which the archipelago is so well known. What then does the sovereign power possess in its possessions? Perhaps the right to tax them for its own benefit or the right to exact tribute of them? No. The conscience of mankind forbids the exploitation of subject races as well as their enslavement. Does the sovereign power then possess nothing in its colonies? The sovereign power owns nothing; but there is something it owes. It is charged with the responsibility of government. This is a tremendous responsibility. Happily we shall be relieved of it when we fulfill our promise of granting the Filipinos their independence.

But if our jingoes and imperialists disregard the solemn promise of Congress and the American people to grant indepenedence to the Filipinos other and much larger groups of Americans are to-day insisting on Philippine independence as an indispensable cure for their economic ills. Our farmers want protection in our home markets against competitive Philippine products. American labor also demands protection from unrestricted immigration of Filipino laborers. Our own economic interests, therefore, strongly reinforce the demand of the Filipinos for complete independence. Delay in solving the Philippine problem will therefore work not only in-

justice to the Filipinos, which is a grievous wrong, but also injury to our own economic interests, which is intolerable at this time of universal depression and widespread unemployment.

ECONOMIC READJUSTMENTS NECESSARY

Any plan for Philippine independence must provide for a satisfactory adjustment of economic conditions and relationships, as stated in the report accompanying the Hawes-Cutting bill of February 24, 1932. "The existing free-trade relations between the United States and the Philippines can not be terminated abruptly without serious injury to Philippine economic interests and American trade with the islands. Both require a definite time to prepare for the change. Investments made on the basis of free trade must be given sufficient time for adjustment or liquidation without loss. Philippine industries must be given time to establish themselves on a competitive basis before they are placed outside the tariff walls of the United States."

The terms of the Hawes-Cutting bill differ only in detail from those of the Hare bill, which was reported to the House of Representatives March 15, 1932. As I have not time to summarize both bills I give Representative HARE's enumeration of the salient points of his bill, as follows:

"The Filipino people are authorized to adopt a constitution and institute the government of the Commonwealth of the Philippine Islands which will exist pending complete independence. Under such government they will enjoy complete autonomoy as to domestic affairs, subject only to certain reservations intended to safeguard both the sovereignty and the responsibilities of the United States.

"Pending final relinquishment of American sovereignty the free importation of certain Philippine products into the United States shall not exceed specified limits based upon the status quo as represented by estimated importations from existing investments.

"Pending independence, Philippine immigration to the United States is limited to a maximum annual quota of 50.

"On the 4th of July immediately following the expiration of a period of eight years from the date of the inauguration of the government of the Philippine Commonwealth, American sovereignty will be withdrawn and the complete independence of the Philippine Islands formally recognized. Thereupon the Philippines, to all intents and purposes, will become a country foreign to the United States.

"The United States reserves the right and privilege, at its discretion, to retain and maintain military and naval bases and other reservations in the Philippine Islands."

DIVERGENT VIEWS HARMONIZED

One of these bills, or a similar bill, should be enacted into law by the Congress meeting next month. The legislation proposed harmonizes previous divergent views of different groups likely to be affected by Philippine independence. These include the three national farm federations and the dairy organizations, as well as the American Federation of Labor, the American Legion, and other organizations. The proposed legislation is also satisfactory to the Filipinos. That is a consideration of primary importance, for, as between a weak people like the Filipinos and a strong nation like our own, we can not be too scrupulous in doing them ample justice.

Finally, the proposed legislation fulfills our promise of granting independence to the Filipino people. It will not derogate from American honor and good faith that material forces have combined with moral and political forces in bringing about the final result. These two sets of forces have always operated on the minds, both of the people of the United States and the people of the Philippine Islands. In politics, as elsewhere, men are at once realistic and idealistic.

So I close. America for the Americans, the Philippines for the Filipinos, and government of the people, by the people, for the people as the ideal of all nations. To inaugurate in the Orient a republic dedicated to that ideal is, I believe, the glorious mission and the supreme duty of America in the Philippines.

JOINT COMMITTEE ON INAUGURAL ARRANGEMENTS

Mr. MOSES submitted a concurrent resolution (S. Con. Res. 36), which was read, considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President elect of the United States on the 4th day of March next.

WATER RESOURCES OF THE SAN PEDRO RIVER, ARIZ.

Mr. ASHURST submitted the following resolution (S. Res. 292), which was referred to the Committee on Irrigation and Reclamation:

Resolved, That the Committee on Irrigation and Reclamation, or a duly authorized subcommittee thereof, is authorized and directed to make a complete investigation respecting proposed legislation providing for the ultimate utilization of the water resources of the San Pedro River, in the State of Arizona, including irrigation, reclamation, flood control, and power development. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places within the United States, and to employ such clerical and stenographic assistance as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The committee or subcommittee is further authorized to send for persons and papers, to administer oaths, and to take testimony, and the expense attendant upon the work of the committee or subcommittee shall be paid from the contingent fund of the Senate, but shall not exceed $2,000. Such committee or subcommittee shall make a report of the results of such investigation with recommendations to the Seventy-third Congress, first session.

CONSTRUCTION OF THE HOOVER DAM

Mr. ODDIE submitted the following resolution (S. Res. 293), which was referred to the Committee on Irrigation and Reclamation:

Resolved, That the Committee on Irrigation and Reclamation, or any duly authorized subcommittee thereof, is authorized and directed to investigate conditions existing in the Boulder Canyon project Federal reservation and the operations of the Six Companies (Inc.), and the officers of the Department of the Interior, with respect to the construction of Hoover Dam, and particularly with a view to ascertaining all facts relating to (1) the store operated by the Six Companies (Inc.), (2) contracts for the housing and feeding of employees of the Federal Government and the Six Companies (Inc.), and (3) the taxation of property and incomes within such reservation. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

FUNERAL EXPENSES OF THE LATE SENATOR JONES

Mr. DILL submitted the following resolution (S. Res. 294), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Wesley L. Jones, late a Senator from the State of Washington, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

FUNERAL EXPENSES OF THE LATE SENATOR WATERMAN

Mr. COSTIGAN submitted the following resolution (S. Res. 295), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Charles W. Waterman, late a Senator from the State of Colorado, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

MARY F. M'GRAIN

Mr. WATSON submitted the following resolution (S. Res. 296), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Mary F. McGrain, widow of John J. McGrain, late the Deputy Sergeant at Arms and Storekeeper of the Senate, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRICES OF AGRICULTURAL COMMODITIES

Mr. CONNALLY submitted the following resolution (S. Res. 297), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation of the prices of agricultural implements manufactured in the United States, and of the cost of production and all other matters relating to the manufacture and sale of such implements, with a view to ascertaining particularly (1)

whether the companies which manufacture and sell such implements are or have been engaged in monopolistic or other practices in restraint of trade or commerce, and (2) whether any such implements manufactured in the United States have been or are being sold in foreign countries at prices less than those at which they are sold in the United States. The committee shall report to the Senate as soon as practicable, but not later than the expiration of the second session of the Seventy-second Congress, the results of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee or any duly authorized subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places during the second session of the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

CROP SURPLUSES AND THEIR CONTROL

Mr. BANKHEAD. Mr. President, I ask unanimous consent, if that is necessary, to address the Senate at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Alabama is recognized.

Mr. BANKHEAD. I ask the indulgence of the Senate for some observations on the subject of crop surpluses and their control, and a plan for that purpose.

The last Democratic platform declared in favor of "the effective control of crop surpluses, so that our farmers may have the benefit of the domestic market." This declaration means, as I understand it, that crop surpluses should be controlled so as to avoid the well-known price-depressing effect of surpluses.

It is recognized that the size of the surplus of any crop is a very large factor in making the price of that entire crop. The course of general business and the financial status of all of our people is charted by the direction agricultural prices take. Until agriculture is rescued and purchasing power is restored to more than 50,000,000 rural population there can be no return to general prosperous conditions. There is no problem before the American people which so vitally touches our entire financial fabric.

To secure a fair and reasonable price there must be an avoidance or control of the surplus. We are confronted with the question, What is the best way to control our crop surpluses? Only three ways are possible:

First. Find additional markets in foreign countries.

At this time that seems impossible at fair and reasonable prices, based upon the cost of production.

Second. Buy the surplus out of the markets and hold it for future eventualities.

The Federal Farm Board tried that plan. I have heard of no Member of this body who desires to try it again. There are probably some who are willing to try to control crop surpluses under the equalization-fee plan. The only difference I recognize in the equalization-fee plan and the Farm Board stabilization plan is that the money for buying the surplus by the Farm Board was furnished by the taxpayers and the money for buying the surplus under the equalization-fee plan would be furnished by the farmer producers. A mere change in the source of the purchase money can not change the effect of the purchase.

Third. Prevent a surplus.

This plan has never been resorted to in this country. It goes directly to the root of the evil. It eliminates the injurious effects on the price of the quantity for which there is a ready market. It removes the economic waste of producing things for which there is no sale. It releases land for other uses. It saves time for other undertakings. It conforms to the inexorable economic law that a supply commensurate with the demand controls the price. There is no way, consistent with the rules and practices of trade and with established and proven laws of economics, to enjoy the benefits of domestic or foreign markets without adjusting the supply to the requirements of the markets.

Under this economic law the term "demand" does not mean the needs and consumptive capacity of all the people. It does not mean a quantity that could be used and that is actually wanted by potential consumers. It does not include the altruistic and worthy sentiment that all who need are to be included in the computation. The rule is one of trade economics based upon two factors: (a) The demand, supported by the money or its equivalent to execute it, and (b) the quantity of the commodity offered to meet the demand. The demand as thus recognized is fairly steady and fixed for basic farm commodities. It varies somewhat with abnormal changes in the purchasing power of the people, but such fluctuations are susceptible of reasonable anticipation and approximate ascertainment. That premise being granted, the next step in complying with the rule of supply and demand is to adjust the supply to the market requirements.

Agriculture is at insurmountable disadvantage as compared with industry in the domain of voluntary and cooperative control of its commodity supply. The two groups differ very widely in numbers. When the salesman for the manufacturer offers his wares he quotes a price fixed by the seller. When the farmer offers his products he asks what the buyer will pay. The industrialist can maintain his price, subject to competitive conditions. The farmer must take what is offered. If the price obtainable is not sufficient, the manufacturer can reduce his output or shut down his plant and wait for a better season. The farmer can not take his vegetables and fruits and grain and cotton back home and keep them. His financial situation requires him to take the market offer. He has nothing to say about the price of his products. It is impossible for him to keep perishable products. He has no adequate facilities for storage and protection of nonperishable commodities, and if he did have, his cash requirements, receivable in the main only once a year, makes impossible that procedure. When there is a surplus offered the farmer must accept a forced sale price.

The relative price situation is made clear by a report of the Department of Agriculture on May 15, 1932, showing that the price level of agricultural commodities was 56 per cent of what it was during the 1910–1914 period, and the price level of commodities farmers must buy was 112 per cent of same period.

There is no just reason for this marked difference. It is explainable only on the fact that industry, by reason of the smaller numbers and better organization, can avoid dumping surpluses on the markets and thereby breaking the prices, while farmers can not so protect themselves.

The millions of farmers are widely scattered. They are unorganized. They differ in viewpoints and in financial standing. Many of them are tenants and croppers; many operate on borrowed money and supplies bought on credit. They are unable by voluntary cooperation to control the quantity to be offered for sale, or to withhold sales on account of prices. With a surplus they are practically forced to break the price for the entire crop.

The conditions I have briefly outlined clearly indicate the advisability of some remedial legislation to aid the farmers to effectively control their crop surpluses. If their purchasing power can be adequately restored, a home market will take ninety-odd per cent of the products of mills and factories. Labor will find employment and will be consumers of agricultural and industrial production.

The elimination of crop surpluses will certainly tend to increase prices. A striking illustration may be found in very recent prices for domestic wheat in France, Italy, and Germany.

The Bureau of Economics of the Department of Agriculture recently issued a statement showing that domestic wheat is selling in each of those countries at approximately $1.25 a bushel. At the same time the farmers in this country were getting less than 35 cents. We had a surplus. The other countries mentioned did not produce enough wheat to meet their requirements. The price was sustained there by a tariff plus legal regulations requiring a certain per cent of home-raised wheat to be used by the millers.

Our position is different because of our surplus. If we can avoid the surplus, the producers should be able to secure

the world price plus the tariff for the quantity consumed in the United States. It would be much easier to control the surplus of wheat than of cotton. On an average less than 20 per cent of the wheat crop is exported, while only about 40 per cent of the average cotton crop is processed in this country and about 9 per cent of that processed goes abroad. The average annual wheat yield is about 800,000,000 bushels. This year's average price will probably not exceed 40 cents a bushel to the farmer. If the supply is reduced 25 per cent, the 42-cent tariff could well be added to the world price by the producers demanding that domestic price. Eight hundred million bushels, if sold for 40 cents a bushel, would bring $320,000,000. Six hundred million bushels, if sold at 82 cents a bushel, would bring $492,000,000. That would be an increase of more than 50 per cent in the gross amount received by the farmers, and the reduction in cost should also be considered. It is easily understandable how, with the surplus eliminated and the tariff rate increased, the price could reach $1 a bushel.

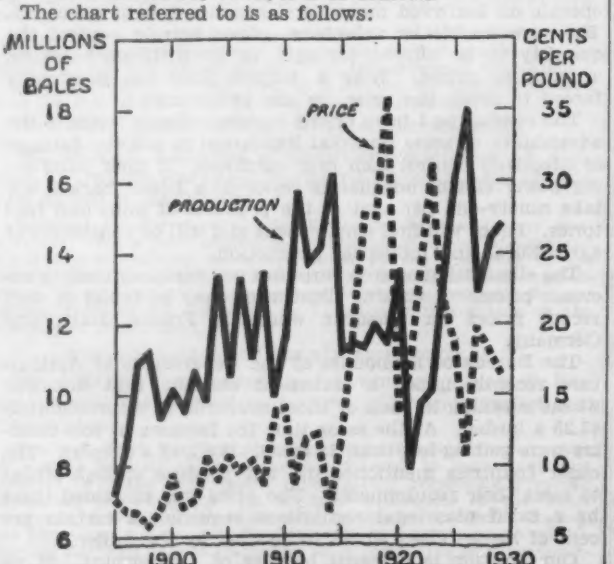
On account of the small percentage of cotton consumed at home, the cotton problem is more difficult than wheat. We are now confronted with a carry-over of 13,000,000 bales of American cotton. That is more than enough to supply the world consumption of American cotton for another year if no cotton is raised in our country during 1933. No one can reasonably expect the price to advance to cover the cost of production, with such an unprecedented supply. From 1915 to 1924, inclusive, the acreage planted to cotton averaged 34,000,000 acres. From 1925 to 1930, inclusive, the acreage averaged nearly 45,000,000 acres. The acreage and the production have increased out of all proportion to the increase in consumption. The carry-over has constantly increased and with the inevitable result, declining prices. That situation had developed prior to 1930 and the price would have continued downward if there had been no depression. Of course, the world-wide depression accelerated the downward trend. It is my conviction that a fair and reasonable price can not be regained until the larger part of the carry-over has been consumed and the amount of production greatly reduced.

In normal times, the price of cotton rises and falls in almost exact proportion with an increase or decrease in the size of the crop. This statement is supported by a chart issued by the Bureau of Economics of the Department of Agriculture, based upon actual experience for 30 years.

I have before me the chart referred to, and ask unanimous consent to have it inserted in the RECORD at this point in my address.

The PRESIDING OFFICER (Mr. GOLDSBOROUGH in the chair). Without objection, it is so ordered.

The chart referred to is as follows:



The world cotton situation, with outlook for 1931–32

Mr. BANKHEAD. Mr. President, the effect of the size of the crop upon the amount of money received by the farmers may be helpful in our consideration of this problem.

The following figures are taken from the Yearbook of Agriculture, 1930, page 680:

	Production, 1,000 bales	Price per pound received by producers Dec. 1	Farm value
		Cents	*1,000 dolls.*
1923	10,140	31.0	1,571,829
1924	13,628	22.6	1,540,834
1925	16,104	18.2	1,464,032
1926	17,977	10.9	982,736
1927	12,955	19.6	1,269,885
1928	14,478	18.0	1,301,796
1929	14,828	14.4	1,225,032

Thus it will be seen that in 1923 with a 10,000,000-bale crop following two short crops caused by the advent of the boll weevil, the price to the farmers was 31 cents per pound and the farm value was $1,571,829,000.

In 1926, when the crop was 18,000,000 bales, the largest crop ever produced in this country, the price to the farmers was 10.9 cents per pound and the farm value $982,736,000.

For a crop in 1923 of 8,000,000 bales less than in 1926 the farmers received $589,000,000 more. General economic conditions during the two years were practically the same. If there was any difference, 1926 was better than 1923.

Let us compare the crop of 1927 with that of 1926. We all know that economic conditions throughout America and throughout the world were practically the same during those two years. In 1926, as will be recalled, the crop was 18,000,000 bales. In 1927 the production fell to 12,955,000 bales. The farm price was 19.6 cents per pound. The farm value was $1,269,885,000.

For 5,000,000 bales less than was produced the preceding year the farmers received $287,149,000 more, traceable solely to one fact and one fact alone, and that was the size of the surplus brought about by the great crop of 1926.

These official figures, furnished by the Bureau of Economics of the Department of Agriculture, prove conclusively that it is to the best interest of the farmers and of our country to limit the supply to meet the demands of the market. In normal times, with a normal carry-over, every increase of 1,000,000 bales in the size of the crop has decreased the price about 1 cent per pound and correspondingly every reduction of 1,000,000 bales has increased the price about 1 cent per pound.

Under prevailing conditions and with the all-time record for quantity carry-over, the proposition I am discussing is sustained by recent official estimates of the size of the 1932–33 cotton crop. When the August estimate disclosed a crop of a little over 11,000,000 bales and was followed by bad weather conditions for a few weeks the price advanced about 3 cents a pound. It went up from about 6 to about 9 cents a pound. That brought a general feeling of cheer and optimism to the people of the Cotton Belt. The September report indicated a larger yield. That was followed by good weather and a still larger estimate in the October report. When it became evident that the production would equal the consumption and there would be no reduction of the surplus, the price dropped below 6 cents a pound.

There was a fluctuation of 3 cents a pound within six or eight weeks, without any change in economic conditions, based solely upon information about the size of the crop.

But it has been suggested that a reduction of supply and the consequent increase in price will promote an increase in production abroad and a corresponding loss of our markets.

There are two answers to this suggestion, both of which are satisfactory to me:

First. It is better for us to lose some of our markets than it is to pauperize our cotton farmers in order to hold foreign markets for the benefit of others.

Second. The suggestion is not supported by the experiences of the past or by other supporting facts.

Our principal cotton-growing competitors are India, Egypt, China, and Russia, and, as a matter of fact, China and Russia export practically no cotton. In India there was produced in the year 1925–26, 5,200,000 bales. Since that time the production for no year has equaled that amount. Their cotton is inferior in grade to ours. In China there was produced in the same year—1925–26—2,100,000 bales. Since that time the production for no year has been as much as 2,000,000 bales. In Egypt there was produced in the same year 1,650,000 bales. Since that time the production for no year has equaled that amount. The Egyptian cotton is long staple and fills an entirely different demand from our cotton. Satisfactory information from Russia is not obtainaole, but it is believed that Russia, while having a grade of cotton comparable to ours, has a very limited additional acreage suitable, under economic development, for cotton production. At any rate, we can not adopt our present policies upon the basis of a fear of what may come out of Russia. At present Russia is not a serious competitor in the world markets for cotton.

I am also proposing reciprocal agreements with other exporting countries covering the subject of world supply. Further explanation of that phase of the problem will be made before I conclude this address.

Viewing the whole world situation as it relates to actual and potential production and the destructive effect of overproduction in our country, it seems that it is our duty to accept and adopt any economically sound plan which will increase the price of one of America's greatest money-producing crops. I assert that it can be done.

With the indulgence of Senators, I will proceed to state how it may be done. The plan that I propose may be applied to wheat and other farm commodities. I shall explain it in terms of cotton.

Three problems are involved:

First. How to reach a decision on the quantity to be offered for sale.

Second. A plan for fair and just apportionment to individual farmers.

Third. An effective method of enforcing the proposed reduction in the supply.

Let us deal with these problems in their order.

First. The quantity: I introduced a bill during the last session to regulate the supply of cotton in interstate and foreign commerce. The plan then proposed for reaching a decision on the quantity was by vote of owners of land used in cotton production, the vote to be taken through the mails under detailed regulations set out in the bill. On further reflection, I have concluded that a less cumbersome way may be used. A board may be created to be composed of the Secretary of Agriculture, the Secretary of Commerce, and the commissioner of agriculture, or similar officer, in each State where the commodity is grown in quantity. This board would be given the power to fix the quantity of cotton or other agricultural commodity involved that could be legally transported during a calendar year, in interstate and/or foreign commerce. The pending bill fixes the quantity of cotton to be supplied next year at 50 per cent of the amount harvested in 1931–32. We had a large crop that year, with a good yield all over the Cotton Belt—or about 8,000,000 bales.

Second. Apportionment: Apportionment to individual landowners calls for the only machinery under the plan. The total annual production for the preceding five years is used as a basis, and an average yearly yield is found. Suppose the 5-year average has been 15,000,000 bales, which is approximately what it has been. The 5-year average for each State and each county is then ascertained. These findings involve nothing more than an examination of the records of the Departments of Agriculture and Commerce. If the board finds that a reduction of 33⅓ per cent should be made, then each State is allotted its proportion of 10,000,000 bales, and each county is allotted its proportion of the State's total.

The next step is the allotment to the landowners in the county. That would be done upon the same basis of a 5-year average on each farm engaged in cotton production. If 15 bales has been the average, the owner would have the right to sell 10 bales for shipment in interstate or foreign commerce. Under this plan there would be a uniform and equalized reduction in every section of the cotton area and every owner would be placed upon exactly the same basis of proportionate reduction.

At first blush it may appear that it would be a most difficult and expensive undertaking to make the individual allotments, but such is not the case. Fortunately, the machinery is now in existence for doing the work and for doing it at a very small additional expense. There is in practically every county an extension-service agent whose entire work is dealing with the farmers of his county. This agent is required, under the plan, to make the apportionment to the various landowners. Each landowner is required to submit to the agent an affidavit showing his production during each of the preceding five years. Witnesses may be examined and ginners' records inspected. By using five years a fair average is secured, notwithstanding weather and other conditions which may differently influence the size of the crop in different localities. When the allocation is once made very little work will thereafter be required by the agent, except to make small adjustments for land going out of production and for new land coming into production, for which a small percentage of latitude is allowed.

Third. The subject of enforcement: Assuming that the reduction in quantity can be fairly adjusted between the producers, we approach the problem of enforcement of the new arrangement. For that purpose the commerce clause of the Federal Constitution is invoked. I know of no power in Congress to limit production directly, or to control in any way the number of acres that a landowner may plant.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. With pleasure.

Mr. LONG. We found cut that the sabbatical year would be allowed for the purpose of preventing pests. Congress in all legislation has a right to prevent pests, the spread of disease, the boll weevil, and other things of the kind. Congress would have the right to prohibit the planting of a crop for a year.

Mr. BANKHEAD. I may say to my friend that possibly he is right on his legal statement; but that proposition involves, as I know the Senator recognizes, the complete prohibition of a crop at all. For that reason I do not advocate that plan. This is intended as a permanent plan, to work year in and year out; and in recognition of that I do not advocate a complete cessation of the raising of cotton. We are in accord upon the legal question that the Senator has presented. As I stated, however, I know of no power which gives Congress authority directly to limit the production of any crop, nor to deal in any way with acreage limitation. We all recognize, however, the provision in the Federal Constitution which grants the Congress the power to regulate commerce between the States and with foreign countries. So, for the first time, so far as I know, the suggestion has been presented to Congress in concrete form that the power to regulate interstate and foreign commerce should be used as an aid to the farmers, to place them in a position somewhat like that of industry, namely, to regulate and control the supply in interstate commerce.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. BANKHEAD. Certainly.

Mr. PITTMAN. I do not know that I remember exactly the decision of the Supreme Court in the child-labor case under the first act; but I believe an opinion was rendered in that case to the effect that without a further constitutional amendment or authority of Congress, if the goods manufactured by child labor were not in themselves detrimental to the rest of the country the power of Congress to prevent the transportation of those goods under the interstate commerce clause was questioned.

Mr. BANKHEAD. I will say to the Senator that I am familiar with the child-labor case. It is not my purpose on this occasion to go into a discussion of the constitutionality of this bill. I am prepared to do it if the bill ever reaches that step in its progress. I will say to the Senator, however, in passing, that I do not regard the decision in the child-labor case as conclusive. I think it was based upon the exercise of the police power of the State, rather than a mere direct effort to regulate interstate commerce. I will also point out to the distinguished Senator, for whose legal talents I have the very greatest respect, that that was a decision by a divided court of 5 to 4; and in a later case the Supreme Court went out of their way to incorporate in another decision the statement that if the question came before them again they would reconsider it.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield further to the Senator from Nevada?

Mr. BANKHEAD. Yes, sir.

Mr. PITTMAN. I had simply raised the question for the purpose of having the Senator distinguish that particular question.

Mr. BANKHEAD. I am delighted to have the thoughtful inquiry and suggestion of the Senator.

The plan proposed, as I have stated, provides that a license shall be issued to the landowner authorizing him to ship in interstate and/or foreign commerce the quantity allotted to the landowner, and that it shall be unlawful to transport the commodity or the manufactured products thereof in interstate or foreign commerce without a farmer's supporting license. By requiring cotton mills located in cotton-growing States to have a supporting license for the quantity of raw cotton necessary to process the cotton goods shipped, it is made impossible for unlicensed raw cotton to legally escape through the cotton-mill route. I assume that the same principle would apply to processed products of wheat, to wheat that went into flour. Under this bill, at least, a supporting license would be required to ship flour.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. Yes.

Mr. ROBINSON of Arkansas. With no purpose whatever of raising difficulty for the Senator——

Mr. BANKHEAD. I am delighted to have any inquiry the Senator propounds.

Mr. ROBINSON of Arkansas. He is making a very interesting and instructive discussion. We all know, taking the illustration that is running through the Senator's argument, that for one cause or another sometimes a given area of land in one season will produce twice as much as in another season. Assuming that it is the purpose of the cotton grower to limit his production as nearly as may be practicable to the quantity that may be shipped under the license which the Senator's proposal contemplates, but that in a given season the production far exceeds the amount that he would be permitted to ship in interstate commerce, what disposition could be made of the surplus which inevitably would arise under the conditions I have described?

Mr. BANKHEAD. I am glad the Senator inquired, because I have, of course, given thought to those phases of the problem, and I welcome any question by anyone interested in this subject.

Under the statement of facts presented by the distinguished Senator, the plan really requires the farmer or producer to carry his own surplus until he either consumes it, if it is something that he can consume at home, or until, as the Senator mentioned, because of weather conditions in some later year his crop is reduced below the estimate for which he planted it. Then he can use the cotton in his barn or in the warehouse, or wherever he may keep it, to make up his allotment for the year in which weather conditions made his crop short.

The bill provides for the continuance of the license from year to year until the producer has supplied his full quantity, having in mind the very proposition the Senator stated, as well as his loss by reason of failure to produce his full quantity because of weather conditions. Then he still has a license for cotton making up his proportion of the total amount, but of which he was deprived on account of weather conditions; and by carrying that into the next year, the average for the two years or three years or any other number of years will not be increased. It will simply be a little more in a succeeding year when weather conditions have made the crop short in some sections of the country. Do I make myself clear?

Mr. ROBINSON of Arkansas. Yes. The Senator's answer has been very clear, but it has not extended to the limit of the point I had in mind.

Let me make that a little more easily understood.

Assume that a planter or a cotton grower has 100 bales of cotton or 5 bales of cotton, as the case may be, in excess of the amount he may ship in interstate commerce. Does the Senator's plan contemplate any method by which that cotton may be kept off of local markets?

One can easily conceive that cotton mills would be located in all the cotton-producing States. They would naturally try to get the product as cheaply as circumstances would permit, and they would buy up and manufacture the surplus at whatever price they could obtain it for; and there would not be complete control, as would at first seem contemplated by the employment of the power to regulate commerce vested in the Congress. Have I made myself clear?

Mr. BANKHEAD. I understand the Senator; yes; and I am prepared to answer his question.

Mr. ROBINSON of Arkansas. Very well.

Mr. BANKHEAD. I will say that the Senator's clear mind went directly to the only place in the plan that would permit any "bootlegging" of cotton. There are two elements involved in the question. The Senator speaks of local millers buying up cotton. The Senator must bear in mind—of course, I know he is not yet familiar with all the details—that the cotton spinner could not ship in interstate or foreign commerce any goods manufactured from raw cotton without the supporting license of the farmer.

Mr. ROBINSON of Arkansas. Just a minute, though.

Mr. BANKHEAD. Let me finish the second thought. I may anticipate the Senator.

Mr. ROBINSON of Arkansas. Very well.

Mr. BANKHEAD. Here is the only place, I say, where there is a possibility for any leakage, and that is that if the cotton miller has a local demand within his State for cotton goods, of course, he could manufacture for that local demand and deliver the product within the State without having a farmer's supporting license.

Mr. ROBINSON of Arkansas. Yes.

Mr. BANKHEAD. But that is entirely negligible, as the Senator, being from a cotton State, doubtless knows, and certainly would constitute a most negligible proportion of the cotton crop.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield further?

Mr. BANKHEAD. I do.

Mr. ROBINSON of Arkansas. The first answer is based on the hypothesis that it is within the power of Congress to prevent the shipment in interstate or foreign commerce of manufactured articles made from cotton which in themselves are not in any sense detrimental to the public health, morals, or safety.

Mr. BANKHEAD. That was a question which the able Senator from Nevada raised.

Mr. ROBINSON of Arkansas. I understand that. I have discussed the subject personally with the Senator from Alabama, may I say, and have been very much impressed with the forcefulness of his proposition. But this is to me a difficulty which may well receive consideration, since if it is not within the power of Congress to exclude from interstate or foreign shipments commodities manufactured out of a product which is not detrimental to the public health, morals, or safety the plan would fail.

Mr. BANKHEAD. I will make a brief reply to that, without having reviewed the decisions within the last few months or having them available for direct reference. It is a subject to which, naturally, I have given a good deal of consideration.

Mr. LONG. Before the Senator explains that will he yield a moment?

Mr. BANKHEAD. I yield.

Mr. LONG. I want to develop that question just a little more. If you simply undertook to prevent the cotton goods being spread by interstate commerce, it would tend to have mills locate within the areas where the goods were to be consumed, because in that case they would have a distinct advantage.

Mr. BANKHEAD. They are located in every cotton State, and the Senator must recall that only 6,000,000 bales all together are consumed in America and that 9 per cent of that 6,000,000 bales is shipped abroad. I know the Senator is aware of the fact that a very large proportion of cotton goods consumed in his State and in my State and in all the other cotton States is not made without our States.

Mr. LONG. That is right.

Mr. BANKHEAD. Because they are a class of goods and a quality of goods which our mills do not produce. We ship them in.

As I stated, there is a possibility of some small loss there, which can well be considered and accounted for in the decision of the board as to the quantity which could be shipped in interstate and foreign commerce.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I have yet to answer a question asked by the Senator from Arkansas, but I will be glad to yield to the Senator from Wisconsin.

Mr. BLAINE. I did not want to interrupt the Senator in answering the Senator from Arkansas, but I was going to inquire whether the Senator's plan contemplates that the surplus of cotton shall not be sold in the domestic market.

Mr. BANKHEAD. The plan is not the allotment plan. It is simply to provide for a control of the surplus for the purpose of influencing the world price; because we produce more than 50 per cent of the cotton of the world, and certainly the size of our surplus, as has been shown by experience here over many years, controls the world price of cotton, and the world price is the domestic price.

Mr. BLAINE. But, if the Senator will permit, if the surplus cotton can be sold in the domestic market, how is the law of supply and demand to be overcome by the Senator's suggestion?

Mr. BANKHEAD. I do not undertake in any way to separate the domestic and foreign consumption. The plan limits the amount which can be sold in the cotton markets. Knowing the probable consumption of American cotton, which is all the time fairly well known, both domestically and in our customer countries abroad, assuming that the consumption for a year is 12,000,000 bales, then the proposition here provides that only 12,000,000 bales will enter both the domestic and the foreign markets combined, and that the same price prevails for the cotton used here and the cotton used abroad. In other words, I make no effort to get away from the world price of the commodity involved, but attempt simply to do the best thing to regulate and influence and control that price.

Mr. BLAINE. He can not sell it in the domestic market.

Mr. BANKHEAD. If the Senator will permit me, there is no limitation against his selling it if he can find a buyer; but the difficulty is that he will not find a buyer.

Mr. BLAINE. There will be no buyer on account of the limitation of the amount.

Mr. BANKHEAD. That is true.

Mr. BLAINE. Therefore the effect would be that he would either have to store the cotton indefinitely or destroy it.

Mr. BANKHEAD. Yes. That feature of it removes the carrying of the surplus, as was done by the Farm Board, or as would be done under the equalization fee. It shifts it to the farmer to carry his own surplus if he produces over the amount for which he has a license to ship in interstate commerce.

Mr. BLAINE. So whatever penalty is to be paid on account of the production of the surplus, the individual cotton producer must pay that penalty, either in the destruction of the surplus or in holding it over or dumping it into the sea.

Mr. BANKHEAD. It is to relieve us of the possibility of a surplus—to avoid a surplus. The hope is that the farmer will see the advantages of having no backlog threat to the price, and I may say with perfect frankness that if the plan does not have the effect of bringing about a voluntary reduction by the producers because of the fact that they can ship but a limited amount, if it does not bring about a reduction, then I concede that it will not be effective. But, in my judgment, where a farmer has a license for a fixed amount of cotton or wheat, and knows that during the next season he can not sell any more—realizes that the smaller amount will bring him more money than the larger amount—I think he will endeavor as best he can to adjust his crop to his license. Whatever variation there is, as I have explained, if he makes some over, he must carry it until he has a shortage.

Mr. BLAINE. If the Senator will yield for just one more question, the plan, as the Senator has developed it here, is very clear to me, but there is nothing in the plan, of course—and this may be a very inapt question—which has any relation to the control of a cotton crop, which may be affected by the elements. That is, the farmer has no control over sunshine and shower, he has no control over drought, he has little control over the boll weevil. So he must suffer from the ever-changing conditions due to the elements in the production of his crop. I refer, of course, to the individual farmer.

Mr. BANKHEAD. I recognize the proposition presented by the Senator, and I think it is well provided for, because I use a 5-year average production on every particular farmer's land, and I think that will, in a reasonable way, cover good years and bad years.

Mr. BLAINE. That may be balanced.

Mr. BANKHEAD. That is the purpose of it. The advocates of the equalization fee have been contending that over a reasonable period of years the market would take all the production. I am applying here only an average on weather and crop conditions.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. BANKHEAD. I yield.

Mr. McKELLAR. I want to ask the Senator this: Assuming that his plan is constitutional, and we take a great industry like cotton raising and put it under a board which would have the power of licensing production in the various cotton States of the Union, is it not possible that we might give so much power to a board or a commission in Washington over this great crop as to further injure it, rather than to help the price? It seems to me that the plan would give enormous control to a board here in Washington, a board which might not be at all familiar with the cotton business, and might cause a great deal of trouble, instead of benefiting the price to the farmer.

Mr. BANKHEAD. There are a number of answers, of course, to the Senator's suggestion, but I think a sufficient one is that every measure introduced in the Congress on the subject of farm relief, some of which I assume the Senator has been supporting, has placed similar power in the hands of some board—the equalization fee, the allotment plan, the debenture plan, and all others.

Mr. McKELLAR. That is one of the troubles; those limitations and restrictions and inspections of cotton, and the control of the cotton industry generally, are being very greatly complained of in my State. The cotton producers say that Congress has already put too large a control in the hands of bureaus and commissions here, and I am not so sure they are not right. I just wanted to get the Senator's

views. I want to say to him that his plan interests me very much, and I will be delighted to give it the very best thought of which I am capable. But that is one of the objections to it, as it seems to me, that we would be giving too much centralized control here in Washington.

Mr. BANKHEAD. I will just say this in answer to the suggestion of the Senator from Tennessee. The board proposed is not a Washington board. It is composed chiefly of elected representatives of the people in their respective States. Not a single plan has been presented here for farm relief to which there are not theoretical objections based upon old, fundamental views of government. There is a plan known as the allotment plan which seems to be growing in favor, which authorizes a board or secretary to fix the prices of farm commodities, also to decide what are reasonable costs of production. There is the equalization fee plan, which authorizes the Farm Board to determine whether or not it shall be applied and what fee shall be fixed. There was a bill which had serious consideration at the last session, which I voted to recommit; I do not know how my friend from Tennessee voted. That bill made it unlawful for the producer of any farm commodity to sell his commodity at a price lower than that fixed by an agency or bureau of the Government.

So far as I am personally concerned, in view of the very great distress of agriculture in this country, in view of the absolute importance, as I see it, as the very first step in climbing out of this great depression, of increasing the agricultural-commodity prices and restoring purchasing power to the farmer, I have reached the point where these former theories of mine shall not control my action upon this great question, so long as it appears to me, or I have reasonable cause to believe, that the plan presented is workable, and will bring about the desired result.

We find the same type of farmers in the State of the Senator from Tennessee and in my State, adjoining States, and I do not believe that the people of our States would protest against any undue governmental interference which resulted in a certain increase in the price of their great basic commodity.

The Senator found no opposition when the legislation was pending on the Farm Board question. The opposition of the people and their protest has been against the way the law was executed, and the results of that law, rather than merely the setting up of some form of machinery to aid agriculture.

I believe that the farmers all understand—at least the average intelligent farmer will understand—that the price of cotton fluctuates and is governed by the size of the crop produced, and I believe that practically all of them are willing to reduce their production to meet the market requirements, under the assurance, and with the definite knowledge, that every other producer is going to make the same proportionate reduction.

I have no fear about the condition suggested by the Senator from Tennessee in his question, if in fact we decide that this solution of the problem will be beneficial and helpful. I am willing to take chances on the balance of it.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BANKHEAD. I am glad to yield.

Mr. GORE. I am rather inclined to share the fears indicated by the Senator from Tennessee [Mr. McKELLAR] as to the wisdom of requiring free men to take out a license to engage in legitimate business in a free country. I am afraid that along that line it might do more harm than good. But there was one point involved in the question of the Senator from Arkansas [Mr. ROBINSON] to which the answer of the Senator from Alabama did not quite go. I wish to ask the Senator if he has considered this possibility, that might meet the difficulty raised by the Senator from Arkansas.

The Senator's plan contemplates an annual allocation of 10,000,000 bales of cotton——

Mr. BANKHEAD. That was given as an illustration merely.

Mr. GORE. Yes; I so understood, and I am taking that as an illustration to raise this point. Suppose one-half of the Cotton Belt and one-half of the cotton farmers, because of weather conditions, had a shortage in their yield of 20 per cent. They would be scheduled at least 5,000,000 bales. A shortage of 20 per cent would reduce their production to 4,000,000 bales. On the other hand, in the other half of the Cotton Belt the other half of the cotton farmers might have an excess of 20 per cent, which would mean a production of 6,000,000 bales. Therefore, over the total cotton area the total production would be 10,000,000 bales. But under the Senator's plan the two halves together could dispose of only 9,000,000 bales.

I was wondering if the Senator had considered the possibility of permitting the board at some point during the marketing year to extend or relax the license of the farmers as they produced an excess of 20 per cent, because the two taken together would only meet the annual allotment of 10,000,000 bales, and to do this perhaps regardless of consumption in this and other countries.

Mr. BANKHEAD. I will say to the Senator that the weather conditions about which he speaks are covered under the 5-year-average plan and in addition the continuance from year to year of the license. But let me further say that if farmers in some sections are unfortunate and have a reduction in the quantity actually raised, they must still take the world price for that reduced quantity, whereas if the limitation uniformly applied to the total be limited to the world demand and the world requirements, they would get more money for their reduced crop than they would have had for the larger crop. If we let others flood the market, then over a period of years that would increase the surplus rather than hold it down on a level with the requirements of the market.

Let me bring another proposition to the attention of the Senate. I believe that the Senator from Arkansas [Mr. ROBINSON] has been called from the Chamber, and I shall not now undertake to answer further his question. I have been quite liberally diverted from it. When he returns I shall be pleased to make some further response to the constitutional phase of the question.

But let me ask the attention of wheat Senators as well as cotton Senators to this phase of the bill, as I regard it as being fraught with very helpful consequences and results. My bill provides that the President of the United States, on the joint recommendation of the Secretary of Agriculture and the Secretary of Commerce, may at any time increase the quantity allowed in interstate and foreign commerce over the amount originally fixed by the board. That has at least two fields of service. In the first place, if developments after the board's original finding are such that the requirements of the world are changed, that the market conditions have improved, and there is a demand for more wheat or more cotton, or new markets are found, then the President would have the power by proclamation to increase the quantity originally fixed and to authorize shipments accordingly.

There is another provision tied into this which authorizes the President of the United States to negotiate trade agreements with producing countries who export wheat and cotton. Let me say to Senators, though many of them doubtless know it, that in the last year at least two foreign countries engaged in the exportation of cotton applied to the United States for an agreement fixing and limiting the quantity to be put into the world market. Unfortunately we have no law under which the President could enter into such an agreement; and, far more important than that, we have no legal provision under which such a plan could be put into execution and applied all down the line with equality and justice to individual producers.

Let me remind my friends interested in wheat that we have three great exporting nations of wheat outside of America. We have Canada, Argentina, and Australia, two of them under the control of the same Government, in a way. With this authority and power given to the President,

suppose we could negotiate an agreement with those three great wheat-exporting countries by which the supply to be shipped into the markets of the world outside of their own countries could be limited, everyone knows—even a schoolboy would know—the direct and helpful effect that would have upon the price of wheat. No one, I assume, disputes the effect of a surplus which can not be consumed and which can not be sold. By this power given to the President to limit the quantity fixed by the board he has the power not only to carry out under the law any agreement that is made with a foreign nation, but he is given the authority to say to them, "All right, if you are unwilling to reduce your production, if you are unwilling to limit your supply of wheat in some reasonable way in proportion to what your country has been doing, then I will take the limit off in America and let the war go on."

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BANKHEAD. I am glad to yield.

Mr. WHEELER. The Senator is talking about fixing the price of commodities in this country. I have been listening to his argument with a great deal of interest.

Mr. BANKHEAD. I am delighted. I have noticed the Senator's attention and am complimented.

Mr. WHEELER. He spoke about the price of wheat in Argentina being a factor, which it is. At the present time the currency or the money of Argentina has depreciated about 40 per cent. Assuming that Great Britain wanted to buy wheat in the world market and assuming that the price was 50 cents gold in the United States, that would mean that the Argentine farmer would get 70 cents for his wheat in his currency, and likewise it would mean, by reason of her depreciated currency, that her cost of production would be about 40 per cent less than it would be in the United States. Even with a 40-cent tariff upon wheat in the United States, unless the Argentine Government would agree and unless Russia, Canada, and Australia, who also would be competitors in the world market, would agree, they could still ship their wheat into the United States and depress the market by reason of their depreciated currency.

Mr. BANKHEAD. My answer to that is that this situation would doubtless result in an increase in the tariff upon wheat, especially in this country, to avoid the very consequences the Senator contemplates.

Mr. WHEELER. The trouble with that would be that they could further depreciate their currency, and the more they did it the higher we would have to raise our tariff.

Mr. BANKHEAD. That is possible, too, but we can not regulate the currency of foreign nations in handling this matter.

Mr. WHEELER. I appreciate that.

Mr. BANKHEAD. I think the Senator and I are very much in line on many features of the currency question, but that is a digression, that is a line of thought which is a diversion from what we are undertaking to do here, and I do not want to take time to go into a discussion of the settlement of our exchange rate and the adjustment of depreciated foreign currency. I want to say on that point to the Senator and to anybody else interested, and I hope he is in accord with my thought, that I regret the present position we occupy on the foreign-debt question, under which we are seeking to draw $100,000,000 away from England in way of payment of the debts at this time, depreciating along with it the value of the pound sterling. As the pound sterling depreciates and lowers in value, in proportion almost, the wheat in the Senator's State and the cotton in my State are going down in price. So far as I am concerned on the subject of depreciated foreign currency, I am willing for some reasonable adjustment of the foreign-debt situation to be made which does not further drag down the currencies of our best customers and with them the price of basic agricultural commodities in America.

Mr. WHEELER. The point I wanted to make to the Senator is this: We have a tariff on manufactured products at the present time, but by reason of the fact that they have a depreciated currency the foreign manufacturers are still able to dump over our tariff walls. The same thing is true of commodities of which we do not produce a surplus in this country. For instance, we have a tariff upon peanuts. Notwithstanding the fact that we do not produce a surplus of peanuts, at the present time the price of peanuts is depressed in this country by China, shipping peanuts into the United States. The question in my mind is whether or not, under the particular conditions we have in the world to-day, with the depreciated currencies, the allotment plan is going to work. My own view—and I will state it very frankly to the Senator—is that if the currencies of these various countries were on a par, then I think the allotment plan would possibly work, providing it would not build up such a tremendous bureaucracy here in Washington. I am trying to say to the Senator that with the present depreciated currencies, I do not think the equalization-fee or allotment plan or any other proposed legislation for the purpose of curtailing production in this country is going to affect very materially, if at all, the market price of what the farmer is going to produce.

Mr. BANKHEAD. It would affect only the domestic consumption, especially of wheat. However that may be, I do not want to trespass further upon the time of the Senate.

I shall not at this time discuss the constitutionality of the requirement for a license to ship ordinary commodities in interstate and foreign commerce. I have given careful consideration to that subject and have made painstaking investigation of the law. I am prepared to discuss it and will do so if the necessity arises.

My purpose in addressing the Senate at this time is to invite consideration of the plan which has been outlined. We had much talk at the last session about the necessity of rescuing agriculture, but nothing satisfactory to a majority was proposed. I am exceedingly anxious for action at this session looking to increasing the purchasing power of the farmer. It is the most important subject before this Congress.

My plan does not involve any price fixing by law. It does not contemplate artificial or temporary stimulation of prices. It is not a burden on the taxpayers. It does not violate well-recognized economic laws. It does not inject any new principle of business. It simply provides machinery for placing the control of the farmer's supply of his commodities on the same basis as is voluntarily practiced by successful industry. My bill authorizes the President to make agreements with other countries producing and exporting cotton or wheat, limiting the annual supply in export trade by those making such agreements.

It may be recalled that such offers were made to our country last year. There was then no law under which such agreements could be entered into by the United States and no legal way to carry out and enforce the same in our country. My bill establishes the authority for making such agreements and provides the machinery for enforcement. An agreement between India, Turkey, and our country regulating the supply to fit the consumption demands would certainly provide an easy way for lifting world prices for cotton to reasonable levels. The same may be said of an agreement with Canada, Argentina, and Australia covering the wheat supply.

Authority is given to the President, on the joint recommendation of the Secretary of Agriculture and the Secretary of Commerce, to increase the quantity of cotton or wheat that may be transported in interstate and foreign commerce. This authority puts us in position to meet conditions and exigencies that may arise after the board has fixed the supply. It also gives the President latitude and leverage in dealing with other countries. If other countries decline to limit exports, the President has the power to take the limit off in this country.

If this plan is put into legal operation before next year's crop planting has proceeded too far for adjustment, who can seriously doubt that a much larger income will be received by cotton and wheat farmers for 1933 and succeeding years? Time for action is short. I have presumed to

indulge the hope that by bringing this measure to the early attention of the Senate the agriculturally minded Members might give it immediate and intensive study.

I recognize the difficulty of selling a new idea; but, as I view the situation, some new remedy must be applied. I nurse no pride of opinion. I am not jealous about authorship. If some Senator will rewrite and improve the bill, I shall gladly get behind him. I am interested in action to aid the farmers. I am deeply concerned with the results. I should be happy to be a humble follower, if some Senator with experience and prestige and influence would take the lead in a drive to secure remedial legislation which will increase the price of farm commodities. I do not insist that such an effort shall be in support of the plan I have offered. I am willing, ready, and anxious to give my support to any plan which I am encouraged to believe will be helpful in increasing the prices of farm products. I am willing to experiment with drastic and heroic treatment on an expiring patient. My plan looks to a permanent remedy, on principles long recognized and practiced by industry. On some commodities, controlling the supply may aid, or may dispense with, the use of the allotment plan.

Controlling the surplus will operate with all commodities, at all times, to the advantage of the producers, and that is true whether the commodity may be fully consumed in domestic markets or must find foreign markets for an excess over home consumption.

I appreciate the attention Senators have given me while I have been discussing the question. I want to invite attention, however, to the fact that there is absolutely a minimum of Federal machinery involved. It is proposed to use the agencies of government which now exist. There is little additional cost, nothing but the allocation or allotment of quantities and the issuance of the licenses. I have heard of no plan presented which has less Federal machinery involved in it. When that is done, then the whole problem is remitted to a settlement upon the basis of the economic law of supply and demand.

CONSIDERATION OF THE CALENDAR

Mr. McNARY. Mr. President, earlier in the day I had intended to propose a unanimous-consent agreement to take up the calendar, but in view of the lateness of the hour I shall wait until to-morrow, giving notice now, however, that during the morning hour to-morrow I shall ask that the calendar of unobjected bills may be considered. I now move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Thursday, December 8, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 7, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

"God is love." We thank Thee that the sovereign antidote to the stings of life is the magic of Thy love and the enveloping sympathy of the Savior of men. By many silent tokens, O Father, make strong our hearts to accept the stern ideals of duty. We would yield allegiance to one throne and one scepter, and by this loyalty may we cherish the hope that all men's good may become each man's care. By the passion of our patriotism and devotion to the public service may every barrier to our Nation's progress be broken down. Lift aloft, blessed Lord, the standards of brotherhood, private virtue, civic righteousness, and bless our entire land with the excellence of good will and peace. In the adorable name of the Christ whom we worship.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following resolutions:

Senate Resolution 288

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. HENRY ST. GEORGE TUCKER, late a Representative from the State of Virginia.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

Senate Resolution 289

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES A. KARCH, late a Representative from the State of Illinois.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

Senate Resolution 290

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. J. CHARLES LINTHICUM, late a Representative from the State of Maryland.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

Senate Resolution 291

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JAMES C. MCLAUGHLIN, late a Representative from the State of Michigan.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

The message also announced that the Vice President had appointed Mr. SMOOT and Mr. HARRISON members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Treasury Department.

THE PRESIDENT AND THE BUDGET

Mr. BLANTON. Mr. Speaker, I move the House do now adjourn.

The SPEAKER. The Chair will recognize the gentleman from Texas to ask unanimous consent to address the House for two minutes, if he desires to.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to address the House for two minutes. [Laughter and applause.]

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, while we are waiting for the President's message on the Budget for 1934, it is amusing to note that until three months before the President is to leave the White House every Budget he has heretofore sent this Congress has asked us to appropriate for his departments of Government over four billions of dollars a year.

I have heard it said that a man in high public life absorbs things as the years roll by. It is a pity that earlier in his administration the President might not have absorbed the idea so prevalent in the breast of every American—that the expenses of the Government must be cut down. I understand that now, within three months before he is to retire to private life, for the first time in his administrative history, he is to recommend to the Congress that we cut down expenses about $800,000,000.

I want to ask the President why on God's earth has he not done it heretofore? Why did he not do it for the fiscal year 1933?

Mr. UNDERHILL. Will the gentleman yield?

Mr. BLANTON. Certainly. Why did he not do it?

Mr. UNDERHILL. When?

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

Mr. CLARKE of New York. Make it three. I want to know if the gentleman knows the address of the President.

Mr. BLANTON. Mr. Speaker, I ask for three minutes so I may answer questions.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. UNDERHILL. The election is over. I object.

Mr. BLANTON. The majority leader will give me some time when we go into the Committee of the Whole. Then I will answer the gentleman's questions, because I know they need answering. [Applause.]

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE PRESIDENT—THE BUDGET

The SPEAKER laid before the House the following message from the President of the United States, which was read.

[For message see Senate proceedings of to-day.]

Mr. RAINEY. Mr. Speaker, I move that the President's message be referred to the Committee on Appropriations and ordered to be printed.

The motion was agreed to.

Mr. RAINEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union to consider the President's message.

Mr. SNELL. Will the gentleman yield for a question?

Mr. RAINEY. Yes.

Mr. SNELL. How does the gentleman propose to handle the time on this matter?

Mr. RAINEY. That the gentleman from New York [Mr. SNELL] handle half the time, and I the other half.

The SPEAKER. The gentleman from Illinois moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the President's message; and pending that, asks unanimous consent that the time be equally divided and controlled by himself and the gentleman from New York, Mr. SNELL.

Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. HANCOCK of North Carolina in the chair.

Mr. SNELL. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, as no member of the Debt Funding Commission is now a Member of the House, and as there is very great interest in the subject matter of the relations between this country and our former allies relative to the amounts due the United States on December 15, I am taking it upon myself to lay before the House a brief statement of the situation as I view it at the present time.

I believe that all legislation relative to the indebtedness of foreign countries originated in the Ways and Means Committee; and as my service on that committee has covered the entire period of such legislation, it may not be unbecoming of me to submit such a statement as I desire to make and at the same time to offer some comments on the general subject.

The usual method of communication between governments is through diplomatic channels. It is therefore incumbent upon the President to make his announcements through the State Department and for foreign countries to make their answers through their ambassadors and ministers to the State Department.

The present situation is somewhat different from ordinary diplomatic negotiations. The President, under treaty authority and under laws passed by Congress, has certain very broad powers in dealing with foreign nations. It so happens, however, that in this case that power does not lie with the President. In the matter of debt settlements Congress has been the branch of the Government to actually make all debt commitments. We, therefore, find in the debt agreements very positive statements and figures of what this country expected from its former allies. In order to be extremely lenient with them, the agreements ranged over a period of 62 years. There has never been any intention on the part of Congress, other than the moratorium of last year, that there should be any change or modification of these agreements. No matter what the individual viewpoint of the President might be, and no matter who the President of the United States might be at any particular time, Congress is the source of all authority in dealing with this subject.

Again I say, irrespective of the platitudes and appeals that have come from foreign countries, I know I voice the sentiment of my colleagues when I repeat that there is no possible way in which a change can be made in the present commitments applicable to December 15. For one I feel that our foreign friends should not even ask that there be consideration or conversations upon the subject. In due time, following the change of administration and a change in the personnel of Congress, if the next President and his administration advisers consider that, in the interest of the comity of nations, a change would be justified, it will then be ample time for the countries concerned to approach the question.

Congress took away the power to deal with this matter through diplomatic channels and passed definite legislation thereon. It can not be and will not be changed at the behest of other countries without fair opportunity for the American people to know of the conditions in those countries which result in such requests being submitted to the Congress of the United States.

Previous to the act approved February 9, 1922, entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America, and for other purposes," there had been a very indefinite arrangement about the moneys loaned during the war and thereafter to the allied nations. I recall the testimony of the then Secretary of the Treasury, Mr. McAdoo, before the Ways and Means Committee wherein he informed us that the only recognition of the indebtedness was in the form of I O U's from the various ambassadors and ministers to whom loans had been made in behalf of their respective governments. Secretary McAdoo said that this was the best possible form of security in that it was an obligation of honor. Further, these informal recognitions of indebtedness were payable on demand, which, of course, could not be effective in view of the enormous amounts which finally became involved. Neither were they such formal evidences of indebtedness as would be suitable for a long-time record. Therefore, the only course open was to formally meet with representatives of the various governments and arrange the details of payments. In this way the act of February 9, 1922, took form and became law.

Originally the Debt Funding Commission consisted of 5 members. Later this number was increased by act of Congress to 8, composing 3 members of the Cabinet, 1 United States Senator, 2 Members of the House of Representatives, and 2 other appointees.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I will yield for a brief question.

Mr. CLARKE of New York. Has the gentleman a statement showing the total amount of the obligations or the I O U's that McAdoo and President Wilson assumed or took?

Mr. TREADWAY. I have not that figure before me, but I think it is obtainable from the final report made by the Debt Funding Commission. I think it is part of their records, but I would not be positive of it.

Mr. CLARKE of New York. I wish the gentleman would put that information in the RECORD.

Mr. TREADWAY. If it is obtainable I shall be very glad to insert it.

In answer to the above inquiry, I find that on January 31, 1927, the secretary of the Debt Funding Commission, Mr. Garrard B. Winston, in a letter addressed to the members of the commission, made the following statement:

> The World War Foreign Debt Commission, created by the act of February 9, 1922, as amended, has practically completed the work intrusted to it by Congress. The life of the commission expires February 9, 1927, and it seems unnecessary to ask for an extension.
>
> At the time of the creation of the commission there were obligations of foreign governments held in the Treasury totaling in principal amount approximately $10,102,000,000. Agreements have been concluded providing for the funding of these obligations in principal amount of $9,811,094,094.03, or over 97 per cent of such obligations held when the commission started to function. Adding to this last-mentioned sum the accrued and unpaid interest up to date of funding in each case, amounting to $1,711,259,905.97, makes the total funded debt stand at $11,522,354,000.

I think this furnishes the information desired by the gentleman from New York.

The first official action in the House on debt funding was in the nature of a report by the Ways and Means Committee, later enacted by Congress and approved February 28, 1923, providing the amount to be paid by Great Britain and the method of making such payment. The amount was fixed at $4,600,000,000. The offer was duly submitted by Ambassador Geddes and was accepted by the chairman of the World War Debt Commission, Mr. Mellon, being approved by President Harding under date of June 19, 1923.

The underlying principle adopted by the Debt Commission was well expressed in a statement furnished the Ways and Means Committee by Secretary Mellon on January 24, 1926.

This, I think, is really the basis on which all our agreements with the foreign nations were reached. I am quoting from his statement:

> The situation of each debtor nation is particular—that is, its capacity to pay is not the same as the capacity of some other nation. It has been felt by the Debt Commission, however, that repayment of principal is essential in order that the debtor might feel that it had paid its debt in full and that we might know that we had our capital returned to us. The commission felt, therefore, that no funding should be made which did not repay the principal, and thus we have maintained the integrity of international obligations. Adjustment to the capacity of each case is made in the interest to be paid over the period of the agreement.

This, Mr. Chairman, is the exact situation as regards the debt settlements. In other words, the commission took the position that any concessions that we might make involved interest rather than principal, in order that each country could feel that it was meeting its principal obligation, and that we, to whom the payments were made, were receiving back the principal which we had lent the various countries.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. TREADWAY. For a brief question.

Mr. STRONG of Kansas. Can we not get the interest so low that the difference between what we receive and what we pay to our own people would eventually "eat up the principal"?

Mr. TREADWAY. Well, I doubt if it would "eat up the principal." Of course, we may have been borrowing money at a much higher rate than, perhaps, we were receiving from our allies, but that would be a matter of mathematical calculation which I can not enter into at this time; but I do not think it would "eat up the principal."

Mr. STRONG of Kansas. I do not want that to happen.

Mr. TREADWAY. Nobody does. I agree with the gentleman on that point.

It was on the capacity-to-pay basis that a very much more liberal settlement was made by Great Britain than by the other nations concerned.

Mr. RICH. Will the gentleman yield?

Mr. TREADWAY. Briefly.

Mr. RICH. Did the gentleman make the statement that Great Britain was receiving the most liberal settlement?

Mr. TREADWAY. No; on the contrary, that Great Britain's settlement is more favorable for this country than the settlement of the other allied nations. I think the gentleman misunderstood what I said, because it is well known that the settlement with Great Britain is very much more to our advantage than the settlements with the other countries. Her represenatives, as well as the Debt Commission, felt at the time that Great Britain's finances were in better condition and the probability of their continuance was better than those of other allies.

During this entire period of 10 years I have invariably stated that I believed the settlements arrived at by the Debt Commission were both fair and generous to the various nations. As above stated, the formula adopted was capacity to pay. This was uniformly applied; and, therefore, the countries directly affected, agreeing through their representatives on their ability to pay, certainly can have no complaint about the insistence of the United States that their obligations to this country should be honorably lived up to.

During the life of the Debt Funding Commission reports were periodically made to Congress through the committees of either branch. When the Italian settlement was before the Senate, Senator SMOOT, chairman of the Finance Committee and a member of the Debt Commission, used this very significant language:

> The Italian settlement is an excellent example of the application of the principle of "capacity to pay." If the commission had not adopted this sound business principle in the adjustment of our foreign debts, no settlement of the Italian debt would have been possible and this country would not receive from Italy one cent in interest or principal on the sums loaned.

We, therefore, see ample reason for the difference in basis of settlement between various countries, using in the present instance as an example the settlement made with Great Britain as compared with that made with Italy.

In some instances Members of Congress felt that the countries were making a better bargain than they were entitled to, but it was up to us to be just, fair, and even generous toward our allies.

I realize that over this period of years there has been a group of citizens in this country who conscientiously believe that the debts should be canceled. I never have had the slightest sympathy with this viewpoint.

Another group has felt that trade conditions should be established whereby goods of foreign manufacture should be brought into this country in competition with our home products in order that the foreign countries could secure through us money with which they could actually pay us back. In the vernacular of the street, this would be the same as taking money out of one pocket and putting it into another. I have never had any sympathy with this position, particularly in view of the fact that I am a thorough believer in the merits of a protective-tariff system.

Therefore, I, for one, am ready to stand by the settlements as made by the Debt Funding Commission. The only modification of this was the moratorium adopted by Congress last year on the advice of the President. It was expressly stated by the President and repeated many times on the floor of the House that this moratorium did not carry with it any cancellation or a repetition of the same arrangement at a future time. Any effort to use the moratorium as a future precedent was denied.

It is quite apparent from the foreign comments which we hear, that the nations considered our willingness to set up the moratorium as an indication that when the moratorium expired it would then be comparatively easy for them to secure favorable consideration of requests for further delays. That was an erroneous conception. So far as I know, public sentiment in this country favored limiting the moratorium to one year, and Congress specified the conditions under which the payments delayed by the moratorium were to be made up.

It is understood that notes have been received by the State Department from nearly all the nations concerned suggesting conversations relative to the December 15 payments. Sufficient is known of the White House conference of November 23 to say that Members of Congress attending that conference are unwilling to authorize such conversa-



tions with these foreign countries. Up to the present time none of these notes has been referred to the Congress offering arguments as to the inability of the governments affected to meet the payments due next week.

Of course, it is recognized that financial conditions throughout the world are different to-day than they were when these agreements were entered into 10 years ago. Nevertheless, conditions in this country are likewise different, and we as a nation are no better able to bear the burden which would be laid upon us by the cancellation of these debts than are these foreign countries to bear the burden of their payment.

In his statement of November 23 last, President Hoover said:

> The world-wide crisis has at least temporarily increased the weight of all debts throughout the world. Tremendous disparity in price levels, contraction in markets, depreciation in currency, stagnation of trade and industry—are all part of this world-wide depression which is not only increasing the weight of these debts and has made their payment more difficult to some nations but has thrust them as well into the problem of world recovery and its effect upon our own farmers, workers, and business. These are realities. We can not blind ourselves to their existence. They are vital factors in the problem now before us for consideration.
>
> At the same time, it must be emphatically recalled that the aftermath of the Great War and these incidents of the depression have also fallen with great weight on the American people, and the effect upon them directly as taxpayers of any modification with respect to the debts due this country must not be disregarded. Other nations have their budgetary problems. So have we. Other people are heavily burdened with taxes. So are our people.

Further on he said:

> As to the suspension of installments due on December 15, no facts have been presented by the debtor governments which would justify such postponement under the principles heretofore laid down by this country. At the Lausanne conference, which has been referred to as a precedent for the suspension of payments during those conferences, that postponement was the natural result of the facts which had been elaborately presented during many months of previous inquiry.

We face December 15 with much interest. It certainly is to be hoped that all the nations will meet their obligations on that date. The largest item owed is something over $90,000,000 from Great Britain. The total due from all nations, including interest and principal, is about $125,000,000. While we have no definite knowledge of financial conditions in foreign countries, and while this amount seems like a lot of money, when it comes to dealing in big figures, as nations must do, it does not strike us as being an excessive amount for the countries to pay as agreed.

With all due respect to our associate nations, it is fair to say to them from this floor—and I think I will be supported by my colleagues here—that we are not in sympathy with them in the manner in which we are informed they are expending their revenues. The object of the United States since the Conference on the Limitation of Armaments, where Secretary of State Hughes laid down explicitly the position of the United States toward naval construction and which the conference practically agreed upon, has been toward reduction of expenditures for preparedness for war, both on land and on sea, based upon the good will between nations, which it is recognized can not exist where suspicion of each other is shown by continued preparation for war.

Let me say to our former associates, if I may, that the people of this country will never show the slightest sympathy toward any change in the debt settlements, as long as the statement remains true which was recently made by Special Ambassador Norman Davis. In an address he said:

> The only legitimate and useful purpose for which a nation should maintain armaments is for self-defense. The expenditures for armaments are greater to-day than they were before the war. We are not going to pull very far out of this depression unless we reduce armaments and make a genuine success of this conference.

While it is undoubtedly true that a majority of citizens in other countries approve this preparedness program, we do find adverse comments in the foreign press. Let me quote a recent item from the London News Chronicle, which was reprinted in Time:

> With what face can we demand that America shall release us from the burden of our war debts, if we refuse to release ourselves from the burden of our preparations for war?

This is a statement from a London paper.

Now, in connection with Special Ambassador Davis's statement, which I have just quoted, that the preparations for war are greater to-day than they were previous to the World War, I want at this time to call attention to some figures that have been compiled for me.

France expended, the year previous to the war, $346,400,000, Italy $150,100,000, and Great Britain $375,700,000.

The expenditures for war by Great Britain for the year ending March 1, 1931, were $537,900,000, by France $562,700,000, and by Italy (for the year 1930) $259,300,000; very much in excess of the pre-war figures that I just read.

During the fiscal year 1931–32 Great Britain expended $522,100,000, France expended $438,500,000, and Italy $284,200,000.

There is a further impression in this country, particularly in relation to the settlement with France, that it is not a question of inability to pay, so far as finances are concerned, but a question of political expediency with the party in power. We are informed that the French Chamber of Deputies will not vote to authorize the payments. That is a matter of their own honor and not one in which we are involved or one wherein we should become the sufferers. An honorable agreement was entered into between the representatives of France and the Debt Funding Commission, on which the French Government passed at that time. It is not for us to advise a foreign nation as to its methods of procedure, but it is not out of place for us to call attention to honorable commitments which any future Government must accept as obligations.

I, for one, therefore feel that, as the honor of the countries involved is at stake, December 15, will find the payments made in accordance with the agreements entered into.

Mr. Chairman, I ask unanimous consent to insert as part of my remarks two tables. One is a table prepared by the Treasury Department, giving an estimate of the expected receipts from foreign governments for the fiscal year ending June 30, 1933. It will be noted this table includes the items of principal and interest due December 15, 1932, and June 15, 1933. It will be seen that the total principal due December 15 is $33,729,041 and the total interest $92,067,856, making the total payments due on that date, namely, December 15 next, $125,796,897.

The other table is prepared by the Treasury Department, showing the principal of funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest as of November 15, 1932.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

Mr. BLANTON. Mr. Chairman, I reserve the right to object merely to ask a question. Of course, I shall not object, but I would like to ask the gentleman a question.

Mr. TREADWAY. Very well.

Mr. BLANTON. The gentleman, of course, is a spokesman for his party and for his administration——

Mr. TREADWAY. No; for myself only.

Mr. BLANTON. Is the gentleman prepared to tell us just what plan the President had with respect to granting another moratorium if the people of the country had not stopped him?

Mr. TREADWAY. If the gentleman will first let me get consent to include the tables, then I shall be pleased to answer his question.

Mr. BLANTON. Certainly. I hope the gentleman will answer that question.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to follows:

Estimate of foreign receipts for the fiscal year 1933

Country	Principal		Total	Interest		Total	Total receipts
	Dec. 15, 1932	June 15, 1933		Dec. 15, 1932	June 15, 1933		
Austria (Jan. 1, 1933)	$287,556		$287,556				$287,556
Belgium		$4,200,000	4,200,000	$2,125,000	$2,125,000	$4,250,000	8,450,000
Czechoslovakia	1,500,000	1,500,000	3,000,000				3,000,000
Estonia	111,000		111,000	245,370	284,322	529,692	640,692
Finland	58,000		58,000	128,235	148,592	276,827	334,827
France		21,477,135	21,477,135	19,261,432	19,261,433	38,522,865	60,000,000
Great Britain	30,000,000		30,000,000	65,550,000	75,950,000	141,500,000	171,500,000
Greece:							
Jan. 1, July 1	130,000	130,000	260,000				260,000
May 10, Nov. 10	227,000	231,000	458,000	217,920	213,380	431,300	889,300
Hungary	12,285		12,285	28,444	28,260	56,704	68,989
Italy		12,300,000	12,300,000	1,245,437	1,245,438	2,490,875	14,790,875
Latvia	46,200		46,200	102,652	118,961	221,613	267,813
Lithuania		39,705	39,705	92,386	92,386	184,772	224,477
Poland	1,357,000		1,357,000	3,070,980	3,559,062	6,630,042	7,987,042
Rumania		1,000,000	1,000,000				1,000,000
Yugoslavia		275,000	275,000				275,000
Total	33,729,041	41,152,840	74,881,881	92,067,856	103,026,834	195,094,690	269,976,571
	Sept. 30, 1932	Mar. 31, 1933					
Germany:	*Reichsmarks*	*Reichsmarks*	*Reichsmarks*				
Army costs	12,650,000	12,650,000	25,300,000				
Mixed claims	20,400,000	20,400,000	40,800,000				
Total	33,050,000	33,050,000	66,100,000				

Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1932

Country	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness		Payments on account		Unfunded indebtedness [1]		Payments on account	
			Indebtedness				Indebtedness			
			Principal (net)	Accrued interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Armenia	$19,617,103.49						$11,959,917.49	$7,657,186.00		
Austria	23,752,217.00	$862,668.00	$23,752,217.00		$862,668.00					
Belgium	404,430,000.00	52,191,273.24	400,680,000.00	$3,750,000.00	17,100,000.00	$14,490,000.00			$2,057,630.37	$18,543,642.87
Cuba		12,286,751.58							10,000,000.00	2,286,751.58
Czechoslovakia	[2] 167,071,023.07	18,304,178.09	167,071,023.07		18,000,000.00					304,178.09
Estonia	16,958,373.06	1,248,432.07	16,466,012.87	492,360.19		1,246,990.19				1,441.88
Finland	8,861,295.00	2,954,685.27	8,604,000.00	257,295.00	396,000.00	2,249,370.00				309,315.27
France	3,902,286,500.00	486,075,891.00	3,863,650,000.00	38,636,500.00	161,350,000.00	38,650,000.00			64,689,588.18	221,386,302.82
Great Britain	4,329,520,000.00	1,911,798,298.67	4,398,000,000.00	131,520,000.00	202,000,000.00	1,149,720,000.00			202,181,641.56	357,896,657.11
Greece	32,183,000.00	3,091,936.01	31,516,000.00	667,000.00	981,000.00	948,860.00			2,922.67	1,159,153.34
Hungary	1,965,632.75	468,466.32	1,908,560.00	57,072.75	73,995.50	393,717.78				753.04
Italy	2,007,406,125.00	97,584,421.90	2,004,900,000.00	2,506,125.00	37,100,000.00	2,521,250.00			364,319.28	57,598,852.62
Latvia	7,094,654.16	634,166.79	6,888,664.20	205,989.96		503,337.84				130,828.95
Liberia		36,471.56							26,000.00	10,471.56
Lithuania	[3] 6,383,612.46	1,128,580.22	6,197,682.00	185,930.46	234,783.00	892,250.25				1,546.97
Nicaragua	355,627.99	168,783.13					280,627.99	65,000.00	141,221.15	27,561.98
Poland	212,218,835.00	22,646,297.55	206,057,000.00	6,161,835.00	1,287,297.37	19,310,775.90				2,048,234.28
Rumania	[3] 63,860,560.43	4,761,945.76	63,860,560.43		2,700,000.00				1,798,632.02	263,313.74
Russia	327,583,071.37	[4] 8,748,878.87					192,601,297.37	134,981,774.00		8,748,878.87
Yugoslavia	61,625,000.00	2,588,771.69	61,625,000.00		1,225,000.00				727,712.55	636,059.14
Total	11,793,172,630.78	2,627,580,897.72	[5] 11,261,176,719.57	[6] 184,440,108.36	443,310,743.87	1,230,926,551.96	204,851,842.85	142,703,960.00	281,989,667.78	671,353,934.11

[1] Payments of governments which have funded were made prior to the dates of the funding agreements.
[2] Difference between principal of funded debt and amount here stated represents deferred payments provided for in the funding agreements, for which gold bonds of the respective debtor governments have been or will be delivered to the Treasury.
[3] Increase over amount funded due to exercise of options to pay one-half of interest due on original issue of bonds in bonds of debtor governments.
[4] Represents proceeds of liquidation of financial affairs of Russian Government in this country. (Copies of letter dated May 23, 1922, from the Secretary of State and reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to the Russian Government and liquidation of affairs of the latter in this country, appear in the annual report of the Secretary of the Treasury for the fiscal year 1922, as Exhibit 79, p. 283, and in the combined annual reports of the World War Foreign Debt Commission, Exhibit 2, p. 84.)
[5] Includes principal amounts postponed under provisions of joint resolution of Dec. 23, 1931, and $130,000 due from Greece on July 1, 1932, and postponed under provisions of debt agreement, and $227,000 due from Greece on Nov. 10, 1932, which is in default.
[6] Includes accrued interest postponed under provisions of joint resolution of Dec. 23, 1931, and $217,920 due from Greece on Nov. 10, 1932, which is in default.

Mr. FREAR. Will the gentleman allow me to propound a question?

Mr. TREADWAY. Before I answer the gentleman from Texas? Very good.

Mr. FREAR. This is in line with the excellent presentation that the gentleman from Massachusetts has made. Has the gentleman found anything in the record which authorizes the statement made by foreign diplomats that they are to depend upon reparations from Germany?

That is something that is very important in connection with the gentleman's statement.

Mr. TREADWAY. It is very important and I shall be pleased to answer it.

Let me now ask the gentleman from Texas to repeat his question.

Mr. BLANTON. My question is this: The gentleman from Massachusetts has been on the Ways and Means Committee back to the time to which the memory of man runneth not to the contrary, and is a distinguished spokesman for his party and for his administration. Is the gentleman prepared to tell us just what plan the President had in mind regarding the granting of an additional moratorium if the people of the country had not stopped him?

Mr. TREADWAY. I appreciate the kind words of my friend from Texas, but I must take exception to his reference to the fact that I am a spokesman for either the administration or my party. I am speaking solely for myself.

I have consulted no one in the preparation of the remarks I have just made other than to ask for these tables which

I shall insert. So this denies a part of the kind compliment the gentleman has extended to me.

So far as the suggested continuance of the moratorium is concerned I am unaware that the President or the administration at any time has ever indicated the slightest intention of having a further moratorium. It has not been proposed so far as any communications I have ever had with the President are concerned, and I have attended several White House conferences with my colleagues on this subject. I was one of those invited to attend the conference on November 23, and there was never the slightest indication on the part of the President or his advisers that there should be another moratorium or an extension of the present moratorium.

Mr. BLANTON. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. BLANTON. I was wondering whether or not the gentleman was facetious when he said that at the last session of the Congress "we" granted a moratorium. That moratorium was granted by the President of the United States in vacation and then he forced Congress to back him up.

Mr. TREADWAY. Oh, I beg to differ with my friend from Texas; there was no forcing of Congress. The President of the United States called into conference certain Members who would have occasion to participate in the discussion of the subject matter irrespective of party. There were as many Democrats in the conference as there were Republicans.

Mr. BLANTON. But they were without authority to bind the Congress.

Mr. TREADWAY. The moratorium was made effective after Congress met.

Mr. BLANTON. But it had been agreed upon in vacation by the President.

Mr. TREADWAY. It could not be made effective without the authorization of Congress.

Now, let me answer the gentleman from Wisconsin. As I recall, the gentleman from Wisconsin propounded the question whether or not at any time the representatives of this country accepted the theory that the debts were in any way dependent upon the reparations paid by Germany to the other allied nations. My answer to that is that I do not recall that in any of the various debates or speeches that took place in the House here, nor in the speeches of the gentleman from Georgia [Mr. Crisp], whom we are glad to know has been so well and deservedly rewarded, nor in the speeches of the late lamented Senator Burton, of Ohio—in none of these speeches and in none of the discussions before the Ways and Means Committee, as I recall, was there the slightest reference to an expectation that the debts were interlocked with the reparations due from Germany to the allied nations.

Mr. FREAR. May I add that we had no direct dealings with Germany on that subject?

Mr. TREADWAY. Never; this Nation has had no connection whatever with the reparations to be paid by Germany to other countries.

Mr. CROSS. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. CROSS. I remember that it was stated or understood—it may perhaps have been in the French note—that this country agreed to the deal which was made with reference to the reparations at Lausanne. Has the gentleman any information about that?

Mr. TREADWAY. I am only rehearsing my own knowledge of the Debt Commission's work.

Mr. CROSS. I know; but I wish the gentleman to state whether he has any information as to that matter.

Mr. TREADWAY. I should be inclined to think that there has never been any agreement whatever by this country in dealing with the debt settlement. As the gentleman knows, I am only stating my own views.

Mr. CROSS. It was stated in the note that there was that understanding with the President.

Mr. TREADWAY. I think it is fair to state that we can not officially recognize these statements in the press.

Mr. CROSS. This, as I understand, was in the note.

Mr. TREADWAY. I should want to see the note with reference to any such dealings in regard to reparations.

Further than that, the fact is that the President has stated time and time again, as I have quoted, that this one moratorium was all that he believed in so far as the commitments of this country are concerned.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. BRIGGS. Does the gentleman think it is good policy for the Chief Executive of the country to carry on discussions with foreign governments with reference to these matters of cancellation or debt reduction without the sanction of the Congress, particularly in view of the very marked attitude of the Congress against any such cancellation or reduction?

Mr. TREADWAY. I am the last one—and I think the gentleman will join me—to make any unethical reference to any President of the United States or his official conduct; but I say this in answer to the gentleman, that a certain amount of comity of relations between ourselves and foreign governments—politeness, if you wish to describe it as such—would naturally require courtesies being extended if an official representation were presented to our State Department, and it should be properly received. I do not think any representative of this Government would close the door of courtesy to a representative of a foreign country.

Mr. BRIGGS. But that is not the point I make.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. TREADWAY. May I have two minutes in order that I may answer the gentleman from Texas?

Mr. PATTERSON. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts.

Mr. BRIGGS. My reference is not to receiving notes. Of course, it is the right of the Chief Executive of the Government to receive, as a matter of courtesy, whatever communications foreign governments may have to make to it; but I am speaking about commitments, and I am asking whether the gentleman is in sympathy with the Executive's committing this Government directly or indirectly without the sanction of Congress.

Mr. TREADWAY. Oh, the present President of the United States has never done any such thing, and I hope that the succeeding President will follow his good example. This body is the one that makes commitments, and so far as I am concerned, or any opinion that I have, I am very certain that the present President of the United States, Mr. Hoover, has never made any kind of commitment whatsoever.

Mr. BRIGGS. Then I ask the gentleman what was meant in that joint note or memorandum, or whatever it may be called, issued by the President and the French Foreign Minister, M. Laval, at the time of their comparatively recent conference in the city of Washington, wherein it was indicated that the foreign governments should "initiate" steps with reference to the settlement of their problem of reparations and might then request further consideration by the United States of their application or desire for revision or reconsideration of the debts due this country from foreign nations.

Mr. TREADWAY. I would never claim competency to answer what may or may not have been in the mind of anyone writing a note. I think the question the gentleman propounds could be asked of the President or some official of the Government, but not of me.

In this connection, however, let me quote from the President's views as contained in his statement of November 23:

> It is unthinkable that within the comity of nations and the maintenance of international good will that our people should refuse to consider the request of a friendly people to discuss an important question in which they and we both have a vital interest, irrespective of what conclusions might arise from such a discussion. This is particularly true in a world greatly afflicted, where cooperation and good will are essential to the welfare of all.
>
> I believe, therefore, that Congress, in view of the requests made by these governments, should authorize the creation of an agency to exchange views with those governments, enlarging the field of discussion as above indicated, and to report to Congress such rec-

ommendations as they deem desirable. Furthermore, such agency should be so constituted through complete or partial identity of membership with the delegations to the World Economic Conference and to the General Disarmament Conference that under the direction of the President and with the final decision in the Congress we may take the strongest possible coordinated steps toward the solution of the many underlying causes of the present calamity.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. PATTERSON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman and Members of the House, I rise this beautiful morning, when the sun is shining and the birds are singing and all nature in a way is in bloom like early spring, to say a word for the forgotten man. The particular phase of the President's message with reference to the forgotten man I shall read to you:

I recommend that the furlough system installed last year be continued not only because of the economy produced but because, being tantamount to the "5-day week," it sets an example which should be followed by the country and because it embraces within its workings the "spread work" principle and thus serves to maintain a number of public servants who would otherwise be deprived of all income. I feel, however, in view of the present economic situation and the decrease in the cost of living by over 20 per cent, that some further sacrifice should be made by salaried officials of the Government over and above the 8⅓ per cent reduction under the furlough system. I will recommend that after exempting the first $1,000 of salary there should be a temporary reduction for one year of 11 per cent of that part of all Government salaries in excess of the $1,000 exemption, the result of which, combined with the furlough system, will average about 14.8 per cent reduction in pay to those earning more than $1,000.

It will be recalled that last spring when the President first sent in a message about Federal pay cuts, he did not want to exempt anybody, and did not want to exempt any amount of salary. He wanted to tax the poor charwomen and the messengers and others receiving a salary of $1,000 or less. He absolutely suggested no exemption of any amount, but due to the outcry of the Members of this House he sent in a subsequent message asking that $1,000 of salary be exempted, and the bill was passed in that way.

In the message sent in here yesterday, which we are now discussing, the President suggests that the forgotten man, the Federal employee, who is kicked around from post to pillar, receive another cut of 11 per cent. You gentlemen who are employers of labor know that if you have your own employees in constant dread of a cut, in constant fear of the tenure of their positions, you will not get efficient service from them. How can the Government get efficient service under similar conditions? According to the figures of the Director of the Budget, 17 per cent of the Government employees receive less than $1,000 per year. Under the exemption of $1,000 these employees would not be affected. However, 37.7 per cent receive less than $1,500 a year; 57 per cent receive less than $2,000 per year; 84 per cent receive less than $2,500 a year; and 95 per cent of all Government employees receive less than $3,000 per year. The average salary of all employees is about $1,440 per year. There are listed by the Civil Service Commission about 700,000 Government employees. Of this amount about 10 per cent, or 70,000, are employed in the District of Columbia. Let us take the average salary of the Government employee. It is $1,440 per year, but for the sake of even figures, let us assume that it is $1,500 per year.

A cut of 11 per cent, as suggested by the President, on the first $500 after the exemption of $1,000, would amount to $55. Then if we apply the existing cut that is now in force, 8⅓ per cent, to the remainder, the tax for that remainder would amount to $120.42. Adding that to the $55, the proposed 11 per cent cut, would make a total cut of $175.42 in the salary of a Federal employee receiving only $1,500 per year; or, in effect, all the money that he would have to spend for the support of himself and his family would be $1,324.58 per year. That is, we have that amount as his net yearly salary. The same rule would apply to all salaries of Government employees who receive in excess of $1,000 per year; of course, in the higher brackets the same exemption of $1,000 would be made.

There is another thing that I want to call to your attention, and that is that in the President's message he merely suggests the cutting of salaries of civil employees. He refrains from suggesting cuts in any of the other branches. The poor civilian employee must stand the brunt of the entire battle.

The President has said that there has been a 20 per cent cut in the cost of living. How many men sitting here have been able to discover this illusive 20 per cent that the President speaks about? I know I have tried to find it, especially during the past year. It would have been a great solace and help to me if I had found it, and I know it would have been to you Members, but I confess that it has eluded me, and, to my mind, this 20 per cent cut in the cost of living is a myth, and can not be found in reality.

We did not get any constructive suggestion from the President, such as recommending the legalizing of beer and wine, as the people of the country mandated us on November 3 last.

If the existing taxes on these beverages were collected, we would receive a revenue variously estimated at between $300,000,000 and $600,000,000 per year. Not a word about that. Oh, no; but "let us get after these little Federal employees. Nobody loves them; nobody likes them; nobody is behind them; we can get away with that much easier than we can anything else."

You Members know these employees and I know them. Thousands of these employees, depending on the salaries of their positions, have engaged to purchase small homes, have engaged to send their children to high school or to college, to give them a better chance than they had. Now, by one fell swoop you are going to so cut their little stipends that these things to them will be impossible. There will be foreclosures on their little homes, not being able to pay the current rates of interest on the mortgages or the high land taxes or the high cost of insurance and maintenance. All of these things would be destroyed if we followed the suggestion of the President and make this additional cut in salaries. You know and I know that the homes of this country are the very foundation and bulwark of the safety of our Nation. If we destroy the homes, if we send out men and women and children in this country from the home-roof tree and make them wanderers on the highways and byways of this country, we will strike a more severe blow at the fundamental integrity and security of our Government than we could by any other means.

Knowing the temper of you Members as I do, I feel that you are not going to permit any further cut of this kind or of any kind to be made in the salaries of Federal employees. I say to you as a member of the Committee on Appropriations in this House, and as a Member of this House, that I will do everything in my power to prevent any further cut.

I think that every right-thinking Member who has the interest of our Government and its institutions at heart, will take the same course. I believe that in these times of stress, when we are all suffering, when everybody is laboring under great hardships, trying to make ends meet, trying to keep about a half an inch ahead of the sheriff in order to get along, any curtailment in income will mean a great hardship and a positive disaster.

I have taken this opportunity, the very first one that has presented itself to me, to raise my voice against this phase of the President's message, and to say to the President as was said last year, "We will not further cut salaries of the little Federal employees, and ask you to reconsider as you did last year, and send in a further message modifying your views on this subject."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from New York two additional minutes.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. SIROVICH. My distinguished colleague realizes that there are three kinds of wages, namely, starvation wages, living wages, and saving wages. From what I have observed

of the gentleman's address the Federal employees have only been the recipients of living wages, and what the gentleman is objecting to is having those wages reduced to starvation wages under the influence of the Republican régime. Is that correct?

Mr. BOYLAN. That is correct, although I would like to modify the gentleman's statement in saying that I do not consider the average Federal employee's wage of $1,440 as a living wage under his classification.

Mr. SIROVICH. The gentleman is in favor of a saving wage?

Mr. BOYLAN. Ordinarily I think that the Federal employee's wage of $1,440 would come under the classification which the gentleman has made of "starvation wages," and I refuse to be a party to further decreasing starvation wages. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. HOWARD] 15 minutes.

Mr. HOWARD. Mr. Chairman, yesterday some Members of the House listened to the annual message of the President of the United States. I was asked by the newspaper boys for an expression of my opinion regarding the message, and, being always desirous of loosing no speech which might be regarded as unhappy in the ears of my President, I told the boys I thought my best description of the message would be to say that it was magnificent; magnificent in its silence with reference to the greatest problem now confronting the American people, the problem of a square deal for the primary interest of the United States—agriculture. [Applause.]

I am at a loss, Mr. Chairman, to understand how our President on an occasion like this could have contented himself with addressing to the Congress a message containing practically nothing that might be construed as a recommendation for legislation in behalf of that great primary interest.

I understand that our President is learned in the letters. Oh, he must have heard that long ago another President of the United States, speaking to his Cabinet one day, said:

> Gentlemen, I am fully persuaded that the best stone in the foundation upon which rests the house of our Republic is the American farm.

And in the vastness of his knowledge certainly he remembered how long years afterward another President, Abraham Lincoln, speaking to his own Cabinet one day, quoting the words of Jefferson, applauded them and said he desired to add one sentence, namely, that no house can be safe with an impaired foundation.

Mr. Chairman, it does seem to me that our President ought to realize along with all intelligent men and women in America that the foundation stone of the American farm has been impaired, and impaired by governmental hands.

Right here and now I want to correct a general expression I have so often heard, which is wholly false, namely, that agriculture has fallen into the ditch of depression. This is not true. Agriculture is down in the ditch, it is true, but agriculture did not fall into the ditch; agriculture was pushed into the ditch by governmental hands, and, my friends, no other hand than the hand of the Government can lift agriculture out of the ditch. By this I do not mean this Congress should grant anything in the nature of relief to agriculture. I despise that word so often employed with reference to agriculture. I am not asking legislation for the relief of agriculture. I am demanding legislation to give agriculture a square deal along with every other industry under the flag. [Applause.]

Is it possible that our good President does not really know the distress of that primary interest in America? It does not seem possible. Oh, if he could only come with me and I could get him to lift his eyes away from the floor long enough I would like to have him look upon the scenes of desolation in all the farm zones in our country.

Mr. Chairman, I am not an alarmist; I am not a pessimist. I am always an optimist, but optimist though I am, I can easily without a prescient eye see harbingers of danger to our country in that day in which we become a people who may fairly be designated as a homeless people. The strength of our Republic has been largely in the fact that we were a home-owning people, but I tell you, my colleagues, that if the process of ejecting people from their homes under mortgage foreclosures shall go forward for a few years longer, as it is now proceeding in our country out where I live, very, very soon this will be a republic of the homeless.

Why, the President ought to have been able to gather from the records the facts that in many of the States the great burden of the suits that are filed in the courts is the foreclosure of mortgages. What does he do in an effort to alleviate the situation of the mortgage victim? Nothing at all. He never has done anything. He may have a heart of interest. I have never seen it. I have never seen any indication of it.

Speaking of hearts, I heard John Simpson, president of the National Farmers' Union, say that he had a scientific friend who had invented a machine by the aid of which he could just turn a little crank and take an X-ray picture. He said his friend gave him that little machine, which was no larger than the average reel on a fishing rod, and told him to try it on a friend of his. He said, "The first friend you see walking down the street wearing a light-colored coat you walk within a distance of about 10 feet of him and turn the crank and then darken the machine and take it over to a photographer and have it developed, and you will be surprised how perfect the picture will be with refence to the interior anatomy of that man."

Well, he said he did that. He walked out on the street, and, lo and behold, the very first man he saw walking down the street garbed in a light-colored coat was the President of the United States. He wanted to be respectful, so he did not get too close to him; but he went close enough to point the little machine at him and turn the crank and get a picture. He rushed it over to the photographer and had it developed. Then he made a remarkable discovery—that here was a man with two hearts. One was a magnificent heart, big as a pumpkin. It was the President's heart of sympathy for Europe. The other was a little heart, just about as big as a dry prune, and that was his heart of sympathy for the American farmers.

Mr. HOGG of Indiana. Mr. Chairman, will the gentleman from Nebraska yield?

Mr. HOWARD. Oh, yes; I will gladly yield.

Mr. HOGG of Indiana. I wonder if the gentleman will be good enough to state to us what relief for agriculture he proposes?

Mr. HOWARD. I thank the gentleman. He knew I wanted somebody to interrupt me.

I want the gentleman and I want the President of the United States to become interested in three specific bills.

Agriculture depends largely upon the volume of currency in circulation in our country. You will remember that 12 years ago, by order of the Morgan-Mellon group of international bankers, acting through its lick-spittle, America's most august criminal, otherwise known as the Federal reserve system, stole away from our volume of circulating medium $3,000,000,000. I want that amount of money restored to the volume of circulating medium where it belongs. And how can we get it most rapidly? There is pending before this Congress now a bill which will give us that $3,000,000,000 in a hurry. It is known as the Wheeler bill, and it provides that any American citizen may take rough silver to any mint and have it coined into silver dollars and put it in circulation. Oh, that will help splendidly, and that is one remedy I am asking.

Another one is the Swank bill, introduced by our colleague from Oklahoma. What does it propose to do? It proposes to do for the product of the American farm exactly what our Government is now doing for the product of the American railroads and other public utilities. What is their product? They have but one, and that is the product of transportation. My colleague can not go down to the depot now and buy a railroad ticket to his home at less than the fixed price. Who fixes that price? The Federal Government. The railroad companies do not fix that price. The Government, through its Interstate Commerce Commission,

some members of which, in my eyes, are nothing more than railroad bird dogs, fixes the price, and no railroad official dare sell a ticket for less than that price. The Swank bill, in fine, provides that the home-consumption part of the product of the American farm shall be treated just like the product of the American railroads.

My next program—my colleague asked for a program that I would adopt—it is not mine, but I would like to take possession of it and claim the honor of it if I could, but the honor belongs to a Senator of the United States. I do not care if the rules do forbid mentioning a Senator, I am very proud of that Senator who has introduced this bill. His name is FRAZIER. He has introduced a bill for the Government of the United States to do for the mortgaged American farmers exactly what the Government, through the Hoover Reconstruction Finance Corporation, is now doing for certain sick railroads, tottering insurance companies, and kindred interests in trouble. That bill proposes that the Government shall refinance every mortgage which rests upon an American farm, if it is made in reasonable harmony with the value of the property, and shall carry that mortgage a long term of years at a very low rate of interest. How low shall the interest be? The bill provides that it shall be at the rate of 1½ per cent and it requires the farm owner to pay additionally 1½ per cent annually for the purpose of amortizing the mortgage. This would enable him to live a long number of years free from fear of the approach of the sheriff with a mortgage foreclosure notice in his hand.

Mr. MAY. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. MAY. That bill further provides for an adequate system of marketing the bonds and securities to enable the farmers to get this money.

Mr. HOWARD. I think that is true.

Ah, my friends, you who do not live on the farm, you who do not live in the farm zone, let me draw a picture of the situation out there. I have traveled over that wonderful country for many, many years. I have seen those beautiful homes out there with every comfort attaching to them—good buildings, well stocked, and often when I would drive away from a visit to one of those homes I would say to my wife or to some companion, "How beautiful it ought to be for these people living here, absolutely on easy street, so far as the affairs of this world are concerned." That was a dozen years ago.

[Here the gavel fell.]

Mr. HOWARD. Did I hear the gavel? [Laughter.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman and ladies and gentlemen, I have asked for time to further discuss the war-debt situation. But before I do so I would like to make certain observations, and one is that I hope the Members will not indulge any longer in political partisan attacks. We have just come through a bitter campaign, with a great deal of ballyhoo on both sides. Is it not time that we forego partisan speeches in the present emergency, in the economic crisis with which we are confronted, a far more serious crisis than at any time in the history of our country since the Civil War, very much more serious than at any time in the World War—is it not about time that we cease these partisan attacks?

Although I was not in Congress at that time, I believe that the Republican Members of the House went along with their war President in the emergency. I believe that was the right and proper thing for them to do, just as I believe that it is the proper thing now for the Republicans and the Democrats in the present emergency to combine in combatting the depression and its manifold evils and help to solve the economic problems for the benefit and interest of the American people. [Applause.] We might very well adopt a moratorium on partisan politics for the rest of the session of Congress in the interest of our country. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BLANTON. Surely the gentleman can not have forgotten the ramifications of the Graham smelling committee and the Walsh committee——

Mr. FISH. Oh, the gentleman need not go further—I was in Congress at that time and that was after the war was over. But I say that in the emergency of the war the Republicans supported our President, I say to you that during this emergency now it would be for the best interests of both parties and for the people and for our country if we should have a political armistice and stop bitter political partisan attacks on both sides and work to solve the economic problems for the best interest of the country. [Applause.]

Mr. SIROVICH. Will the gentleman yield?

Mr. FISH. Yes.

Mr. SIROVICH. In this moratorium would the Republican Party be in favor of the repeal of the eighteenth amendment?

Mr. FISH. I did not know that that was a partisan issue—apparently it is not by the vote that was taken yesterday. Therefore, I think the gentleman can best answer the question himself.

Another observation is, and I say this for the benefit of the members of the press. I am no alarmist. I do not anticipate any revolution or serious difficulty with the communists, but I want to point out, particularly to the press, the difference between those so-called hunger marchers who appeared in Washington yesterday and the veterans who were here before we adjourned in the last session.

The veterans who came here were not communists; 95 per cent of them were veterans who served in the World War and a very small per cent were communists, not more than 5 per cent and probably less. They were misguided and badly advised in coming to Washington, but they thought all they had to do was to appeal to Congress and get the bonus.

I have no sympathy, however, with the way in which they were handled in Washington nor with the statement made that only a small per cent were veterans.

But it is a different proposition with the so-called hunger marchers that we had here yesterday. They were not hunger marchers, they were not hungry, and they did not march. They came here in trucks provided by the Communist Party in every city from which they came. They were organized and led by communists. Ninety-five per cent of them were either communists or sympathizers with communism. It is time that the press stopped calling them hunger marchers. They should call them just what they are, communists or members of the Communist Party, or communist sympathizers. They had the right to come here, they had the right to petition Congress, and I am glad that permission was given them to present their petitions to the House of Representatives and to the Senate. But let us state the facts plainly, clearly, and freely and show the distinction between the veterans and these communists, because the communists do not deny it. They will go back to their communists' meetings in the next few weeks and will praise themselves for the effective propaganda work that they did here; but there are millions and millions of unemployed who are hungry and undernourished who do not realize the fact that these so-called hunger marchers were communists who came to Washington not to help the unemployed but to stir up unrest and a revolutionary spirit throughout the country. Many of the unemployed back home think that they were representing them, when as a matter of fact they were only playing politics with human misery, and we ought to have those facts presented freely in the press.

My attitude on the foreign debt question is known to many Members of the House. I have opposed cancellation in the past and will continue to do so, but I do think that the House can not afford any longer to be deaf, dumb, and blind to appeals that have been made honestly, through proper channels, by great European nations, stating that in

this economic world depression their capacity to pay has been seriously diminished and asking for a revision of the war debts. We can not simply wipe these requests aside and say that these debts have been settled for all time and we will not give you even the courtesy of a hearing. Upon what basis were they settled? They were settled on the basis of capacity to pay. If a debtor comes to you as a creditor and says that he can not meet his debt, that he wants easier terms, you have to meet the debtor and discuss the situation with him, and as a nation we are in exactly that position.

I am no cancellationist. Before I go further let me point out the strength and the fairness of the original debt settlement. In the first place we had nothing to do with bringing on the World War; we had no part in its origin or in causing it, directly or indirectly, and it is not fair to our taxpayers to burden them with the entire cost of the war after we entered it. We went into it because we were forced into it, against our will, by the attacks of the German submarines upon our ships on the high seas without warning. It was a war that we did not seek. We were forced into it to protect our own rights and our own flag. We do not claim now that we won the war, but when we went into it we did everything that we could to win. We sent 2,000,000 American soldiers over to the other side. We turned the tide of defeat into victory. We do not boast about it. We know the losses of the war-weary Allies and we know the comparatively small losses of our own troops, but it was the coming of those 2,000,000 veterans to Europe that did turn the tide of defeat into victory, and now, some 14 years after the war, we are not given the credit of it. It is only right that we Americans should pass on to oncoming generations the true facts of our participation and just what we accomplished.

When the war was over and the armistice was signed we asked for no conquered territory, we asked for no plunder, we asked for no reparations, and for no indemnities. We asked for nothing and we got exactly what we asked—nothing at all. After the armistice we brought our troops back from the other side. We asked nothing from Europe, and that is the strength of our settlements of these war debts with Great Britain, France, Italy, Belgium, and other European nations. Great Britain and France took vast conquered territories, and even Italy took its share. We got nothing, and when we settled those war debts, we settled them showing the utmost generosity and liberality. We reduced the Italian debt down to 25 cents on the dollar. We reduced the French debt 53 per cent, and we are only asking from France that amount of money which we loaned her after the armistice. Yet the French politicians have influenced the French people into believing that they are justified in asking for a cancellation of these debts. I regret to say that many Americans who have practically expatriated themselves and who spend more time in France than they do in the United States are largely responsible. These Americans attend dinners, where they meet the French Government officials, and after they have imbibed some of the good old French wine they begin to tell these French officials that nobody in America believes in the payment of the war debts and that they ought to be canceled, and that they are speaking the true sentiments of America. This handful of Americans, who are more pro-French than they are American, are more to blame for leading France and her officials to believe that we will cancel the French war debts than any one other influence. It is time that both the French and American people knew that all that we are asking from France is the amount of money that we loaned her after the armistice for reconstruction and domestic purposes in France and not for carrying on or winning the war.

But when it comes to the British debt settlement, there is an entirely different situation, and the reason I am speaking here to-day is that I understand from the press that the President in the next few days will send a special message to the Congress suggesting the creation of a World War debt funding commission for the purpose of listening to the pleas of foreign countries, that their capacity to pay has been seriously impaired and diminished. I for one believe that that is the only procedure that is proper, honest, and courteous to take. I do not understand how it can be handled otherwise. After Congress has made the definite statement that it has, I do not believe that it can be properly or honestly handled through diplomatic channels. We must remember that the House of Representatives by the Constitution of the United States is empowered to initiate all tax legislation. That power was given to us instead of to the Senate because at that time it was thought the House was nearer to the people because it had two-year elections instead of six. That is the paramount power of the House of Representatives, and we have already stated emphatically that we will insist on our rights and that we are in control of these war debts, and that if they are to be revised or reconsidered there must be some action initiated in the House of Representatives. I hope the report is true that the President has asked for the reestablishment of a debt funding commission, and if that is not the proper way, then let the majority in the House propose their plan. Speaking as an individual and not as the representative of the President or the administration, I believe the English debt settlement, although it may have been fair in 1922 when we asked for 80 per cent of the war debt and settled on that basis, is far too harsh at the present time.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. DIES. Does the gentleman believe that we would be justified in considering a cancellation or reduction in view of the fact that our debtors to-day are maintaining armaments that cost $1,500,000,000?

They are not only maintaining those armaments but increasing them year by year, and yet they come to the United States and ask us to reduce an honest indebtedness, when they are so extravagant with the money of their people.

Mr. FISH. I agree with the gentleman. I do not believe the war debts should be reduced or revised until the military and naval powers of Europe agree to reduce their gigantic budgets for military and naval purposes, and particularly the latter.

Mr. DIES. Will the gentleman yield further?

Mr. FISH. I will yield for a brief question.

Mr. DIES. If that be true, then, what good purpose could possibly be served by creating a debt funding commission which would lead the people of Europe to believe that we would reduce the amount of the indebtedness?

Mr. FISH. Oh, it would be easy to attach to that a clause that Congress will not consider further reductions until these naval and military budgets are reduced, and that is the opinion not only of Congress but of the American people.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. FISH. I yield.

Mr. LaGUARDIA. The commission would not have any final power. They would make a report back?

Mr. FISH. Certainly. It is merely a means or a channel to have a meeting of the best minds of the Congress and of those debtor governments in Europe.

Mr. DIES. Will the gentleman yield further?

Mr. FISH. I will yield briefly.

Mr. DIES. If we have determined on that position that we will not reduce the war debts unless they make corresponding reductions in armaments, then why should we have any parley or negotiations that will only lead to further misunderstandings?

Mr. FISH. There can be no misunderstandings whatever, because we here in Congress will have the final determination before any reduction in the war debts is made. But the gentleman from Texas and I are evidently in accord that there should be reductions in the naval armaments. Every Member of this House will be surprised at the figures I am about to present, which I received to-day, showing the appropriations by the governments with whom we are involved—Great Britain, France, and Italy—for naval armaments within the last two years. I, for one, was under the impression that Great Britain was building a vast fleet; and the figures show that France and Italy are spending more money for

new construction than Great Britain or Japan; that they have been authorizing more money and more tonnage than either Great Britain or Japan since 1930. Therefore it is not only a matter of the naval appropriations for Great Britain that is involved in the debt settlements, but also the huge appropriations being made also by France and Italy.

Mr. DIES. Will the gentleman yield further for a brief question?

Mr. FISH. I yield.

Mr. DIES. The gentleman, of course, is aware of the fact that the American people are weary of commissions. They are undoubtedly sick of our policy of creating a multitude of commissions. Why can not appeals be considered through the regular channels, diplomatic channels, without the creation of another commission?

Mr. FISH. Because we have the sole power in this House to initiate tax legislation, and we have already said that we realize we have the power, and we do not want any action taken unless we initiate it. That is practically our last word on this vexatious and controversial issue, and I think it still holds good.

I have no brief for Great Britain, but I do believe that under the existing economic conditions, particularly in view of the appeal she recently made in dignified terms, setting forth her economic plight, that such an appeal is entitled to consideration. We, as reasonable men, know what the economic troubles of Great Britain are to-day. We know that her capacity to pay has diminished 50 per cent or more in the last few years, and yet she has paid 75 per cent of all war debt payments made on the World War debts to the United States. She has already paid the huge sum of $1,912,000,000—practically $2,000,000,000. Furthermore, the money that we loaned to Great Britain was mostly loaned during the World War to help win the war, and was not like the French debt, or possibly the Italian debt, which was largely for money loaned after the war. Great Britain took that money and reloaned a great deal of it to foreign nations to carry on the war, and those foreign nations are not repaying Great Britain. It is in a different category than either the French or Italian debt, yet we asked 80 per cent from them, 49 per cent from France, and 25 per cent from Italy.

I think, due to those facts alone and due to the fact that Great Britain has paid 75 per cent of all the war-debt payments to the United States and was the first great nation to enter into a debt settlement and will, in my opinion, pay on December 15, she is entitled, at least, to be heard. I have no knowledge that she will pay on December 15, but I know from past history that the bond of the British Government is sound and that the word of the English Government is good, and that she will not repudiate it and put herself in the class with Soviet Russia. If Great Britain has the money to pay, she will pay it, and it is well for us to make that distinction between the British debt and the French and Italian debts.

If I had my own way, without regard to armaments, although I think I have spoken in this House at least three times in favor of reaching an agreement with Japan, Great Britain and the United States to further proportionally limit battleships and battle cruisers, thereby saving $100,000,000 or $150,000,000, this war debt could be used as an entering wedge to get Great Britain to agree to reduce the 18 battleships over 10,000 tons to 10 battleships, and 10 for the United States and a proportional reduction for Japan and France and Italy, and we would have identically the same proportional national defense.

Mr. BLACK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BLACK. The gentleman understands that Great Britain has enough money to give direct relief to those unemployed, while our organization does not think we have enough money to give direct relief to our unemployed.

Mr. FISH. Well, I think conditions in Great Britain are so serious—as well as in Germany—that if they did not give direct relief there would be a political revolution in those countries, because they can not obtain the millions and millions necessary through private relief, as we can in this country. Those people would just starve to death, and, although I am against direct relief, although I am against unemployment insurance and the dole, if such a situation develops in this country in the next two years, then we will have to do likewise, because we are not going to permit American citizens to starve any more than they will permit their citizens to starve.

Mr. MILLARD. Will the gentleman yield?

Mr. FISH. I yield for a brief question.

Mr. MILLARD. Is it not a fact that the British Government has given orders for 27 warships within the last week?

Mr. FISH. I have not heard of any such statement. Here are the figures given me to-day showing the appropriations for new naval construction in England, Japan, France, and Italy. These figures are from our Naval Intelligence Office as of December 6, 1932:

The British Empire: 1930–31, $30,500,000; 1931–32, $21,500,000; 1932–33, $33,700,000.

Japan: 1930–31, $40,800,000; 1931–32, $33,500,000; 1932–33, $26,900,000.

Now to get to France and Italy.

France: 1930–31, $39,400,000; 1931–32, $34,600,000; 1932–33, $29,700,000 (for nine months only).

Italy: 1930–31, $31,600,000; 1931–32, $37,100,000; 1932–33, $38,100,000.

This shows that France and Italy, which are not naval countries at all, are appropriating more money for new construction than Great Britain and Japan.

Mr. MILLARD. What I have just said was taken from the London Post.

Mr. FISH. The figures I have just quoted come from the Office of Naval Intelligence to-day.

Mr. SIROVICH. Will the gentleman yield?

Mr. FISH. Yes; for a short question.

Mr. SIROVICH. Does the gentleman realize that the Governments of England and France up to the present time have never taxed their people one cent to pay our debts, but instead have collected reparations from Germany and used almost three-quarters of it to pay our debt and kept one-quarter for themselves while the American people have loaned the money to Germany with which to pay these reparations?

Mr. FISH. The gentleman does not understand any such situation at all. It applies to France, but not to Great Britain. Great Britain is the most heavily taxed nation in the world—much more heavily taxed than France or our own country.

Mr. SIROVICH. That the reparations has been sufficient for her to pay our obligations and have some left over? Does the gentleman understand that?

Mr. FISH. The gentleman does not understand any such thing. Great Britain has never received sufficient money from Germany to pay us by at least 25 per cent, and, as far as taxing her own people is concerned, they are the most heavily taxed people in the world.

Mr. SIROVICH. But they are not taxed to pay our debt.

Mr. FISH. What the gentleman says is all right as to France. France has been getting more in reparations than she pays out to other countries, but that is not the case of Great Britain, and to-day, under the moratorium, is not getting a cent. France is still getting a very small amount under the moratorium. So the gentleman is correct as to France, but not as to England.

Mr. LOZIER. Mr. Chairman, I would like to ask if the gentleman will answer these two direct questions: First, as to the capacity to pay, should that capacity be measured in a period of unprecedented depression and economic distress, or should the capacity to pay be spread over the debt period?

Second. Is it not true that these nations have received in territory property the potential value of which is largely in excess of the war debts which the European nations owe to America, and this territory, long before the maturity of this debt, will be worth five or six times as much as the total war debt of the nations of Europe to America at the present time? Is not this true?

Mr. FISH. It is problematical how much these territories will be worth. They may now be costing the nations more than they receive from these territories, and only a debt-funding commission could, intelligently ascertain the facts. Some of these territories in Africa may cost the Government far more than they are worth at the present time. What they will be worth in the future can not be figured out.

As for as their capacity to pay under the present economic conditions, the gentleman, of course, is correct. It has diminished perhaps 50 per cent, or more. But at least it should be considered. We can not refuse to grant the courtesy of a hearing to these debtor nations any more than the gentleman can refuse a private debtor who comes to him as a creditor and says: "I want easier terms of payment. I can not pay you at the present time without destroying my business, without taking the food out of the mouths of my family. I want easier terms." This is exactly what these nations are doing at the present time. They are in a critical situation and they are in the midst of an economic crises. What will happen in the future we are not able to say, but we can not afford to ignore the requests of any of the debtor nations for a hearing on the basis of capacity to pay.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. FISH. For a brief question.

Mr. BLACK. The gentleman will admit that Great Britain is much better off than she would have been had Germany won the war?

Mr. FISH. Oh, yes. I think possibly it was a war to save civilization, but I think at the present juncture we are facing just as serious a situation. We are facing a situation which involves the civilized world, and not only the welfare of 120,000,000 people in America, but the welfare of the entire civilized world and the economic stability of its greatest nations. I believe that Great Britain will pay the installments due on their indebtedness on December 15. I believe France and Italy will also pay. However, after that, if we force them and continue to insist on payments on the dotted line you may force them to repudiate, and if you do it will be the worst thing in the world for world peace and world understanding. It must be apparent to everyone that unless economic conditions improve in Great Britain she will be forced to repudiate these war debts. I do not want to see the United States a party to any such unfair tactics. That is the situation we are confronted with and I say to you that if the President recommends the re-creation of the Debt Funding Commission I hope the Democratic majority will either give it serious consideration for the good of the country or come in with some proposal of their own that will be adequate so we may grant an honest hearing to the appeals for a fair revision submitted by any country and determine their capacity to pay in view of the present deplorable economic conditions for our own good, for world peace, and the civilization of the entire world.

Mr. SIROVICH. What would happen to France if she repudiated her debt when she pays 80 cents out of every dollar for a great armament to help maintain Belgium, Czechoslovakia, and Poland as an armed ring against Germany, Austria, and Hungary?

Mr. FISH. The gentleman exaggerates, but I am not in sympathy with the French contention which makes us out a Shylock when we are only asking for the money which we loaned her after the war, but the French budget amounts to approximately 10 per cent for military armaments.

Mr. SIROVICH. Does the gentleman believe she will repudiate her debt?

Mr. FISH. I have already stated that I believe she would pay the installment due on December 15. France to-day has a much larger amount of gold per capita than any nation in the world.

Mr. BLACK. Does the gentleman think the Debt Funding Commission ought to apply to the present situation as well as the British?

Mr. FISH. Yes; the need for such a commission is apparent and should apply to all nations asking for a reduction. Each case should rest on its own merits and be considered separately. I believe the French appeal is largely political and inspired by French politicians. They have told the French people we have reduced the debt 5 per cent, and they have placarded France from one end to the other with these figures, whereas we have reduced the debt 53 per cent on a basis of 4¼ per cent interest, which is what we paid on the Liberty bonds issued to provide the war loans. [Applause.] I own no foreign bonds and hold no brief for the international bankers who may be affected by a reduction in the war debts. The Congress should not be influenced by the propaganda emanating from international bankers or selfish interests. However, the Congress has a duty to consider the war-debt settlements, both from the angle of the ability or capacity of the debtor nation to pay and as to the safest and soundest policy for the United States to adopt in the midst of a world-wide economic depression that threatens the financial, commercial, and economic stability of the nations of the world.

I append herewith two brief tables giving the actual figures in millions of dollars: (1) Of the prearmistice and postarmistice loans; (2) principal and interest at time of funding, per cent of interest charged, total principal and interest to be paid, payments to date, and present indebtedness.

[Figures in millions]

	Prearmistice	Postarmistice	Total
Great Britain	$3,696	$581	$4,277
France	1,970	1,435	3,405
Italy	1,031	617	1,648
Belgium	172	207	379
Russia	188	5	193
Poland		160	160
Czechoslovakia		92	92
Yugoslavia	10	42	52
Rumania		38	38
Austria		24	24
All others	10	60	70
Total	7,077	3,261	10,338

[Dollar figures in millions]

	Principal and interest at time of funding	Per cent of interest charged	Total principal and interest to be paid	Total payments to date	Present indebtedness
Great Britain	$4,600	3.306	$11,105	$1,912	$4,398
France	4,025	1.640	6,848	486	3,864
Italy	2,042	.405	2,408	98	2,005
Belgium	418	1.790	729	52	401
Poland	179	3.306	436	23	206
Czechoslovakia	115	3.327	313	18	167
Yugoslavia	63	1.030	95	2	61
Rumania	45	3.321	123	5	64
All others	78		131	32	301
Total	11,565		22,188	2,628	11,466

Mr. GREENWOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I believe in letting the dead past bury its dead, and if the White House could refrain from laying a barrage when sending us an annual message, and could let us have a budget unpainted with camouflage, I would agree with all that our friend from New York has said about nonpartisan speeches.

It is too late for the President of the United States to pose as an economist. It is too late for the President to make the people believe that he is in favor of cutting Government expenses. It is too late for the President of the United States, three months before he retires to private life, to advocate the consolidation of departments and the abolition of bureaus.

I am pleased that our friend from Pennsylvania [Mr. BECK] is seated in the Chamber. I consider him one of the best-posted men in the Nation on the subject I shall mention. He is a former great Solicitor General of the United States, and I want to quote him as having said in the last Congress that it is within the power of the President of the United States, without any further law or statute, to

abolish any bureau of this Government, if he wants to abolish it.

Mr. BECK. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. BECK. I did not say that. I said that the President had the power to remove any incumbent of any office or bureau in the executive branch of the Government, but not to abolish the office.

Mr. BLANTON. I will remind my friend of what he said. He said that no bureau could exist without money. He said, in effect—I am not quoting him word for word—that the President, through his Budget—and it is his Budget, because the Budget can not recommend $1 that is not approved by the President and the Budget responds to no will except that of the President—if the President saw fit to not appropriate money for any bureau, he could put that bureau out of existence. Is not that true?

Mr. BECK. Since the gentleman appeals to me, I would say that is not what I said.

Mr. BLANTON. Well, is not that so?

Mr. BECK. No; it is not so. The Congress of the United States——

Mr. BLANTON. Well, I shall not quote the great Solicitor General any further. [Laughter.]

Mr. CLARKE of New York. Mr. Chairman, I make the point of order that this is not an educational-society meeting to-day.

Mr. MILLARD. Does the gentleman still admit that the gentleman from Pennsylvania is a great Solicitor General?

Mr. BLANTON. I attributed to the great former Solicitor General a knowledge of facts that exists in our country and in our form and system of government which he does not now appear to have. [Laughter.]

It is a fact that the President of the United States can kill any bureau and put it out of existence if he will stop money from going to it. The bureaus are kept alive by annual appropriations. I have sent to the Library for the RECORD and now have before me what my friend from Pennsylvania, Mr. BECK, said. During the debate in the House of Representatives on May 7, 1932, the gentleman from Pennsylvania [Mr. BECK] spoke on the constitutional powers and prerogatives of the President of the United States, and I now quote from his speech the following statements made by him, to wit:

Mr. BARBOUR. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. BECK] 20 minutes.

Mr. BECK. Mr. Chairman,

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as I hinted before, the vulnerable heel of our form of government, otherwise as strong as Achilles, is the power of appropriation. Our fathers vainly thought they were creating a government of limited powers. If they were alive to-day, they would see that by the abuse of the power of appropriation, as to which the censorship of the judiciary is impracticable, we have become a Government of unlimited power, with socialistic character, almost as great as that of Russia itself in its intimate meddling into the life of the individual and his activities. That has led to the creation of 150 bureaus, at least 50 of which have no possible sanction in any grant of power in the Constitution. [Applause.]

* * * * * * *

There is a second suggestion that I want to make, in which respect I think the Executive has a greater responsibility than we have, and I want to commend this to the attention of the Executive.

It can not be questioned, since the removal-from-office case of Meyers *v.* The United States (272 U. S.), which I happened to argue, that the President has the constitutional power to remove, a power which can not be controlled or restricted by Congress in any way. This high prerogative means that if the President deems it in the public interest that any member of the executive departments should be removed such is his power. The Supreme Court has so stated.

This gave him a power, directly or indirectly, to remove any official in the executive department for whom the public service has no real need.

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I say this as one who at four different times and under four administrations has served in the executive department of the Federal Government, that these departments all have upon their rolls many Government employees, some of whom have not an hour's work to do a day. They fool around in the corridors, speculate between themselves how to raise themselves in classification, and in general kill time.

Mr. BLANTON. I wonder why the President does not remove them?

Mr. BECK. If the gentleman will allow me, that is exactly what I am coming to. I wish I had a little more time, because this is a feature of this economy program that has received very scant discussion and admits of a very summary remedy.

Let me illustrate by stating that in the administration of that great and wise President, Grover Cleveland, he knew that the departments had thousands of useless employees who were feeding at the public crib and doing little or nothing in return for their salaries, and he instructed his Secretary of the Treasury to make an examination of the Treasury Department. Secretary Carlisle did so, and as a result of a careful canvass he developed that there were some hundreds—I have forgotten how many—who had sinecures. Thereupon, one Monday morning, Secretary Carlisle removed these useless employees.

* * * * * * *

If the President would tell each member of his Cabinet to appoint three discreet men to go through each department and ascertain the employees that did not have an honest day's work, it would develop at once why this Government is the most overmanned Government in the world, with its 800,000 civilian employees.

The President, then, by the power of removal could eliminate the deadwood from the department.

So you see, Mr. Chairman, I was not mistaken, for the gentleman from Pennsylvania [Mr. BECK] did argue to us on May 7, 1932, that by the "power of removal the President could eliminate all of the deadwood from the departments," and thus abolish all useless bureaus.

It is the money the President asks for and gets us to appropriate that keeps alive the bureau.

Now, it is too late for the President of the United States to come in, three months before he goes out of the White House, and say, "I want to consolidate and I want to abolish." He has had an opportunity continuous for four years to do it, and he has not done it.

I want to remind the country of the fact that in the last Congress our distinguished chairman of the Committee on Appropriations, JOE BYRNS, of Tennessee, proposed a consolidation of the War Department and the Navy Department into one department of national defense, which would have saved at least $100,000,000; and when the Economy Committee of the House was favorable to his proposition, it was the President's departments that killed it. It was the Members of his Cabinet that came up on this Capitol Hill and stopped it. Had it not been for the influence of the White House and the influence of the President's Cabinet, that consolidation would have been passed in the last Congress and would have saved the people of this Nation $100,000,000 a year.

There were various consolidations proposed by our splendid Economy Committee which were fought by the President's Cabinet and by his influence stopped here in this Chamber.

I want to remind the country of the fact that for the last three fiscal years the President of the United States could have had his Budget presented to the Congress with recommendations for appropriations in the supply bills that would not have amounted to over $3,000,000,000, if he had deemed it necessary. Will anyone deny this? I yield to any Republican on the floor who wants to deny it.

Mr. CLARKE of New York. Just a minute.

Mr. BLANTON. I yield to my distinguished friend from New York.

Mr. CLARKE of New York. I thank the gentleman. Is it not true, after all, that in this Congress of ours, during this session, the Democrats have been in control by a substantial majority in the House, with a Democratic Speaker in the chair, the Democratic Vice President elect? And why is not the responsibility as well there with respect to cutting down appropriations?

Mr. BLANTON. I will answer that question. I can not yield further. I shall yield later.

Mr. CLARKE of New York. Well, answer the question.

Mr. BLANTON. I am going to answer the question.

Every economy proposition that was presented here, with our small majority of three or four votes in the last session, was objected to by the Republican organization on this floor. Our proposal to cut the expenses of the Government by a certain percentage was opposed and defeated on this

floor by the Republican organization, at the instance of the President, and the so-called President's plan was put in operation here on this floor because we did not have the necessary votes to pass measures over his veto. We did, however, succeed in reducing the President's Budget and we appropriated $334,000,000 less than he asked for, and we saved that amount for the taxpayers of the Nation.

If the President of the United States had the power and privilege of sending us a Budget that embraced recommendations for only $3,000,000,000 during the last three years, why did he not do it? Why did he ask for over $4,000,000,000 for each of the last three years? Why, just before he goes out of office, does he now send us a Budget that proposes to cut $800,000,000 from the expenses of this Government? Why did he not send us such a Budget last year for 1933? Why did he not send us such a Budget for 1932? Why did he not send us such a Budget for 1931? I ask you, in all decency, why did he not do it?

Mr. BLACK. Will the gentleman yield?

Mr. BLANTON. Yes; I yield.

Mr. BLACK. The President has reformed.

Mr. BLANTON. He realizes that we Democrats are going to reduce expenses. Therefore, I say that when we get a Budget that is camouflaged and painted and demagogued, we have a right to discuss it on this floor.

Talk about debt cancellations. Talk about another moratorium. I want to remind my friend from New York [Mr. FISH] and I want to remind the Republic of France that I was in this Chamber back at the time just after we had entered the war, and I saw come upon the Speaker's stand the head of the French High Commission.

I heard Premier Viviani speak from that stand after he had kissed Uncle Sam on both cheeks and the flag, with tears in his eyes. Speaking for the commission, he said that France would never forget what this country had done for France when we agreed to loan them the money they needed and to send them man power across the seas, and that France would repay us with interest.

I remember that we paid France for every soldier we sent across in her ships to save her Republic. I remember that we paid France for every damage that we did to her highways when our caissons passed along in her own defense. I remember that we paid her for every tree that was scarred, for every imaginable damage that could be thought of after the war ended. I remember that it was the American soldiers of this country who went to help France and save the civilization of the whole world.

I say that it does not become France now to forget all this. If she does not want to pay on December 15, let her default—but she will never refuse to pay. If she should, it would behoove this Congress to make it a penitentiary offense for any American national to loan another dollar to the French Government or to a French national. [Applause.] That is the way I feel about it.

I can not forget what was done in the vacation which preceded the last session, when the President had a hurried conference with a few Members who could not speak for this Congress. There is no power on God's earth that can speak for this Congress in vacation. It takes legislation in an orderly way, brought upon this floor in an orderly way, and passed in an orderly way under rules and regulations that have been in force for 150 years. That is action by the American Congress, and nothing less than such action by this Congress can bind the Representatives of the people of this country.

I remember that the President promised a moratorium to Europe in vacation. I remember that when that Congress met, they came on the floor and asked us to support our Government from being embarrassed abroad and said that we must approve of what had taken place to save the President embarrassment. I say that the President ought not to do it any more, and that no other President should do it any more.

I say that the people are against cancellation. The people did all that they should do when they reduced the debts in the first instance and accepted a reduction to about 30 cents on the dollar.

They should not forget that we then held good notes. No better obligations could have been drawn by the best international lawyer known to this country than the ones we held before settlement providing for the payment of interest and everything else—and Congress set aside those good notes and refunded.

I remember that there was a business man in my town who had been in the drug business. He lost everything he had and gave up his business to his creditors. He even gave up his home. He left his wife and children without a roof to cover their heads. He gave up everything he had to his creditors to try and satisfy his debts. A friend of his staked him to a little money, and he went down to Fort Worth and opened a drug store. When this committee that was soliciting for the purchase of Liberty bonds came around they told him that they had assessed him to purchase $5,000 worth of bonds. He said he could not do it. They said, "You have got to do it." He said, "Let me explain," but they would not hear any explanation and walked out. They did not know his circumstances, yet they would not listen to him. The next morning when he came down to open his store, he found that the whole front of the store and his sidewalk were painted in yellow stripes.

He was called "yellow," to all his neighbors and friends, because he could not meet the assessment and buy $5,000 worth of Liberty bonds. That was the kind of sacrifice that the people of America made when they sent these billions to Europe, and I am not ever going to vote to further reduce that debt one penny, and all this talk about a new debt funding commission ought to stop. We ought to stop it here, and we ought not to permit it to go on in the country. Whenever you trace it down, you will find an interest represented that owns international securities that were bought for a mere song and pittance, which, if we refund or reduce the indebtedness of the European countries, would rise in value on the stock markets and make the holders of them fortunes overnight. In the interest of those few, all this talk is being carried on in this connection, here and in the press, about canceling debts.

I do not often agree with William Randolph Hearst. I could not agree with him on his sales-tax proposition. I refused to go on his junketing trip to Canada. I do not agree with him on some other propositions. I do agree with him when he makes a fight for the people of the United States against debt cancellation. It is a splendid fight that he is making, and he has the backing of the people of this country on that subject.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. COLE of Iowa. In discussing the moratorium, did not the gentleman forget the fact that the President, before he issued the order, wired every Congressman and got his consent?

Mr. BLANTON. Is my friend, who has been a long time here and a valuable legislator, in favor of legislating by telegraph?

Mr. COLE of Iowa. No; but this was an emergency, and it was necessary to act instantly.

Mr. BLANTON. Then he ought to have called this Congress into session.

Mr. COLE of Iowa. But there was no time for that.

Mr. BLANTON. He ought to have called this Congress together, because this Congress can not act except in session under its rules.

Mr. COLE of Iowa. There was no time for calling it together, and it was an emergency, and before the President acted he was considerate enough to wire every Member of Congress, and he received the wired consent of a vast majority of the Members that they would support the act.

Mr. BLANTON. I do not care if he received the consent by telegraph of every Member of this Congress. He did not have the constitutional authority to act. There are three

separate and distinct branches of this Government—the executive, the legislative, and the judicial—and the executive department has no right to invade this Chamber, this Capitol, either side of it, and perform the functions of the House and the Senate.

Mr. COLE of Iowa. The gentleman received one of those telegrams, did he not?

Mr. BLANTON. Yes; I did, and I answered it immediately and told him that I refused to give my vote for any kind of a moratorium. I insisted that our own people must be looked after.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Chairman, before beginning I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BECK. My colleagues of the House of Representatives, I want to challenge your very earnest consideration this afternoon to a question of profound import, not merely in respect to any pending proposed amendments to the Constitution, but as to any future amendments in the unknown future. I am one of those who believe that within the next 25 years this country is destined to undergo many constitutional changes of profound importance, and, therefore, it is a matter of great concern as to what the Constitution meant in respect to Article V and its amending process, if Congress should follow the almost novel course of recommending the ratification of any proposed amendment to conventions to be held in the several States. It may be conceded at the outset, and I shall amplify the thought in a few moments, that that portion of Article V in respect to the manner in which these conventions shall be held, if Congress shall select that method of ratification, is a casus omissus in the Constitution, and the significance of that omission must be supplied by resorting to other cognate provisions of the Constitution, and above all, to the history of the Constitution and the powerful searchlight that it throws upon the meaning of the Constitution in this respect.

I shall attempt to reply to-day to a brief that was recently written by a distinguished member of the bar, who I am rejoiced to see is present on the floor; and at the conclusion of my remarks I shall ask unanimous consent that Mr. Mitchell Palmer's brief may be printed in the CONGRESSIONAL RECORD, so that those who care to study the question in print may have the opportunity of reading both sides of a profoundly interesting question. I admit at the outset that our unintended debate is an unequal match, not only because Mr. Mitchell Palmer has had the great distinction of being Attorney General of the United States—and I was only Acting Attorney General of the United States for two periods of time—but also because the brief, judged intrinsically, is one of very great power. I know of no member of the bar of this country who could have written an abler argument in support of his thesis, which I shall presently outline. In fact, I may confess that, while I commenced the reading of his argument with a strong prepossession in favor of what I would regard as an old-fashioned conception of the rights of the States in the matter of amending the Constitution, yet when I had read his brief I was greatly perplexed. I could not for the moment see an adequate reply to his conclusions, and temporarily I could say, as I think Agrippa said to St. Paul, "Almost thou persuadest me to be a Christian." But after I had read the brief and had considered it further, and especially had consulted the historic precedents, and that which is to me of greater importance, the cognate phrases of the Constitution, which are designed to carry into effect at least similar objectives, I reached the conclusion that the conclusions reached by our distinguished ex-Attorney General were not a true interpretation of the Constitution.

For another reason this debate is an unequal one, not only for the reason that I suggested, of the eminence of Mr. Palmer at the bar of the country, but also for the fact that his brief is a very carefully and deliberately prepared one, while I shall speak wholly extemporaneously. Let me say that he did the country a great service in writing that brief. There has grown up in the last 10 years, due to the eighteenth amendment, a sentiment that if any further modification or repeal of the Constitution be attempted it must be by conventions, as more directly and authoritatively representative of the will of the people than a legislature. The two great parties have pledged themselves that any repeal of the eighteenth amendment shall be by the convention method; and as the country was ignorant of the implications of that method of ratification, it was Mr. Palmer's great service to his day and generation to bring to the attention of the country the very important fact that if we do decide, in attempting to repeal the eighteenth amendment or in proposing any amendment, to choose the convention method as a source of ratification, exactly what that implies as to the relative powers of the constituent States and of the Federal Government. Therefore, I regret that I am approaching the subject in an extemporaneous speech and matching it, with great diffidence, against the brief that has been prepared with the greatest care; yet I shall nevertheless proceed in the hope that the Members of the House will give me their close attention to what is an abstruse question and to some references to history that seem to me to throw a very strong light upon the question.

Let us in the first place read the pertinent section of the Constitution. It is very familiar to you all, but in this discussion the exact language must be borne in mind. Let me say in that connection that we are enjoying the rare privilege of discussing a constitutional question of first impression. Ordinarily, at this late period in the Republic's growth, when we try to discuss any constitutional question, we have to dig down through successive strata of judicial decisions, especially of the Supreme Court of the United States; and as those of us who are familiar with that class of legal work well know, the commentators of the Supreme Court often do more to obscure the text than to clarify it; and if we could only rely on the virgin text, it would often be easier to reach a conclusion as to what the founders of the Republic really meant, than to read the lengthy commentaries of later generations. This is true of all commentaries.

Here, however, the question, as I have said, is one of first impression. This is the way Article V reads:

> The Congress, whenever two-thirds of both houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof—

Mark these words—

> as the one or the other mode of ratification may be proposed by the Congress.

And there it ends, except for a final provision which is not pertinent to this inquiry.

It will, I am sure, be conceded that there is no express suggestion of any superadded power. It does not say that when the method has been selected by the Congress there shall be any further power of Congress to interfere with the States as they proceed to call the conventions, either to ratify or to refuse to ratify a proposed amendment. Congress can not supervise the holding of these conventions as an implied power, for there is no express power upon which the regulation by Congress of the conventions can be grafted.

Now let us consider that clause in connection with two other provisions of the Constitution, in which you will find that the Congress did particularly specify in one instance that there should be a supervisory power on the part of the Congress and in the other negatived any idea of any such

supervisory power. I now read Article I, section 4, in respect to the election of Members to the House and to the Senate.

The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time, by law, make or alter such regulations, except as to the place of choosing Senators.

Therefore, you see those wise men of the Constitutional Convention, when they intended primarily to leave to the States the times, places, and manner of selecting their Representatives or Senators, very carefully provided for the kind of supervisory—one might call it veto—power in the Congress to determine whether such regulations met the national necessities.

Now you come to another provision, Article II, section 1, and I attach a great deal of importance to this. It refers to the election of a President.

Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors equal to the whole number of Senators or Representatives to which the State may be entitled in the Congress—

Then there is added that—

no elector shall occupy any office of trust.

Now please note that when the so-called Electoral College meets in each State, it is a "convention" of such State. The mere fact that you call it, in analogy to the electoral college of the Holy Roman Empire—and that was probably the way the term came into existence—an electoral college can not alter the fact that the people in each State, for a purpose of only less importance than an amendment of the Constitution, provide in the matter of next greatest importance, the election of a President, that there shall be a convention in each State, composed of so-called electors, and as to that it says:

Each State shall appoint in such manner as the legislature thereof may direct, a number of electors—

And so forth. It would have been easy for the framers of the Constitution to say, "Provided, nevertheless, while the people may have the power to select electors in any manner as its legislature may provide—because they could be selected at large—yet the Congress shall have supervisory power in the event that it is not pleased with the nature of the regulations of the State legislature in the matter"; but they did nothing of the kind. They did it as to the Members of the House and Senate, reserving the power to supervise the power of the States to choose the times and the manner of electing Representatives and Senators, but not the place for the election of Senators, that being expressly excluded; and as to the other State conventions, the electoral college, they provided that the legislature of each State should have the right and only the right to determine the method in which those electors should be provided. And this was left unchanged in the twelfth amendment to the Constitution.

Now, therefore, it was not so much of a casus omissus as at first might seem to be the case; that when the framers came to conventions to ratify the Constitution they said nothing in respect to the manner of the selection by the States of members of the convention, because they had carefully limited the power of Congress to one thing and one thing alone—and that was the selection as to which of the two agencies should ratify an amendment, the one being the existing legislature of the States and the other conventions especially called for that purpose.

It is argued in Mr. Palmer's brief with a great deal of force that any precedent born of the fact that that was the course that was followed when the original Constitution was submitted to the State conventions is not of importance, because our present Constitution was not in existence and therefore Article V did not apply; but I think that argument is only a partial answer to what I am going to call the historical argument, because I may remind you that there was a constitution then in existence, and therefore what the Fathers did in the matter of ratifying the Constitution of 1787 throws a powerful searchlight upon what they intended when they said that they could prescribe conventions as a method of ratification and said nothing more, because they were thinking in terms of existing political acts. They were following a path that they had already beaten.

Let us see whether that is not true. The Government of the United States in 1787, when the Constitutional Convention met in that year, was under a constitution called the Articles of Confederation. The amending clause of that constitution provided as follows: Having stated that the Articles of Confederation shall be "inviolably observed" by every State and "the Union shall be perpetual," added:

Nor shall any alteration at any time hereafter be made in any of them—

That is, the articles—

unless such alteration be agreed to in a Congress of the United States and be afterwards affirmed by the legislatures of every State.

That is similar to that which is embodied in article 5. Although article 5 was much expanded, as will presently appear, it followed the main outlines: That any amendment to the Articles of Confederation should first be proposed in Congress, then be ratified by the legislatures of the several States.

It might have been argued then, as Mr. Palmer argues now, that the then existing Congress, because there was a Congress then before the Constitution, could have said: "We will provide the method whereby the States shall ratify." I do not mean the decision to submit, but the manner, the time, or other details of the process of ratification by State legislatures. But let us see what they did do. When the constitutional convention completed their draft of the Constitution they passed this resolution:

That the preceding Constitution be laid before the United States in Congress assembled, and that it is the opinion of this convention that it should afterwards be submitted to a convention of the delegates chosen in each State by the people thereof under the recommendation of its legislature for their assent and ratification, and that each convention assenting to and ratifying the same should give notice thereof to the United States in Congress assembled.

Therefore the moment the new Constitution was formulated, on September 17, 1787, Madison, Gorham, and King proceeded to New York where the Congress was in session. They at once laid the Constitution before the Congress. Immediately it developed considerable opposition, led chiefly by Richard Henry Lee, of Virginia, and by Nathan Dane, of Massachusetts.

But finally the Congress adopted what was apparently agreeable and consistent with their political conception of a way to adopt a new constitution. In other words, they simply submitted to each State the question whether it would or would not ratify the proposed new Constitution, and the States thereupon proceeded in their own way to elect the delegates and to take such action as they thought proper.

That being true, you then see the habit of mind, and no other habit of mind was conceivable at that time, that when they wrote into the Constitution this provision that there could be a right in Congress to select a method of ratification but said nothing further as to any power of Congress to supervise the details of such ratification, they were acting with a conception of sovereign States, not as old then as now, but then in its pristine purity and strength. In other words, they were thinking along the lines of a union, of an "indissoluble union of indestructible States," where if any attempt were made to change or modify the organic instrument of government, which united the otherwise sovereign States, that, of necessity, it would have to go back to those States, and then they would in their own residual capacity as sovereign States determine whether any amendment to the Constitution should be adopted.

It is undoubtedly true that the framers of the Constitution thought they were liberalizing, and they were liberalizing, the process of amendment by Article V. They knew at the time that the Constitution would undergo tremendous opposition in many States, as it did. They were then so widely divided as to the wisdom of the Constitution that

no single member had an unqualified opinion of its merits. They parted on that fateful day of September 17 with the profound conviction that, while they had worked hard, their work had been largely in vain; that at best they had only provided a temporary bridge to span the gulf of social anarchy that then prevailed. But they knew they had provided a liberal power of amendment contrasted with any existing power of amendment under the Articles of Confederation, and therefore the two most profound students of government, James Madison, well named the "Father of the Constitution," and that acute thinker, Alexander Hamilton, of New York, argued in the Federalist papers that, while the States might not like the Constitution in all its aspects, an alternative and liberal method had been provided whereby either the Federal Government could propose an amendment or the States could propose an amendment, or even a constitutional convention of a national character could be called, to make good any existing defects in the document, to which they had given the loving labor of over four months.

Therefore is it not a tremendous assumption to say that while as to the election of Members and Senators Congress was given a supervisory power over the "manner and the times" of election, and while as to the convention of the electors to elect a President they gave no such supervisory power, but on the contrary affirmed in the most unmistakable way that the electors were to be chosen by the people of the States in accordance with the laws of the States—that when they gave no power to Congress in respect to ratifying conventions, except to select the method of ratification, that nevertheless it must be implied that the Federal Government could thereupon, under the Constitution, take from them their electoral machinery, supervise the elections, and, in other words, make it in substance a Federal act and not the act of a sovereign State?

In order to show exactly what Mr. Palmer's contention is let me read from his brief further. After referring to the fact that there is a very wide and considerable sentiment in this country in favor of a repeal or modification of the eighteenth amendment and that repeal is a matter of urgent and imperative necessity, he thus states his conclusion:

> The solution lies in the repeal of the eighteenth amendment which it is submitted may be promptly accomplished by action of the Congress to that end. Thus, as it clearly appears from the foregoing, the Congress may, whenever it so determines, pass a resolution proposing the repeal amendment; such resolution may direct that the proposed amendment be submitted to conventions in the States; it may provide that the amendment shall be inoperative unless acted upon by the conventions within a reasonable time which it may fix.

Thus far I am in accord with him.

Then he continues, and here is where I part company with my distinguished friend:

> It may prescribe how and when the delegates to the convention may be nominated and elected, the date on which such convention shall be held in the several States, the number of delegates required to make a quorum, and the number of affirmative votes necessary to ratify the amendment submitted to such convention, and any other needful requirements.

I want you to pause and get the full implication of that contention.

It may prescribe "how and when the delegates to the convention may be nominated and elected." In other words, it can enter the State, exclude all its machinery of election, or any other method of determining the popular will, and say to the States, "Your will to the contrary notwithstanding, the Congress directs that you must elect these delegates in the way that we prescribe," prescribing the qualifications of electors, within, of course, the limits of the Constitution under the fifteenth and nineteenth amendments. He claims that Congress may prescribe "the date on which such conventions shall be held in the several States, the number of delegates required to make a quorum."

That is to say, the Congress could say that one-fourth of all the delegates would be a quorum.

> And the number of affirmative votes necessary to ratify the amendment submitted to such convention and any other needful requirements.

In other words, he contends that Congress may direct, mark you, that in this act of a sovereign State in determining whether it will or will not accept an amendment to the Constitution which it is under no obligation to accept, a vote of one-fifth or any lesser percentage of the body of delegates might be regarded as a ratification of the Constitution. Of course, this is a literal implication, and I am sure Mr. Palmer never intended such an extreme, but with great intellectual courage he was carrying his idea to its logical conclusion.

To read such a meaning into the Constitution would be, indeed, to write a new one and to cross a fateful Rubicon.

Let us in a few minutes consider the decisions of the Supreme Court, because much of Mr. Palmer's argument is based upon what I may call fugitive expressions of that great court.

Mr. MONTAGUE. Would it interrupt the gentleman if I asked a question?

Mr. BECK. Certainly not.

Mr. MONTAGUE. Referring to the gentleman's statement as to the power of Congress to establish the convention, to conduct the convention, and operate it in every way, has the gentleman any doubt that if the Congress has that power it could prescribe the qualifications of the electors of the various States to elect the delegates to the convention?

Mr. BECK. To my friend from Virginia I would say that it has, subject to limitations of the fifteenth and nineteenth amendments.

The courts might well say, whatever Congress might prescribe as to the qualifications of the electors, it could not violate the fifteenth or nineteenth amendment. They were the only two I had in mind. Otherwise Congress could, on Mr. Palmer's contention, prescribe the qualifications of electors. If the State had a qualification of a property nature or of an educational test, these could be swept aside, but as to the question of color or sex, I imagine it would be said that the Congress could not, in the matter of electing delegates to a ratifying convention, transgress such limitations.

Mr. MONTAGUE. Congress can not violate the Constitution itself.

Mr. BECK. Congress can not violate the Constitution in theory, but I have known it to be done.

Now let us take the three cases that alone are pertinent.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield the gentleman 30 minutes more.

Mr. BECK. The first case that came up was the case of Hawke against Smith (253 U. S.). In that case the constitution of Ohio had provided that the Legislature of Ohio could have no competence to ratify any constitutional amendment unless there had first been a referendum taken to determine the will of the people. The Supreme Court held that that was not valid in respect of an amendment to the United States Constitution, because the Constitution, desiring to preserve representative government, had prescribed conventions or legislatures, and if Ohio were allowed to limit the power of ratification to a vote of the people, the principle of representative government would be destroyed. It would then be the direct action of the people. This is what the court said:

> The power to ratify a proposed amendment to the Federal Constitution has its source in the Federal Constitution. The act of ratification by the State derives its authority from the Federal Constitution to which the State and its people have alike assented.

I am not dissenting to that statement of the Supreme Court, but I want to make one suggestion in connection therewith, and that is that the power of a sovereign State to ratify an amendment to the Constitution, while it has the Constitution as its source of power for the method of its exercise, yet in a larger sense the power of the State is not originally derived from the Constitution, and I say this for this reason. Unquestionably, when the convention of 1787 agreed to the Constitution they did so for the purpose of prescribing in that instrument the limits of the power of the Federal Government, and therefore if any attempt were made to add to or subtract from the fundamental compact

there was a right, quite irrespective of the Constitution, for any State to say: "That was not nominated in the bond; we did not enter into any such compact and we will not agree to it."

Therefore, bear in mind in the legal metaphysics of this question that while the Supreme Court speaks of the source of ratifying power being in the Constitution, the power of the constituent States to determine whether they will or will not ratify an amendment is antecedent to the Constitution and grows out of their nature as sovereign States that created a compact by their own voluntary act. The States are limited by the Constitution as to method and must accept the results of that method, but the process of accepting or rejecting amendments is a part of their residual power.

Mr. BANKHEAD. Would it bother the gentleman if I interrupted him with a question?

Mr. BECK. Certainly not.

Mr. BANKHEAD. Does the gentleman find any field for operation of the provisions of the tenth amendment to the Constitution in connection with his argument, with respect to the reservation of the rights of the States when they are not specifically conferred on the Government?

Mr. BECK. I thank my friend from Alabama for calling my attention to that, but even if Article X had never been ratified as an amendment to the Constitution, in the very nature of the Federal Government no change can be made in the nature of that Government except with the consent of all the States, unless all the States have agreed upon some lesser and easier method of ratification. That was the purpose of Article V, and that is inherent in any federated government. The right to insist upon the preservation of the Constitution without amendment is an act of residual sovereignty and is only restricted to the extent that it is limited by Article V. As my friend from Alabama [Mr. BANKHEAD] points out, to "make assurance doubly sure, and (seemingly) take a bond of fate"—although how feeble the bond is the future was to disclose—before the States would ratify, they wrote into the Constitution an amendment that all rights that are not granted to the Federal Government are reserved to the States. Let me read the exact language, so that we may have it before us. It ought to be the Golden Rule of our dual form of government, but like other portions of the Constitution, it is getting to be, I fear, a rhapsody of words. I read:

Article X

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

I am glad my friend from Alabama called my attention to it, because I would like to ask, Where is the power delegated in the Constitution which empowers Congress to go into the States and tell them how they shall elect members to a convention, in the highest, the most vital of all governmental matters, namely, the alteration of the fundamental compact?

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. BECK. Yes.

Mr. LAGUARDIA. How does the gentleman reconcile Hawke *v.* Smith (253 U. S. Repts.), to which the gentleman has just referred, with his interpretation and construction of Article X?

Mr. BECK. No reconciliation is necessary. It is quite obvious that when the Constitution said there shall be two methods of ratifying, one by legislatures and one by conventions, that it was not in the power of the State of Ohio to say, "We want something more; we want a direct vote of the people," because if there ever was a conception of democracy to which the framers of the Constitution tenaciously clung, it was that of representative government. They did not believe in direct government by the people, and perhaps they were wiser than this day and generation. In all events, no reconciliation is necessary.

Mr. OLIVER of New York. Mr. Chairman, will the gentleman yield?

Mr. BECK. Yes.

Mr. OLIVER of New York. I think the confusion came from the language in the decision that the legislature was performing a Federal function.

Mr. BECK. I am coming to that. I have read the Hawke against Smith decision, and now we come to what seems to me the very slender foundation upon which Mr. Palmer's argument is built. Dillon *v.* Gloss (256 U. S. Repts.) involves this principle, whether Congress in proposing the eighteenth amendment could prescribe the time within which it must be ratified. The Supreme Court held that it could. It held this for the reason that the process of ratification was obviously a thing related to a common and reasonably concurrent decision of the people. It could not be by a people who were long since dead contributing one vote, and a later generation other votes. There must be ex necessitate rei a period of time, reasonable in extent, so that the will of the people could be concentrated upon a specific proposition, and, therefore, they said that it was within the power of Congress to say that the amendment could not be adopted unless ratified within seven years. I am not quarreling with that decision. It was a decision based on what was, as the court said, an incident to the power of amendment by the States, that they must act within a reasonable time, but I do call attention to the fact that the Supreme Court in that case could have rested its decision upon a broader ground than it actually did, because, please observe, in the eighteenth amendment the 7-year clause was an integral part of the proposal. In other words, what Congress said was, that if the States are willing within seven years to ratify the eighteenth amendment, it shall be the law of the land. It was a part of the proposal submitted to the States. However, the court did not base it on that ground, and, therefore, I shall now read the ground upon which the decision was based. I quote:

As a rule, the Constitution speaks in general terms, leaving Congress to deal with subsidiary matters of detail as the public interest and changing conditions may require, and Article V is no exception to the rule. Whether a definite period for ratification can be fixed so that all may know what it is and speculation on what is a reasonable time may be avoided is, in our judgment, a matter of detail which Congress may determine as an incident of its power to designate the mode of ratification.

Please observe that it is an incident to the power to propose a method of ratification and nothing more.

Of course, the court there unquestionably held that for the purpose of submitting in either form there was the power to determine what was inherent in the submission, a reasonable time within which the States should act. I thought I had the clause before me where they speak of the Federal function.

Mr. LAGUARDIA. I have it here, and I shall read it if the gentleman wishes.

Mr. BECK. Certainly.

Mr. LAGUARDIA. I read:

But the function of a State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in proposing the amendment, is a Federal function derived from the Federal Constitution, and it transcends any limitations sought to be imposed by the people of the State.

That was contained in a very able brief filed by the United States Government in Fairchild against Hughes, and argued by one of the greatest Solicitors General that the United States ever had, the gentleman who now occupies the floor. [Applause.]

Mr. BECK. God forbid that I should be held responsible for every quotation in every brief that I filed in the Supreme Court of the United States, and I filed nearly 800 of them. At all events, I was quoting that for the purpose that the Supreme Court presumably quoted it. I do not know how many Members of the House heard my friend from New York, but that was the quotation for which I was looking. What does it say?

I want every Member to hear it, because the whole argument of Mr. Palmer is pyramided upon this expression:

But the function of a State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in proposing the amendment, is a Federal function derived

from the Federal Constitution, and it transcends any limitations sought to be imposed by the people of a State.

The Constitution undoubtedly gave the authority to the State legislature to ratify or reject a constitutional amendment. The Supreme Court calls that a "federal function." I respectfully suggest it would be more accurate to say it is a "constitutional function of the State." It undoubtedly derives its authority from the Constitution, because only by virtue of the Constitution can three-quarters of the States ratify any proposed amendment. But there is a great abyss between a Federal function, meaning thereby a power granted either to the Central Government or to the States by the Constitution, and a Federal agency. If the legislature in ratifying an amendment is a Federal agency, in the sense that for that purpose it is an instrumentality of the Federal Government, there would be much force in the suggestion that there was unlimited power in Congress to control its own agency; but let us see how far that would lead us. If a convention is a Federal agency, because it performs in the manner prescribed a Federal function, then assuredly it is true that the legislature, when similarly engaged, is a Federal agency, and we are then in a blind alley, that in the most important and vital, and I venture to say the most sacred, of all functions of the States, as to whether they will or will not accept a modification of the fundamental compact, their legislature, representing the will of their people, has become a mere agency of the Federal Government. Then, what follows?

It follows, if that argument be correct, that thereupon Congress can say, "Yes, the Constitution made the legislature of the State a Federal agency. We will therefore set up a legislature. We will determine how the members shall be elected to it. We will determine the manner and the time of its meeting. We can send a United States marshal to its sessions to sit beside the speaker of the house, or to sit in his place, perchance, to determine that that legislature shall carry out a Federal function."

Remember, gentlemen, what I said before, that the power of the State to ratify an amendment to the Constitution, while as to the method of its exercising is a grant of constitutional power, yet it has by reason of its own reserved rights, the ultimate right to determine whether the compact into which it entered, shall be changed. I do not mean that it can in any way refuse to subject itself to the fifth article. That is not my meaning, but my meaning is that if every State of the Union were to assemble to-morrow and unanimously agree, without any action of Congress, that they would change the Constitution, they could change it by such unanimous consent. Who could object, if all agreed? The moment you call our Government a unitary State, and not a federated State, you have destroyed the dual form of government under which we live. The moment you say that the United States can dictate to or control a State legislature in the exercise of a reserved function, because this power of ratification is a reserved function, although restricted by Article V as to method, that moment you have struck down the last semblance of authority of the sovereign State, and you have destroyed its conscious pride of sovereignty and overthrown the essential nature of the Union.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. BECK. I yield.

Mr. SUMNERS of Texas. These State legislatures, of course, do not derive any power from the States, to ratify amendments proposed to the Constitution. Their power is derived, I believe, from the Constitution itself. Does the gentleman not think, as a matter of fact, under those circumstances, that the State legislatures function as agencies of the Federal organization, as distinguished from agencies of the people, from which people they have never received any authority to act for them? I am not asking that question in a critical sort of way, but I would appreciate it, if it would not interrupt the gentleman's line of thought, to have him discuss that particular aspect of the matter.

Mr. BECK. I would like to discuss it, but it draws me into the metaphysics of the question, and the framers of the Constitution were simple, plain, practical men. James Madison once said that whatever the merits or demerits of the Constitution might be, it was the work of "plain, honest men," and posterity has so far vindicated it.

When they said "the legislature," they had in mind that the sovereign States, reserving all of their rights under the tenth amendment to their own ordered liberty, had legislatures as a method of expressing the will of the people. The Constitution gave them authority to ratify or refuse to ratify an amendment to the Constitution, but they would have had that authority if there had been no Article V, except that unanimous consent would have been necessary.

Mr. SUMNERS of Texas. Does not the gentleman believe it would have been just as effective if the power to ratify an amendment had been given to the governors of the States or members of the courts?

Mr. BECK. Yes; if the Constitution had so provided, but it did not. It said "legislatures" or "conventions."

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BECK. I yield.

Mr. LAGUARDIA. I am sure the gentleman does not desire to leave unchallenged the statement which he just made. Perhaps I misunderstood it, but the gentleman said, as I understood, that the States could, on their own initiative, if they unanimously decided, without following the procedure outlined in the Constitution, amend the Constitution.

Mr. BECK. Yes.

Mr. LAGUARDIA. Does the gentleman believe that?

Mr. BECK. Yes. Of course, they could, just exactly as if a half dozen of us should make a compact and agree that no one could violate or add to that compact without the consent of all. Now, we might agree on a certain method of changing the compact; but if all of us agreed to change it we could do so—who could say then "nay"?

Mr. LAGUARDIA. Did not that question come up in the Constitutional Convention?

Mr. BECK. I beg the gentleman's pardon.

Mr. LAGUARDIA. Did not that question come up in the Constitutional Convention when the matter of the convention was discussed, that is, petitioning for a national convention? And they protected themselves against the arbitrary action of the States by requiring that it must be submitted to the States for ratification, in the manner then provided in Article V.

Mr. BECK. My friend may be right, but I do not think so, because all the States had to agree to any change in the Constitution, under the Articles of Confederation, which preceded the Constitution. If all the States said "We are not satisfied, we are going to change it," who is there to object? Who has any right under the provisions of the Constitution except the sovereign States that adopted it?

Mr. SIROVICH. Would it not still have to be in conformity with the rules and regulations of the Constitution, even if by unanimous consent?

Mr. BECK. Not if by unanimous consent. But now to return to my subject.

Mr. OLIVER of New York. Mr. Chairman, will the gentleman yield?

Mr. BECK. I yield.

Mr. OLIVER of New York. Is it not perfectly consistent with the gentleman's argument, with which I fully agree, that if the legislature performs a Federal function, according to that decision, that a convention, created by that same legislature, can perform that Federal function too; that is, ratify the constitutional amendment on behalf of the State? There is nothing inconsistent in that at all, yet I hear gentlemen say that the legislature which is created by the State can perform a Federal function, but that a convention created by the legislature can not perform a Federal function.

Mr. BECK. I take it if one is a Federal function the other must be. The only difference between the two is that in one case the legislature is existing and in the other the convention has to be called into existence.

I have, in a very inadequate way, tried to explain my views, and now I am coming to the point I want to suggest,



which has nothing to do with the construction of Article V, but has a great deal to do with the question as to whether the ultimate question may not some day confront Congress, whether Article V itself ought not to be amended according to the processes of the Constitution.

Now, Article V, as I said a little while ago, was deemed by those who framed the Constitution a most liberal method of amendment. Of course, to-day it is the most illiberal method of amendment, because it is obvious that 13 States, which combined may not have the population either of New York or Pennsylvania or Illinois, can block any constitutional reform, however important it may be.

No man of intellectual honesty can deny that to enable 13 States, with a combined population less than that of one State, to block the will of 35 States is a travesty on democracy. You can not reconcile it with any conception of popular rule.

The reason they adopted it and thought it was extremely liberal was this, and you must take into mind the conditions that then prevailed—there were 12 States that formed the convention. Those 12 States were grouped as follows: There were three populous States, three commanding States. One was Massachusetts, the second was Pennsylvania, and the third was Virginia. New York, it may seem strange to say, was neither a small State nor was it a big State. The Fathers could not look into the future, wise as they were. They realized that if Massachusetts desired an amendment, within its orbit of influence, moving as satellites, would be New Hampshire, Connecticut, and Rhode Island; that Pennsylvania had a commanding influence with Delaware and New Jersey, for they had originally been parts of Pennsylvania; and that Virginia could dominate, or at least largely influence, South Carolina and Georgia. Therefore, if any amendment were necessary, and they realized that amendments would be necessary, and nothing was clearer in their minds than that the Constitution would necessarily have to be changed, these three States would have such a commanding influence by reason of their greater population and their greater material interests and the influence they had upon what might be called the lesser States, that they could readily secure a constitutional amendment, and the 10 amendments were thus adopted with comparative ease.

Now, however, you have 48 States, and they never contemplated 48 States. Many of them, I say it with great respect, have almost artificial boundaries. I mean by that some are not States behind which is any great racial or historic tradition or defined by even natural geographical boundaries. They are more or less arbitrarily carved out of the vast territory west of the Alleghenies and ultimately west of the Mississippi. You, therefore, have the situation I have outlined, and this gives the importance to Mr. Palmer's argument. I repeat again, in all sincerity, he did a great service in challenging the attention of the country to this question, because the people of this country will inevitably be brought face to face with the question whether this Nation can continue to utilize Article V in view of the changed conditions in its present form.

In the next 25 years, with the tremendous repercussion of the greatest catastrophe in the world upon our institutions, as upon every other institution there must be, if this Constitution of ours is to correspond with the changes of our people and its economic necessities, great changes in the Constitution.

Do not think of the question in relation to the eighteenth amendment. Think of it in connection with changes that may be vital to the perpetuity of the Republic. Think of the propositoin that some wise amendment may be proposed and be made necessary by the imperative force of events and 13 States can stop it, 13 States which might because of its influence upon them more than upon other States object to it. It is conceivable in the future, long after you and I who are gathered together may "like streaks of the morning cloud have faded into the infinite azure of the past" that the failure to secure a needed amendment may threaten the very perpetuity of the Union.

It may well be that the time may come when the Union will be endangered by the ability of one-tenth of the people of the United States to block and destroy any attempt toward constitutional reform. If we had not had so wise a Constitution, the situation would have been intolerable long since, but it may well be that in the critical days that are ahead of us Article V in its present form may prove a real menace to the future of the Nation.

I have been giving some thought to this, and simply as a "trial balloon" I want to read you an amendment to Article V that I hastily drafted to-day, which I may some day offer as a joint resolution. I do not do this with any idea of seriously pressing it at this session, but I do believe that the grave importance of the question would justify every Member of this Congress in considering the proposition that I am now about to advance.

I shall not trouble you by reading the merely formal part of any constitutional amendment, but it begins precisely as Article V.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield the gentleman 15 minutes additional.

Mr. MICHENER. The gentleman has consumed one hour. I therefore ask unanimous consent that the gentleman from Pennsylvania may proceed for 15 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BECK. This is my proposition:

> The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes as part of this Constitution.

So far I am following the language of Article V.

Now comes the change:

> When ratified by the legislatures of more than one-half of the several States, or by conventions in more than one-half thereof, as the one or the other mode of ratification may be proposed by the Congress, if the States so ratifying have a population at least equal to three-fourths of the entire population of all the States according to the enumeration of the last preceding census.

Mr. MAY. Will the gentleman yield for a question?

Mr. BECK. Certainly.

Mr. MAY. I have listened with a great deal of interest to the splendid argument made by the gentleman and I have caught from his remarks all the way through that his speech is a defense of the independence of the States. Would not Article V, as proposed to be amended by the gentleman, tend to destroy in its entirety the freedom of all the States so far as amendments are concerned?

Mr. BECK. I do not see it so, because if three-fourths of the people of this country desire an amendment they ought to have it.

I remember speaking at a dinner in New York during the last campaign, at which Governor Smith and I were the speakers. Obviously it was not a political dinner. Governor Smith made the suggestion that a majority of the people of the United States ought to have the power to amend the Constitution. I could not agree to that, nor could I agree to the abolition of the States as the source of ratification; but I believe if a majority of the States think that any addition is necessary to the Constitution, and those States comprise three-fourths of the people of this country, then the will of the American people ought to be respected as declared by so largely a preponderating majority.

Mr. MAY. Then the question of ratification of the amendment under the gentleman's proposal would depend upon the amount of population rather than the number of States?

Mr. BECK. No; it has to be by a majority of the States. There are two clauses—first, a majority of the States must ratify, and then that majority must have three-fourths of the people of the country.

I have not destroyed ratification by the States. I have simply lessened the number of States that must ratify, provided they have a preponderating number of the people.

Mr. OLIVER of New York. Will the gentleman yield for another question?

Mr. BECK. I yield.

Mr. OLIVER of New York. I think the gentleman has got away from the proposition of the Federal Government creating the convention. May I suggest that if we do create conventions by action of Congress, then we will have to hire the polling places ourselves, through some executive officer, and we will have to hire election officials to conduct the elections, or else ask the State election officials to voluntarily act? And even with the Federal convention system, the State election officials, by refusing to volunteer, can have as great veto power on the creation of the convention as the legislature; in refusing to create the convention, they would have veto power on the adoption of the amendment.

Mr. BECK. Of course, it is possible for all the States to refuse to act at all, and, if course, failure to act is equivalent to a refusal to ratify, but there are limits beyond which government can not go. We must assume that the States, when an amendment is proposed to them, will, pursuant to the high duty imposed upon them by the Constitution, proceed by their own electoral machinery to create the convention.

Mr. CELLER. Will the gentleman yield?

Mr. BECK. Yes.

Mr. CELLER. I take it the gentleman concedes that ratification, whether it is by State legislatures or by the convention method, is a Federal function.

Mr. BECK. It is a Federal function, but that is a phrase. In other words, it is a constitutional function which in respect of that method of exercise has been created by the Constitution, but to call it a Federal function seems to imply that it is a function of the Central Government as contrasted with the constituent States. This, I do not acknowledge. In other words, a constitutional function can be the act of the States as well as the act of the Central Government, even though it is derived from the Constitution as a source.

Mr. CELLER. Is it not even stronger than that, and has not the contention that it is a Federal function real teeth in it? In the Hawke case, which is the Ohio case, the Federal authority, as stated in that opinion of the Supreme Court, had the right to prevent the State legislature from ratifying, together with the process of referendum.

Mr. BECK. Yes.

Mr. CELLER. In other words, even when the legislature process was used by Congress, the Constitution, indicating this was a Federal process, in so many words said that even if the State legislatures act, they could not saddle upon the situation the referendum and that, therefore, all the source of authority must come from Washington.

Mr. BECK. From the Constitution.

Mr. CELLER. From the Constitution and from Washington, too, I would say.

Mr. BECK. No; not from Washington. That is a very different proposition. When you say from Washington, that is where I dispute the accuracy of the phrase "Federal function," when it is interpreted to mean Federal agency. It is not a Federal agency at all; it is a power of a State, confirmed to it by the Constitution.

Mr. CELLER. But it is an act of the State in which the State is very well limited and circumscribed in what it may do.

Mr. BECK. Yes.

Mr. CELLER. For example, a State can not in its State constitution say that there can be no ratification by the legislature of a constitutional amendment until there has been an intervening election, so that the issue of the constitutional question might be raised among the voters of the States. The State authorities could not, even in the particular case, the name of which I do not recall, engraft upon the legislative process the fact that there had to be an intervening election. Do not those limitations bring home the inescapable conclusion that when you use the phrase "Federal function," you limit and circumscribe the State and give most of the authority, if not all the authority, to Congress?

Mr. BECK. That is the whole question. I do not think so.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. BECK. Yes.

Mr. SCHAFER. How would the gentleman's proposed amendment liberalize the ratification when you would still have a similar situation of 10 States with a total population less than that of the State of New York, having 20 Senators as against 2 Senators for the State of New York, and still, under the gentleman's proposition, you have to have the ratification of the amendment by two-thirds of the membership of the Senate?

Mr. BECK. I do not think I quite gather the gentleman's question. I do not seek to make any change in the method of proposal. I believe it ought to be two-thirds of the House and two-thirds of the Senate. As to the composition of the Senate, that is another and a very ancient controversy, and, of course, it is one as to which Article V makes any amendment impossible.

Mr. SCHAFER. In order to liberalize it, how could you provide for your basis of population regarding the submission when you have a situation where 10 little States with less population in total than the State of New York have 20 votes in the Senate with reference to submitting a proposal? You are not going to have a very liberal method of amending the Constitution when that situation exists.

Mr. BECK. Mr. Chairman, I want to thank the House for listening to me so attentively in a discussion of an abstruse question. I had no intention of trespassing so long upon your patience when I took the floor, but I have said what I did because of my love of the Constitution of the fathers and my strong belief that it ought to be, and let us hope that it still is, what the Supreme Court called it, an "indissoluble union of indestructible States." I can not imagine how the States could be more effectively destroyed than for the Federal Government to take from them the power to say whether the fundamental compact should be changed. [Applause.]

Mr. Chairman, under leave to extend my remarks in the RECORD, I include the following:

BRIEF—THE METHOD OF RATIFICATION OF CONSTITUTIONAL AMENDMENTS BY CONVENTIONS IN THE STATES, AND PARTICULARLY THE POWER AND DUTY OF THE CONGRESS TO CREATE SUCH CONVENTIONS WITHOUT ACTION BY STATE LEGISLATURES

INTRODUCTORY REMARKS

The 1932 platform of the Democratic Party, after declaring that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, "solemnly promises by appropriate action to put into effect the * * * repeal of the eighteenth amendment," and continues:

"To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal.

"We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.

"We demand that the Federal Government exercise its power to enable the States to effectively protect themselves against importation of intoxicating liquors in violation of their laws.

"Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue * * *."

It will thus be seen that the primary purpose of the Democratic Party with reference to prohibition is "repeal of the eighteenth amendment." The party's plan for modification of the Volstead Act is only a "stop-gap" measure pending repeal and is favored expressly as a method of securing "proper and needed revenue."

The Republican platform also favors the submission of an amendment repealing the eighteenth amendment.

In one respect these platforms are in practical accord, as both propose ratification by conventions instead of State legislatures. The Republican platform declares that the new amendment should be "promptly submitted to the States by Congress, to be acted upon by State conventions called for that sole purpose * * * and adequately safeguarded so as to be truly representative," and the Democratic platform demands "that the Congress immediately

propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal." It will be observed that the Democratic platform follows the language of Article V of the Constitution when it proposes "conventions in the States"; while the Republican platform expresses the same purpose by declaring for "State conventions."

Article V of the Constitution provides:

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress: * * *"

With both parties committed by their platforms, as well as by the declarations of their presidential candidates to the submission of a repeal amendment in one form or another to conventions in the States, it is obvious that no matter how the election may have resulted, the submission of an amendment would have necessarily followed. Its form, however, was determined by the election. The enormous majority with which the people elected the Democratic ticket must be construed as a mandate from the people to put into effect "by appropriate action" the principles which that party advocated in its platform. This is not a direct mandate to the present Congress whose Members were elected before it was uttered, but the reasoning of President Lincoln in a similar situation applies with equal force to the present. In 1864 the proposal of a constitutional amendment outlawing slavery had failed of passage in the first session of the Congress, but after election, on December 4, 1864, Mr. Lincoln, in his message to the Congress, said:

"Hence there is only a question of time as to when the proposed amendment will go to the States for their action, and as it is to so go at all events, may we not agree that the sooner the better? It is not claimed that the election has imposed a duty on Members to change their views or their votes any further than as an additional element to be considered—their judgment may be affected by it."

How the Congress should proceed to carry out this mandate is now the pressing question. If the Congress adopts the "stop-gap" measure pending repeal (modification of the Volstead Act), and such measure meets with Executive approval, a considerable revenue would become available to the Government. This result, however desirable, would fall far short of the chief purpose of both parties as stated in their platforms. Even accepting the highest estimate so far made of revenue resulting from the modification of the Volstead Act, it would not be sufficient to balance the Budget. Other taxes or drastic economies in Government operation would be necessary. Such other taxes would be an almost intolerable burden upon a people already suffering from overtaxation, and the far-reaching cuts in Government expenditures which would be necessary to balance the Budget will, it is generally admitted, be extremely difficult to secure in time to benefit the Government during the next fiscal year. Besides, a tax upon beer is a tax upon the workingman, its chief consumer. And thus the burden of sustaining the Government from this source of revenue would fall upon that class of the population least able to bear it, particularly in these times of widespread unemployment.

Therefore, both because repeal is the primary purpose of the people as expressed by their vote on November 8, and because the revenue which would result after repeal would be collected from liquors and wines as well as beer and thus result in the taxes being paid in larger part by those most able to bear them, it seems the obvious duty of the Congress to proceed rapidly toward the objective of both parties; and, if a constitutional method can be found, to take such action as will make available for the next fiscal year the enormous revenues—approaching two billions of dollars[1] annually—to be derived from a tax on all liquors.

Such a method is at hand.

It seems to be generally assumed that it will take years to adopt any proposed amendment to the Constitution. This arises from the fact that ratification of amendments heretofore has frequently been long delayed because legislatures have been slow to act, and ratification by State legislatures has been the method uniformly employed. But the proper use of the power to submit to conventions in the States, heretofore untried, will insure an early decision.

The Congress enjoys the power to submit the proposed repeal amendment to conventions in the States called and held in pursuance of congressional action and to require the vote of such conventions to be cast within any reasonable time—say, four months after the Congress adopts the necessary resolution—thereby making available, assuming the repeal amendment is ratified, these enormous revenues for the fiscal year beginning July 1, 1933. Such action, while unprecedented, would be plainly constitutional and responsive to the present national emergency. To the manner and means by which the Congress may effectuate these ends this memorandum is devoted.

THE POWER OF THE CONGRESS

Article V of the Constitution grants to the Congress a choice between two methods of ratification, (1) by legislatures of three-fourths of the States, or (2) by conventions in a like number of States. Nothing is said as to the manner in which the conventions shall be called, the delegates thereto elected and the like. Naturally as the convention mode of ratification has been indorsed by both major party platforms, legislators are now considering whether provisions to this end should be made by the Congress or referred to the several State legislatures. It is obvious that if the Congress enjoys the necessary power, uniformity of procedure in the several States can be assured only through its action. No precedent exists to aid as a guide as all amendments heretofore adopted have been referred for ratification to the State legislatures.

The resolutions introduced by Representatives Linthicum and BECK (H. J. Res. 208, 209) make no provision for the calling of the conventions or the selection of the delegates. They merely provide that the amendment proposed shall be valid "when ratified by conventions chosen for that purpose in the several States under the provisions of Article V of the Constitution." Apparently these resolutions contemplate that all necessary action for the calling of the conventions and the assembly of the delegates will be taken by the State legislatures. Even if this were proper, which is not free from serious doubt, other impelling reasons, such as the desire to secure uniform action in all of the States and the possibility that some of the legislatures could not act without long delay, while others might fail to take the necessary action, make it desirable to consider whether the Congress may or should provide in its resolution of submission all requirements for the calling and conduct of the conventions.

Such a consideration requires a review of certain fundamental principles.

The first of these is that the Constitution was established by the people acting as sovereigns of the whole country and that it is not a contract or treaty between the States. This principle has been established by a number of decisions of the Supreme Court of the United States, quotations from a few of which are as follows:

"The Constitution was ordained and established by the people of the United States for themselves, for their own government, and not for the government of the individual States." (Barron *v.* Baltimore, 7 Peters, 243, 247.)

"Here we see the people acting as sovereigns of the whole country and, in the language of sovereignty, establishing a constitution by which it was their will that the State governments should be bound, and to which the State constitutions should be made to conform." (Chisholm *v.* Georgia, 2 Dallas, 419, 471; 1 Curtis, 16, 60.)

"The Constitution of the United States was ordained and established, not by the States in their sovereign capacities, but emphatically, as the preamble of the Constitution declares, by 'the people of the United States.' There can be no doubt that it was competent to the people to invest the General Government with all the powers which they might deem proper and necessary; to extend or restrain these powers according to their good pleasure, and to give them a paramount and supreme authority." (Martin *v.* Hunter's Lessee, 1 Wheaton, 304, 324–325.)

It necessarily follows as a second principle that the States, as such, possess no general or implied power with reference to amendments to the Constitution. Clearly the States have no such power unless it was delegated to them by the Constitution itself, and no such delegation is found therein. The Constitution in Article V provides the exclusive method of amendment. The fact that the legislatures of the States are named therein as the recipients of certain power is not inconsistent with the view just expressed, because the legislatures when acting under the fifth article, act as the delegated agents of the people and not in their ordinary capacity as branches of the government of the States. The powers conferred upon the Congress and the legislatures by Article V are national political powers entirely outside the scope of the general legislative, executive, and judicial power conferred upon the United States and the similar powers reserved to the States. This has been established by decisions of the Supreme Court of the United States.

That court has declared that the action of the Congress in proposing and submitting an amendment is not legislative and does not require the approval of the President (Hollingsworth *v.* Virginia, 3 Dallas, 378), and likewise that ratification by a legislature of a State is not an act of legislation. Hawke *v.* Smith (253 U. S. 221); Leser *v.* Garnett (258 U. S. 130).

In the case of Hawke *v.* Smith, the question before the court was whether the action of the Legislature of the State of Ohio in ratifying the eighteenth amendment was invalid because not submitted to the referendum provided for by the State consti-

[1] Malvern Hall Tillitt, well known as a special writer on economic and social subjects for the New York Times, Herald Tribune, and Post, in his book The Price of Prohibition (Harcourt, Brace & Co.—1932) estimates (p. 41) the present annual national bootleg bill at $4,414,390,520, more than two and one-half times the Nation's average annual drink bill in the years 1914–1916; and further estimates (p. 66), based on the preprohibition consumption in only 15 States and exclusive of receipts derivable from customs duties on imported wines and liquors and savings in enforcement costs, the possible revenues from this traffic at $1,163,432,580—a sum approximately equal to the total Federal income taxes paid in 1930 and equivalent to three times the total Federal customs receipts in 1931.

Clark Warburton, Ph. D., in his book entitled "The Economic Results of Prohibition" (Columbia University Press—1932), the latest of a series of studies in history, economics, and public law, edited by the faculty of political science of that university, estimates (p. 253) that the internal-revenue taxes only, exclusive of any customs receipts on wines or liquors based on returns of $4 per gallon on spirits and $10 per barrel on beer, with corresponding rates on wine, would yield about $1,250,000,000.

tution. The argument was made that the Constitution requires ratification by the legislative action of the States through the medium provided at the time of the proposed approval, and that, therefore, a provision in the constitution of the State of Ohio requiring the submission of a referendum to the electors of the question of ratification should be enforced. The Supreme Court, speaking through Mr. Justice Day, answered this argument in the following language:

"This argument is fallacious in this—ratification by a State of a constitutional amendment is not an act of legislation within the proper sense of the word" (p. 229).

This view was reiterated by the Supreme Court in a case involving the ratification of the nineteenth amendment, Leser *v.* Garnett (258 U. S. 130), wherein the court said (pp. 136–137):

"The second contention is that, in the constitutions of several of the 36 States named in the proclamation of the Secretary of State, there are provisions which render inoperative the alleged ratifications by their legislatures. The argument is that, by reason of these specific provisions, the legislatures were without power to ratify. But the function of a State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in proposing the amendment, is a Federal function, derived from the Federal Constitution; and it transcends any limitations sought to be imposed by the people of a State." Hawke *v.* Smith, No. 1 (253 U. S. 221); Hawke *v.* Smith, No. 2 (253 U. S. 231); National Prohibition Cases (253 U. S. 350, 386).

The following language in the opinion of the Supreme Court in the recent case of United States *v.* Sprague (282 U. S. 716, 733–734) gives further support to the view that the power of the Congress in this respect is not legislative but is a political power conferred by the people:

"The tenth amendment provides:

"'The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.'"

Appellees assert this language demonstrates that the people reserved to themselves powers over their own personal liberty, and that the legislatures are not competent to enlarge the powers of the Federal Government in that behalf. They deduce from this that the people never delegated to the Congress the unrestricted power of choosing the mode of ratification of a proposed amendment. But the argument is a complete non sequitur. The fifth article does not purport to delegate any governmental power to the United States, nor to withhold any from it. On the contrary, as pointed out in Hawke *v.* Smith (253 U. S. 221) that article is a grant of authority by the people to Congress, and not to the United States. It was submitted as part of the original draft of the Constitution to the people in conventions assembled. They deliberately made the grant of power to Congress in respect to the choice of the mode of ratification of amendments. Unless and until that article be changed by amendment, Congress must function as the delegated agent of the people in the choice of the method of ratification.

The tenth amendment was intended to confirm the understanding of the people at the time the Constitution was adopted, that powers not granted to the United States were reserved to the States or to the people. It added nothing to the instrument as originally ratified and has no limited and special operation, as is contended, upon the people's delegation by Article V of certain functions to the Congress.

The view of the Supreme Court that the fifth article does not delegate any governmental power to the United States applies with equal force to the States and their legislatures. In selecting the legislatures as the recipients of certain powers, with respect to amendment of the Constitution, the people merely adopted convenient existing agencies of government as their agents for the exercise of a particular political power.

From the foregoing it must be concluded that the fifth article does not contemplate that the States, acting in their sovereign capacities, shall have any influence or control over ratification. It contemplates only the expression of approval or disapproval by the people acting through representative assemblages, either the legislatures or conventions. No other power with respect to amendments was granted to the legislatures. As already seen, they have no general power of regulation over the process of ratification. If the Congress selects the convention mode, such conventions have identically the same power as the legislatures would enjoy had they been chosen. District Judge William Clark, in his exhaustive opinion in U. S. *v.* Sprague (44 Fed. (2d) 967, 975), aptly states that legislatures act as the general agents of the people and the conventions act as their special agents.

These decisions also demonstrate that ratification, whether by legislature or by convention, is not a State act; further, that the ratifying body does not act as an agent of the State, since if it did, the right of the State to command or forbid action by that agent under particular circumstances, could not be doubted. If the question whether a particular proposed amendment should or should not be ratified were a question for the State to decide, no one could deny its power to control that decision. The Supreme Court, in determining that ratification is beyond State control, has determined that the question is not for the State, but for the people in the State.

This determination necessarily includes a decision that the State, as such, has nothing to do with the process of ratification, since that process is held to be a Federal function and therefore one over which the State government can not in the nature of things have any power. If so, the State can not act in creating or maintaining the convention or in determining how it shall operate. This leaves an inevitable dilemma—either the Congress has the necessary power or no one has it. That section of the people of the United States who happen to reside in a particular State have, as such, no organization. The Constitution nevertheless empowers the Congress to call upon them to act by a convention. They can not act unless some authority determines how the convention shall be chosen and shall operate. The State can not make this determination without exercising the control which the Supreme Court has determined it could not exercise. The Congress can make the necessary regulations as a normal part of its task of procuring the decision of the question of ratification by convention. As a necessary part of the performance of this Federal function it can regulate and pay for the organization of the agencies which no other governmental body has power to set up.

Aside from the pertinent decisions, it seems clear upon principle that State legislatures should have no power or control over the conventions. The Congress has the unrestricted choice of two modes of ratification. The convention method is not a mere modification of the mode of ratification by legislatures. The two modes are entirely separate and distinct from each other. The selection of one is the rejection of the other. If the legislatures enjoy the power to prescribe the qualifications of the convention delegates, to supervise their selection and action in assembly, it necessarily follows that the legislatures could defeat the congressional reference to conventions through declining to act or by imposing conditions upon such conventions or their delegates as would reflect the views of the legislatures themselves. Such a theory would make the legislatures superior to the Constitution. It would render the Constitution inoperative. But the supremacy of any authority, acting in pursuance of power conferred by the Constitution, is not open to question. While no express power is delegated to the Congress to call conventions or provide for the assembly thereof, it has always been recognized that all powers necessary and proper for the execution of express powers are implied.

The Supreme Court of the United States has said that "that what is implied is as much a part of the instrument as what is expressed." Ex parte Yarbrough, 110 U. S. 651, 658. It has applied this principle to Article V by holding that the Congress, as an incident to its power to designate the mode of ratification, has the implied power to fix a reasonable period within which the legislatures must act. (Dillon *v.* Gloss, 256 U. S. 368.) It follows that having the express power to choose the convention method of ratification, the Congress has, by implication, all powers necessary and proper to make the exercise of its choice effective and to assure that its selected course will not be frustrated. This necessarily would include the enactment of all appropriate provisions to enable the organization of the conventions as representative assemblages, able and qualified to receive and vote upon the proposed amendment. The Constitution expressly grants such power. Article I, section 8, clause 18, provides:

"The Congress shall have power * * * to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

The people did not delegate to the Congress, or any other body, power to elect their representatives to such conventions. The only way in which the people can select their representatives is by the right of suffrage. The right of suffrage has always been protected against force and fraud; and the time, place, and manner of its exercise, its supervision by sworn officers, and the certification of the result by public officers have always been prescribed by previous law. While these laws, in so far as they appertain to the election of Members of the Congress, have been enacted by the State legislatures, the Congress has the ultimate responsibility. Thus, section 4 of Article I of the Constitution provides in part:

"The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time, by law, make or alter such regulations, except as to the places of choosing Senators."

To reason that while the Congress may choose the convention mode of ratification, it enjoys no power to cause the convening thereof, would render worthless the original power. It must therefore enjoy power to prescribe by resolution the time and place for the assembly of delegates to conventions, as well as to safeguard the exercise of the people's right of suffrage. In the exercise of that power the Congress may provide for the number of delegates to each convention, and, after having prescribed the method of their nomination, adopt for election purposes the established machinery of the States for conducting elections, as well as the usual qualifications of electors in the several States; and for the assembly of the delegates at such time and place as may be fixed by the resolution.

Any other position seems plainly opposed to the obvious intent of the Constitution. That intent was to offer two distinct and different methods of ratification: One by the legislatures of the States, elected for many other purposes, the other by the people themselves through conventions, elected for that purpose only.

But how shall these conventions be called? How shall they be constituted? How many delegates or representatives shall they contain? When shall the conventions meet? How soon may they act? May they act by majority vote or is a greater proportion of those present necessary for action? On all these questions the Constitution is silent. Is it proper that questions like these shall be left for possible different determinations by the different legislatures of all the States, or shall the Congress under its implied powers prescribe the uniform action to be taken in all States?

For example, take the time element. In Dillon *v.* Gloss (256 U. S. 369) the Supreme Court squarely ruled that the Congress has the power to prescribe the time within which the States must act upon a proposed amendment. There it was argued that the eighteenth amendment was invalid because in the congressional resolution proposing that amendment it was provided that it should be inoperative unless ratified within seven years. It was argued that the Congress had not power to control what the legislatures of the States shall do in their deliberation and that any such attempt to limit voided the proposed amendment. The court brushed these arguments aside and held that though the Constitution contains no express provision upon the subject, it was, nevertheless, a fair inference or implication from Article V that the ratification must be within some reasonable time after the proposal which the Congress has the power to fix. The Supreme Court said (pp. 375–376):

"Of the power of Congress, keeping within reasonable limits, to fix a definite period for the ratification we entertain no doubt. As a rule the Constitution speaks in general terms, leaving Congress to deal with subsidiary matters of detail as the public interests and changing conditions may require; and Article V is no exception to the rule. Whether a definite period for ratification shall be fixed, so that all may know what it is and speculation on what is a reasonable time may be avoided, is, in our opinion, a matter of detail which Congress may determine as an incident of its power to designate the mode of ratification."

This authoritative pronouncement of the Supreme Court indicates that the Congress has the power, "keeping within reasonable limits," to prescribe the "details" involved in carrying out the general power granted to the Congress of directing how a proposed amendment be submitted for ratification by the people of the several States. If the Congress has the power to prescribe the time within which State legislatures must act on a proposed amendment, can there be any doubt that it has similar power to prescribe the time within which conventions in the several States must act on a proposed amendment whenever the Congress exercises its undoubted power and selects that mode of ratification? And subject to the limitation that such implied powers must be exercised "within reasonable limits," it seems clear that the Congress has power to prescribe the time when and the manner in which such conventions shall be chosen and shall function, and that such directions of Congress supersede and to that extent nullify all provisions in State statutes or State constitutions in conflict with the congressional fiat upon the subject. (Hawke *v.* Smith, 253 U. S. 221.) These matters are just as clearly "details" incident to the exercise of the power expressly granted to the Congress by Article V, viz, the power to direct that a proposed amendment shall be submitted to conventions in the States for ratification.

It has come to be generally accepted that the framers of the Constitution used no language without a definite purpose in mind. If they had intended that amendments should always be in the control of the legislatures, why did they provide for conventions at all? For it is obvious that the constitutional method of ratification by conventions could be entirely nullified by the legislatures of the States either by refusing to call the convention, by delaying action, or by legislation, which by a gerrymandering of districts, or otherwise, would make these conventions anything but "fairly representative" of popular will. The net result would be that only one method of ratification—that by the legislatures—would have been provided. It has been said "that the only restriction on the States is that the convention shall be fairly representative." There is no such language in the Constitution. It must be an inference arising out of the plain constitutional purpose to provide two distinct methods of ratification. Senator BINGHAM, of Connecticut, in his resolution offered during the last session of the Congress, having in mind the possibility of obstructive tactics on the part of the legislatures, provided that "conventions shall be composed in each State of delegates selected by a majority vote of the electors of the States." By thus requiring the election of delegates at large in all the States he hoped to prevent the legislatures from thwarting the will of the people by gerrymanders or other devices. There can be no doubt that the Congress has this power. But, if the Congress can restrict the action of States to "fairly representative" conventions, why can it not do everything it conceives to be necessary to the fair expression of the popular will, untrammelled by any obstructive tactics imposed by the action or inaction of the legislatures?

In the Constitution, every word must be given a meaning. Why did the framers of the Constitution say, "legislatures of" the States and "conventions in" the States? There is a vast difference between "of" and "in." "Of" denotes a possessive character, as "belonging to," "organized by" or "chosen for," and is much larger in its scope than "in" which refers to location and nothing else. The studied use of these two prepositions (entirely unnecessary if the Constitution had intended the whole procedure should be under the control of the regularly elected legislatures) plainly indicates a purpose that the two methods should be entirely distinct, neither dependent upon nor to be controlled by the other. The framers may have had in mind the very situation which is now generally (though mistakenly) believed to exist, that "ratification by State conventions obviously takes more time than ratification by State legislatures." It seems clear that the chief purpose of the framers of the Constitution was that the will of the people should be promptly determined and that it should not be thwarted by legislative bodies of the States. They took care of this possibility by retaining the power in the Congress to employ the convention system, the only constitutional restriction upon the action of the Congress being that these conventions should be held in the several States.

Article V provides two distinct and different methods of ratification, either of which the Congress may adopt. One might be called the "slow" method, dependent for results entirely upon the action of the legislatures; the other the "quick" method, by which the Congress may put the matter directly up to the people to create conventions without intervention of the legislatures. What else could the framers of the Constitution have had in mind when they used the phrases "legislatures of" and "conventions in" the several States? It is conceivable that a situation might arise when the very existence of the Government might depend upon the immediate amendment of the Constitution. Under such circumstances must the Government make its own life dependent upon the will of the legislatures, elected by the people for other purposes, or can it submit the question directly to the people by whom and for whom the Constitution was written to create and preserve the Federal Government?

It will bear repetition that the amendment of the Constitution is a Federal function. It is not for the States, through their local governments, to say how it shall be done. In a case involving the method of ratification of the nineteenth amendment (Leser *v.* Garnett, 258 U. S. 130), Justice Brandeis said (p. 137):

"But the function of a State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in proposing the amendment, is a Federal function, derived from the Federal Constitution; and it transcends any limitations sought to be imposed by the people of a State."

The framers of the Constitution were admittedly a far-sighted body of men. May they not have foreseen the time when an emergency would arise which might require very prompt action? May not that have been their reason for providing that the only restriction upon the convention system of ratification should be that they be held in the several States, leaving to the Congress full power to provide the means and methods which would insure prompt results?

Such an emergency now exists. The Government for several years has been spending more than it has received, until the mounting deficit constitutes a menace to the stability of the Government itself. If persisted in, one of two things must happen, either taxes must be enormously increased at a time when the people are already groaning beneath the burden of unprecedented taxation or the Government will reach a state of virtual insolvency. This situation calls for prompt action. Meanwhile here is an outlawed traffic in liquor, with billions for private profit and not one cent for the Government which it defies.

The solution lies in the repeal of the eighteenth amendment, which it is submitted may be promptly accomplished by action of the Congress to that end. Thus, as it clearly appears from the foregoing, the Congress may, whenever it so determines, pass a resolution proposing the repeal amendment; such resolution may direct that the proposed amendment be submitted to conventions in the States; it may provide that the amendment shall be inoperative unless acted upon by the conventions within a reasonable time which it may fix; it may prescribe how and when the delegates to the conventions may be nominated and elected; the date on which such conventions shall be held in the several States; the number of delegates required to make a quorum and the number of affirmative votes necessary to ratify the amendment submitted to such conventions and any other needful requirements.

As a matter of fact, if the Congress passes any other kinds of resolution—for example, a resolution directing the amendment be passed upon by conventions in the States to be called under the authority of State officers or the legislatures of the States—it will not only fail to meet the purpose of the two party platforms but it will disregard the obvious intent of the Constitution itself. If the Congress permits the State legislatures to determine all details required for the creation and conduct of the conventions in the States, it will ignore and fail to exercise the power which the people in the Constitution delegated to the Congress. By such action, as hereinbefore shown, the Congress would employ both methods of ratification—it would use both the legislatures of and conventions in the States. It is without power to do this, for the Constitution restricts the Congress "to one or the other mode."

Prompt repeal of the eighteenth amendment, followed by fair taxes on vinous, spirituous, and malt liquors will put the bootleggers' profits into the Federal Treasury. It will balance the Budget, secure the Government against the possibility of bankruptcy, and relieve the people of further additions to the already intolerable burden of taxation.

These conclusions are in nowise affected by the fact that the conventions in the original States which ratified the Constitution itself (before amendment) were called by the legislatures of the pre-Constitution era. That action was not taken pursuant to any governing instrument; and that course was followed as a practical and proper method at the time. The course selected was had pursuant to a resolution of the constitutional convention under which the president of the convention transmitted the Constitution to the Congress organized under the articles of confederation, stating, among other things, that it should be "submitted to a convention of delegates, chosen in each State by the people thereof, under the recommendation of its legislature, for their assent and ratification." That mode of procedure was adopted.

The Constitution provided in Article VII that the ratification of the conventions of nine States should suffice to establish the Constitution between the ratifying States. This ratification was

effected in the most practical way by a reference to the people themselves, through conventions, and hence does not compare with the problems involved in the construction of the provisions of the Constitution itself by which the people vested certain of their authority in the Congress.

It will be said that the details of setting up machinery for the election of delegates and the assembly of conventions are too complicated for the Congress to cover by resolution in such manner as to apply to 48 States. This criticism is a confession that the Constitution is not workable or that the Congress is incompetent to carry out its provisions. It is without merit.

It would, for example, be within the power of the Congress by its resolution to provide that the elections for delegates should be held in every State at the polling places and conducted by the election officers where and by whom the election of November 8, 1932, was conducted, with suitable provisions for filling vacancies. Objection had been made that if that were done, there might be election districts where the election officers would not serve, or States which would refuse to allow their election officers to serve. It is obvious that if such a situation should arise it would be only in a district or State strongly opposed to repeal and the result would simply be the failure of such a State to be counted in the final number ratifying. It would, at the worst, raise only the same situation as would be presented if the amendments were submitted to legislatures which refused to act. But if the joint resolution of the Congress, calling for an election and providing the details thereof, should be obeyed, as it would be, by any considerable number of citizens, a convention resulting from such an election, whether it be chosen by large vote or small, would be legally competent to pass upon the question of ratification. Therefore, States which might be bitterly opposed to ratification would nullify the act of Congress at the peril of the failure of the State to be counted according to the will of the majority in such State.

Such action on the part of the Congress could not be the subject of any legitimate criticism or resentment on the part of the States or their legislatures, as the matter at issue is solely a Federal function, governed by the Federal Constitution and upon which the people, through conventions (if the convention mode is chosen as now seems to be the universal desire) are solely empowered to vote.

The principles herein urged are fortified by a consideration of the only other pertinent language in Article V. That article provides another method of initiating amendments, which has not so far been resorted to: That the Congress on the application of two-thirds of the State legislatures "shall call a convention for proposing amendments," which, when so proposed, are subject to the two modes of ratification. It is clear that any such convention which the Congress would in such event be obliged to call would be a national convention, with appropriate representatives from the people of all of the States. And it is just as clear that the Congress would be obliged, in calling such a convention, to prescribe all essentials necessary for the nomination and election of the delegates thereto, and the time, place of meeting, and conduct of the convention. Thus, the framers of the Constitution clearly recognized that the Congress might be called upon to provide all details for setting up a constitutional convention. It is submitted that the Congress, for the reasons above set forth, enjoys a like authority and duty when it refers any proposed amendment for ratification to conventions in the States.

The Congress might, if it would, pass a repeal resolution immediately on convening on the first Monday of December next; this resolution might provide for every detail of the election of delegates and the operation of conventions in the several States. Such action would be unprecedented, but it would be plainly constitutional. It would be strictly in accord with the purpose of the Constitution for meeting a real emergency by a prompt amendment to the Constitution. The prohibition issue has been debated by the people for many years. They are ready to pronounce a verdict. The issue could be finally disposed of within four months after the Congress meets. If the people really want repeal—which the action of both major parties seems to indicate—they may and should have it at once.

It should be noted that in the foregoing it has been argued that should the convention mode of ratification be chosen by the Congress, the resolution to that end should contain all necessary provisions for the assembly and conduct of such conventions. This was so stated in order to simplify the argument. It is not intended to preclude the idea that the Congress may, if it so elects, first adopt a resolution designating the convention mode, and thereafter, by separate appropriate action, supply any such requirements as it deems essential.

Respectfully submitted.

A. MITCHELL PALMER.

NOVEMBER 30, 1932.

Mr. GREENWOOD. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I know of no greater bulwark to the preservation of free government and human happiness than the utterance by Voltaire when he said in substance, "I may not agree with a word you use, but I shall give my life for your right to say it." It has been a peculiar situation that in the years I have served in this House I have become somewhat of a repository for all sorts of complaints, grievances, and protests that otherwise can not find expression in this House. It has not always been pleasant, but I believe that in a free government such a function is not only necessary but useful.

We have had a very interesting discussion just now on constitutional technicalities.

There is not a Member of this House who would not lay down his life for the preservation of our constitutional government. But, gentlemen, political liberty is worthless without economic security. The economic conditions of the country to-day are paramount to every other question that may come before this House during this session. [Applause.]

We had a spectacle in the National Capital during the last few days that requires analyzing and some thought and consideration. It is symptomatic of conditions in this country.

We saw coming to the Capitol a protest march composed, it is said, of unemployed and hungry citizens. It received a great deal of publicity, nation-wide publicity, that I believe it would not have received had it not been for the extreme zeal of the police department acting under orders from some source that to date has not been revealed. Some one higher up apparently lost his head, became panicky, and undue and exaggerated police precautions were taken. The extent of the police activities surely was beyond the authority of any police department official.

The demonstration and the march itself it is true were under the auspices of communists. I say that because I asked their recognized leader if he was a communist, and he said that he was. The tactics, arrangements, and maneuvers indicate that it was under communistic guidance.

Here I pause to say that while I do not agree with their methods or with their political philosophy, it seems to me that the right to come to Washington and submit a petition to Congress should always be simplified.

The method of petitioning Congress has been somewhat confused in the popular interpretation of this right. I believe a great many confuse the appearance before committees of Congress with the right of addressing Congress at the time of filing a petition. Under the rules of the House and the Senate no one appears before it and the petitioning of Congress is limited to the physical delivery of a written petition and its reference to the proper committee. This rule, practice, and custom has been sanctioned by usage from the very beginning of our Government. It applies to all, and therefore there is no just ground for complaint on the part of any. The reception, however, of the petition should not be made difficult, and as long as any citizen, whether individually or in small or large groups, acts in an orderly manner there should be no obstacle placed in the way of a prompt and courteous reception of any petition or protest in accordance with the rules of this House.

We can not preach law and order if in trying to obtain law and order we violate the law. Any group of men and women have the right to come to Washington, and have a legal right to go to their rooms or hotels if they have rented quarters to go to. It is unlawful to arbitrarily detain any person without a proper commitment of a duly constituted judicial tribunal, unless the community is under martial law, duly and properly proclaimed. In the case of the unemployed "marchers," some one transgressed the law and improperly detained them.

The overzeal that I complain of was the so-called strategy which ordered the police department to trap and corral this group up on New York Avenue to a point boastfully described by the police department as a "strategic position," where they could not move, and where they could not obtain any sanitary accommodations or even protection from the elements. They could not go forward or even retreat, they could not go to the left or to the right. On one side there was a declivity and railroad tracks, and on the other side a hill where there were cordons of officers with tear gas, and squadrons of police so placed that they were hemmed in on both sides. No demonstration or disorderly act had been committed. It was, therefore, improper and unlawful to prevent any of this group, whether they were liked or not, whether they were welcome or unwelcome, access to lodgings which had already been contracted for or for which

they had money to rent. Such action must not be permitted to reoccur in the future.

These marchers were well provided with money to pay their expenses. Their rolling stock was in excellent condition. Their trucks were good, all of them under the care of experienced chauffeurs. They had a complete commissary department; they had, as I was informed, arranged for lodgings during their stay in Washington. It seems to me that as long as they would have kept within the law they should have been permitted to go to the lodgings they had hired, and when they brought their petition it should have been received the same as any other petition is received, and that would have been the end of it.

Instead of that, we saw a mobilization of the entire police department in the city of Washington, the fire department was taken from its regular duties and assigned to police duty, and all of these forces gathered around this misled and misguided army of 3,000 men and women who had come here for the sole purpose of making a demonstration. If they had been misled and misguided, many of them, they surely were convinced before they left Washington that society was arraigned against them, that there was discrimination against them, and that they were not accorded the equal protection of the law. The many little absurdities of the police department, I repeat, acting under orders from higher officials, such as retarding departure of the water-supply wagon, retarding access to an exit from the point where they were held, all helped in making these unfortunate men and women antisocial under the spur of agitators. It was all so unnecessary. In fact, it served the purpose of professional agitators far better than anything they could have staged themselves. They look for resistance of this kind. It gives them the basis for their approach and appeal and furnished the attraction for recruits to their cause.

Last year at this time about 1,200 hunger marchers came to Washington to petition their Government for relief to the Nation's unemployed and their families. They could not afford to travel by train or to stay at hotels. Their only form of petition consisted of a street parade with tattered banners and the appointment of small committees to present their plea to the executive and legislative heads of the Government.

They encountered a superintendent of police who recognized both their rights and their needs. General Glassford, in addition to a sympathetic understanding, had common sense and, what is more, he used it. They were treated fairly and humanely. They were assisted in obtaining shelter, food, and an auditorium in which to meet. Their leaders kept every agreement made with the chief of police at that time, General Pelham D. Glassford. Not an act of lawlessness or disorder marked their brief stay, and their bedraggled caravan left promptly at the time agreed upon.

As long as the marchers were on territory under the jurisdiction of the general there was no trouble. The contrast is striking.

Mr. Herbert Benjamin, the leader of the hunger marchers, protested to me yesterday afternoon, when I went with the gentleman from Minnesota [Mr. KVALE] to look things over, that he did not have a right to present his petition properly. I explained to him that all petitions were received, dropped into the basket, and referred to the proper committee. He said that he wanted the petition read to the House. I said I would ask unanimous consent to put it in the RECORD. I asked him for the petition. It was printed; he had a copy in his pocket. He showed it to me, but he would not give me a copy. So now, of course, he will continue his protest that he did not have the opportunity of getting his petition properly before Congress or having it read for the information of the Members. I asked him for a copy. He said he needed that copy. I told him to mail me a copy that night, and I would get it this morning and would endeavor to read it to-day in connection with these remarks I had planned to make. The petition quoted statistics—not their own, but statistics taken from various sources on unemployment; statistics taken from the Health Department of New York City, and data of that nature, mostly accurate, giving the source of the information, and then it asked for unemployment insurance and asked for $50 relief for each family during the winter.

The petition then made certain demands for immediate relief. I can not recall the details because I had the opportunity to glance at it only, and, if I remember correctly, it was a 3-page, single-spaced printed document. The demands that I read and remember were not unreasonable. It asked for immediate relief of all destitute families in the sum of $50 a family for the winter, and $10 for each dependent for the period of the winter. Surely that is not unreasonable. In New York City provision has already been made to care for families, and it will cost the city and the emergency unemployment relief committee more than that amount per family for the winter. There are hundreds of thousands of families throughout the country destitute.

I do not doubt that Mr. Benjamin would prefer to tell his followers that he was refused an opportunity to get the petition in the RECORD than to really have it read into the RECORD. That is the point I am trying to make.

We are going to have other protests come to the National Capital. There are some farmers here now, splendid American citizens, these farmers, who are seeking relief at the hands of Congress. My purpose in speaking to-day is to remind the House of the terrible conditions existing in our country. It so happens that I made a similar appeal on the first day of the first session of this Congress. We simply must give consideration to existing conditions. We can not shut our eyes to the unemployment, to the suffering, to the starvation that is going on in this country. We must take heed and do something about it. The unemployment situation is not going to be solved by a policeman's night stick. That is exactly the way it must not be handled. If the police or constituted authority give the radical element the opportunity of creating a situation, an atmosphere, a background, it will not be serving the best interests of this country, because it will give them the advertisement they are looking for and will give them the basis of continuing their nefarious activities.

Now, I say this with all due deference and respect: We listened yesterday to a message from the President of the United States, and there is not a single constructive, adequate suggestion therein contained, to meet the economic situation or provide immediate relief for the needy. The President says that the local communities are taking care of the needy. That is so. In my city it will cost the city of New York more than $50 a family for the winter. The gentleman from New York, Doctor SIROVICH, is here. He is familiar with conditions in our city, and he knows that unemployment relief will provide more than $50 per family for the winter. So that the demand made even by communists in this instance was not exaggerated. But how long will local and private charity be able to continue? Then again we must do more than relieve; we must cure the existing evils.

The gentleman from New York [Mr. FISH] to-day referred to taking care of the needy by private charity, but that can not continue indefinitely, and charity, again, is not the solution of our economic evils. To-day we are talking about amending the Constitution. The gentleman from Pennsylvania [Mr. BECK] stated that there were not 48 States in the Union at the time the Constitution was drafted and adopted, and that they did not contemplate 48 States at that time. I may add that at the time the Constitution was adopted we did not have railroads, we did not have the telegraph, the radio, and aviation, and machine production and steam, and we did not have millions of people unemployed, without a ray of hope of getting employment, and unable to live up to the American standards. If our Constitution does not permit the Federal Government to take adequate measures to meet this new condition that has come upon us, then I say that if we can amend the Constitution for liquor we can amend the Constitution to guarantee economic security along with the blessings of liberty to the American people. [Applause.] I am going to recognize conditions as they are and I am going to talk frankly about

them. Even if to-morrow the stock ticker should jump, if to-morrow all prices of securities were to go up to a normal level, if you please, that still would not solve our unemployment situation. We would still have unemployment, because our machine production to-day is producing more than the people of this country would be able to buy if they had the money.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. LAGUARDIA. I yield.

Mr. SIROVICH. Has the gentleman a constructive program to give to this House that might bring happiness to the unemployed?

Mr. LAGUARDIA. Yes; I have given it many times. The farmers of this country, once the backbone of the Republic, are being foreclosed from the farms that have been in their families for generations, and a class of impoverished, peasant tenants is being created such as existed in the reign of the Czars of Russia.

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. I yield; yes.

Mr. BLANTON. We are going farther along with Russia than that. The Federal land banks have foreclosed so many farmers that these banks are now leasing those farm lands themselves.

Mr. LAGUARDIA. That is what I call the tenant peasants.

Mr. ARENTZ. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. ARENTZ. We have a very intelligent man on the Democratic side of the House in charge of the Committee on Banking and Currency, and he can bring in a bill to-morrow which would declare a moratorium on all mortgages held by the Federal land banks and the joint stock land banks.

Mr. BLANTON. And, if my friend from New York will yield, I have had just such a bill before that committee for two sessions, and it was there in the session preceding this last one, and it had the favorable consideration of every Member, and your President sent his Treasury administration members there to oppose it and prevented that bill from being passed.

Mr. MOUSER. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. MOUSER. The gentleman has referred to the fact that if stocks would soar to-morrow it would not help unemployment or solve the question.

Certainly the man who toils is not responsible for the wild speculation of those who were trying to make something for nothing that helped to bring us into this depression. Why do you not carry that farther by saying that speculation, gambling, and dishonest peddling of securities precipitated the depression that came upon us?

Mr. LAGUARDIA. The gentleman is right.

Mr. STEVENSON. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. STEVENSON. Apropos of what the gentleman on the other side of the aisle said a few moments ago, that the Banking and Currency Committee could report out a bill that would suspend foreclosures, I direct his attention to the fact that we wrote in the bill which provided $125,000,000 for the land banks the provision that they should extend the loans of distressed farmers and give them five years in which to pay up the arrears and used $25,000,000 of that sum to grant that relief, but the administration of the act under the leadership of his distinguished President has refused to extend any of them more than three months. I have not heard of one instance where it was extended more than three months.

Mr. BLANTON. They are foreclosing on all of them.

Mr. LAGUARDIA. The gentleman's committee did not go far enough, because I know the pressure under which that committee was working. As the gentleman from Texas says, farms are being foreclosed, notwithstanding. It did not go far enough because the first consideration, gentlemen, was for the bondholders of those banks, and the interest rate is too high. You are not going to get the farmers of this country out of debt by loaning them more money at high rates of interest. What we need—let us be frank about it—is to bring money down to a reasonable value, so that existing mortgages may be replaced by mortgages at a humane rate of interest, which should not exceed 1½ per cent per year. I can imagine the howl of protests that statement will cause. The money sharks had better heed the times.

The gentleman from New York stressed the question of a program. All right, now, let us start. The first act of Congress should be to deal with the farm question. That may sound strange coming from a city Representative. The stock-ticker boys and the old-line politicians for years have been aligning the city industrial people against the farm folks. We must now realize we have a community of interest. We realize if we relieve the farm situation with immediate and adequate substantial relief it will at once reflect in the industrial centers. There is not a farmer in this country, I say, who has bought a suit of clothes within the last two years. I do not think that statement is exaggerated. There is not a farm family but what needs clothes and shoes, household effects, paint and repairs on their buildings, and machinery. The farmer must be helped; that would be the first ray of hope, and it would immediately increase that purchasing power that we hear so much about. That would cause employment in the cities. [Applause.] But nothing is done. So I say the first thing we should do is to take care now of the farm situation, and that will start something in the industrial centers.

Mr. KVALE. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. KVALE. The gentleman from New York has referred to the physical and visible effects of the economic situation. But will he not also include in his statement reference to the invisible losses that are being sustained due to the fact that so many tenants are replacing owners, and we are losing the permanent values of fertility of the soil, and all those things in addition to the physical and visible losses?

Mr. LAGUARDIA. Oh, the loss is irreparable.

Now, the next proposition is that we must adjust machinery to our lives and not attempt to adjust 126,000,000 human beings to machinery. [Applause.] If we know now the capacity production of our machine age, we simply must adjust labor conditions to that by fixing a uniform working condition throughout the United States.

We hear statements in messages of the 5-day week. We were told the furlough plan would bring about a 5-day week. It did not do any such thing. What the Government can do now to give impetus to this 5-day-week proposition is to put every Government department on a 5-day-week basis. Close post offices and customhouses and the Internal Revenue Bureau and the Treasury Department; close every department on Saturday and Sunday and that will force business and industry to follow and go on a 5-day week. The way to get a 5-day week is to do something about it. If the Government fails to do, the workers will do it themselves.

We must provide a national system of unemployment insurance. I do not see the distinguished gentleman from Pennsylvania [Mr. BECK] here. I am sure if he were here he would raise several constitutional objections to any such proposition. I repeat, we were not living in an industrial age when those constitutional limitations were written into the Constitution.

Somebody spoke about the dole on the floor of the House and said he was against the dole. Why, existing conditions and the measly "hand-outs" are a good deal worse than the dole. Mr. Chairman, what are we going to do when a man, through no fault of his own, is not able to find gainful employment in order to support his family?

We can not continue indefinitely leaving this innocent victim of a financial collapse, over which he had no control, at the mercy of private charity. The unemployed have rights. They have a God-given right to live, and a constitutional right to the pursuit of happiness. They must be provided suitable employment or adequate relief. We must also provide at this time the means to give the debtor class

of this country an opportunity to pay its debts in the same kind of money with which the debts were contracted. [Applause.]

Oh, I know there will be a great many in the House who will not agree with me on these propositions, but, gentlemen, we have arrived at the end. We are on the brink now. This condition can not continue indefinitely. There are twelve or thirteen million unemployed men and women in the country with two or three dependents on each one. You have an average of some thirty-six or forty million people dependent and in need. In addition to this, you have your farm population.

I hope the committee on agriculture will soon bring in a real bill for farm relief. I was criticized at home because I talked about farm relief. There was a time when they could scare city Members by saying that farm relief would increase commodity prices. That day is gone, and gone forever.

When commodity prices go up we will increase wages. It has got to be done. It has got to be courageously done. The cost of this depression is not going to be put on the backs of the working people.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. LaGUARDIA. Certainly.

Mr. SUMNERS of Texas. I want to express my very great appreciation of the sound observations which the gentleman from New York is now making. The gentleman is one Member from a city who has sense enough to know that if we city people are able to sell our stuff, the boys from the forks of the creek have got to get something for theirs. [Applause.]

Mr. LaGUARDIA. Thanks. I hope the real people of America have learned that lesson, I want to say to my distinguished chairman.

Three years of unemployment and still hope is expressed because a few tin-horn gamblers get around a stock ticker and artificially boost stocks up a couple of points. That is not the solution. I have said this a number of times and I shall continue to say it.

Mr. BLANTON. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. BLANTON. If the Government of the United States would discharge half of its 800,000 employees and send 400,000 of them home, and begin at the top and dismiss from the service the idle six, seven, eight, and nine thousand dollar chiefs, who before 1923 drew about $1,400 each, and give some of their money to those who remain and let them work eight hours a day six days in the week, we would see conditions change for the better all over the United States.

Mr. LaGUARDIA. And how many would the gentleman fire?

Mr. BLANTON. I would fire at least half of our 800,000 employees and make the other half do twice as much work as they do now, and I would reduce the House membership to 300, and we would then have a better working body.

Mr. LaGUARDIA. The gentleman wants to increase the army of unemployed, while I am trying to decrease it.

Mr. BLANTON. You have got to do that by decreasing Government expenses; otherwise, why not let the Government employ half of the people of the United States and let the other half pay their salaries and support them?

Mr. LaGUARDIA. No. Nothing like that number could possibly be discharged. The gentleman is a very able legislator, and knows that no such number of Government employees could be discharged without destroying the Government. What I am going to say now I realize may get me into serious trouble in my city, but I mean it. They might as well understand now that the fiscal condition of this Government is such that regardless of what other new tax may be proposed it is the policy of the American Government that there will be no reduction in the income taxes now imposed by law. Let the people know that. All of this propaganda for new forms of taxes, all of this urge in favor of a sales tax, is to take off the income tax, particularly in the higher brackets.

Mr. BLANTON. And let it also be understood that we are going to go back to 2-cent postage and take the 2-cent tax off of bank checks and stop this tax on electricity and so forth that all of the poor people now have to pay.

Mr. LaGUARDIA. And we should especially remember the way it was written into the law.

Mr. SOMERS of New York. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. SOMERS of New York. Does the gentleman agree with me that all the problems he has so graphically stated and described here could be solved by a rising commodity price level?

Mr. LaGUARDIA. Other things being equal, certainly.

Mr. SOMERS of New York. Naturally, they will be. Our problem to-day is to bring back our commodity price level and then all of the other problems which the gentleman has mentioned will disappear to a certain extent.

Mr. LaGUARDIA. To a certain extent; yes. It will help the debtor class, but let me say that we must bring wages up with it and at the same time.

Mr. SOMERS of New York. Will the gentleman tell me this: Does the gentleman know of any way you can elevate the commodity price level except by international action?

Mr. LaGUARDIA. The gentleman is an expert on that——

Mr. SOMERS of New York. No; I am not an expert on anything. I am just seeking to get the gentleman's opinion on that.

Mr. LaGUARDIA. We voted for the gentleman's resolution and that, of course, would help in our international trade.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Chairman, I yield one additional minute to the gentleman from New York.

Mr. LaGUARDIA. I want to say this: There is nothing sacred or final or permanent in our present monetary system. We have seen that it gives an unfair advantage to those who now control wealth.

Mr. SOMERS of New York. I am glad the gentleman emphasizes that point, because I wanted to bring it out in the able discussion he is making.

Mr. LaGUARDIA. And I will join with others to adjust our monetary system in order to give the under dog at least a fair chance in competition with those who now own the country or all the wealth of the country. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield one minute to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, I have asked for this minute to make an announcement and to extend an invitation.

During the last Congress there was organized a group of men seeking to do something constructive with reference to the economic problems of agriculture. This group proposes to meet to-night in the rooms of the Committee on the Judiciary. We feel that meeting there we can discuss these matters informally.

Mr. KELLER. At what time?

Mr. SUMNERS of Texas. Seven thirty. I would like to ask any gentleman who is able to come and who feels so disposed to attend the meeting to-night at 7.30 at the room of the Committee on the Judiciary.

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, on the 4th of March next at high noon my 14 years' consecutive tenure of office as a Member of the Congress of the United States will terminate; my conscientious, faithful, resolute service to my people and my country will end only at the grave. Nothing that has ever happened, or ever can happen, will diminish in the least my deepest love for each and every man, woman, and child of my district. I owe a never-ending debt of gratitude to these noble people of whom I am greatly honored to be a part and parcel and whose every burden I would were a benediction. I am deeply grieved when I consider how frail I am and how few are the hours allotted me to grapple with the many, many problems of life or death to my people and Nation; and I am overwhelmed with a heart-rending sorrow and the deepest agony of mind when I realize that too few in Congress, and out,

seem to at all fathom the real fundamental causes of our great anguish as a people and nation.

Far, far too many who claim to be leaders feel that we are only passing through the valley of a slight depression, with illimitable mountains of happiness and prosperity only a few hours' journey ahead. They do not at all seem to have the faintest idea of the length, breadth, depth, and awfulness of the abyss into which we have fallen, nor the means by which we are to regain the glorious heights from which we were plunged.

I had hoped that out of all this agony and devastation there would come a new charter of human rights; that there would be a strengthening of the foundations of our Government; and that men, women, and children would be made much more secure in their rights of property, liberty, and life.

But unless there is an immediate awakening of our people and a shaking-off of the all-powerful grip of corporate greed, some of us may live to partly drag our broken bodies out of the shell holes of this awful economic cataclysm as we shall be bound with stronger shackles and plunged into deeper servitude than ever before, and the hand of national progress and of human liberties on the dial of eternity will have been turned far, far back instead of forward. The average private individual, the laboring man, and the farmer will have lost a decisive battle in their struggle for economic equality with capital and industry.

Those whose hands are dripping with the innocent blood of men, women, and children are concealing their guilt and directing the gaze of the public upon their victims—innocent men, women, and children—and shouting, "Thieves, thieves, there are the thieves!"

Those who have robbed the farmer by taking his produce without paying him a fair price are urging every other reason as the cause of the farmer's troubles except the real cause—lack of fair, honest prices for his products and excessive charges for the necessaries of life. And these same guilty enemies of honest men, women, and children are urging every imaginable makeshift plan and false palliative as a cure for the farmer's trouble and bitterly fighting every honest move to help the farmer and the laborer and the private individual get and keep a fair price for their toil and honest efforts. They are determined the laborer and the farmer and the private citizen shall not continue their battle for a living price for their labor and for the products of the farm and for a square deal in the economic scheme of the world.

The men who are doing the plundering are striving to lead those whom they have robbed of all their earthly possessions to feel that some of their real friends have caused their troubles; that the depression was caused by more or less minor agencies and that the whole awful situation will be cured by some slight adjustments of tariff rates, some insignificant change of a governmental policy, or some new wasp-like plan which is bigger in the eyes of the originator and a few me-too followers when first hatched than ever again in the eyes of themselves or anyone else.

Taxes, tariff rates, banking, transportation, immigration, currency, bureaus, commissions, and so forth and so on, present very, very vital problems; but to my mind none of these, nor all of these, are near so important to all our people as the question of economic liberty for the farmers and workers whose prosperity and happiness are the foundation of everybody's success and of our national greatness.

If I knew this was the last utterance I was to ever make on earth for the farmers and people of my Nation, I would declare with all my being that their every other problem sinks into insignificance as compared with the mighty task of protecting the farmers and the common run of men from those who claim to be their friends and yet who rob them both when they sell and when they buy and who mislead them at every opportunity.

Cost of government must be reduced, yes; but let us not forget the more important task of eliminating the enormous plunder of those who on every hand everywhere fleece the farmer and the average citizen. Eliminate bureaus, of course; but let us not destroy every activity in behalf of the common people and then retain and strengthen the very agencies which are the executioners of those who toil.

Many come as wolves in sheep's clothing, crying, "Down with the cost of government!" "Take the Government out of business!" Many of these are fiends incarnate who want to cut down the cost of government only by the elimination of every governmental activity in behalf of the common people, while they fight for more numerous and more powerful bureaus and commissions in behalf of the speculators and profiteers.

They want the Government out of the business of helping the average citizen get a square deal but want the Government very much in the business of helping the monopolistic interest plunder and even destroy the properties, liberties, and very lives of the innocent men, women, and children of our country.

They favor every possible governmental activity—county, State, and Federal—to help the farmer produce more and yet more so he can become the victim of all the speculators, profiteers, and gamblers of all the earth; but they are strong against the Government's at all being in the business of protecting the farmer and his folks from those who wish to literally murder the farmer and his family by stealing the farmers' hard-earned cotton, tobacco, and other farm products.

Entirely too many want the Government in the business of helping them rob and plunder men, women, and children, but are frantically opposed to the Government's engaging in the business of protecting its citizens from the robberies of these malefactors of the human race. Such as these are thieves parading as honest men, profiteers in the guise of patriots, wolves in sheep's clothing.

Let us watch the line-up. Let us keep the issues clear. Let us not be misled by the strategy of our deadliest enemies. Let us fight with all our might, but let us be careful and let us not be misled into pouring volley after volley of deadly shot into the ranks of our own friends for whom we have pledged ourselves to take up the gage of battle and for whom we are battling unto death.

It matters not what else may happen; if this Nation is to endure, we must save the independent, God-loving man and woman of the farm and of the city who earn their living by honest toil.

Help these get relief from too heavy taxes; help the farmer get fair prices for his products; help the laborer get employment at good wages; place all of these on an equality with industry and capital, so they can not be robbed of their earnings, and then help all of these own a home, and the splendid sturdy citizenship thus preserved will solve aright all our other problems of local or national importance.

May the farmer and all his friends ever remember the real issues, and may these most vital problems yet be solved in time to bless the farmer and all peoples forever.

My service here has brought me the deepest disappointment and the greatest happiness—the deepest disappointment, because of the hitherto unsurmountable mountains of opposition to what I believed to be to the best interest of the people of my district and Nation; and the greatest happiness because of the consciousness on my part that I have always rendered to my people the very best service of which this poor mortal is capable.

I am, therefore, very happy over my 14 years' record as a Member of Congress. First, last, and all the time, to the very best of my ability, I have been the loyal Representative of the people of my district. Big newspapers and small ones, too, have fought me and threatened to destroy me politically; yes, but always because of the fight I was making for what I believed to be best for my people.

Big corporations have fought me; yes, but always because I was on the side of my people fighting corrupt corporate influence. Some men holding high political office do not like me politically because I did not hesitate to tell them of their deception and point out specifically wherein they were not

giving my farmers and my people a square deal. I am proud of such opposition, if it is the price I must pay because of loyalty to my people.

I am, indeed, happy when I realize that of thousands of votes I have cast, hundreds of speeches I have made, and scores of bills I have introduced, not a single one of those in or out of Congress who wish to do me political harm have ever criticized a single vote, speech, or bill as a whole. Of course, I remember three efforts to criticize portions of three of my bills. In each of these cases the portion criticized was either misquoted, distorted, or taken from the text of the bill and twisted so as to give it a meaning entirely different from the real purposes of the bill. First, this was done by those criticizing my bill for decent Sunday observance in the Nation's Capital. Second, my bill to provide for a contract system of controlling production and marketing so as to guarantee a fair price for cotton, tobacco, turpentine, and other farm products, of course, also came in for a storm of unfair criticism and misrepresentation.

The third and the unfairest criticism ever made, though, of any bill of mine, for years has been waged against my bill to help secure either free school books or school books and other educational equipment at greatly reduced prices, or at cost; to prevent motion pictures or radio service which tend to debauch and make criminals of our children and to give each community and each father and mother, so far as possible, the control and selection of the radio and motion-picture service or program which is shown or broadcast to their children. Instead of my trying to put the radio or motion picture in the churches or schools, I am trying to keep out of our schools, churches, homes, and communities, and out of the lives of our people, and especially out of the lives of our children, the filth and dirt of the radio and motion picture. I want these agencies to be made so clean as to be helpful to our boys and girls, rather than wreck their very moral and social being.

I am certainly not trying to put or extend, in the churches or schools or anywhere else, the radio or motion picture. I am only hoping to help make them decent so, regardless of where they operate, they will become agencies for the upbuilding of our people instead of the downfall of our children and Nation.

I am happy over the many dangerous measures I have helped to defeat and over the many good ones I have helped write into law. I am disappointed and deeply grieved over the bitterness which somehow gets into every legislative sweet, the poison which is in every remedy enacted into law, and the very death rattle of failure that is in practically every big legislative program passed by the Congress.

This bitterness, this poison, this death rattle of failure destroys the sweet, the remedy, and the very legislative program which our people seek, pray, and sacrifice for, and which they at first feel will become a benediction.

For instance, the regional banking system has its dangerous centralization of political and financial power; the Federal land-bank system has in it the very death rattle of destruction which now enables this system to become, as it now is, the destroyer of the farmer who organized it, financed it, brought it into being, and whom it was designed to help; the Farm Board act has failure written on its every page in that it contains no effective control of production and marketing; the Reconstruction Finance Corporation act is designed to help the very rich and the great corporation, with only small or incidental benefits to the common people, with the entire cost of the scheme to be borne by the whole people; and the home loan bank act gives only indirect aid to the home owner, at cost, and with red tape that makes its benefits beyond the reach of the average man or woman.

Of course, all these have other evils, have some good features, and all have at least a good name until the public becomes familiar with their actual operations and experiences, their ruinous effects and failures.

The awful crime of it all is that all these measures and other similar ones bear most wonderful titles, have most splendid declarations of policy in behalf of the laborer, the farmer, and the average citizen, and are heralded as most wonderful pieces of legislation.

All these provide too much bureaucratic power without being worth the price. They destroy our liberties and enslave our people, doing real harm in many instances and rendering only indirect expensive help to the average citizen.

I have from time to time pointed out and sought to remedy these evils and am sad because these measures have not been perfected and made truly helpful to the common people. Help for the farmer, the worker, and the private citizen should be more direct. Legislation should be definite in its terms. So far as possible, Congress should express most fully its legislative will. Bureaucratic discretion is most dangerous and even now is undermining our very national existence. On every hand there are officials and bureaus vested with ample discretion to solve many of the problems of the common people, but those who are vested with this discretion too often exercise it in behalf of those who live by fleecing the worker, the farmer, and the average citizen.

I have always studied legislative proposals from the standpoint of the poor man. I have always studied farm-relief proposals from the standpoint of the small farmer coming into a small town to sell a few hundred pounds of tobacco or two or three bales of cotton, a few pounds of butter or sausage, or a few chickens and eggs. I have always fought for the relief of the individual citizen.

The Reconstruction Finance Corporation act, passed last spring, furnishes the best illustration of just what I have been saying. That act is designed to help the big corporations of the country, but yet the directors could make it very helpful to the small farmer and average individual. I sought to amend the bill so as to require this aid to the farmers and common people and shall continue to do everything I possibly can to bring about this result.

By original bills, by amendments, by speeches, and in every way possible, I have sought to end loan foreclosures and prevent tax sales during this awful depression. This could now be done under the law, but it has not been done; and I am determined, if humanly possible, to force an amendment through to make obligatory this relief from loan foreclosures and tax sales. My plan to stop these foreclosures, tax sales, and outrageous sacrifices of our people's property is simplicity itself. Require the Reconstruction Finance Corporation to buy up and hold until the depression is over all past due and future interest coupons and such tax fieri facias as may be absolutely necessary to stop foreclosures, prevent tax sales, and furnish actual necessary operating money for county and State purposes. This would keep our teachers paid up, our schools open, relieve and help everybody, stop the awful loss and the heart-rending agonies of tax advertisements and sales, and put an end to the orgy of loan foreclosures.

This should have been done when I fought so hard for it last January. It is a shameful failure in doing our duty to not have it done at once, and then undo so far as possible the awful wrongs that have been perpetrated during the last twelve months.

We are in the midst of the most awful depression of all times. The darkest book of the world's history is being written, and the blackest page of this book contains the foul record of the man or men who, actuated solely by love of money or desire for political power and with utter disregard for the suffering of their fellowmen, advise, seek to procure, aid, or abet the advertising and sale of properties for taxes or loan foreclosures, where such procedure is unnecessary, does no good, and should not take place.

No one should condemn and I certainly do not even remotely criticize anyone for doing his duty when to fail in the discharge of that duty would amount to a breach of an honorable faith reposed in him as an individual or as an official, but all just men must condemn to the fullest extent any effort to unjustly act within the law and yet criminally and cruelly betray and crucify suffering and dying men, women, and children for a few pieces of silver. Only the vilest of criminals take advantage of an awful catastrophe to rob the dead and the dying. The patriotic and the brave

in such an hour sacrifice their own property and their own lives to save others.

All the causes of the present depression can be enumerated with the one word—selfishness. Selfishness is causing the length and severity of the depression and is delaying and making almost, if not entirely, impossible the termination of the depression. Selfishness of the big interests and of their smaller satellites prevented so far any real legislation going to the root of our financial troubles. Every big measure during the present Congress has been a relief measure for the big interests at the expense of the very people that should have received relief. During all these months I have worked, pleaded, and prayed that relief be given the farmer and the worker rather than to those who are destroying our common people and our Nation. I have met failure on every hand and received hatred as my reward from the profiteer, the produce gambler, and the selfish interests but my conscience applauds my efforts, and my friends who have kept up with my efforts in behalf of my people gladly shout their approval. And the plaudits of "well done" of the children and the fathers and mothers, of the shops and farms of the Nation are heaven for me.

Nothing may be gained by my saying again what I have said so often during the last two years; but I will repeat again, the entire program and all the relief legislation should have been for direct help to the workers and the farmers. As it was, all was for the big interests and none for the average individual. The individual did get some indirect help—yes—but he should have got direct help with the indirect help going to those who exploit the individual citizen. No more money should have been voted to the Federal land banks except for the express purpose, and none other, of making new loans and buying up past-due and future-interest coupons and tax fieri facias so as to stop loan foreclosures and return lands already taken over so far as possible to original owners.

I said so at the time, and now, have the scars to show for what I got in return for this and other similar fights. I am proud, though, of such scars received in such battles for such a cause. I am glad I fought with all my might the unfair methods adopted by the Department of Agriculture in making the seed, feed, and fertilizer loans last winter and spring to my farmers. I condemn as outrageous and criminal any system which discriminates against my farmers and in favor of the big borrowers of the Nation. These seed, feed, and fertilizer loans were made this year under the Reconstruction Finance Corporation act, and it will make any honest friend of the farmer furious with indignation to observe the way the farmer was treated last winter and spring and the way the big corporations were treated at the same time.

The fact is the Reconstruction Finance Corporation should not have been authorized to loan a single penny of its money unless such loan was a direct benefit to labor or to the farmer. As I have repeatedly pointed out, this was absolutely true under the War Finance Corporation act. It will be remembered that I did everything I could to get this act amended so as to buy up future and past-due interest coupons and pay taxes so as to stop loan foreclosures; but I was up against a stone wall, and failure was inevitable.

I urged with all my might before the home loan bank act was passed that it was dangerous and would not be truly helpful to many, if any, home owners. Like most other so-called efforts to help the average citizen, this act seeks, through a ponderous, unnecessary, expensive bureau or board, to do indirectly, at enormous cost, with too much red tape, what should be done directly, at little or no cost. I very much fear it may even later become an agency of destruction, wrecking home owners as the Federal land banks are now wrecking the farmers of the Nation.

The first and greatest duty of last session of Congress was to stop loan foreclosures, return taken-over lands to the farmers, and save for the average citizen a place of abode for himself and family. This duty was not discharged at the last session. It is now our first and paramount duty. Will we discharge it like men, or will we remain traitors to those who have trusted us with this solemn responsibility?

Mr. Chairman, I feel that surely some real legislation for the masses of the people will be enacted in the immediate future. Now, is the accepted time. I am very anxious for the Reconstruction Finance Corporation act to be amended so as to become a great blessing to many who are losing their homes by tax sales and foreclosures.

On the first day of this session I introduced a bill to amend the Reconstruction Finance Corporation act so as to grant relief to those of our country who are about to lose their property by tax sales and also to keep our schools open, pay our teachers, and furnish reasonable amounts of money for operating expenses of our various city, county, and State governments.

Knowing personally the splendid, honorable men who are now actually in charge of the Reconstruction Finance Corporation, I am sure they will welcome an amendment similar to mine and would be glad to render this real service in this broader field directly to the very people who now are so much in need of help. I shall do everything I can to secure the passage of my bill. Its passage would be worth more as immediate relief to the taxpayers of moderate means than anything else Congress has done or can do.

Under my plan the taxpayer could, for the asking, get his taxes, arising during the depression, largely carried over for 10 or more years with only small annual payments, by the Reconstruction Finance Corporation loaning money on the tax fieri facias to the city, State, or county for actual operating expenses.

Of course, if taxes were piled up each year the amount due by the property owner later would become very burdensome. But we must not forget that taxes of the home owner, and of everybody else for that matter, must be reduced. My plan to get what amounts to a moratorium on the payment of taxes, of course, is only a plan for temporary relief, with the hope that a real relief plan or plans will be put into effect at the earliest possible moment, putting the farmer and everybody else in much better shape than they are at this time.

Again and again, every day and almost every hour, my mind grapples with the unemployment problem, the so-called overproduction or farm-relief problem, and the tax question—all so essential to the return of permanent prosperity—and always my mind comes to certain definite conclusions as to certain remedies which I am convinced will at least largely solve some of these problems.

At the earliest possible moment both temporary and permanent relief measures must be enacted.

Let me first suggest what, to my mind, is the most necessary temporary relief measure that could possibly be enacted for the farmers and all ad valorem taxpayers at this time. I repeat, stop the orgy of loan foreclosures and sale of property for taxes by amending the War Finance Corporation act so as to authorize and require the refinancing of past-due loans by the purchase of interest coupons—with original lender to carry principal of loan—where necessary to prevent foreclosure, and by the making of loans in connection with and secured by tax liens on real estate wherever necessary, so as to stop tax sales and yet furnish necessary funds for municipal, county, and State purposes. In this way direct relief would be given to both the lender and the borrower, both the taxpayer and the tax gatherer. Up to the present the relief has been to the lender but not the small distressed borrower, to the gatherer of taxes but not to the taxpayer whose land is being advertised and sold for taxes. Relief has been given to the Federal land banks and other loan concerns, but the orgy of loan foreclosures has proceeded with unabated fury.

Loans made for these purposes would help millions of people directly, would give relief to corporations, municipalities, counties, and States, and would be much better secured than loans now being made by the Reconstruction Finance Corporation.

Many cities are now seeking loans to construct so-called self-liquidating projects which the city should not now undertake to build, which furnishes insufficient security, which gives very little relief to anyone, and which in the end will put an unnecessary tax burden on a struggling community or entail a loss to the United States Government.

Now, let me make a few observations concerning the all-important subject of farm relief. Along with temporary relief for the farmers should come a permanent relief program. Of this class of relief, among many, I favor two specific propositions: First, an amendment to the Federal Constitution giving the head of each family a reasonable amount of personal and real property free of all taxes, and, second, a contract system of controlling production and marketing of basic farm products so as to control the selling price within reasonable limits. This contract system is set out in detail in my bill now pending for the establishment of this system of farm relief and has been repeatedly discussed by me before various committees of the House and Senate and on the floor of the House.

The people have a right to demand and are demanding legislation that will directly help the individual. They want this kind of temporary relief. The farmers want this kind of a farm-relief program. Practically all our so-called relief legislation so far has provided direct relief to the big interest at direct cost and expense to the individual citizen. Congress at last session instead of helping and relieving the poor man greatly added to his already unbearable burden. I fought with all my might to secure real relief for the poor man and to prevent his being further burdened with additional taxes and other charges for the direct benefit of those who now own too much of the Nation's wealth.

I am not unmindful of aid given, and now being given, by the Government to the suffering in the way of flour and clothing. I introduced the bill to furnish this clothing and to provide for the purchase of vegetables and other food products directly from the farmers for the purpose of feeding the suffering of our country. This would also be direct aid to our farmers. I regret that only a part of my bill became law.

It is criminally wrong to tax my farmers to raise money to buy food and then buy the food from some one else after several profits have been made on it rather than help the farmer by direct purchase from him. Before I forget it, I wish to refer to the foreign-debt moratorium and several other matters in which I was not, and am not now and never will be, in accord with the action taken by Congress at the last session.

I have always been bitterly opposed to the cancellation of the foreign debts. I was opposed to and voted against the foreign-debt moratorium granted last Congress.

I spoke against and voted against the indefensible increase of first-class postage from 2 to 3 cents. I have always believed that the Federal Government should not invade the States and levy taxes on gasoline, electrical energy, cosmetics, cool drinks, candies, and so forth and so on. We should leave to the States these sources of revenue so that ad valorem taxes of the home owner and the poor man can be reduced, and I hope ultimately be made entirely unnecessary and forever eliminated.

For these and other reasons I voted last session against every such item in the tax bill, and then voted against the entire bill. These reasons have always impelled me to oppose and vote against a Federal general sales tax.

All these taxes are direct burdens on the individual citizen who either owns a home or hopes to own one. At this of all times we should be helping the taxpayer, the individual citizen, and the small home owner.

The people are sorely in need of general legislation with a specific or personal application. All the medicine of all the earth is valueless to a suffering man unless sufficient doses of it are specifically and personally applied to him. All the relief legislation that Congress ever has passed or ever will pass is an empty mockery to the man whose home is being advertised for sale for taxes or under a loan foreclosure unless there is personally and specifically made available to the particular home owner an effective means to save his home. Just as the lawyer specifically and personally represents his client so should we specifically and personally represent each and every one of our people who are now so much in need. Just as a lawyer can not honestly represent both sides of a case, so a Member of Congress who represents a district made up entirely of farmers and those whose prosperity is directly dependent upon the farmer can not truly represent the farmer and also represent the big interests which exist by fleecing or destroying the farmers. Those who attempt to do this always fight for laws with concrete direct benefits to the big interest, and either with only slight indirect benefits to the farmer or entirely at the expense of the farmer. The farmers, the workers, and the average citizen need direct, specific help, and need it now.

The home owner who has lost his home by foreclosure needs a sufficient specific personal means of recapturing his home right now. The man or woman whose home is advertised for taxes or under foreclosure needs personal, specific help, and needs that help now.

Many months ago I began a fight to secure this relief, and I say here and now Congress was derelict in its duty or this help would have been granted long before this time. Every day adds new horrors to this awful orgy of tax sales and loan foreclosures. It is nothing short of criminal indifference for us to fail to do our duty and do it now in these matters.

Time and again, by bills, amendments, and speeches, I have proposed plans to solve these questions in a way fair to and best for all concerned. Of course, along with emergency relief legislation we should pass legislation to prevent the recurrence of another such panic and to fill our Nation with happy, contented home owners.

Again I say, the proposals for permanent relief should provide direct, personal, specific relief for the whole people. Farm legislation not of this type is a delusion and a snare, and this is true of all such legislation.

Relief that goes into the poor man's place of abode, goes to his fireside and to his table, is the relief that will restore prosperity and happiness throughout our land; none other will.

All other proposals are only the ashes of failure and the bitterness of despair unless we save the homes of the sturdy men who toil on the farm, in the shop and the store, and everywhere, and enable them through proper legislation to keep and maintain their families in these homes.

The most awful tragedies of the present depression are the loss of the homes of our people and the suffering of innocent children and their fathers and mothers. Let us apply our relief efforts to saving the homes of our people and we will be proceeding in the right direction. We will solve forever our present problems only as we succeed in saving, establishing, and maintaining for every family the greatest blessing on earth—a happy home.

Let us act the part of patriots and not the part of profligates, profiteers, or politicians. Let us save the present homes of the worker and the farmer, and let us enable those who have no homes to acquire them and keep them.

Such as these have saved our Nation. Let us help them now and make them happy and prosperous forever, and this Government of the people, for the people, and by the people shall not perish from the earth.

Mr. Chairman, it is well for us not to forget the great danger that is always present in the enactment of legislation without due deliberation and after the most thorough investigation. In a legislative stampede during the present depression there is most serious danger of the enactment of legislation of the most vicious type. During times like these Members of Congress are more easily stampeded into voting for some measure, apparently popular—whether rightfully so or not—without due regard to the most vicious kind of provisions which are often designedly written into such measures by those who would not dare offer the proposal as an independent or separate bill. The thin sugar coat of popular clamor too oft makes palatable to an unsuspecting Member of Congress the most deadly legislative poison.

An outstanding example of the very danger I am discussing is to be found in the effort on the first day of this session of Congress to stampede Members into changing the Federal Constitution without due deliberation, without reasonable discussion, and without the rank and file of the Members realizing the real result sought by the resolution upon which they were forced to act.

Good men—I believe contrary to their convictions—either without knowing fully the real effect of their votes or because of the urge of the stampede, voted to prevent either the people of the several States or their duly elected Representatives here being allowed a chance to be heard, or to be fully informed, or to vote after full consideration on the proposed change of the fundamental law of our country.

Members of Congress from Southern States, which are most jealous of the rights of the States, voted to deprive the States and the members of the legislatures of the various States and the people of these States, of the Nation, their old prerogative of ratifying amendments to the Federal Constitution and to authorize and to substitute therefor the invasion of the States by the use of the strong arm of the Federal Government in the States, manipulating, controlling, and dominating a steam-roller convention system of determining the fundamental rights of our people of the respective States.

I can not see how anyone—wet or dry—who loves State rights and holds dear the sacred rights of the people to control their own affairs at the ballot box could possibly vote for the repeal resolution which came up last Monday.

Stampedes in legislation are never safe; and the gag rule and steam-roller tactics always force stampedes or are the agencies of stampedes, preventing free and full discussion, fair consideration, and honorable handling and consideration of important problems by the people or their chosen representatives.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include in connection therewith the language of a bill introduced by me on the first day of this session to amend the Reconstruction Finance Corporation act by providing for loans to cities, counties, and States secured by tax fieri facias, tax executions, and other tax liens, and for other purposes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia? The Chair hears none, and it is so orderd.

Mr. LANKFORD of Georgia. Mr. Chairman, the bill just mentioned by me is as follows:

A bill to amend the Reconstruction Finance Corporation act by providing for loans to cities, counties, and States secured by tax fieri facias, tax executions, and other tax liens, and for other purposes

Be it enacted, etc., That section 201, subsection (a), as amended by the act of July 21, 1932, be further amended by adding a new paragraph to be known as paragraph (6) and to read as follows:

"(6) To any city, county, or State, or any agency or corporation authorized to act and acting for such city, county, or State with authority of law under which and whereby tax fieri facias, tax executions, tax liens, and/or lands sold for taxes can be pledged, hypothecated, transferred and/or sold to the Reconstruction Finance Corporation, by such city, county, State agency, or corporation: *Provided*, That the Reconstruction Finance Corporation as a part and parcel of any such loan transaction shall require the city, county, State agency, or corporation to grant to the taxpayers owing said taxes or whose land has been sold for taxes, such extensions, arrangement for monthly, quarterly, or yearly payments, and other leniencies of collection as may be reasonable, just, equitable, and possible as the result of and because of the loan."

Mr. Chairman and gentlemen of the committee, this is the bill mentioned by me earlier in my remarks, and which I sincerely trust may be enacted into law at the earliest possible moment.

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman, to-day I am introducing a resolution which authorizes the distribution of 500,000 bales of cotton owned by the Government through the American National Red Cross and other organizations for the relief of the distress of the needy millions of American citizens.

I am doing this for various reasons, which I expect to set forth; and I ask unanimous consent that I may extend my remarks in the RECORD so that Members may realize the merits of the resolution and necessity of its passage during this session of Congress. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FULMER. Mr. Chairman, in June, 1932, I introduced in the first session of the Seventy-second Congress House Joint Resolution No. 418, which passed both Houses of Congress and was signed by the President, authorizing the distribution of 40,000,000 bushels of wheat and 500,000 bales of cotton through the American National Red Cross. My resolution of June, 1932, called for 1,000,000 bales of cotton, but the Agricultural Committee of the House saw fit to reduce the same to 500,000 bales.

Many members of the House committee, even from the South, absolutely refused to go along with me on this resolution when first introduced, but later voted for the same, and to-day it is generally understood not only by these Members but Members who voted against the passage of the resolution, as well as the people at large, that this resolution, as a relief measure, came more nearly hitting the spot than any relief bill passed during the last session of Congress.

My friends, I have every reason to believe that we have millions of American citizens in this, the richest Nation in the world, actually suffering and filling untimely graves because of the actual need of food, clothing, and bedding. This is my first and major reason for introducing this resolution.

In the second place, we still have under the control of the Federal Farm Board this amount of cotton, worth to-day about 6 cents per pound, which storage and interest is eating up the value thereof.

In the next place, I realize that perhaps this will cover the actual number of bales of cotton under the control of the Federal Government, but we have a sufficient surplus of cotton in addition to this in the hands of the cooperatives, cotton mills, farmers, and speculators to supply the demand for actual cotton for the next two years without producing a single additional bale of cotton next year.

It was stated at the time of the passage of my resolution during the last session of Congress that its passage would interfere with the sale of cotton goods by merchants to the consuming public, and no doubt you will hear this argument again. This may be true in the distribution of flour, because if bread is not distributed by the Government to the starving, hungry millions, the Red Cross and other organizations, as well as individuals, will purchase bread and food and give to these hungry people, but in the case of clothing people do not have to have clothing to live. The time was when men and women lived in caves and dirt huts, covering their bodies with the furs of wild animals. In other words, while the unemployed and needy have no money with which to buy, the various organizations will buy and furnish food, but because of the serious economic condition of 95 per cent of the American people these organizations are unable to secure funds from the people even to buy the food, let alone clothing and bedding.

In the past years, in the midst of normal prosperity men and women gave of their means, and were able and did distribute old clothing; but this is not true now. What I am trying to get over to you, my friends, is if we do not do the needful at this time in the way of distributing this cloth and clothing these millions will have to shiver from the wet and the cold for many months because they have not the wherewith to buy. If this is true, surely the distribution of this much-needed clothing and bedding, as will be shown

by a statement issued by Judge Payne, chairman of the American Red Cross, which I expect to include in my remarks, will not interfere with the sale of cotton goods.

Listen to this:

CHAIRMAN OF THE AMERICAN NATIONAL RED CROSS,
Washington, D. C.

MY DEAR JUDGE PAYNE: Elloree Unit, Orangeburg County (S. C.) Chapter, American Red Cross, finds itself in a most deplorable condition. The area covers about 12 miles and is composed of an agricultural people. They are in the most serious condition owing to the very short crop and prices so low as to be insufficient to enable them to buy food and clothing. Five hundred families, averaging six to the family, filed applications for cloth. Since the close of the time limit an additional hundred families or more (six to the family) have applied for cloth. We have investigated all of our requests and believe the statements concerning conditions are true. Our allotment of cloth was about 2,400 yards—for this amount we are truly grateful—but we feel helpless in this our extremity. Our allotment of overall jackets is only six. I beg you in all sincerity to hear our plea and grant us more of the Government supplies.

If children are not clothed they can not attend school, and as a result of the lack of proper food and clothing tuberculosis will be scattered over the land.

Please let us hear from you, as we can not meet conditions here and must have help.

This comes from just one 12-mile section which at one time was a most prosperous section of my own county and State.

I want to call your attention to this in connection with this letter to Judge Payne, that this request comes from the wide open fields of the South where we have sunshine and mild winters. What about the snow-covered and ice-bound States in the North, and the large industrial centers of the United States?

I am quoting now from a letter just received from Hon. John Barton Payne, chairman of the National Red Cross, which should prove interesting, especially to those of you who are blessed with plenty of this world's goods and who do not know just what is being done by the Red Cross, and the great distressing need for additional cloth, clothing, and bedding:

We have just been discussing quite an interesting question—whether under the joint resolution we may supply bed clothing. There is a very strong demand for bed clothing, especially in the colder sections of the country; not so much demand from the South. Bed clothing is not specifically mentioned in the joint resolution, and I have been in such doubt about it that we have so far refrained from complying with the requests.

We have actually either distributed or made contracts for the purchase, which are now being filled, as follows:

Cloth which has gone largely to chapters to be made up by volunteers (yards)	48,760,048½
Finished garments (dozens)	1,113,794
The estimated value of the cloth and garments	$6,646,087.36

In addition to this commitments have been made, or are now under consideration, committing the remainder of the 500,000 bales. The purchase and distribution of this may require as much as two months.

We have had to be a little careful toward the end for fear we may commit more than we actually possess. This depends somewhat upon the fluctuation of the price. I have instructed our officers dealing with the subject of the cotton to proceed on the basis of 5 cents, so that we may hope to be reasonably within the limit. Our hope is that it will be at least that price or a little more, so that we may get out in the clear. If it should drop below 5 cents we beg of you to give us a little more cotton with which to pay out.

The cotton has rendered a great service; the wheat also. We have disposed of 6,279,814 barrels of flour and 223,902 tons of food for livestock as of November 29. We have employed 788 flour mills and have committed some 55,000,000 bushels of wheat. We hope the 30,000,000 remaining bushels will carry us through the winter.

I especially call your attention to the following statement contained in Judge Payne's letter:

The demand increases rather than diminishes, and we could certainly use quite a good deal more.

My friends, what are you going to do about it? Let American citizens suffer for clothing and bedding, while the Government is holding cotton that is being consumed daily on account of the storage and interest charges—in the meantime causing thousands of cotton farmers to be added to the unemployment list on account of depressed prices, brought about by the holding of this surplus cotton?

I quote further from Judge Payne's letter:

Commitments have been made or are now under consideration [December 5] committing the remainder of the 500,000 bales.

What is 1,000,000 bales of cotton, when you think about furnishing just common, plain work clothes and bedding to 15,000,000 unemployed people and their children, who have been actually buying from hand to mouth for the past several years?

Some of us speak of this depression as having existed for two years. This depression has been with millions of people for the past 10 years, and during that period well-to-do farmers, wage earners, and even business people have absolutely been brought to actual want.

My friends, if you are interested in humanity, American citizens who are naked and hungry by no fault of their own, and the proper functioning of the American National Red Cross, in the way of saving the lives of these American citizens, let us get behind this resolution and bring about its speedy passage.

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield 30 minutes to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Chairman and my colleagues, on last Monday afternoon, after the announcement in the newspapers as to what we were going to do, uttered by the distinguished Speaker of this House in reference to adopting the repeal plank of the Democratic platform in an unusual and unprecedented endeavor to enforce upon this Congress, without opportunity for debate, I am glad to say that the proposal of the distinguished Speaker, which was presented by the distinguished majority leader, proposing a naked repeal of the eighteenth amendment without any substitute, which would mean the inevitable return of the open saloon, was defeated.

I read in the newspapers following the defeat of the unprecedented resolution that 71 of us, known as lame ducks, did not vote to carry out the will of the American people.

It is very strange to me that the Hearst newspapers, controlled by William Randolph Hearst, which supported so zealously the candidacy of the distinguished Speaker for President of the United States, and it was Hearst who, during the Democratic convention, formed a deal with William G. McAdoo whereby the delegations of the States of Texas and California were switched to make the nomination of Roosevelt possible, should not also say that 69 lame ducks voted for the naked repeal amendment as proposed by our Speaker, the next Vice President.

Oh, they can argue to us that under the old State rights doctrine that the repeal of the eighteenth amendment, without any substitute in its place, will not result in bringing back the saloon.

Let us see about that. Most Members of Congress know how the people lived in the days before prohibition under the conditions of the open saloon. Members of this body have some sympathy and understanding with their people and the way they live or they would not have been elected by popular majorities. Anyone with horse sense knows that the only reason bootleggers do not sell liquor openly is because they are afraid they will get caught. Take away the enforcement and the bootleggers will spring up like mushrooms, and you must regulate them by licensing them to curb their activities, and that means the saloon.

I want to say that the people in my section of the country are not in favor of the open saloon. They are not in favor of the old saloon where a man with his weekly pay went into a saloon with the expectation of taking a drink, and then, after taking one drink, pays for another for the other fellow, and pretty soon his weekly pay is dissipated, causing suffering and neglect to his wife and his children.

Mr. SCHAFER rose.

Mr. MOUSER. I can not be interrupted now. And if they did not spend all their money, they were rolled by some crook for the rest of it. There was gambling in connection with saloons, and usually lewd women. That was the open saloon. I am not a fanatic on the liquor question. I do not believe a fanatic converts anybody. My definition of a fanatic is a person who has a single-track mind, who

can not listen to argument, and therefore influences no one in reference to the particular position he may espouse.

Let us see what has happened since this election. Much to my great surprise, I saw distinguished men of the great Democratic Party come down into the well of the House and say to us, when they were urging the repeal resolution as proposed by the distinguished Speaker through the distinguished majority leader, that the last election was not decided upon economic questions; that it was decided upon the fact that the people wanted booze. The debates here, the arguments made and the statements made, are a matter of record, if a Member of this body cares to put into the RECORD what he has said upon the floor. Such statements live after Members of this body are lame ducks. It is not so long since I sat back there as a new Member, without much to say but with both ears open. I heard distinguished spokesmen of the Democratic Party tell me that we were going to be defeated, as we were—and they were good prophets—because of the economic conditions. First we hear after the victory that Mayor Cermak, of Chicago, advises the boys to turn on the beer, if the newspaper dispatches are to be believed. I thought he was elected because of too many Al Capones. I read in the paper also that the mayor of New Orleans said, "Boys, the people have spoken; you can turn on the beer."

I read further in the newspapers that the Governor of California says that he is going to grant amnesty to a thousand or more liquor prisoners who are in the workhouses and other penal institutions for misdemeanors in that great State. If this crowd in California do not sell liquor, they will sell dope. Such a crowd does not want to work at honest toil.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. MOUSER. Not now; but I shall yield later. I have spoken about the gentleman's city and its mayor, and I shall be glad to yield to the gentleman later. I hope the statement was not quoted accurately in respect to the Governor of California. Has the time come, because of the state of the public mind, because of men's being out of work, that we are going to turn America over to the underworld, to the gangster? What happens to your argument that you want the eighteenth amendment modified or repealed in order to do away with the gangster, the racketeer, and the bootlegger? Then I read further that certain so-called statesmen in our neighboring country to the north, in Canada, have said that they are going to disregard the treaty whereby they forbid their distillers from transporting liquor across the border. What is the purpose of that? They think that beer is coming before Christmas. The newspapers have so indicated to the people, some of whom are very thirsty. They can almost see the suds and smell the odor and taste the beer. That means that if we give them beer the hard-liquor drinker who wants liquor is going to buy Canadian liquor, and hundreds of millions of dollars of the people's money of this country will go to Canada.

I ask you men who are sincere on both sides of this House, who are thinking about the time when men will go back to work and suffering and privation will end in this fair land of ours, whether or not you think that the spending of hundreds of millions of dollars in Canada for hard liquor pending the time of the people's voting upon the repeal amendment, is going to bring prosperity back to America? The answer is no, and no thinking person, unless he is letting his appetite control his brain or thinking about being elected in a wet district, regardless of consequences to the country, can fail to know that that is not going to assist in the return of normal economic conditions in this country.

My friends, 15 States have nullified their enforcement laws. There is no danger now of being caught in bootlegging activities by the State enforcement officers. You do not have to sneak in the back door; you just walk in. They have their bars set up, and you buy liquor unlicensed, and you who are decrying the bootlegger and the racketeer and the corruption that was brought about as you say by the writing of the eighteenth amendment into the Constitution, what do you say now, pending the submission and the action on the part of three-fourths of the States, as to what shall occur in America as to respect for law and order? I say to you, my friends, that this contempt for law is a most dangerous tendency that is facing us to-day. Then we are going to solve the question of balancing the Budget, we are going to get money into the Treasury by taxing beer 3 cents a pint, as proposed by a certain distinguished gentleman of this body. There are 24 pints in a case. Three times 24, according to my arithmetic, makes 72 cents tax on a case of beer.

In Ohio the fellow who swings a pick and uses a shovel to make his daily bread, if he is lucky enough to have a job, is making the great sum of from $1.25 to $1.50 a day. If he works on the highway eight hours a day, he gets 40 cents an hour or $3.20 for his labor. Most laboring men have gotten the habit by exercising a God-given right that has been theirs, no matter how humble their means, of having a family and enjoying the home life and the association of the wife and children before the fireside. The last census showed the average American family to consist of between four to five people.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MOUSER. In a moment. Is that going to give the poor man beer? How in the world is a man making $1.25 or $1.50 or even $3.20 a day, with a wife and four or five kids to support, going to be able to pay 72 cents' tax on a case of beer?

I say to the distinguished gentleman from New York, who is sincere in what he advocates, that he is misled, because they will keep on making their home brew, and it will just be like the extra cent on postage and the check tax. The people will not pay such nuisance taxes, and the anticipated revenue will evaporate.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. O'CONNOR. The tax would amount to 54 cents a case, because those are 12-ounce bottles.

Mr. MOUSER. Yes; and I am coming to the 2.75 per cent by weight in just a moment.

Mr. O'CONNOR. I mean it would not be 72 cents.

Mr. MOUSER. I am glad to be corrected by the gentleman from New York as to the 12-ounce bottles. I hope there is no sleeper in that. How is a man who is making $1.25 or $1.50 a day, I ask the distinguished gentleman from New York, going to pay to his Government a 54-cent tax on a case of beer? If beer is inevitable, I want the poor man to enjoy it as well as the rich.

Mr. O'CONNOR. He does not drink a case a day, I hope.

Mr. MOUSER. Well, if he drinks a case a week or a case in two weeks, he can not afford the tax without neglecting his family.

Mr. BLANTON. I will answer the gentleman from New York, if my colleague will yield.

Mr. MOUSER. I yield to the gentleman from Texas.

Mr. BLANTON. If he is a beer drinker he will pay the tax and he will pay for the beer and his wife and children will go without bread.

Mr. MOUSER. It is more important, in my humble judgment, that the woman who washes and irons and who takes care of the children shall be properly clothed and the little ones brought into this world shall be properly fed than to have all the booze in the world. [Applause.]

Mr. SCHAFER. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. SCHAFER. The gentleman should not be unduly worried because some of the Members condemn the lame-duck Republicans for voting against the resolution offered by the gentleman from Illinois [Mr. RAINEY], because the Republican platform reserved to the individual Members the right to determine whether they should vote wet or dry, and if there is any condemnation, by the press or otherwise, for the failure of the repeal amendment to have passed this House, the condemnation lies fairly and squarely in the Democratic ranks, because the Democratic platform pledged its Members of Congress to vote for the repeal of the eight-



eenth amendment, and many times the additional votes necessary to have passed that resolution were cast against it on the Democratic side.

Mr. MOUSER. I think the Democratic Party made a mistake in the liquor plan contained in its platform. I do not think there is any question that if a naked repeal resolution is submitted to the people to be ratified by delegates elected to a convention—which action is pledged by the Democratic platform—and economic questions are left out of the decision of the voters, and that if such a proposition goes to the people on the question of the saloon, you will ever get three-quarters of the States to ratify it, and the Democratic Party is simply kidding the people who want something to drink.

Mr. BLANTON. You will not find rubber stamps among the Democrats.

Mr. MOUSER. I have nothing but kindly regard for my Democratic colleagues, with whom I have served, but I agree with the distinguished gentleman, William C. Fitts, from Birmingham, Ala., who took his place upon the floor of the recent Democratic National Convention when the repeal plank was before the convention and not only pleaded but warned his party to then see the error of its way before it was too late. He was a great orator and a man of good common sense.

Now, Mr. Chairman, there is a sleeper in this beer proposal. It is to be 2.75 per cent beer by weight, but it actually is 3.46 beer by volume. That is practically the old beer. I do not profess to be a great constitutional lawyer nor even a middle-class one, but I think there are some good common-sense notions that might be injected into an argument about the constitutionality of an act, and I would like any constitutional lawyer to say, if 3.46 per cent beer by volume is passed by this Congress or the next one, changing the Volstead law as proposed, the Supreme Court of the United States, even though they be amenable to changing conditions and changing methods of living and try to adjust their decisions to the times, would say that it was not the intention of the people to drive out intoxicating beer the same as liquor when the eighteenth amendment was adopted.

I understand that courts take judicial notice of the fact that hard liquor is intoxicating. You do not have to prove it; but there is not anyone here who remembers the old days of the saloon, or who was in college when the saloons were here, who does not remember that the college boy, at least, in trying to drink a glass of beer in every saloon in a couple of blocks, was drunk at the end of his trip. There is not any question about it. Now, should we kid the American people? If it be true that during the last election there was no economic question in the election, and the overwhelming vote given the Democrats was based solely upon the question that the people wanted the eighteenth amendment repealed and wanted beer, then should not we lame ducks, if we are not fanatics, try to vote for something that will carry out the will of the people rather than to be kidding them? I remember one distinguished Senator from Ohio was elected upon a beer platform, and I mean no reflection. He is a great statesman. He wanted a change and the people elected him on it. After his election there were statements in the press that the breweries were going to open, and the people, in their imagination, almost smelled the odor of beer, and as they carried their imagination on they could almost taste it, but all the people got in two years was near beer, and not the 3.46 per cent beer by volume or the preprohibition beer as they expected.

There is only one way to proceed, and that is to proceed in a manner that is sincere by incorporating in the proposed amendment an absolute guarantee against the saloon, if you want an amendment that will be ratified by three-quarters of the States, because on the question of naked repeal, even though the last generation of young folks who were boys and girls when liquor went out, know nothing about it and do not appreciate the evils of the old saloon the old folks do know, and some of them will tell the youngsters how to vote. I say to you that in the Middle Western States or the far Western States, and in the State of California and other wine-producing States unless you put wine in the bill, and even in the South, the people will never vote for naked repeal and the saloon. It is very strange that the Democratic platform only refers to beer. I wonder why that platform did not contain something with reference to wine?

Why should not the grape growers of California have wine at the same time the others have beer, if it is constitutional? I hope to see the Ways and Means Committee—for at least I think they are smart—put in a wine provision the same as beer when the beer proposal reaches the floor, so that we can have an out-and-out vote upon it.

It has already been announced in the papers, if he is quoted correctly by Mr. Hearst, that the distinguished Speaker of this House predicts we will pass a beer bill. He was erroneous in his conclusion about the naked repeal. It may be that he will get a majority here to vote for beer if California and other wine-producing States can be pacified by including a provision as to wine. But he should not intimate to the people that they are going to get beer before Christmas, because it can not be unless it is bootlegged or home brewed.

Mr. SCHAFER. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. SCHAFER. Why does he not insure additional votes on his beer bill by including whisky, and thus get the votes of Pennsylvania?

Mr. MOUSER. I am not going to vote for the beer bill for the reasons outlined in this address.

Mr. SCHAFER. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. SCHAFER. Mr. McAdoo, the former Secretary of the Treasury, who led the forces of prohibition fanaticism to the destruction of the Madison Square Garden convention, I notice has now reached the conclusion that he was wrong in that and that wine of 12 or 14 per cent under the eighteenth amendment is all right.

Mr. MOUSER. The distinguished gentleman knows more about the inside workings of the Democratic Party at the convention of 1924 than I do. I do not know what the reverberations were that actuated them in taking so many ballots. In my judgment, it is probable that there were two distinguished Democrats running who had the convention firmly divided and, therefore, it took a long time to end the battle. That is beside the question.

Now, Mr. Chairman, another argument that dry people should take into consideration is that if the law as it is is to be nullified, if bootleggers are going to run rampant, and racketeering is to go on more than ever before, if all law enforcement is taken away, as the distinguished mayor of Chicago says it will be, then the quicker a reasonable proposition is submitted to the people the better. In desperation it is suggested that appropriations be taken away from the enforcement of the dry law pending repeal. How can any sincere wet who argues that the reason he wants a change is because he wants to do away with the bootlegger, the racketeer, and the gangster, and the corrupt judges argue that we should nullify the constitutional provision which is not self-executory, the eighteenth amendment, by taking away appropriations for enforcement pending the seven years, or whatever time it takes, while naked repeal is being submitted to constitutional conventions? Are you going to turn America over more than ever, if their argument is correct, to that kind of corruption, graft, and bootlegging and racketeering? Why, a lot of crying occurs about the poor slain gangsters! I do not believe in the taking of human life, but I know those folks who kill among themselves for the sake of a dollar, a dirty dollar, will have to answer to their Almighty hereafter. As long as they keep their killing among themselves I am not crying about them. Maybe we will not have to deport so many of them; mayhap it will be an object lesson to us, and we will not let so many of them in. If strict immigration laws will not keep them out, then let us patrol the borders so that they can not get in

by airplane, bootlegging, or other methods. We do not hear anything about that practice. But, Mr. Chairman, the quicker America selects the people who are to become its citizens from amongst those who will adapt themselves to our way of living, the better off we are going to be in this fair land of ours.

Now, you say what should be submitted? I for one believe that prohibition has helped the rural communities in America. I do not see drunks staggering down the streets in the villages of this country. Why, not so long ago in my district a couple of young boys about 18 or 19 got drunk. The youngsters in the neighborhood followed them as they were staggering down the street. They went in and asked their mother what was the matter with them. The mother did not tell them the cause of their peculiar actions. Pretty soon all of the youngsters in the neighborhood had gathered, and they followed them down the streets like the circus coming to town. The kids in the neighborhood gathered to see the strange apparition of those faulty-gaited boys as if the first airplane had come to town.

[Here the gavel fell.]

Mr. MOUSER. Mr. Chairman, I ask for 10 additional minutes.

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. MOUSER. Finally, some one in that neighborhood went to the place where they had gone to sleep it off, and they were taken to jail. Then you tell me that in rural America it is not better without the saloon. Well, you just wait until these rural Americans vote upon a naked repeal proposition and you will find out whether they think it is better than the saloon. If you nullify enforcement, if you who in your hearts want the saloon, but will not admit it publicly—if you want the swinging doors and the brass rail and the back bar and the system of treating, you had better submit something, forgetting selfish interests that want the saloon, that may have some chance to be ratified by the people in their thinking moments, when they are listening to debate upon that one question, with respect to whether or not a particular man shall be elected to a constitutional convention who is for that or against it.

I leave these suggestions with you as simply a humble Member of this House, but I have rubbed elbows all my life with men. I have been in the humble homes of the country. I have seen the drunk. I have seen the woman bending over the washtub in order that her little ones might be shod and clad and have a loaf of bread. I want to say to you that it is against human nature to ever permit that kind of thing, because it is the misled women now who are talking about being in favor of naked repeal and in favor of the saloon, and they will certainly have their mother instincts again aroused when they see the terrible catastrophe of the saloon days in an automobile age. They will be reconverted and there will be no poor women among the women who call themselves the crusaders. I do not believe there are any of them in it now. These other women have always had all the wine and liquor they want, and all the jewels. Why do they not let the poor women have peace and happiness in their homes and around their firesides, as they have the right to expect under God-given laws, as well as man-made laws. [Applause.]

I thank you for your attention.

Mr. GREENWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HANCOCK of North Carolina reported that the committee, having had under consideration the President's message, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. BECK. Mr. Speaker, this afternoon I had the privilege of addressing the Committee of the Whole House on the state of the Union on the subject of the powers of Congress in respect of conventions, if ever held, and my speech was a reply, or an intended reply, to the very able brief that has been circulated in the House by the former distinguished Attorney General of the United States, Mr. A. Mitchell Palmer.

I am rising to ask unanimous consent that his brief may be printed in the CONGRESSIONAL RECORD, so that the House may have both sides of a very interesting question before them.

Mr. MICHENER. Mr. Speaker, reserving the right to object, and I shall not object, but I do not want this to become a precedent for the inclusion in the CONGRESSIONAL RECORD of briefs by private individuals or interests representing matters before the Congress. The reason for this is so they may not be sent out under the Congressional frank.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HEARINGS ON MORATORIUM ON FOREIGN DEBTS

Mr. STEVENSON. Mr. Speaker, I call up a privileged resolution.

The SPEAKER. The gentleman from South Carolina offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Concurrent Resolution 40

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the printing act, approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before said committee during the Seventy-second Congress, first session, on House Joint Resolution 123, relating to moratorium on foreign debts.

The concurrent resolution was agreed to.

TERMS OF PRESIDENT, VICE PRESIDENT, AND MEMBERS OF CONGRESS

The SPEAKER laid before the House the following communication:

STATE OF WEST VIRGINIA,
EXECUTIVE DEPARTMENT,
Charleston, December 6, 1932.

MY DEAR SIR: Carrying out the direction of our State legislature, there is sent you herewith an authentic copy of House Joint Resolution No. 2, adopted by the Legislature of West Virginia in extraordinary session on the 30th day of July, 1932, attested by the clerk of the State senate and by the clerk of the house of delegates, ratifying the lame duck amendment to the Federal Constitution.

Very truly yours,

WM. G. CONLEY, *Governor.*

To the Hon. JOHN N. GARNER,
Speaker of the House of Representatives,
Washington, D. C.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Is it the understanding of the Speaker that a proposed constitutional amendment can be ratified at anything but a regular session of a State legislature?

The SPEAKER. The Chair does not think that is a parliamentary inquiry.

That is a constitutional question, perhaps, for the Secretary of State. This is only a matter that is sent to the House for its information.

Mr. BLANTON. I would like for my question to go into the RECORD merely to call the attention of the Secretary of State to the fact that this ratification was passed at a special session.

The SPEAKER. We may hope that the Secretary of State reads the RECORD now and then.

ADDRESS OF HON. HATTON W. SUMNERS, OF TEXAS

Mr. BROWNING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the very able address made by Hon. HATTON W. SUMNERS, our chairman of the Judiciary Committee of the House, before the American Bar Association in Washington, D. C., on October 14 last.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BROWNING. Mr. Speaker, under leave granted me by the House, I wish to insert the following very able address:

ARE WE OBSERVING THE NATURAL LAWS THAT GOVERN GOVERNMENTS?

This is a very pertinent, practical question to ask ourselves, especially in our present situation. Are we being guided by fundamental principles in operating our system of political and economic government? Are we violating the fundamental principles, the laws of nature, the laws of God, which govern governments?

In any other field except that of government, in a situation similar to that in which we find ourselves as to government, such a question would not even arise. No person who did not want the reputation of being foolish would ask it, but the average citizen, the average public official, does not recognize, does not seem to know, that there are any natural laws which limit his discretion as to government, or give direction to public policy.

I come from the country; of an educated ancestry. As a boy I read of many things, and as I came out into the world these things were interesting to me. I learned how to see with my eyes the functioning machinery of the world. Of all the things I have ever seen, this attitude of ours toward our Government is the most remarkable thing I have ever looked upon.

During my contact with government, assisting in operating its functioning machinery, I have been especially interested, from a practical standpoint, in observing the working out of the natural laws which govern governments, the nature of government, and its place in the scheme of things.

The study of the origin and development of our own system of government, and of the effect of various policies of government upon the governmental capacity of the people, and upon the efficiency of its functioning machinery, is, of course, especially interesting.

MYTHOLOGICAL TALES AS TO ORIGIN OF GOVERNMENT

When one gets beyond the barrier created by the mythological tales rather generally accepted, which accredit the origin of our government to the will and wisdom of some human beings, famous in our own history, and sees the gradual evolution of our Constitution under natural processes from the first century, when Tacitus gives us that wonderful glimpse of it, operating among the Anglo-Saxons four centuries before they went to England, the study becomes fascinating beyond measure. In order to understand the nature of that with regard to which we must deal, and how intelligently to deal with it, we must know that while the fathers were great men, they were not the creators of our Constitution any more than they were the creators of the language in which its provisions are stated. Our Constitution came from a higher source than that.

No human being ever wrote, in a creative sense, the constitution of a living government. Many peoples have borrowed our Constitution, the document, but they have never operated a government under it, because it never became their constitution. It could not become their constitution. It had not grown up out of their governmental concepts and governmental instincts. It was not rooted there. It was never more than a document.

I would not detract one iota from the legitimate fame of the fathers who, within the limitations imposed upon human genius, did a great service, entitling them to everlasting gratitude; but we must not be confused as to what is our task and the nature of that task by accrediting to human genius, however great, that which nature has withheld from human genius, the creation of the constitution of a living government.

Instead of accepting these mythological tales and becoming confused by them as to our duty, we do the memory of the fathers greater honor and make the perpetuity of their glory more secure by accepting the truth, the humanly possible, historically correct facts with regard to their deeds. This acceptance better fits us to understand our duty and to preserve for the fathers the gratitude of posterity, better fits us by an intelligent emulation of their great example to preserve the Government.

GOVERNMENT ORIGINATES AND DEVELOPS UNDER NATURAL LAW

When we get ourselves clear of this confusion we can see, under the operation of natural law, the origin, growth, development, and functioning of our system through the centuries, developing among a people peculiarly gifted with the genius of self-government. Then we are prepared intelligently to begin to familiarize ourselves with the natural laws which we must respect, which indicate our duty, and which fix upon us our responsibility of preserving and transmitting with our contribution, this heritage, to those for whom we are guardian, the generations which are to follow us in use and in responsibility.

When we look about us to-day, conscious of that responsibility, we can not be happy in any sense of duty well performed. With a rapidity unequaled in the history of governments, we are changing the distinctive characteristics of our system from a representative government, the thing which we inherited, to a bureaucratic government, in many respects, of all systems, the most extravagant, most susceptible to tyranny and corruption, and the most destructive of the governmental capacity of the people.

VIOLATING NATURAL LAW—MOVING TOWARD BUREAUCRACY

Save one, our most basic philosophy of government finds expression in the three separate, coordinate branches of government—legislative, executive, and judicial. It is the fashion of our orators to have much to say about the wisdom and natural harmony of that arrangement, and the necessity to preserve this separation, but when we come to examine the direction in which our policies are moving us, we find that we are constantly consolidating these powers of government, and that, too, in an appointed personnel. They are given the power to make rules, which in so far as the average individual is concerned, have all the force of law, the power to construe these rules, and the power to enforce them; all the powers a king ever had.

This is not all. With a rapidity which makes the heart sick, we are reducing the States from the station of sovereignty to that of vassalage to a great Federal bureaucracy.

With even greater rapidity, by moving power to govern and necessity to govern from the smaller units of government, where the average private citizen has the greatest power to govern and necessity to govern, we are destroying the governmental capacity of the private citizen. We are destroying his self-reliance, his consciousness of responsibility, his pride of position, and making him a mendicant at the door of the Federal Treasury. There is nothing more destructive than nonuse. Nature will not waste its energies. Cease to use the arm, it loses the power to do. Fish in the Mammoth Cave have no eyes. Cease to exercise the power to govern, and the power to govern departs.

NECESSITY OF STATES TO GOVERN

The right of the States to govern was never important, but the necessity of the States to govern in those matters which fall within their governmental capacity is of fundamental importance.

Go to the various Federal agencies to-day and what do you see? Go to the agencies of the Federal Government dispensing credit and gratuities; there you see the private citizen, the municipality, the other divisions of the States; you see the banks, the railroads, other corporations; and you see sovereign States arguing and pleading with appointed persons for the privilege of borrowing money contributed in taxes by their citizens and money raised by mortgaging the tax-paying resources of their citizens for years to come. Whether these beggars, these mendicants, these once sovereign States get a part of this money or not depends upon what these appointed persons decide to do about it.

MAKING FUNDAMENTAL MISTAKES

The conclusion is inescapable that in the operation of our economic and political government as a people we are making a terrible mess of it, a colossal failure. There is something basically wrong. The mistake which we are making is fundamental. We have plenty of material for food and clothing, plenty of factories to prepare the material for use, plenty of money to facilitate commerce, plenty of agencies of transportation, natural resources of field and forest, the rains and the seasons in their order; nothing lacking in our resources to make us a happy, prosperous people. We have no king to oppress. We are the victims of no conquest. We are the heirs to a wonderful system of government. Every provision in our Constitution originated in necessity, was tested by experience, and thoroughly adjusted to our governmental machinery by those not only peculiarly gifted with the genius of self-government but most favorably circumstanced for its exercise, all handed over to us of this generation—nothing to do but to operate this machinery; and we fail. Why?

In any other field, except that of government, in a similar situation everybody in responsibility—and the American people are in responsibility—with any degree of practical common sense would know that something fundamental was being done in the wrong way; was being done in a way contrary to the law of its nature. It is time we cease the strut and swagger of bumptious youth and with candid, seeing eyes, comprehending intelligence, earnest purpose to know the way and resolute purpose to follow it, get acquainted with our job, take an inventory of our resources, and go to work.

DIFFICULT OPERATING MODERN GOVERNMENT

To operate a system of modern government, with all its complexities, is quite different from running a government a century or so ago, when the central government was concerned primarily and almost exclusively in conquest and in preserving its security and thereby the security of its citizens. Operating the complex economic machinery of to-day is quite different from what it used to be when the individual was the economic unit and the community the economic organization.

There is no use for us to get nervous about these matters or have the purpose to do something to somebody. Our job is to try to discover the truth, to do it now, when we can proceed with calm eyes, free opportunity, and deliberate judgment, instead of waiting and trying to correct things in the heat and confusion which passion engenders.

Maybe things have grown too big for human capacity and too far from the people, both in governmental and economic organization. I know they have under governmental concentration. This we do know, that the plan of nature is carried out as much by the limitations imposed upon human capacity as by the capacity given to human beings. Whatever is to be done should be done without malice, without vengeance, with understanding and skill. If the delay is too long, the opportunity to act in the right way may be lost.

ALL PROGRESS DEPENDENT UPON OBEDIENCE TO NATURAL LAW

As we have gone from the log house to the skyscraper, from the wagon road to the road of steel, from the oxcart to the airplane, as we have moved into this highly developed, scientific age of ours, it has been by discovering the natural laws which govern in these various fields of endeavor and by bringing human skill into harmony with them. By that method we have made great progress in working out formulae and in devising instrumentalities

such as machinery, which make it possible for human beings to work in harmony with those discovered laws.

The initial step and every succeeding step in what we designate as the progress of this age have been achieved by familiarizing ourselves with natural law, and doing things according to that law which inheres in the nature of things, which indicates the plan of nature and compels its execution, that law which human beings may not question and may not disregard. It can not be that in a universe of natural law there is one hiatus, one field where there is no law, no law to govern the development of the structure and the operation of the machinery of a thing so indispensable as economic and political government.

In other fields we succeed. We know positively why we succeed there and how we succeed. We follow the plan and obey the laws of nature and succeed. In the one field, that of government, we follow the guess of human beings and fashion fundamental policy of government by the urge of the economic and political expediency of the moment, and fail. Can we doubt why we fail? We recognize no natural or divine law governing government, and pay the price of our impiety with wrecked fortunes, imperiled institutions, and starving millions in the midst of nature's most bountiful contribution of everything necessary to make us a happy and contented people.

By obedience to law we fly through the air; steam turns the wheels of industry. Nowhere in all the fields of human endeavor does success crown the efforts of human beings who do not yield obedience to this superior law which limits human discretion and gives guidance to human efforts.

EVERYWHERE EXCEPT IN GOVERNMENT, NATURAL LAWS RESPECTED—GOVERNMENT THE ONLY POINT OF FAILURE

Nowhere in all the field of human endeavor human responsibility, and human necessity, except one, is there now in this age any attempt among intelligent human beings to go forward except as directed and guided by natural law. Whoever would attempt to go forward by any other method would be classed as a fool. The one field which marks the exception also marks the failure. It is the field of political and economic government where, by an amusing coincidence, operate those persons whom we are supposed to look up to, who are supposed to be statesmen and great captains of industry. If one were to suggest in opposition to a proposed policy of government that it would fail because it would violate the natural laws which govern governments, he would probably be arrested for being crazy, and the average jury might convict him upon proof of what he had said. Yet these jurors would discharge any employee of theirs attempting to do his work contrary to natural law.

All about us is success and progress except in this one field. Here we register the colossal failure of the age, and we are still registering it. As compared to medicine, for instance, in the science of government we are in the state of development that that profession was in when it bled Washington to death. We are even further back than that. We have recently witnessed some voodoo practice, medicine men running around jingling their bells in an effort to drive away the bad spirits of fear which were supposed to have bewitched the people, when our trouble was clearly fundamental, not psychological. Then we brought out the only other remedy which we seem to know anything about, credit. As a matter of fact, we were already a Nation of credit addicts, which was responsible for much of our trouble. Anyway, we gave a double dose of this remedy. That exhausted our supply in the drug store, and we had to mortgage the taxpaying power of the people to get the amount required.

What are we going to do when these addicts come back to have the prescription filled again? What are these addicts themselves going to do when the influence of this shot in the arm dies out?

ARE WE OBSERVING THE NATURAL LAWS WHICH GOVERN GOVERNMENTS?

A good physician under similar circumstances would look deeply for the seat of the trouble. Our economic and political government is not suffering from a skin disease.

It was true when the Virginia constitutional convention met, it is true now, that "no free government, or the blessings of liberty, can be preserved to any people * * * but by frequent recurrence to fundamental principles," obedience to natural law.

From the savage in the jungles through all the gradations to the highest civilization, consciously or unconsciously, it is recognized by every people that they live in a universe of natural laws. The savage does not attempt to start a fire except by the plan which experience has demonstrated is fixed for him in the nature of things. The unlettered farmer does not plant his various crops at the same time, or cultivate them in the same way. His wheat, his corn, and his cotton are different. Their respective natures and requirements are different, made different by natural law, which he recognizes and respects. To please the gods who gave the harvest, heathen peoples used to wave over the flowers of the tame dates, flowers cut from the wild date trees. They had learned that if they did that, some force beyond themselves increased the harvest. They helped nature pollenize their crops, and received the reward which nature gives to those who will become her obedient copartners.

It was the prayer of the pagan philosopher:

"Lead me, O Zeus, and thou O Destiny,
The way thou wouldst have me to go;
To follow I am ready. If I choose not,
I make myself a wretch, and still must follow."

The spirit of that prayer, how to find the way and how to walk in the way fixed by the infinite purpose, was in the heart of Edison, of Burbank, of Steinmetz, of Marconi, of Wright, and of all the rest. Laboratories and experiments have no other purpose than to serve as agencies of exploration and discovery of the laws of nature, and how to work in obedience to them. In business there are laws. The trained business man says to his subordinates, "You must not do it that way." Why? Because it would violate the laws of business. The would-be physician goes to school for years to learn the laws of nature which govern the human body, and remedies for human ills. His sole purpose in the practice of his profession is to put his skill in harmony with those laws. From the time the seed of the smallest plant drops into the soil until it reaches fruition it is governed by law. Up the scale to the unnumbered systems of worlds, everywhere there is law.

In all the broad sweep touched by the observation or effort of men, there is but one field where there is neither theoretical nor practical recognition of the fact that there are natural laws which govern, which men must obey, laws which limit human discretion and fix human policies. That one field in all the universe of human thought and effort is the great field of human government. There is the point of confusion. There is the point of failure. I use the word "government" in the broad sense, covering political and economic government.

All we can learn, as we look upon the moving panorama of the created universe, as we look about us at the man-operated machinery of modern life, as we consult the judgment of common sense, as we review the lessons of history recording the result of experience in the realms of government, warns us against our attitude—this folly, this species of national impiety.

Heathen philosophers, teachers of the statesmen of their age, observing the uniformity of effects resulting from given policies of government, arrived at the conclusion that this or that policy was pleasing or displeasing to the gods. Not so far wrong, the conclusion of these ancient thinkers who went out into the silent places to think.

During the period known to us as that of the Revolution and of constitutional construction, and for some years afterward, great principles guided. Great men deliberately and consciously submitted to such guidance in the shaping of the public policy of this people. That is why we know them as great men. That is why they were great. May I observe in passing, however, ours was not a revolution in the sense of the French or the Russian Revolution. Ours was a territorial secession and a resort to arms as a necessary expedient to preserve for ourselves and for posterity an established constitution, which we claimed, as justification for our acts, was being violated by King George and his Parliament. We were merely going forward in the same direction along the same road upon which our ancestors had traveled, and who erected as monuments marking their progress the Magna Charta, petition of right, bill of rights, and the acts of settlement.

Of course, human beings are not great except as compared with other human beings. It is only when they become obedient instrumentalities of nature and thereby become associated with nature in the doing of great things that they become known as great. Nobody who jumps from one time-serving expedient to another, trying to escape political calamities which lurk between elections, however efficient his press agent, will ever confuse the historian as to his proper place.

REGARD FOR FUNDAMENTAL PRINCIPLES ESSENTIAL

From the Virginia convention we get this declaration: "That no free government or the blessings of liberty can be preserved to any people but by a firm adherence to justice, moderation, temperance, frugality, and virtue," and this the last: "And by frequent recurrence to fundamental principles."

It was said in those days: "There is a God who presides over the destiny of nations." If one were to reiterate that declaration now it would be assumed that he was trying to be oratorical, instead of stating a literal fact, one which by great practical statesmen in ever great age has been recognized as a fact. It was universally so during the formative days of our written constitutions, the years during which great statesmen guided the new government.

In the constitutional conventions they talked much about the plan of nature, and the laws of nature operating in the field of government. They knew that governments are not accidents. They knew that they are provided for in the big economy; that they originate, develop, and operate under natural law.

The present is almost the only period in many centuries in which no substantial evidence exists of any knowledge of that fact. It is not to be found in the conversation of the people, in the words of the public official, or reflected in the practical operation of government. That is a most remarkable thing in view of the long accepted fact, in view of the often demonstrated fact, in view of the fact that the utilization of government by human beings has been made certain by the fixing in human nature and in the difficulties of social life the absolute necessity to have government. It is even the more remarkable that this attitude as to government should occur in this, the most highly developed scientific age in all history, when busy millions everywhere are seeking diligently to acquire a more exact knowledge of natural law and how the more obediently to it they may do their work.

My apology for appearing to argue this point is that I have searched in vain among the people and sought in vain to find embodied in our programs of government, recognition of the existence of basic natural law which must be first consulted.

NO RESULT WITHOUT A CAUSE—LAW EVERYWHERE

When I was a young boy on my father's farm in Tennessee, I read in one of his books one day, "There is no result without a

corresponding antecedent adequate cause." I was tremendously impressed by that statement, and went out on the farm to investigate. It checked up all right. I accepted it as a fact, the most important thing I ever learned.

My mother told me about the omnipotence of God, everywhere and doing everything at the same time by a fixed plan which some people called the laws of nature. I went out into the fields to see about that also. Around each little plant down in the soil, everywhere outside and inside, there was something which was taking just the right things from the soil, the water, the air, and the sunshine, and building each little plant according to the law of its nature, even to the blooms of the great poplar tree where the hawks had their nests. I could see, that from the time each seed dropped into the soil until its life course culminated in fruition, it was governed by law. When I looked up at night I saw each night that the few stars I knew were where I expected to find them. I knew I was living in a universe of law. Some things we planted early and some late. It was the law of their nature, and all the farmers in our neighborhood respected that law. The first time I loaded a wagon with hay the top of it slid off. The next time I did it the right way. I kept a broad base and tramped it well in the middle. I had learned that the law of gravity is mighty busy on a Tennessee hillside. When my brother came back from medical school I found he had been devoting his time to learning the laws of nature governing the human body, and the remedies for human ills.

As I broadened my contact with life, I retained my interest in observing the motives and methods, the restraints, the rewards and punishments which keep things moving in fairly uniform directions. My most fascinating diversion has always been trailing results back to their respective causes.

WE NO LONGER GUIDED BY FUNDAMENTAL PRINCIPLES, NATURAL LAW

I used to hear speakers discuss fundamental principles in government, and sometimes the papers had something to say about them. There was something said about them when I first came to Congress. But since the war it has been rather old fogy to mention such things. They have not cared for it at home either. People have wanted to be amused, and there is nothing especially amusing about fundamental principles of government.

The papers have largely abandoned that field also. They have had to give the people something sensational. The people were not interested in the story that a dog had bitten a man, but it has been worth the price of a paper to read about a man biting a dog. So people who have wanted publicity drifted toward dog biting; the less conventional the place the larger the headlines and the nearer the front page. The papers, wanting to sell what they printed, have drifted toward chasers of dog biters.

There is no mystery about why we are in the condition in which we find ourselves. We have come to it as straight as a crow could fly. The great pity is that so many people are having to suffer out of proportion to what they have done toward bringing this condition about.

At the very time when our political and economic difficulties, our governmental difficulties, challenge us to the highest degree of civic and governmental efficiency, we are drifting to lower levels. There is no mystery about our condition. There is no result without a cause.

WE HAVE JAZZED OFF INTO THE JUNGLES

When some one learned how to press a button and get light instead of having to skin a yearling and get some tallow for candles, and others learned how to do similar things, we became afflicted with a serious malady, and it was not inferiority complex.

Everything was out of date. The masterpieces of music, which had thrilled and elevated the souls of people through the years, were cast into the discard and we brought forth our contribution, My Moon Eyed Baby in Watermelon Time. A similar thing happened to our literature, to our philosophy, and in no small degree to education and to religion. Everybody got young. Grandma whacked off a foot or two of her skirt and grabbed a horn; grandpa straightened up his old back and hobbled into the procession. Ma and pa cut a few fancy capers and joined with brother and sister up in front. Everybody had a horn. We could not be bothered; all in a hurry to go somewhere, to leave there to go somewhere else. Whatever needed attention would be all right just around the corner; on with the jazz.

We have jazzed off into the jungles. We have lost our way. We are looking for a boulevard to go out on. There is no boulevard leading out from where we are. We are going to have to cut down the trees and go out over the stumps.

The declaration from the Virginia Convention that there can be no liberty except by frequent recurrence to fundamental principles is the most important declaration which has come to us from what is known as the period of constitutional construction.

We would not be warned by the admonitions of the fathers. We would not be taught by the experience of others. We have been contemptuous of the lessons of history. We fashioned our policies in defiance of natural law. We pay the penalty. We would be attentive only to the lash, and we are getting the lash. It was the last resort.

Fundamentally, that is the explanation for our difficulties. Whether it result from a law fashioned into the nature of things in the beginning, or from a special interposition of Providence, as some believe, may constitute a basis for speculation and for dispute; but history leaves no basis for intelligent difference of opinion as to the fact that no people who give direction to their governmental policy or to their civilization in conflict with that fixed by the infinite plan were ever able to escape punishment. There is nothing remarkable about that. Try cultivating a crop; try building a railroad; try curing sick people—try doing anything contrary to the plan of nature and disaster is inevitable.

We may not like that arrangement, but there is nothing we can do about it. We may not like the law of gravitation, but if we step off the roof of a house we are likely to get smashed.

THIS IS INTENSELY PRACTICAL MATTER

This is not only a practical subject I am discussing, but it is one urgently demanding immediate consideration. We can not longer postpone the task, however difficult it may be, of bringing the policies of our Government into accord with the natural laws which govern free government.

Popular government is pyramidal in fashion. By nature it functions from the bottom upward. We can neither stand it on the point of the pyramid, nor compel it to function from the top downward. By the nature of popular government, after the formative period, all true progress must be in that direction which sends the power to govern and the necessity to govern closer and closer to the people. It is the development of the people and not of government with which nature is concerned. The only way we can preserve and develop the capacity to govern is by governing. The only way we can preserve a responsible people, the thing indispensably necessary in a popular government, is to keep them in responsibility.

Only by increasing the governmental responsibility of the smaller units of government composing the States, and of the States as such, which, functioning largely through a locally elected personnel, are peculiarly adapted to the utilization of Anglo-Saxon institutions—the Federal organization is not—is it possible to increase the power and sense of responsibility and governmental capacity of the private citizen, the only source of power and strength and protection possible under our system of government.

I am not discussing this subject academically. It has passed beyond the stage of academic interest. It is the greatest problem of urgent practical concern which confronts the American people. The self-reliance of the individual citizen is being destroyed. The self-reliance of the counties and cities and States is being destroyed. They are being relieved of the necessity to govern. That is the most deadly thing that could occur.

DESTROYING THE FOUNDATION

A similar thing seems to be happening in the economic field. The independent man of the soil, the small business man, the small banks, the little community owned factories, making up the relatively economically independent communities, responsible for local economic strength and local government, each a citadel manned by its own self-respecting citizens, this yeomanry of business and of industry, conscious of personal interest, conscious of personal responsibility, all together making the only natural dependable line of defense possible in a republic, behind which line of defense private property and the institutions of free government can find security; these are fading from the picture. Nothing is being supplied to take their place. What will happen when the next radical reaction attempts to overrun the country? Do men fight for a boarding house as they fight for their homes? This government is not resident in Washington. Neither is the source of its economic strength to be found in great cities.

Look over the land and see the widespread devastation which our incompetency has wrought there. These things to which I have referred are taking place at the foundation of our governmental and economic structure. Paralyze the power of this yeomanry, economic or political, and that paralysis will extend throughout the whole economic and political structure. That is exactly what is happening; not a panic, not a depression, not the result of some great calamity or assault upon government but paralysis, creeping up from the bottom, from the root of the tree, blighting and withering to the topmost branches.

Every reservoir of credit in this country has been exhausted, we are told, except the Federal Treasury. As a matter of fact, that is exhausted. We are now mortgaging the future tax-paying power of the people, while those who heretofore have come to the Treasury only to make their contribution are coming now with empty vessels to be filled. We can not maintain this Federal Government resting upon a structure of decaying States. We can not maintain our great economic organizations of the cities resting upon an economic foundation such as the condition of the people provides. Better the tree grow not so rapidly or so great than to draw the vitality from the root necessary to develop a root structure capable of sustaining the tree when the drought comes.

FEDERAL RESPONSIBILITY BEYOND HUMAN CAPACITY

One of the important results of this attempt to operate our governmental system from the top downward, this violation of the natural law governing governments, is that the Federal organization to which general governmental responsibilities are being shifted from the States, and which in addition is becoming the fiscal agent of almost everything and everybody, has reached a total of governmental responsibility utterly beyond human capacity to discharge through any machinery possible of popular control or of any other sort of reasonable supervision.

There is in progress in this country, apparently without attracting popular notice or concern, as interesting a development as has occurred anywhere in more than a thousand years. Two close together paralleling lines of movement; one the governmental organization moving toward a great Federal bureaucracy and the other the economic organization moving toward economic feudalism with certain definite socialistic tendencies.

There are less than 600 elected persons connected with the entire Federal Government. When they are all functioning they are up here in one spot on the Eastern border. Behind us lies all the territory to the Pacific Ocean, and from the Lakes to the Gulf. To the south are the Virgin Islands, lower down, Puerto Rico, further still, the Panama Canal Zone. In the middle of the Pacific, are the Hawaiian Islands, and on the other side of the earth, the Philippines, all over the earth, the Diplomatic and Consular Service and international problems.

There were over 13,000 bills introduced last session in the House. If a Member were to do nothing else he would scarcely have time to read them. Besides the enormous volume of correspondence, his committee and general legislative duties, etc., the Member of Congress must act as a sort of liaison officer between his constituents and the ever-increasing departmental and bureaucratic power. In an attempt to take care of the volume of work pressing upon the Congress, the committees of Congress, whose normal business is to prepare legislative matters for an easier comprehension by the body of the membership, have become in fact little houses of Congress. I checked up on a naval bill one session, calling for an expenditure of $360,000,000. The bill was referred to a subcommittee of five of the Appropriations Committee, which later reported to the full committee. The full committee gave two hours to the consideration of the bill and reported to the House. The House passed the bill with less than 20 Members, I am sure, possessed of the detailed information necessary to an advised, independent judgment. There was nobdy to blame for that. It could not be done otherwise.

Even with this dangerous, inefficient, and nonrepresentative arrangement, which sacrifices efficiency, all of the volume of legislative duties can not be attended to by the Congress. As a result, bureaus are created to take care of the overload. To these bureaus the power is given to make rules and regulations which have for the average citizen the force of law; to construe these rules; and to enforce them. That in effect is more than a mere shift of legislative duties from where they belong to the executive branch of the Government. It is a consolidation of all the powers of government in one branch.

OVER 725,000 PERSONS IN EXECUTIVE BRANCH

When we look to the executive branch of the Government we discover several important things. One is where some of the tax money goes. That branch has a personnel of over 725,000 people. That does not include soldiers and sailors. Of this over 725,000 persons on the Federal pay roll, only one, the President, is elected by the people. This is perhaps the most significant fact to be considered in determining the wisdom of the attempt to shift the general governmental powers and duties from the States to the Federal Government and have the system operate from the top downward.

It is a good illustration of the conflict between the facts and the perfectly ridiculous twaddle which makes up the average Fourth of July address. Instead of warning the people of their danger, and rallying them to their duty, making them to know that strength and security are measured by the governmental capacity and virtue of the people, they try to create the impression that the fathers of their own wills and brains created for us a self-perpetuating, fool-proof system of government. Instead of telling the people the truth, that the State governmental organization alone is adapted to the functioning of Anglo-Saxon institutions, all interest, hope, and dependence are centered upon the Federal organization.

On such occasions the people are told of the wonderful plan of our representative government, where free citizens carry forward the business of government through chosen agents, and here we have in the executive branch of the Federal Government nearly three-quarters of a million persons only one of whom is chosen by the people. The others they do not choose, they can not direct, and they can not discharge. The people do not govern them; they govern the people. The President does not know these more than 725,000 people, who they are, where they are, or what they are doing with governmental powers delegated to them.

Aside from the destructive effect upon the governmental capacity of the citizens and upon the States, by relieving them of the governmental responsibility and power which it is necessary for them to exercise in order to retain their governmental vigor and acquire greater capacity for the bigger problems of to-morrow; and despite all the arrangements which have been made, sacrificing efficiency, trying to take care of the governmental overload concentrated at Washington; the total of matters which have been shifted from the States, plus the natural increase in Federal business, plus that which is being done by the Federal Government which no agency of government should do, makes it impossible, with tolerable efficiency for the Federal officials, to attend to the purely Federal business which no other agency of government can attend to.

PAYING THE PENALTY FOR VIOLATED NATURAL LAW

I recall that just before the bill was passed in 1925 reducing the obligatory jurisdiction of the Supreme Court, one of the Justices told me that the greatest danger involved in their overloaded condition was that the Justices might become indifferent in the presence of an impossible task. That is exactly what is happening in the legislative branch of the Government, facing a volume of duties utterly beyond human capacity.

Just as the physician, just as the farmer, just as the scientist, not knowing the way to go, seeks as his compass the guidance of fundamental principles, becomes obedient to the laws of nature, so in working out of our economic and governmental difficulties we must return to fundamental principles, to obedience to the laws of nature, the laws of God which govern governments.

We have got to pay the price, we are paying the price for our violation of these laws, but we can get back on the right road. It is not to be deplored that the task is difficult. We have been growing pretty soft. Difficulties, as much as we dislike them, are necessary sometimes. Difficulties constitute the major part of the gymnastic paraphernalia provided by nature for the development of people. The great epochs of the world are those times when, with resolute purpose, human beings have moved forward in victorious struggle against great difficulties. Had there been no battles there would have been no victories. Had there been no difficulties human progress would not have been possible. It is the plan of nature. No great character ever came from under the tropical sun, where one can climb a tree for his breakfast and pull off a few leaves on the way down to make himself a full dress suit.

No generation can choose its task. All the generations which have gone before have fashioned ours.

OUR DIFFICULTIES CHALLENGE ALL THE PEOPLE

Our difficulties challenge us to produce the highest type of citizenship and the wisest statesmanship, economic and political, the world has ever known. It is not a situation which can be straightened out by a few wise men. It requires the united effort and challenges the genius of the whole American citizenship.

We can not longer ignore that challenge. There should have been progress in the science of government, and in the governmental capacity of the people, paralleling the industrial and scientific progress, but instead of that, governmentally, we have been moving in the opposite direction. We have gone so far that we have not only abandoned the guidance of fundamental principles but in the operation of our complex governmental organization and in the thinking of the people we do not recognize the existence of any plan or force in nature which shapes the general outlines of successful governmental policy.

Go to the White House. Come up to Capitol Hill when Congress is in session. Talk to the people. You can not discover it.

Practically speaking, it is not now even recognized by us as a people that there is a natural line of cleavage between the governmental duties of the States and those of the Federal organization.

Clearly necessity, inescapable, urgent necessity, points to this as the next field in which human genius must display its greatest capacity or all else which human genius has attained to will exist only to mock a people who, taught by experience of the universality of God's dominating law, and rewarded for its obedience with the golden age of science, yet in the operation of their political and economic government disobey that law and pay with disaster the price of their disobedience.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

Mr. SNELL. Will the gentleman permit a question? Is there anything definite on the program for to-morrow?

The SPEAKER. General debate, the Chair understands.

Mr. SNELL. We are to continue with general debate?

The SPEAKER. The gentleman from Tennessee [Mr. BYRNS] made the statement the other day, which I think was confirmed by the gentleman from Illinois [Mr. RAINEY], that it was the purpose to have general debate to-day and to-morrow in the hope that there would be less general debate on the appropriation bill and, in fact, that general debate might be confined to the bill itself.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Thursday, December 8, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, December 8, 1932, as reported to the floor leader:

WAYS AND MEANS

(10 a. m.)

Continue hearings on beer bill.

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on various subjects.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

745. A letter from the Administrator of Veterans' Affairs, transmitting annual report for the fiscal year ended June 30, 1932 (H. Doc. No. 415); to the Committee on World War

Veterans' Legislation and ordered to be printed, with illustrations.

746. A letter from the Director of the United States Shipping Board, transmitting Bureau of Research reports as follows: No. 157, Water-borne Passenger Traffic of the United States, Fiscal Year 1932; No. 300, American Merchant Vessels as of September 30, 1932; and No. 317, United States Waterborne Intercoastal Traffic, Fiscal Year 1932; to the Committee on Merchant Marine, Radio, and Fisheries.

747. A letter from the Secretary of the Navy, transmitting draft of a proposed joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy; to the Committee on Naval Affairs.

748. A letter from the Administrator of Veterans' Affairs, transmitting a report of the transportation issued to veterans who were temporarily resident in the District of Columbia in connection with the consideration being given by the Congress to the demand for the full cash payment on adjusted-service certificates (H. Doc. No. 488); to the Committee on Appropriations and ordered to be printed.

749. A letter from the Secretary of War, transmitting the annual reports of the War Department for the fiscal year ended June 30, 1932; to the Committee on Military Affairs.

750. A letter from the Secretary of the Treasury, transmitting annual report on the state of the finances for the fiscal year ended June 30, 1932; to the Committee on Ways and Means and ordered to be printed, with illustrations.

751. A letter from the Postmaster General, transmitting the cost ascertainment report for the fiscal year 1932; to the Committee on the Post Office and Post Roads.

752. A letter from the Postmaster General, transmitting a report of all cases where special contracts were made with the railroad companies for the transportation of the mails, and the terms and reasons therefor; to the Committee on the Post Office and Post Roads.

753. A letter from the Attorney General, transmitting a list of suits arising under the act of March 9, 1920 (41 Stat. 525), authorizing suits against the United States in admiralty involving merchant vessels, in which final decrees were entered against the United States, exclusive of cases on appeal; to the Committee on Claims.

754. A letter from the Attorney General, transmitting a list of suits arising under the public vessel act of March 3, 1925 (45 Stat. 1112), in which final decrees were entered, exclusive of cases on appeal; to the Committee on Claims.

755. A letter from the acting chairman of the Federal Farm Board, transmitting the third annual report of the Federal Farm Board covering its operations during the fiscal year ending June 30, 1932 (H. Doc. No. 422); to the Committee on Agriculture and ordered to be printed.

756. A letter from the acting chairman of the Federal Farm Board, transmitting a special report of the Federal Farm Board on recommendations for legislation (H. Doc. No. 489); to the Committee on Agriculture and ordered to be printed.

757. A letter from the Attorney General, transmitting the annual report of the Department of Justice for the fiscal year ended June 30, 1932 (H. Doc. No. 412); to the Committee on the Judiciary and ordered to be printed.

758. A letter from the Director of the Bureau of the Budget, transmitting a report of vessels and vehicles forfeited to the United States for violation of various laws (H. Doc. No. 490); to the Committee on Expenditures in the Executive Departments and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KELLER: Committee on the Library. House Joint Resolution 131. A joint resolution to make available to Congress the services and data of the Interstate Legislative Reference Bureau; without amendment (Rept. No. 1784). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEVENSON: Committee on Printing. House Concurrent Resolution 40. A concurrent resolution to provide for the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives on House Joint Resolution 123, relating to moratorium on foreign debts (Rept. No. 1785). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 13119) granting a pension to Agnes B. Flynn, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLANCY: A bill (H. R. 13356) to authorize compensation for naval reservists physically injured in line of duty; to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H. R. 13357) to amend the act entitled "An act to amend an act entitled 'An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department, approved February 24, 1923,' approved April 21, 1928," so as to include the Navy; to the Committee on Military Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 13358) to amend in certain particulars section 21 of an act entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," approved February 28, 1925, effective July 1, 1925; to the Committee on Naval Affairs.

Also, a bill (H. R. 13359) to amend section 18 of the act of February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve" in order to provide for age in grade retirement for officers in the Naval Reserve; to the Committee on Naval Affairs.

By Mr. GRANFIELD: A bill (H. R. 13360) providing that 100 per cent of the annual gross receipts, including money-order fees, be credited for the annual classification of post offices; to the Committee on the Post Office and Post Roads.

By Mr. WELCH: A bill (H. R. 13361) to provide revenue by increasing taxes on certain nonintoxicating liquors and to remove the limitation contained in the prohibition laws upon the manufacture, transportation, and sale of such liquors in certain cases; to the Committee on Ways and Means.

By Mr. GLOVER: A bill (H. R. 13362) to amend section 71 of the Judicial Code as amended; to the Committee on the Judiciary.

By Mr. LEAVITT: A bill (H. R. 13363) for the appointment of an additional circuit judge for the ninth judicial circuit; to the Committee on the Judiciary.

By Mr. COLLINS: A bill (H. R. 13364) reducing the rate of postage on mail matter of the first class; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H. R. 13365) to amend section 2 of the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States," approved June 21, 1930, so as to prohibit persons who have been subsequently separated from the service under other than honorable conditions from bearing the official title and upon occasions of ceremony wearing the uniform of the highest grade held by them during their war service; to the Committee on Military Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 13366) to provide for the retirement of certain commissioned officers of any of the staff corps of the Navy who have failed to qualify for advancement to the rank of lieutenant commander; to the Committee on Naval Affairs.

Also, a bill (H. R. 13367) to confer the degree of bachelor of science upon graduates of the Naval Academy; to the Committee on Naval Affairs.

By Mr. MEAD: A bill (H. R. 13368) to amend the national prohibition act so as to provide for increasing the permissible alcoholic content of beer, ale, or porter to 3 per cent by weight; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts: A bill (H. R. 13369) to classify in the civil service employees in post offices of the third class; to the Committee on the Civil Service.

By Mr. GRANFIELD: A bill (H. R. 13370) providing for a regular and fixed annual salary for substitute employees in the United States Postal Service; to the Committee on the Civil Service.

By Mrs. KAHN: A bill (H. R. 13371) to provide additional revenue by increasing taxes on certain nonintoxicating liquors and to remove such liquors from the operation of the prohibition laws in certain cases; to the Committee on Ways and Means.

By Mr. GASQUE: A bill (H. R. 13372) to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Missouri: A bill (H. R. 13373) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

Also, a bill (H. R. 13374) to repeal the tax on bank checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. WILLIAMSON: A bill (H. R. 13375) to provide temporary aid to agriculture for the relief of the existing national economic emergency; to the Committee on Agriculture.

By Mr. BROWNING: A bill (H. R. 13376) to create a Federal farm loan corporation; to the Committee on Banking and Currency.

By Mr. SMITH of Idaho: A bill (H. R. 13377) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mrs. NORTON (by request): A bill (H. R. 13378) to amend sections 416 and 417 of the Revised Statutes, relating to the District of Columbia; to the Committee on the District of Columbia.

By Mr. DICKINSON: A bill (H. R. 13379) authorizing and directing the Secretary of the Interior to enroll on the tribal rolls of the Choctaw and Chickasaw Nations all Choctaw and Chickasaw claimants whose names appear in the citizenship cases hereinafter mentioned and who were duly and legally enrolled by the Federal court, and the heirs now living of all such claimants, born prior to the closing of said tribal rolls by an act of Congress; to the Committee on Indian Affairs.

By Mr. LAGUARDIA: Resolution (H. Res. 311) for the consideration of H. R. 11685, a bill authorizing the Secretary of War to lease or to sell certain lands and buildings known as Fort Schuyler, N. Y., to the city of New York; to the Committee on Rules.

By Mr. SHANNON: Resolution (H. Res. 312) extending the time within which report shall be made by special committee appointed pursuant to House Resolution 235; to the Committee on Rules.

By Mr. RAINEY: Joint resolution (H. J. Res. 492) to provide for furnishing the CONGRESSIONAL RECORD for the current session to certain Members elect of the Seventy-third Congress; to the Committee on Printing.

By Mrs. ROGERS: Joint resolution (H. J. Res. 493), to authorize the Commissioner of Education to make a study of the Florence Barnard plan of time and money management, and to make the results of such study available to the schools and the people of the United States; to the Committee on Education.

By Mr. FULMER: Joint resolution (H. J. Res. 494) authorizing the distribution of one-half million bales of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture.

By Mr. MEAD: Joint resolution (H. J. Res. 495) for the relief of certain persons retired on July 10, 1932, pursuant to Executive Order No. 5874; to the Committee on the Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 13380) granting an increase of pension to Jane Martin; to the Committee on Invalid Pensions.

By Mr. BIDDLE: A bill (H. R. 13381) granting a pension to Mary Wentle; to the Committee on Invalid Pensions.

By Mr. BOEHNE: A bill (H. R. 13382) granting an increase of pension to Minnie Wheeler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13383) granting an increase of pension to Wilhelmina Tonnemacher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13384) granting an increase of pension to Martha Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13385) granting an increase of pension to Mary Buchanan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13386) granting an increase of pension to Kate Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13387) granting an increase of pension to Maria Heilman; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 13388) granting an increase of pension to Josephine Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13389) granting a pension to Alonzo Edward Davis; to the Committee on Pensions.

By Mr. CARDEN: A bill (H. R. 13390) granting a pension to Bartholomew C. Leonardi; to the Committee on Pensions.

By Mr. COCHRAN of Missouri: A bill (H. R. 13391) granting an increase of pension to Anna Steele; to the Committee on Pensions.

Also, a bill (H. R. 13392) for the relief of Sylvester T. Moriarty; to the Committee on Naval Affairs.

Also, a bill (H. R. 13393) granting a pension to Julia C. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13394) granting an increase of pension to Susan A. Richardson; to the Committee on Invalid Pensions.

By Mr. COLE of Iowa: A bill (H. R. 13395) granting an increase of pension to Mary E. Hodgden; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 13396) for the relief of Earl M. Peters; to the Committee on Naval Affairs.

Also, a bill (H. R. 13397) granting a pension to Ella Schaeffer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13398) granting a pension to Catherine Banks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13399) for the relief of Charles Wallace Wentworth; to the Committee on Naval Affairs.

Also, a bill (H. R. 13400) for the relief of Gilbert E. Burt; to the Committee on Naval Affairs.

Also, a bill (H. R. 13401) granting a pension to Anthony Briggs; to the Committee on Pensions.

Also, a bill (H. R. 13402) granting a pension to Mrs. David Haugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13403) granting a pension to Jesse L. Hindman; to the Committee on Pensions.

Also, a bill (H. R. 13404) granting a pension to Arthur Mosel; to the Committee on Pensions.

Also, a bill (H. R. 13405) for the relief of Victor Arthur Livingston; to the Committee on Naval Affairs.

Also, a bill (H. R. 13406) granting a pension to Nancy A. Keiser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13407) granting a pension to Matilda Keeney; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 13408) granting a pension to Pleasy J. Graham; to the Committee on Pensions.

Also, a bill (H. R. 13409) granting an increase of pension to Nancy A. Rickett; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 13410) for the relief of Nathan A. Buck; to the Committee on Claims.

By Mr. GOLDER: A bill (H. R. 13411) for the relief of Richard M. Cripps; to the Committee on Military Affairs.

Also, a bill (H. R. 13412) granting a pension to Elizabeth M. Reilly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13413) for the relief of James Hudson Mitchell; to the Committee on Naval Affairs.

By Mr. HARLAN: A bill (H. R. 13414) granting an increase of pension to Sallie King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13415) granting a pension to John Allen; to the Committee on Pensions.

By Mr. HORNOR: A bill (H. R. 13416) for the relief of Charles H. Frum; to the Committee on Military Affairs.

Also, a bill (H. R. 13417) granting a pension to Columbus R. Fulks; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 13418) granting an increase of pension to Electa M. Hysell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13419) granting an increase of pension to Amy F. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13420) granting a pension to Dora Zeigler; to the Committee on Invalid Pensions.

By Mr. LANHAM: A bill (H. R. 13421) for the relief of C. A. Dickson; to the Committee on Claims.

By Mr. McKEOWN: A bill (H. R. 13422) granting a pension to Albert M. Deeter; to the Committee on Pensions.

Also, a bill (H. R. 13423) granting a pension to Bettie Baker; to the Committee on Pensions.

By Mr. McSWAIN: A bill (H. R. 13424) granting a pension to Troy J. Stepp; to the Committee on Pensions.

By Mr. MAGRADY: A bill (H. R. 13425) granting an increase of pension to Emma Bucher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13426) granting an increase of pension to Mary A. Fields; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 13427) granting an increase of pension to Ida H. Rupert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13428) for the relief of William Eaky Lewis; to the Committee on Naval Affairs.

By Mr. MILLER: A bill (H. R. 13429) for the reinstatement of Leonard L. Wilson in the United States Navy; to the Committee on Naval Affairs.

By Mr. NELSON of Wisconsin: A bill (H. R. 13430) granting an increase of pension to Alice M. Price; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13431) granting an increase of pension to Jennie Peterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13432) granting an increase of pension to Caroline Spears; to the Committee on Invalid Pensions.

By Mrs. NORTON: A bill (H. R. 13433) for the relief of Henry Bess; to the Committee on Military Affairs.

By Mrs. OWEN: A bill (H. R. 13434) for the relief of Charles A. Wales; to the Committee on Claims.

By Mr. PARSONS: A bill (H. R. 13435) granting an increase of pension to Martha Stine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13436) granting a pension to Grover C. Etheridge; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 13437) granting a pension to Samuel Evans; to the Committee on Pensions.

Also, a bill (H. R. 13438) granting a pension to Levi Copas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13439) granting a pension to Flora A. Monroe; to the Committee on Invalid Pensions.

By Mr. RICH: A bill (H. R. 13440) for the relief of the Muncy Valley Private Hospital; to the Committee on Claims.

By Mr. ROBINSON: A bill (H. R. 13441) granting a pension to Lydia A. Havens; to the Committee on Invalid Pensions.

By Mr. SHANNON: A bill (H. R. 13442) for the relief of William George O'Neal; to the Committee on Military Affairs.

By Mr. SHOTT: A bill (H. R. 13443) granting a pension to Tom B. Jimmerfield; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 13444) granting an increase of pension to Lena B. Kelley; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 13445) for the relief of William G. Hubbard II, alias Andrew Palmer; to the Committee on Naval Affairs.

By Mr. SWING: A bill (H. R. 13446) for the relief of Hallie Coffman; to the Committee on Naval Affairs.

Also, a bill (H. R. 13447) for the relief of Louis Columbus De Perini; to the Committee on Naval Affairs.

By Mr. STULL: A bill (H. R. 13448) granting an increase of pension to Ellen Bennett; to the Committee on Invalid Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 13449) for the relief of Walter B. Smith; to the Committee on Expenditures in the Executive Departments.

By Mr. WITHROW: A bill (H. R. 13450) for the relief of Charles A. Besch; to the Committee on Pensions.

Also, a bill (H. R. 13451) to amend and correct the military record of Albert Kaman; to the Committee on Military Affairs.

Also, a bill (H. R. 13452) to amend and correct the military record of Frank Schneider; to the Committee on Military Affairs.

By Mr. WOLFENDEN: A bill (H. R. 13453) for the relief of Wayne Smallwood Vetterlein; to the Committee on Claims.

By Mr. WOODRUFF: A bill (H. R. 13454) for the relief of Helen Copeland; to the Committee on Claims.

By Mr. BUCKBEE: Resolution (H. Res. 313) to pay Ide Early, son of William Early, six months' compensation and an additional amount not exceeding $250 to defray funeral expenses of the said William Early; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8691. By Mr. BUCKBEE: Petition of Ella L. Brumbaugh, of Rockford, Ill., and 53 signers, asking Congress to enact a law establishing a Federal motion-picture commission, which would regulate the industry and supervise the production, especially in interstate commerce; to the Committee on Interstate and Foreign Commerce.

8692. By Mr. BOEHNE: Petition of members of Santa Claus (Ind.) Methodist Episcopal Church, protesting against repeal of the eighteenth amendment; to the Committee on the Judiciary.

8693. By Mr. CAMPBELL of Iowa: Petition of the Woman's Home Missionary Society of Galva, Iowa, urging support of Senate bill 1079, and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8694. Also, petition of the Woman's Home Missionary Society of Storm Lake, Iowa, and the Woman's Home Missionary Society of Rembrandt, Iowa, urging enactment of necessary legislation to regulate motion pictures by a Federal commission; to the Committee on Interstate and Foreign Commerce.

8695. By Mr. CANNON: Petition of Homer L. Inlow and other citizens of Curryville, Mo., protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8696. By Mr. CHRISTOPHERSON: Petition of citizens of Moody County, S. Dak., urging passing of Senate Bill 1079; to the Committee on Interstate and Foreign Commerce.

8697. By Mr. CULKIN: Petition of sundry citizens of the thirty-second congressional district of the State of New York (numbering 3,287 names), consisting of the counties of Oswego, Jefferson, Lewis, and Madison, protesting against

the return of beer and any legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on the Judiciary.

8698. Also, petition of Rose Payne Seigle, Cornelia C. Krumbhaar, and Josephine F. Bailey, all of Cazenovia, Madison County, N. Y., urging the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8699. By Mr. CURRY: Petition of Woman's Home Missionary Society of Oak Park Methodist Episcopal Church, Sacramento, Calif., urging enactment of law for Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8700. Also, petition of Woman's Home Missionary Society of Lodi, Calif., urging law to establish a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8701. Also, petition of Woman's Auxiliary, Federated Church, Fair Oaks, Calif., urging law to establish Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8702. By Mr. GRANFIELD: Petition of Clinton E. Bell et al. in behalf of the Springfield Constitutional Liberty League, urging outright repeal of the eighteenth amendment; to the Committee on the Judiciary.

8703. By Mr. GLOVER: Petition of citizens of the sixth congressional district, Lonoke County, Ark.; to the Committee on the Judiciary.

8704. By Mr. LAMBERTSON: Petition signed by citizens of Hiawatha, Kans., protesting against the passage of any measure providing for the manufacture of beer, and against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8705. Also, petition of citizens of Everest, Kans., favoring protest against the passage of any measure providing for the manufacture of beer, and against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8706. Also, petition signed by the Woman's Home Missionary Society of the Methodist Episcopal Church, of Blue Rapids, Kans., relative to the censorship and improvement of the motion-picture industry, etc.; to the Committee on Interstate and Foreign Commerce.

8707. Also, petitions signed by citizens of Horton, Kans., protesting against the manufacture of beer, or the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8708. By Mr. LINDSAY: Petition of the Upson Co., Lockport, N. Y., opposing a duty on wood pulp; to the Committee on Ways and Means.

8709. By Mr. LUCE: Petition of members of the Woman's Home Missionary Society and Epworth League of the Methodist Episcopal Church of Newton Upper Falls, Mass., relating to motion-picture censorship; to the Committee on Interstate and Foreign Commerce.

8710. Also, petition of residents of Chestnut Hill, Newton, Mass., regarding suspension of foreign debt payments due December 15, and the readjustment of the debt question; to the Committee on Ways and Means.

8711. Also, petition of Woman's Missionary Society of Newtonville, Mass., relating to motion-picture censorship; to the Committee on Interstate and Foreign Commerce.

8712. By Mr. McCORMACK: Petition of Central Council of Irish County Associations, Boston, Mass., Thomas F. Murray, president, Andrew J. Ryan, secretary, protesting against cancellation or any further extension of the moratorium on foreign debts; to the Committee on Foreign Affairs.

8713. By Mr. MEAD: Petition of Cosmopolitan Association of Erie County, condemning practice of immigration authorities of imprisoning indefinitely aliens subject to deportation; to the Committee on Immigration and Naturalization.

8714. By Mr. MILLIGAN: Petition signed by Ellis T. Johnston and other citizens of Cameron, Mo., protesting against the passage of any measures providing for the manufacture of beer, etc.; to the Committee on the Judiciary.

8715. By Mr. MOORE of Kentucky: Petition of certain widows and dependents of deceased veterans of the World War, of Bowling Green, Ky., urging passage of act to pension them; to the Committee on World War Veterans' Legislation.

8716. By Mr. NIEDRINGHAUS: Petition of Beulah M. Layman and 629 citizens of Overland and St. Louis County, Mo., protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8717. Also, petition of 83 residents of St. Louis, sent in by the Woman's Christian Temperance Union of St. Louis, protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8718. Also, petition of Marie Glaze and 33 other citizens of St. Louis and St. Louis County, protesting against the passage of any measure providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8719. By Mr. RICH: Petitions from Calvary Baptist Church Missionary Society, Third Street Methodist Church, and other organizations of Williamsport, Pa.; Woman's Christian Temperance Union, Woman's Home Missionary Society of the Trinity Methodist Episcopal Church, and other organizations in Clinton County and the sixteenth congressional district, protesting against the repeal of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8720. Also, petitions of the Woman's Christian Temperance Union of Jersey Shore, Pa., Picture Rocks, Avis, Williamsport, and other organizations in the sixteenth Pennsylvania district, protesting against the repeal of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8721. By Mr. ROBINSON: Petition signed by Mary Grace Ellis, president of the Woman's Christian Temperance Union, and about 40 other citizens of Greene, Iowa, protesting against any beer bill or the repeal or weakening of the eighteenth amendment; to the Committee on the Judiciary.

8722. Also, petition of Emma Hughes and 34 other citizens of Shell Rock, Iowa, protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8723. Also, petition of Rev. F. A. Smith, H. E. Mann, Sunday school superintendent, and 48 members of the Sunday school of Shell Rock, Iowa, protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8724. Also, resolution from L. E. Mark, service officer of the W. Paul Hyman Post, No. 188, American Legion, of Iowa Falls, Iowa, and signed by Ralph Harmon, adjutant of the post, urging that compensation or support of the ex-service men within and without hospitals shall not be taken away from them; to the Committee on World War Veterans' Legislation.

8725. By Mr. RUDD: Petition of Italian Chamber of Commerce in New York, favoring the repeal of the eighteenth amendment, and the enactment of legislation legalizing the alcohol contents of beverages to such limit as to include naturally fermented wines; to the Committee on Ways and Means.

8726. Also, petition of the Upson Co., Lockport, N. Y., opposing any duty on wood pulp; to the Committee on Ways and Means.

8727. Also, petition of the Corn Exchange, Buffalo, N. Y., opposing passage of the Hope bill, H. R. 12918, and the Norbeck bill, S. 4985, voluntary domestic allotment plan; to the Committee on Agriculture.

8728. By Mr. SHREVE: Petition of Woman's Christian Temperance Union of Cambridge Springs, Pa., protesting against the repeal of the eighteenth amendment or any change in the Volstead Act; to the Committee on the Judiciary.

8729. Also, petition of the Woman's Christian Temperance Union of Hartstown, Pa., protesting against the repeal of the eighteenth amendment or any change in the Volstead Act; to the Committee on the Judiciary.

8730. Also, petition of the Francis Willard Woman's Christian Temperance Union, of Erie, Pa., protesting against the repeal of the eighteenth amendment or any change in the Volstead Act; to the Committee on the Judiciary.

8731. Also, petition of the Woman's Christian Temperance Union of McKean, Pa., protesting against the repeal of the eighteenth amendment or any change in the Volstead Act; to the Committee on the Judiciary.

8732. Also, petition of the Woman's Christian Temperance Union of Millcreek, Pa., protesting against the repeal of the eighteenth amendment or any change in the Volstead Act; to the Committee on the Judiciary.

8733. By Mr. SMITH of Idaho: Petition of Mrs. O. F. Wood and 38 others, of Wilder, Idaho, protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8734. By Mr. STULL: Petition of Morrellville Church of the Brethren Sunday School, of Johnstown, Pa., opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8735. Also, petition of Grace Evangelical Church Sunday School and Christian Endeavor Society, of Johnstown, Pa., opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8736. Also, petition of Bethany Presbyterian Church, of Johnstown, Pa., David Miller Lyle, pastor, opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8737. By Mr. TAYLOR of Colorado: Petition of the Woman's Home Missions Society of Grand Junction, Colo., favoring enactment of legislation to establish a Federal motion-picture commission for the purpose of regulating motion pictures; to the Committee on Interstate and Foreign Commerce.

8738. Also, memorial from the officials of the city of Salida, Colo., urging legislation to provide for the issuance of national currency to municipalities on the pledge of their bonds; to the Committee on Banking and Currency.

8739. By the SPEAKER: Petition of Octavia I. Mills and other citizens of Chicago, opposing any legislation favoring the return of beer; to the Committee on the Judiciary.

8740. Also, petition of citizens of Missouri, protesting against the passage of any measure providing for the manufacture of beer or any change in the prohibition law; to the Committee on the Judiciary.

SENATE

THURSDAY, DECEMBER 8, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, who art the author of peace and lover of concord, in knowledge of whom standeth our eternal life, whose service is perfect freedom, grant to us anew the consciousness of Thine indwelling and fill us with an intense and throbbing power that shall transcend our highest aspirations, a passion of love toward Thee that shall rend the mantle of our self-esteem.

We stand in a day of judgment when men's hearts fail for fear and for looking for the things that are coming on the earth; do Thou therefore gird us with the fortitude that no disaster can shake, the peace that is won through struggle, the joy that suffers, the love that abides, the panoply of Him who overcomes the world and in whose name we pray, Jesus Christ, Thy Son our Lord. Amen.

SAM G. BRATTON, a Senator from the State of New Mexico, appeared in his seat to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On July 19, 1932:

S. 811. An act for the relief of Sophia A. Beers;

S. 2437. An act for the relief of the estate of Annie Lee Edgecumbe, deceased;

S. 4522. An act to authorize the conveyance to the State of Tennessee of certain land deeded to the United States for the Great Smoky Mountains National Park and not needed therefor;

S. 4574. An act to extend the provisions of the national bank act to the Virgin Islands of the United States, and for other purposes;

S. 4712. An act authorizing the sale of certain lands no longer required for public purposes in the District of Columbia;

S. 4747. An act to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea;

S. 4912. An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933;

S. 4976. An act granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the south fork, Forked Deer River, on the Milan-Brownsville Road, State Highway No. 76, near the Haywood-Crockett County line, Tennessee; and

S. J. Res. 206. Joint resolution making available to the Banking and Currency Committee of the Senate certain information in the possession of the Treasury Department and the Bureau of Internal Revenue.

On July 21, 1932:

S. 4569. An act relating to loans to veterans on their adjusted-service certificates.

On July 22, 1932:

S. 4661. An act to repeal an act entitled "An act to legalize the incorporation of national trades-unions," approved June 29, 1886.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kean	Schuyler
Austin	Couzens	Kendrick	Sheppard
Bailey	Cutting	Keyes	Shipstead
Bankhead	Dale	King	Shortridge
Barbour	Davis	La Follette	Smith
Barkley	Dickinson	Logan	Smoot
Bingham	Dill	Long	Steiwer
Black	Fess	McGill	Swanson
Blaine	Fletcher	McKellar	Thomas, Okla.
Borah	Frazier	McNary	Townsend
Bratton	Glass	Metcalf	Trammell
Broussard	Glenn	Moses	Tydings
Bulkley	Goldsborough	Neely	Vandenberg
Bulow	Grammer	Nye	Wagner
Byrnes	Hale	Oddie	Walcott
Capper	Harrison	Patterson	Walsh, Mass.
Caraway	Hastings	Pittman	Walsh, Mont.
Carey	Hatfield	Reed	Watson
Cohen	Hawes	Reynolds	Wheeler
Connally	Hayden	Robinson, Ark.	White
Coolidge	Hull	Robinson, Ind.	
Copeland	Johnson	Schall	

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is detained from the Senate by illness.

Mr. SHEPPARD. I desire to announce that the senior Senator from Illinois [Mr. LEWIS] is still detained on account of illness.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is detained on business in his home State.

Mr. COHEN. I desire to announce that my colleague the senior Senator from Georgia [Mr. GEORGE] is detained at his residence by illness.

Mr. METCALF. I wish to announce that my colleague [Mr. HEBERT] is unavoidably detained.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

SENATOR FROM UTAH

The VICE PRESIDENT laid before the Senate the credentials of ELBERT D. THOMAS, chosen a Senator from the State of Utah for the term beginning on the 4th day of March, 1933, which were ordered to be placed on file, as follows:

STATE OF UTAH,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, A. D. 1932, ELBERT D. THOMAS was duly chosen by the qualified electors of the State of Utah a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1933.

Witness his excellency our governor, George H. Dern, and our seal hereto affixed at Salt Lake City, Utah, this 28th day of November, A. D. 1932.

GEO. H. DERN, *Governor.*

By the governor:
[SEAL.] M. H. WELLING, *Secretary of State.*

COMMITTEE SERVICE

Mr. REED. Mr. President, I ask unanimous consent for the consideration of the order which I send to the desk.

The VICE PRESIDENT. Let it be reported.

The Chief Clerk read as follows:

Ordered, That Mr. HALE be excused from further service as chairman of the Committee on Naval Affairs.

That Mr. SHORTRIDGE be excused from further service as chairman of the Committee on Privileges and Elections.

That the following Senators are hereby appointed chairmen of the following committees:

Mr. HALE as chairman of the Committee on Appropriations;

Mr. SHORTRIDGE as chairman of the Committee on Naval Affairs;

Mr. GLENN as chairman of the Committee on Privileges and Elections;

Mr. VANDENBERG as chairman of the Committee on Enrolled Bills.

That Mr. HASTINGS be excused from further service as a member of the Committee on Military Affairs and be assigned to service on the Committee on Finance.

That Mr. DAVIS be assigned to service on the Committee on the District of Columbia.

That Mr. GRAMMER be assigned to service on the Committee on Appropriations, the Committee on Commerce, the Committee on the District of Columbia, and the Committee on Irrigation and Reclamation.

That Mr. SCHUYLER be assigned to service on the Committee on Enrolled Bills, the Committee on the Judiciary, the Committee on Military Affairs, the Committee on Naval Affairs, the Committee on Patents, and the Committee on Privileges and Elections.

That Mr. KEYES be assigned to service on the subcommittee of the Committee on Appropriations heretofore appointed under Senate Resolution No. 279 to consider the matter of further economies in governmental expenditures.

Mr. ROBINSON of Arkansas. Mr. President, I understand that the omnibus order which is asked for by the Senator from Pennsylvania [Mr. REED] respecting committee assignments relates to vacancies which have arisen and readjustments which are made necessary because of the death of former Senators Waterman, of Colorado, and Jones, of Washington, and the incoming of new Senators?

Mr. REED. Thas is correct.

Mr. ROBINSON of Arkansas. I have no objection.

The VICE PRESIDENT. Without objection, the order is entered.

PERSONAL EXPLANATION—DEMOCRATIC CAUCUS

Mr. LONG. Mr. President, I ask to take one or two minutes to read an excerpt from the New York Times.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Louisiana is recognized.

Mr. LONG. Mr. President, the New York Times of this morning contains the following relative to the Democratic caucus which was held yesterday:

Most of the Democratic members attended the conference. But Senator LONG, who had a feud with Senator ROBINSON of Arkansas, presiding, was absent.

I wish to say that I was present yesterday at the Democratic caucus and was one of the unanimous participants voting for the statement which was given out to the public. The only objection which I think the Senator from Arkansas could have had to my attendance was that I probably took up some time talking in the conference and I may have deprived him of several minutes which perhaps he wished for himself.

Mr. ROBINSON of Arkansas. Mr. President, in reference to the statement just made by the Senator from Louisiana, I desire to say that I am unable to understand how the report to which he has referred could have been made. It is entirely true that the Senator from Louisiana attended the conference throughout its session, participated in the deliberations of the conference, illuminated a number of subjects by his suggestions, and that the action of the conference was entirely unanimous. It is incomprehensible, I repeat, how such a story should be carried in the press.

I ask unanimous consent to have inserted in the RECORD a statement representing the suggestions of the conference touching legislation.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The statement referred to is as follows:

Senator ROBINSON of Arkansas recommends to the conference of Democratic Senators the following as a desirable program of procedure during the present session:

1. That priority be given to general appropriation bills when ready for consideration.

2. That the special order for December 8, the Philippine independence bill, be proceeded with.

3. That the banking bill (S. —, by Mr. GLASS), which was considered at length during the last session, be finally disposed of.

4. Agriculture, taxation, and unemployment relief legislation be taken up as soon as its preparation can be completed and be brought to a prompt decision in accordance with the pledges of the party.

5. Measures and amendments pertaining to economy and retrenchment to be acted upon with reasonable promptness when presented.

6. At any time when one of the foregoing subjects is not ready for consideration by the Senate, or if the Senate elects to proceed with the same, if a report of the Judiciary Committee has been made pertaining to the submission of an amendment to the Constitution to repeal the eighteenth amendment, a motion shall be made to proceed to its consideration.

7. In the event a revenue bill is sent to the Senate providing for the modification of the Volstead Act and for the imposition of a tax on beer, a motion shall be made to commit the same to the Judiciary Committee for report, including its constitutionality, and thereafter to the Finance Committee for report upon its revenue features, and following such report and during the present session of the Congress a vote shall be taken on the passage of the bill.

8. Efforts to be made to secure action on the resolutions of ratification relating to the World Court protocols.

EXPENDITURES OF THE COURT OF CUSTOMS AND PATENT APPEALS

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a statement of expenditures under appropriations for the United States Court of Customs and Patent Appeals for the fiscal year ended June 30, 1932, which, with the accompanying statement, was referred to the Committee on the Judiciary.

SPECIAL CONTRACTS WITH RAILROADS FOR MAIL TRANSPORTATION

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, reporting, in compliance with law, relative to special contracts made with railroad companies for the transportation of the mails, and the terms and reasons therefor, which was referred to the Committee on Post Offices and Post Roads.

REPORT OF THE INTERSTATE COMMERCE COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the forty-sixth annual report of the commission covering the period from November 1, 1931, to October 31, 1932 (except as otherwise noted),

which, with the accompanying report, was referred to the Committee on Interstate Commerce.

REPORT OF THE FEDERAL FARM BOARD—DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON TO THE AMERICAN NATIONAL RED CROSS

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Farm Board, submitting, pursuant to Public Resolution No. 43 (72d Cong.) making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

CHANGE IN THE DATE OF THE INAUGURATION

The VICE PRESIDENT laid before the Senate a communication from the Governor of the State of West Virginia, with an accompanying joint resolution of the State legislature, which, with the attached resolution, was ordered to lie on the table, as follows:

STATE OF WEST VIRGINIA,
EXECUTIVE DEPARTMENT,
Charleston, December 6, 1932.

To the Hon. CHARLES CURTIS,
The Vice President, the United States Senate.

MY DEAR SIR: Carrying out the direction of our State legislature, there is sent you herewith an authentic copy of House Joint Resolution No. 2, adopted by the Legislature of West Virginia in extraordinary session on the 30th day of July, 1932, attested by the clerk of the State senate and by the clerk of the house of delegates, ratifying the lame duck amendment to the Federal Constitution.

Very truly yours,

WM. G. CONLEY, *Governor.*

House Joint Resolution 2 (by Mr. Thornhill)

Relating to the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress

Whereas at the first session of the Seventy-second Congress of the United States of America it was resolved by the Senate and House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein) that the following article be proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as part of the Constitution, viz:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified, and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice may have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission": Therefore be it

Resolved by the Legislature of the State of West Virginia, That the foregoing amendment to the Constitution of the United States of America be, and the same is hereby ratified to all intents and purposes as a part of the Constitution of the United States.

2. That the Governor of the State of West Virginia is hereby requested to forward to the Secretary of State and to the presiding officer of the United States Senate and to the Speaker of the House of Representatives of the United States an authentic copy of the foregoing resolution. The clerk of the house and secretary of the senate are hereby instructed to send to the governor a certified copy of the action of the house and senate on this resolution.

We, M. S. Hodges, clerk of the Senate of West Virginia, and R. H. Kidd, clerk of the House of Delegates of West Virginia, hereby certify that the foregoing resolution was regularly adopted by the Legislature of West Virginia on July 30, 1932.

M. S. HODGES,
Clerk of the Senate.
R. H. KIDD,
Clerk of the House of Delegates.

REPORT OF THE BUREAU OF EFFICIENCY

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Appropriations:

To the Congress of the United States:

As required by the acts of March 4, 1915, and February 28, 1916, I transmit herewith the report of the United States Bureau of Efficiency for the period from November 1, 1931, to October 31, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

PROMOTIONS FROM LOWER GRADE IN VARIOUS DEPARTMENTS OR ESTABLISHMENTS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying statement, referred to the Committee on Appropriations:

To the Congress of the United States:

Pursuant to the provisions of section 202 of the act entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," approved June 30, 1932, there is inclosed herewith a statement showing the vacancies which have been filled by the appointment of employees of a lower grade.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

REPORT OF THE CIVIL SERVICE COMMISSION

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Civil Service:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States, approved January 16, 1883, I transmit herewith the forty-ninth annual report of the United States Civil Service Commission for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

NOTE.—Report accompanied similar message to the House of Representatives.

REPORT OF THE GOVERNOR OF THE PANAMA CANAL

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Interoceanic Canals:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

REPORT OF BOARD OF DIRECTORS, PANAMA RAILROAD CO.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Interoceanic Canals:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the eighty-third annual report of the Board of Directors of the Panama Railroad Co. for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

REPORT OF THE JUVENILE COURT OF THE DISTRICT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on the Judiciary:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a communication from the judge of the Juvenile Court of the District of Columbia, together with a report covering the work of the Juvenile Court during the year ending June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

NOTE.—Report accompanied similar message to the House of Representatives.

REPORT OF PERRY'S VICTORY MEMORIAL COMMISSION

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on the Library.

To the Congress of the United States:

I transmit herewith for the information of the Congress the thirteenth annual report of the Perry's Victory Memorial Commission for the year ended December 1, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

MEMORIALS AND ENTOMBMENT OF BODIES IN THE ARLINGTON MEMORIAL AMPHITHEATER

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Military Affairs:

To the Congress of the United States:

In compliance with the requirements of the act of Congress of March 4, 1921, I transmit herewith the annual report of the Commission on the Erection of Memorials and Entombment of Bodies in the Arlington Memorial Amphitheater for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

REPORT OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Naval Affairs:

To the Congress of the United States:

In compliance with the act of March 3, 1915, which established the National Advisory Committee for Aeronautics, I submit herewith the eighteenth annual report of the committee for the fiscal year ended June 30, 1932.

It is noted that the committee reports material and gratifying improvements in aircraft performance and reliability, and that the steady advances in technical development have increased the relative importance of aviation as an arm of national defense and as an agency of transportation.

In the new phase of the industrial age upon which the country is entering substantial achievements will rest largely on the stimulation given to scientific research. The remarkable progress of aeronautics since the war is a demonstration of the value and necessity of research.

The National Advisory Committee for Aeronautics is the governmental agency for coordinating and conducting fundamental research in aeronautics. I concur in the committee's opinion that America should keep at least abreast of other nations in the development of aviation and believe that the best way to assure this is to provide for the continuous prosecution of organized scientific research.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

NOTE.—Report accompanied similar message to the House of Representatives.

REPORT OF THE ALASKA RAILROAD

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

I transmit herewith for the information of the Congress the annual report of the Alaska Railroad for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

NOTE.—Report accompanied similar message to the House of Representatives.

REPORT OF THE GOVERNOR OF PUERTO RICO

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

As required by section 12 of the act of Congress of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith for the information of the Congress the thirty-second annual report of the Governor of Puerto Rico for the fiscal year ended June 30, 1932.

This report contains valuable information which, it is believed, should be available in permanent form. It has heretofore been customary for the President to recommend to the Congress the printing of the annual report of the Governor of Puerto Rico, the cost of such printing being charged against War Department appropriations. In the present case, however, due to special conditions not ordinarily obtaining, the government of Puerto Rico has arranged to make available to the War Department a number of printed copies of the inclosed report, sufficient to meet the minimum needs of the Federal executive departments and also to supply a limited number of copies for the requirements of the Congress. In view of these facts, and of the urgent need of effecting exceptional economies at this time, the customary recommendation for the printing of the inclosed annual report is omitted.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

NOTE.—Report accompanied similar message to the House of Representatives.

PUERTO RICAN FRANCHISES

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

As required by section 38 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith certified copies of each of nine franchises granted by the Public Service Commission of Puerto Rico. The franchises are described in the accompanying letter from the Secretary of War transmitting them to me.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ACTS OF TWELFTH PUERTO RICAN LEGISLATURE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying document, referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith certified copies of each of eight acts and three joint resolutions enacted by the twelfth Puerto Rican Legislature during its fourth special session, from October 18 to 21, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

LAWS, ETC., TWELFTH LEGISLATURE OF PUERTO RICO

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying document, referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith copies of the laws and resolutions enacted by the twelfth Legislature of Puerto Rico during its third special session, from June 21 to July 4, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting copy of a resolution of the Provincial Board of Negros Occidental, P. I., adopted by the municipal government of Kabankalan, Negros Occidental, P. I., and indorsed by the Provincial Board of Negros Occidental, favoring the passage of legislation limiting the free entry of Philippine sugar to that produced from the land now actually dedicated to the cultivation of sugar-cane, which, with the accompanying papers, was referred to the Committee on Finance.

Mr. BINGHAM presented a petition of sundry citizens of New Haven, Conn., praying for a reduction in naturalization fees, which was referred to the Committee on Immigration.

He also presented the petition of the Woman's Home Missionary Society of the Methodist Church of Milford, Conn., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented a resolution of the Young People's Society of Christian Endeavor of the Scotland Congregational Church, of Scotland, Conn., protesting against the proposed repeal of the eighteenth amendment of the Constitution or the legalization of alcoholic beverages, which was referred to the Committee on the Judiciary.

He also presented memorials of members of the Second Congregational Church and the Church School of Manchester and sundry citizens of South Manchester, in the State of Connecticut, remonstrating against the passage of legislation legalizing the manufacture and sale of light wines and beers, which were referred to the Committee on the Judiciary.

Mr: CAPPER presented a resolution adopted by the independence group of the United Brethren in Christ, at Coffeyville, Kans., protesting against the passage of legislation to repeal the eighteenth amendment of the Constitution and favoring the strict enforcement of the national prohibition law, which was referred to the Committee on the Judiciary.

He also presented memorials of the Allen County Law Enforcement League, of Iola; members of the Christian Church, of Ogallah; and sundry citizens of Hiawatha, Gardner, Little River, and Hazelton, all in the State of Kansas, remonstrating against the passage of legislation to repeal the eighteenth amendment of the Constitution and favoring the strict enforcement of the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. GRAMMER presented petitions of the Pierce County Woman's Christian Temperance Union, the Carrie Barge Woman's Home Missionary Society, the Epworth Woman's Home Missionary Society, all of Tacoma, and Trinity Methodist Episcopal Aid and Home Missionary Society, of Seattle, all in the State of Washington, praying for the passage of legislation providing supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

He also presented petitions of Trinity Methodist Episcopal Ladies' Aid and Home Missionary Society, of Seattle; the Carrie Barge Woman's Home Missionary Society, the Epworth Woman's Home Missionary Society, the Pierce County Woman's Christian Temperance Union, and the Seventh Ward Woman's Christian Temperance Union, all of Tacoma, in the State of Washington, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. COPELAND presented memorials, numerously signed, of sundry citizens and organizations of the State of New York, remonstrating against the passage of legislation legalizing alcoholic liquors of more than one-half of 1 per cent of alcohol, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by officers and members of Ladies' Auxiliary, No. 37, to Branch No. 36, National Association of Letter Carriers, New York City, N. Y., favoring the repeal of the so-called economy act affecting Government employees, which was referred to the Committee on Appropriations.

He also presented a memorial, numerously signed, of sundry citizens of Hornell, N. Y., remonstrating against the proposed transfer of European debts to American taxpayers, which was referred to the Committee on Finance.

He also presented resolutions of the Woman's Home Missionary Societies of the Methodist Episcopal Church of Voorheesville; the Grace Methodist Church, of Brooklyn; and the Elizabeth Sanford Society, of Endicott, all in the State of New York, favoring the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented resolutions adopted by the Elizabeth Sanford Society, of Endicott, and the Woman's Home Missionary Society, of Rensselaer, both in the State of New York, favoring the passage of legislation providing for supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

Mr. ROBINSON of Indiana presented petitions of over 1,500 citizens of Delaware County, Ind., praying for the retention of the eighteenth amendment of the Constitution, and protesting against the modification or repeal of the so-called Volstead law, which were referred to the Committee on the Judiciary.

ECONOMY AND FURLOUGH PLAN

Mr. ROBINSON of Indiana. Mr. President, I present and ask unanimous consent to have printed in the RECORD and referred to the Committee on Appropriations a letter in the nature of a memorial from a committee of substitute postal employees of the Indianapolis, Ind., post office, protesting against the continuation of the so-called economy and furlough plan.

There being no objection, the letter in the nature of a memorial was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

INDIANAPOLIS, IND., *December 6, 1932.*

Hon. ARTHUR R. ROBINSON,
United States Senate, Washington, D. C.

ESTEEMED SIR: We beg leave herein to state that we believe certain misunderstandings exist in the enforcement of the economy and furlough bill, and we hope to furnish you with facts to substantiate our belief.

The law says in effect that all Federal employees having an annual income of $1,000 or more shall either be furloughed one calendar month without pay or have 8⅓ per cent deducted from such income. Most of these employees enjoy a fixed annual salary, and are guaranteed a permanent stipulated amount, with no fluctuations or variations from year to year. For them the law is plain.

However, there are many substitute postal employees who have no definite salary and are guaranteed nothing at all. Their rate of remuneration is a given amount per hour, and the hour rather than the year is the unit of time used in calculating their earnings. Yet never has any substitute postal employee been guaranteed employment for any certain number of hours during any certain year or period. The above-mentioned law is to be effective

for one year from July 1, 1932, but on June 30, 1932, no substitute had any guaranty or definite assurance of a single hour of employment during the ensuing year.

In our own case we are paid 65 cents per hour when employed. Ie was ruled that we were subject to the 8½ per cent deduction, because by working 8 hours per day for 306 days at 65 cents per hour our annual income would exceed $1,000. (See letter from Mr. McCarl to Mr. MEAD, published in the September Postal Record, p. 400.) We agree with this statement, and if it were true that we actually do work 8 hours per day 306 days per annum at 65 cents per hour, then this letter would never have been written. That would mean a total of 2,448 hours annually. If the Government will guarantee the substitute postal employees 2,448 hours annual employment at 65 cents per hour, never a murmur of complaint regarding deductions will ever be heard.

Let us briefly compare this highly hypothetical situation with the actual present-day situation as it now exists for the substitute. The former would provide 204 hours' employment per month, but the average substitute of to-day is receiving less than 100 hours per month. At 65 cents per hour this 204 hours would amount to a monthly salary of $132.60, yet the monthly pay check of the substitute postal employee at present is approximately $50. A guarantee of 2,448 hours at 65 cents per hour would result in a yearly income of $1,591.20, but judging from their salaries of the past five months, miracles will be happening to many substitutes in the next seven months if they earn $1,000 during the present fiscal year.

Until the substitute is guaranteed a stipulated annual income, these deductions seem illogical, and in all justice should be discontinued at once. Should you see this situation as we do and be willing to do so, we should be pleased if you would see fit to immediately take exception to a continuation of this practice of deducting 8½ per cent from the pay of substitute postal employees.

Yours sincerely,

W. E. WOODY.
T. M. GREENWOOD.
A. O. INMAN, *Secretary.*

REPEAL OF THE EIGHTEENTH AMENDMENT—PETITION OF THE PEOPLE OF THE STATE OF CONNECTICUT

Mr. BINGHAM. Mr. President, I send to the desk a petition from citizens of Connecticut, which I ask may be read and appropriately referred.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

STATE OF CONNECTICUT,
OFFICE OF THE SECRETARY.

The people of the State of Connecticut petition the Congress of the United States to submit to the several States the following amendment to the Federal Constitution:

"ARTICLE XX. Article XVIII of the amendments to this Constitution is hereby repealed. The power to regulate or to prohibit the manufacture, sale, or transportation of intoxicating liquors is reserved to the several States. The Congress shall have the power to regulate the sale or transportation of intoxicating liquors in interstate commerce in a manner not to abridge or deny the powers herein reserved to the several States."

A majority of the electors of the State of Connecticut, in accordance with an act duly enacted by the General Assembly of the State of Connecticut, voted to submit the petition to the Federal Congress.

Witness the great seal of the State of Connecticut, affixed at Hartford, in said State, on the 1st day of December, 1932.

[SEAL.] WILLIAM L. HIGGINS, *Secretary.*

The VICE PRESIDENT. The petition will be referred to the Committee on the Judiciary.

THE PHILIPPINES

Mr. BINGHAM. Mr. President, I have received a petition from the legislative commission from the Philippines with regard to a bill which has been introduced in the Congress. I ask that the petition may be printed in the RECORD and lie on the table.

There being no objection, the petition was ordered to lie on the table and to be printed in the RECORD, as follows:

LEGISLATIVE COMMISSION FROM THE PHILIPPINES,
Washington, D. C., December 6, 1932.

Hon. HIRAM BINGHAM,
Chairman Committee on Territories and Insular Affairs,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: In view of the latest data as to the actual amount of sugar produced in the Philippines last year (1931–32 crop) and the most authoritative estimates of the year 1932–33, all of which bear on the determination of what should be the limitation on free Philippine sugar imports to the United States in accordance with the underlying principles of the Philippine bill now pending before the Senate, we feel it our duty to invite the attention of your committee to the following facts and considerations:

The Committee on Insular Affairs in reporting to the House the Philippine bill now pending in the Senate, described the salient provisions of the bill and said:

"Pending final relinquishment of American sovereignty the free importation of certain Philippine products into the United States shall not exceed specified limits based upon the status quo as represented by estimated importations from existing investments."

This wording is identical with that used by the Committee on Territories and Insular Affairs in reporting their bill to the Senate.

Both committees felt that in fixing the limitation of the amount of sugar to be brought in from the Philippine Islands free of duty at 800,000 long tons of centrifugal sugar and 50,000 tons of refined sugar, they were carrying out the principles enunciated in the House committee's statement quoted above. This view was based on the data available to the committees at the time they made their reports.

The United States Department of Commerce reports the actual importation of sugar into the United States from the Philippine Islands for the 10 months ending October 31, 1932, to be 856,000 long tons, that is to say, the importation for the first 10 months of this year is already in excess of the limit fixed by the bill.

The total production of sugar in the Philippine Islands in the crop year 1931–32 is reported by the Philippine Sugar Association to be 984,000 long tons. It is probable, therefore, since the normal consumption of centrifugal sugar in the Philippine Islands does not exceed 75,000 tons, that the total importation to the United States will reach 900,000 long tons.

The deviation from the principles enunciated will become greater before the bill is enacted and certainly before the limitation would become effective.

The estimate of Willett & Gray and of the Philippine Sugar Association of production from the crop 1932–33, which is now being harvested and in process of milling, is 1,100,000 long tons. There will be exported from this crop to the United States 950,000 tons of centrifugal sugar and 75,000 tons of refined sugar, assuming Philippine consumption to be normal and the distribution between centrifugal and refined sugar to be normal. This is the actual status quo to-day in the Philippine Islands as to production of sugar and of exportation of sugar duty free to the United States.

Again, when we view the situation of present investments in the Philippine Islands, the necessity of considering the additional data now available becomes more pressing.

The capacity of the present mills in the Philippine Islands which represent existing investments there is 1,200,000 tons of sugar per annum. As this sugar is exported to the United States, with the exception of about 75,000 tons consumed in the islands, the limit based on present investments should be 1,025,000 tons of centrifugal sugar and 75,000 tons of refined sugar.

In further justification of these suggested increases in the limit it should be said that the limit is based on the present crop and allows nothing for a normal increase prior to the establishment of the Commonwealth of the Philippines when the limitations become effective.

It is clear from the foregoing that if the specified limits in the bill are to be based on the status quo as represented by estimated importations from existing investments, the limit in the bill should be not less than 1,025,000 tons of centrifugal sugar and 75,000 tons of refined sugar. This is allowing 100,000 tons of centrifugal sugar for home consumption.

We hope that in view of these facts and considerations the committee will find it proper and advisable to increase the limitations as herein suggested. This will be in accordance with the principles enunciated in the reports on the bill and which we have every reason to believe the committees intended to carry out.

In the belief that you would not deem it improper, we have mailed a copy of this letter to each member of your committee.

Anticipating with our sincere thanks your attention to this matter, which, as you will see, is of great importance, we are

Very respectfully,
For the Philippine Commission:

S. OSMENA.
MANUEL ROXAS.

REDISCOUNT OF MUNICIPAL LOANS TO RELIEVE UNEMPLOYMENT

Mr. WAGNER. I ask to have printed in the RECORD a resolution passed by the Conference of Mayors and Other Municipal Officials of the State of New York seeking amendment to the Federal reserve bank act to permit, under proper restrictions, the Federal reserve banks to discount municipal loans to relieve unemployment.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

CONFERENCE OF MAYORS AND
OTHER MUNICIPAL OFFICIALS
OF THE STATE OF NEW YORK,
Albany, N. Y., December 2, 1932.

Hon. ROBERT F. WAGNER,
Senator, Washington, D. C.

MY DEAR SENATOR: May I again call to your attention the following resolution which was unanimously adopted at the last annual meeting of the conference:



"*Resolved*, That the cities and first-class villages of New York State, through the New York State Conference of Mayors and Other Municipal Officials, petition the President and the Congress to amend the Federal reserve bank act to permit, under proper restrictions, the Federal reserve bank to rediscount municipal loans to relieve unemployment and need."

This resolution has also been indorsed by the American Municipal Association, composed of the secretaries of State leagues of municipalities in over 40 States. It is also receiving the support of each of these State leagues.

You will, therefore, see that the proposal will this winter have the active support of most of the cities of the Nation.

It is the hope of the conference that you will actively advocate and support this proposal. It offers genuine assistance to the municipalities and will not place any financial burden on the Federal Government.

Very truly yours,

W. P. CAPES,
Executive Secretary.

THE EIGHTEENTH AMENDMENT

Mr. DAVIS presented a telegram from citizens of Punxsutawney, Pa., which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

PUNXSUTAWNEY, PA., *December 5, 1932.*

Hon. J. J. DAVIS,
3012 Massachusetts Avenue, Washington, D. C.:

Citizens of the city of Punxsutawney assembled to-day in the First Methodist Church, and representing all evangelical denominations, earnestly petition you to oppose the nullification of the eighteenth amendment by voting against any bill to legalize beer or wine of more than one-half per cent alcohol or to weaken the present Volstead law or its enforcement, and, further, we ask your assistance in the opposition of every move to repeal the eighteenth amendment. We also petition the Senate to the same effect through the reading or filing of this petition.

Thos. D. Barnette, United Brethren; Mrs. Anna M. Babcock, Lutheran; Mrs. Nora E. Stevenson, Reformed; Mrs. H. A. Gardner, Presbyterian; Dr. Leroy Halbert, First Baptist; Dr. H. Eugene Curtis, First Methodist; Rev. S. M. Cousins, Grace Methodist; V. E. Carr, gatekeeper Pennsylvania State Grange; O. L. Landis, Railroad Y. M. C. A.; Vesper Smith, Central Y. M. C. A.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 40) to provide for the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives on House Joint Resolution 123, relating to moratorium on foreign debts, in which it requested the concurrence of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 5086) authorizing the Reconstruction Finance Corporation to make loans to aid in refunding or refinancing certain obligations of irrigation companies and drainage districts; to the Committee on Banking and Currency.

By Mr. BYRNES:

A bill (S. 5087) to provide for the carrying out of permanent improvement projects and to authorize the issuance of bonds for such purposes; to the Committee on Appropriations.

By Mr. REYNOLDS:

A bill (S. 5088) authorizing the United States Employees' Compensation Commission to consider the claim of Martin Luther Mauney; to the Committee on Claims.

By Mr. AUSTIN:

A bill (S. 5089) granting an increase of pension to Mary H. Hill; to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 5090) for the relief of Ida M. Farley; to the Committee on Claims.

A bill (S. 5091) for the relief of Merle (Mearl) Arthur Lewis; to the Committee on Naval Affairs.

A bill (S. 5092) granting a pension to Frank Albert Pollock; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 5093) authorizing the Secretary of War to extend the services and operations of the Inland Waterways Corporation to the Columbia River and its tributaries, and for other purposes; to the Committee on Commerce.

A bill (S. 5094) for the relief of Calvin Grizzel; to the Committee on Naval Affairs.

A bill (S. 5095) granting a pension to Grace V. Foster (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 5096) for the relief of Sarah McKibing; to the Committee on Finance.

A bill (S. 5097) granting a pension to Mary E. Beitzell (with accompanying papers);

A bill (S. 5098) granting a pension to Armanella Caylor (with accompanying papers);

A bill (S. 5099) granting a pension to William A. Culiver (with accompanying papers);

A bill (S. 5100) granting a pension to Emma Grunden (with accompanying papers);

A bill (S. 5101) granting a pension to Sarah Hamilton (with accompanying papers);

A bill (S. 5102) granting a pension to Carter Hayes (with accompanying papers);

A bill (S. 5103) granting a pension to Mary C. Heck (with accompanying papers);

A bill (S. 5104) granting a pension to Elva A. Houk (with accompanying papers);

A bill (S. 5105) granting a pension to Lincoln Hubster (with accompanying papers);

A bill (S. 5106) granting a pension to Nellie C. Manning (with accompanying papers);

A bill (S. 5107) granting a pension to Sarah E. Mattingly (with accompanying papers);

A bill (S. 5108) granting a pension to Lot Noe (with accompanying papers);

A bill (S. 5109) granting a pension to Clarence Price (with accompanying papers);

A bill (S. 5110) granting an increase of pension to Mahalia Davison (with accompanying papers);

A bill (S. 5111) granting an increase of pension to Samantha Haiston (with accompanying papers);

A bill (S. 5112) granting an increase of pension to Eliza Landers (with accompanying papers);

A bill (S. 5113) granting an increase of pension to Amanda E. Martin (with accompanying papers);

A bill (S. 5114) granting an increase of pension to Robert J. McPherson (with accompanying papers);

A bill (S. 5115) granting an increase of pension to Margaret McWilliams (with accompanying papers);

A bill (S. 5116) granting an increase of pension to Amelia Sheets (with accompanying papers); and

A bill (S. 5117) granting an increase of pension to Olleatha Stites (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 5118) for the relief of David G. Caldwell; to the Committee on Military Affairs.

A bill (S. 5119) to repeal all laws authorizing the granting of ocean-mail subsidies; and

A bill (S. 5120) to repeal the act approved April 29, 1930, amending the air mail act, as amended; to the Committee on Post Offices and Post Roads.

By Mr. CUTTING:

A bill (S. 5121) to amend Title I of the emergency relief and construction act of 1932, approved July 21, 1932 (47 Stat. L. 709), by authorizing cooperation by the Federal Government with the several States and Territories in relieving distress among unemployed needy transients; to the Committee on Manufactures.

By Mr. SMITH:

A bill (S. 5122) to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture; to the Committee on Agriculture and Forestry.

A bill (S. 5123) extending the time for consideration of application for retirement of Otis L. Sims under the emergency officers' retirement act; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 5124) for the relief of William Frank Dunn; to the Committee on Naval Affairs.

By Mr. COSTIGAN and Mr. LA FOLLETTE:

A bill (S. 5125) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes; to the Committee on Manufactures.

AMENDMENT TO PHILIPPINE INDEPENDENCE BILL

Mr. REED submitted an amendment intended to be proposed by him to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which was ordered to lie on the table and to be printed.

PRODUCTION COSTS OF PHOSPHATES AND SUPERPHOSPHATE

Mr. WALSH of Montana submitted a resolution (S. Res. 298), which was considered by unanimous consent and agreed to, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Phosphates, classified under paragraph 1740 of such act, and superphosphate.

EXTENSION OF TERMS OF PRESIDENT AND HOUSE MEMBERS

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Col. O. R. McGuire, member of the Virginia Bar, entitled "Extend the Terms of the President and Members of the House."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXTEND THE TERMS OF THE PRESIDENT AND MEMBERS OF THE HOUSE

By Col. O. R. McGuire, A. M., L. L. B., S. J. D., member of the Virginia Bar

No man in high public office is able to perform the duties of that office in the interest of the American people without arousing opposition, and this is particularly true of the President of the United States. The last campaign, regardless of whether we be Democrats or Republicans, must have again demonstrated to the people of this country that it is highly undesirable for their Chief Magistrate to be compelled to seek nomination and reelection for vindication of his first-term policies. This situation was recognized shortly after Thomas Jefferson left the White House and the years have added cumulative evidence as to its undesirability as well as the requirement that Members of the House of Representatives be reelected every two years.

It remained for Senator MILLS M. LOGAN, Democrat, formerly chief justice of the Kentucky Court of Appeals, to introduce in the Seventy-second Congress Joint Resolution No. 158, proposing an amendment to the Constitution of the United States, in two sections, as follows:

"SECTION 1. The executive power shall be vested in a President of the United States of America chosen every seventh year after the ratification of this article by the requisite number of States, and together with the Vice President chosen for the same term shall be ineligible for any other successive term as President or Vice President of the United States of America, respectively. This section shall take effect at the end of the term of the President in office when this article shall have been ratified by the requisite number of States.

"SEC. 2. The House of Representatives shall be composed of Members chosen, as their terms expire, every fourth year after the ratification of this article by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures."

In substance, this proposed amendment changes the existing Constitution in two particulars: (1) It extends the term of the President and Vice President from four to seven years and makes them ineligible to succeed themselves; and (2) it extends the terms of Members of the House of Representatives from two to four years. Under the proposed amendment, the President and Members of the House of Representatives would not be up for election at the same time except once every 28 years. However, due to the fact that under Article I, section 3, of the Constitution, the Members of the Senate are divided into three classes, one-third of them being elected every two years, the President and one-third of the Senate would be elected at the same time every 14 years. This plan would avoid the present conflict between national and local elections.

Under the present procedure the entire membership of the House and one-third of the membership of the Senate are elected every two years, and it has been an incident of our Government since the days of President John Adams that a President in office may find himself confronted for the second two years of his term with a hostile majority in the House, with loss of party control in the Senate or the Senate control reduced to such a narrow margin that the balance of power is held by a few men who do not hesitate to use it for their own purposes.

There are others who point out that at least since the adoption of the seventeenth amendment and the popular election of Senators party ties in the Senate are much more flexible than at any other time in our history; that Senators who are nominally members of the political party in power do not hesitate to oppose the President when such opposition seems to be demanded either by the principles of the particular Senators or their constituents; that majority members of the House have voted time and again to override the presidential veto of legislation demanded by organized minorities; and that the vast amount of legislation is nonpartisan rather than partisan in character.

Those who take this view insist that legislation may no longer be passed through the House and Senate under the lash of the party whip; that the demands of organized minorities and the administrative bureaucracy can not be resisted by Members of the House who are unfamiliar with the workings of the Government and who must make both a primary and an election campaign every two years, and that it is far better for the people of the country to extend the terms of Members of the House to four years, so that they may have time to learn the duties of their offices and that they may be more independent of organized minorities in their respective districts.

It will be remembered that in 1787 the chief executives of all the States, except New York and Massachusetts, were elected by the State legislatures for comparatively short periods of time and that it was not until the Committee of Eleven reported on September 4, 1787, that there was a concrete proposal before the convention for the election of a President by electors rather than by one or the other or both Houses of Congress. The Committee of Eleven substituted four years in lieu of seven years, which the convention had placed in the blank left in the Virginia plan when it was offered by Randolph as to the term of the President. The convention finally approved both the mode of election and the term as recommended by the Committee of Eleven.

Of course, the example of Washington in refusing to accept the presidential office for a third term has been followed by all of his successors who might possibly have been elected for more than eight years, and the practical operation of the plan of electing a President by electors selected for that purpose from the various States had demonstrated since the days of Jefferson that there is no possibility of the electors meeting and exercising their independent judgment in the selection of a President as was intended by the fathers of the Constitution. About all that we have gained through this plan is the privilege of having the President and his administrative appointees devote a large part of their time during the first 4-year term in preparing for the nomination and election for the second 4-year term, with the more or less violent disturbance of business during election years and with organized minorities busily engaged for or against certain of the candidates.

It certainly adds nothing to either the dignity nor efficiency of the President to compel him to seek a second term in order to vindicate his work during his first term. His Cabinet would doubtless be at their desks supervising the vast work of their respective departments, but for the fact that the present 4-year term of the President makes it necessary for them to devote many days to campaigning, leaving the departments in the nominal charge of some subordinate.

Ex-President and late Chief Justice Taft knew these things at first hand and he stated in Our Chief Magistrate and His Powers that:

"I am strongly inclined to the view that it would have been a wiser provision, as it was one time voted in the convention, to make the term of the President six or seven years, and render him ineligible thereafter. Such a change would give to the Executive greater courage and independence in the discharge of his duties. The absorbing and diverging interest in the reelection of the incumbent, taken by those Federal civil servants who regarded their own tenure as dependent upon his, would disappear and the efficiency of administration in the last 18 months of a term would be maintained."

The greatest objection to a term divisible by two is, in my opinion, the frequent instances when the President, Members of the House and Senate, State officers, and even municipal officers are up for election or reelection in the same campaign, and when there are so many cross currents that the voters become confused as to the issues of the campaign and the merits of the various candidates. National and local issues become so involved that even Lord Bryce observed that we easily have the worst local government of any civilized country, and many really good men are swept to defeat along with the candidate of their party for President. A 5-year term with ineligibility is too short to enable a President to accomplish very many things, while a 7-year term would appear to be none too long when coupled with ineligibility to succeed himself.

The constant drain on the Public Treasury as the result of demands of organized minorities, the growth of the Federal bureaucracy, and the public confession of a chairman of the Committee on the Judiciary of the House before the last annual meeting of the American Bar Association that a Member of Congress did not now have time to read a fraction of the bills introduced in Congress and could not know the details of these bills before his committee, much less before Congress, unless he happened to be a member of a subcommittee of two or three who were assigned to conduct hearings on the bills, render it imperative that Members

of the House be relieved of a part of the burdensome load they are now attempting to carry.

If they are given a 4-year term, there will be eliminated the necessity of making two campaigns every two years, the Members of the House will have more time in which to learn the various functions of the Federal Government, and they will be more able to assist the demands of organized minorities intent on some advantage at the expense of the Public Treasury.

This proposed amendment merits the most careful study and consideration of all thoughtful men and women concerned as to the future of our governmental institutions.

SALVAGING THE RAILROADS

Mr. COOLIDGE. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the December number of the Atlantic Monthly under the title "Salvaging Our Railroads," written by Judge George W. Anderson, former member of the Interstate Commerce Commission.

There being no objection, the article was ordered to be printed in the Appendix, as follows:

SALVAGING OUR RAILROADS

By Judge George W. Anderson

I

Our rail transportation system is one spot in our diseased financial and economic structure that is susceptible of fairly effective remedy. With a net investment of about nineteen billions, the market value of the railroad stocks and bonds has during the past summer run from less than seven billions to about ten billions on October 1. About three-fourths of this ten billions, or seven and one-half billions, represents the market value of over twelve billions of bonds; the balance, two and one-half billions, about seven billions of stock. The latest reports of the Interstate Commerce Commission indicate that class 1 roads will, in 1932, fall short of earning their interest charges by over $200,000,000.

Only radical changes in organization, in management, and in control can save from tremendous losses the millions of owners of these bonds and stocks. The securities are now largely held by our savings banks, insurance companies, public charities, and trust estates. If the necessary changes were effected, a reasonably good salvage result might be obtained.

No substantial progress has been made in 12 years in the consolidations contemplated by the transportation act, effective March 1, 1920. It took the commission over nine years to adopt a plan. No appreciable steps have been taken under that plan. The recent approval of the 4-party consolidation scheme may possibly indicate a belated and inadequate adoption of the doubtful policies of that act. Whether Congress can, directly or through powers vested in its agent, the Interstate Commerce Commission, force consolidation of State-chartered corporations is a question fraught with grave constitutional difficulties, too involved for detailed discussion here. It is enough now to note that in its main purpose of shortly consolidating our railroads into a few large systems which should wholesomely compete with each other, the transportation act is a demonstrated failure.

We still have 697 operating railroad companies, many of them wildly competing with each other for traffic. Only in telephony is the call for coordinated, unified operation more requisite. Competition between railways, never of much value, has long been harmful. Most intercompany junctions are points of friction, confusion, and waste; competitive solicitation of freight traffic is worse than waste. Cars should have no homes; they should be repaired where and when they develop need for repair. Our competing railroad companies are still wasting tens of millions in futile advertising, and in buying duplicating equipment—now in large part standing in idle, rusting deterioration. But they have improved the speed and reliability of their freight service. Their operating staffs are in general made up of competent and faithful men, essential in any reorganized system.

On March 1, 1932, there were 1,008 railroad executives with salaries (after a 10 per cent or more reduction) ranging from $135,000 to $10,000. Never were there more than three or four railroad executives whose abilities and services entitled them, even under normal business conditions, to a salary as large as $50,000. No railroad man ever lived worth $100,000 to his company. Many of these 1,008 executives would be overpaid if they received a salary as large as that of a Supreme Court Justice—$20,000.

The existence of this large number of overpaid and not very competent managerial forces is one cause of the failure to consolidate and coordinate our railways. These forces are more interested in keeping available a large number of highly paid official positions than they are in the public need for improved and cheaper rail service, or in the rights of their security holders.

Perhaps it ought not to be expected that the holders of overpaid places of power should agree on formulating and making effective a policy which would necessarily reduce the number of such places. Men have been known to burn job-limiting, labor-saving machinery. Our railroad managers have reduced the number of moderately paid jobs by about 800,000; so, far, however, they seem to have kept for themselves most of these overpaid and pleasant positions of power. This accords with the present American policy of "rugged individualism."

A sketch of the Pennroad Corporation will indicate to what extent the official forces of the railroads are entitled to confidence as safe guides to the investing public. This holding company was organized and controlled by the officials of the Pennsylvania Railroad, as a device (of doubtful legality) in that company's career of expansion. They offered Pennsylvania stockholders Pennroad shares at $15 and thus obtained, in round figures, $150,000,000 from the investing public—of which over $5,000,000 was paid as underwriting commission to Kuhn, Loeb & Co., their bankers. The balance of this $150,000,000 was invested mainly in stocks of other railroads, such as the New Haven and Boston & Maine, at around 120. If we doubtfully assume that sound judges of railroad securities were warranted in buying, with other people's money, New Haven and Boston & Maine stocks at these boom prices, the same thing can not be said of the investment of over $4,500,000 in common stock of the Seaboard Air Line. This stock never had any intrinsic value; it represented merely stockholders' votes. The company is now in receivership. Much of the one hundred and fifty millions of other people's money thus administered by these leading railroad men now seems to have been lost. The lowest quotation of Pennroad was $1; on October 15 it had risen to $2.25.

The Van Sweringen snarl of corporations, nominally controlled through the Alleghany Holding Co. and backed by J. P. Morgan & Co., is, as a piece of railway financing set-up, at least as bad as the Pennroad. Such are the outstanding phenomena under the transportation act.

Clearly, neither Congress nor the widely scattered owners will derive any substantial help in solving our railroad problem from the managers, whose policies and performances are marked by excessive intellectual frugality. Constructive measures must come from without.

This is my justification for outlining roughly in the following pages a possibly available plan.

II

General consolidation is the plain remedy, available only by national mandate. Let Congress create a Federal corporation with an authorized capitalization not to exceed fifteen billions—an outside figure for the present and prospective value of our railroad properties. About one half of this capitalization should be bonds (probably 4's) guaranteed by the Federal Government; the other half, stock with a standard dividend of 5 per cent and a maximum of 6 per cent, contingent on the achieved results of efficiency, prosperity, etc. A mandate should be given for rates sufficient to maintain the properties and to pay interest on the bonds and the standard dividend, any surplus earned above the maximum of 6 per cent to be used as a stabilization fund for less prosperous times and for amortizing the public investment in an obsolescent industry.

This corporation should be controlled by a board of not less than 7 nor more than 11 directors, with salaries equal to those drawn by members of the Interstate Commerce Commission; a majority of the directors should be appointed by the President and confirmed by the Senate, for reasonable terms. Minority representation might well be granted to stockholders, and perhaps also to employees, on a scheme of representation to be worked out in detail by the Interstate Commerce Commission. But control must be by and in behalf of the public. Stockholders will want the 6 per cent dividend earned and paid; employees will want to absorb earnings in higher wages.

This corporation should be given large powers of exchanging its stocks and bonds for the stocks and bonds of the existing railroads, on terms fixed by its board of directors. Power to take stock, as well as property, by eminent domain should be included. (Cf. Offield *v.* New York, New Haven & Hartford R. R., 203 U. S. 372.) The assumption of outstanding bonds, bearing 4 per cent or less, now substantial in amount, should also be authorized.

The Interstate Commerce Commission, reduced in number and relieved of much of its present intolerable burden, should be kept as a rate regulator. Possibly it should be given only appellate jurisdiction on rates, leaving their initiation to the directors. But shippers will always need some competent tribunal to settle the delicate and difficult rate questions certain to arise between different sections and different commodities.

Such a corporation, so organized, with wide trading powers to be exercised by and in behalf of essential public interests (which include safety of investment in railroad securities), would probably get effective possession of the controlling rail transportation facilities without condemnation proceedings. This control would accrue if a majority of the stockholders of the class 1 roads exchanged their stocks for the stock or bonds of the Federal corporation. Eminent domain could be used, so far as necessary, to complete the Government ownership. Almost certainly enough stock would be offered on acceptable terms in exchange for the new stock and bonds to give speedy control of enough of the rail transportation facilities so that, with the resultant control of the main streams of traffic, no effective holdups could be made by recalcitrant security holders, whatever their motives. We may fairly expect that most holders of rail securities would prefer 4 per cent bonds, guaranteed by the Government, and 5 per cent or 6 per cent stock, grounded on a service-at-cost mandate, to their precarious rights under the disintegrated and ill-managed present system.

To provide consolidation and Government ownership by a workable, security-swapping scheme is the gist of this plan.

The economies resulting from such unification would clearly be great. Dr. E. S. Mead, professor of corporation and finance at the University of Pennsylvania, is reported as having estimated that a

mere speed-up in consolidation, plus abandonment of many miles of unremunerative lines, would result in an annual saving of about $500,000,000. This doubtless intelligent estimate seems unduly optimistic, but present conditions are probably as wasteful and inefficient as when, about 20 years ago, Mr. Brandeis (now Mr. Justice Brandeis) startled the country by saying that the railroads might by improved methods save a million dollars a day.

This plan is essentially the same as one which I published about 10 years ago, with two important differences. Then I thought nearly all the bonds could properly be assumed by the new corporation and, therefore, so provided, leaving to the commission merely power to eliminate or reduce the cost of a few bond issues not fairly representative of sound values. But the railroad financial situation is now much worse than 10 years ago. In spite of a large increase in investment (about $6,000,000,000) during the last 12 years, the railroads now seem worth less than they then did. The new money has been sunk. Many of the outstanding bonds must be scaled down—a difficult but necessary job, already anticipated by market prices.

Obviously, to scale about $12,000,000,000 of debts to three-fourths or even five-sixths of that sum, for the benefit of stockholders, is an undertaking of great doubt and difficulty. Only a careful, detailed analysis to determine how many of these so-called bonds are merely income bonds and how many are inadequately secured mortgage bonds will show whether the job is impossible. But even if the debts have to be paid nearly in full, there will still be, on the assumed valuation of $15,000,000,000, a substantial surplus above present market prices for the stockholders.

The other difference is that 10 years ago the stocks might have been taken over "on the basis of an annual return not exceeding the average dividends on the old stocks during, say, 5 to 10 years past." That opportunity has also passed. To-day the stocks are not worth the average dividends of the designated, reasonably prosperous period. This is especially true of some of the leading railroads. Here again the directors of the new corporation must be given discretion for the difficult job of trading for the old stocks on a sound basis.

There is little prospect of such return of traffic as to produce annual net earnings of more than six hundred to seven hundred millions, on fair rates. This would warrant 4 per cent on $8,000,000,000 of bonds—$320,000,000—and 5 per cent on $7,000,000,000 of stock—$350,000,000: A total of $670,000,000; 6 per cent on the stock would make a total of $740,000,000. But to justify this public assumption of such large liabilities for a railroad transportation system there must be full provision both for depreciation and for obsolescence. The Government must not indulge in the reckless and unsound financial methods that have always characterized our banker-controlled railroad financing. Undeniably railroads are now largely obsolescent and likely to go into a discard comparable (except perhaps in degree) to that of the trolleys. The fate of investors in the trolleys and in textiles and generally in many of our large manufacturing plants should teach us that most of our industries are merely temporary devices, and mortal; that each generation should pay for its fair share of all its used productive devices, and not load posterity with debts for things dead and useless.

Many other obviously necessary details are omitted, as this purports to be only a rough sketch of essentials. Perhaps additional capital investment for possible electrification should be provided for; but probably the enterprise should be made self-sustaining, both currently and in furnishing itself with any supposedly improved equipment. Provision for amortization from earnings of the bonds should clearly be included.

III

Doubtless Prof. William Z. Ripley is correct in his expressed view that a continuation of railroad transportation is essential to the on-going of American life, as we now know it; but it is incontestable that a very large share of our present railroad mileage of about 260,000 miles is, even under normal traffic conditions, unremunerative. We have many thousands of miles that ought never to have been built.

As far back as 1917 the traffic managers of the New Haven and Boston & Maine systems testified that not over one-third of either system was operated on a remunerative basis. Many years ago a man knowing much more about railroads than the writer expressed the opinion that 50,000 to 60,000 miles would have to be abandoned as creating an intolerable financial burden on the rest of the lines. It is at least doubtful if more than one-third of the present lines are, or can be, operated on a remunerative basis. It does not follow that all unremunerative lines should be junked. This is a problem of social welfare, too involved for a present attempt at solution.

Moreover, the theory of basing rates upon reproduction cost has, by the great drop in prices, gone quite into the discard. Few dare now to argue for reproduction cost as a rate base for any public utility. The only theory now seriously contended for is the sound policy of endeavoring to make the honest and prudent investment in all public utilities as safe as changing conditions permit. This ideal should guide in any remedial program for Government ownership of our wastefully constructed and inefficiently operated rail transportation system. But this ideal can not be fully attained.

It is important to observe that railroad rates are essentially taxes—something that everyone has to pay. Congress, in its recent rather bitter discussion of a sales tax, overlooked the fact that we already have, in our railroad rates, the most widely diffused sales tax imaginable. We can not conceive of anyone who does not directly or indirectly contribute, in living expenses, to railroad rates. In these times of economic depression and chaos, when taxes are being discussed as never before, it is well to analyze the real nature and incidence of taxes.

We must distinguish prices from rates. Prices are the results of agreements between free buyers and free sellers. Rates are the charges made by monopolies, natural or artificial, for things or services that people must have or be deprived of the ordinary facilities of modern civilization. Governments are merely artificial monopolies that furnish us with a part of such facilities, like the post office, and frequently water. When we buy clothing, we may go to various merchants who compete for our trade; the payment we finally make is the price. Not so when we take telephone or electric service, from the only concern available to furnish us that service; then our payments are rates—in essence, taxes.

From the taxpayer's point of view, payments for railroad rates, telephones, electric light, water, gas—and shortly power—are, as a practical matter, as identical with taxes as though the payments went into public treasuries and were disbursed by public officials. The railroad revenue from such taxes has in recent years amounted to over $6,000,000,000 a year—the largest tax fund anywhere at any time turned over to nongovernmental forces for collection and administration—about 50 per cent more than the revenue of the Federal Government. The taxes by other public utilities are now amounting to a comparable sum. The aggregate of such nongovernmental taxes must now exceed the amount paid into and disbursed by our public treasuries.

Moreover, our railroad rates are now unfairly high—about 50 per cent higher than in 1916—in many cases higher than the traffic will bear. The trucks are taking from the rail lines much traffic that naturally belongs to the railroads.

In this connection, a study made by the Interstate Commerce Commission, in March, 1932, of the relation between railroad rates and the value at destination of the commodities transported, is illuminating. The statement shows the total value of freight transported in 1930 to be $62,090,176,000; of which about $45,700,000,000 was for manufactures and miscellaneous goods, leaving about $16,300,000,000 for the products of agriculture, animal husbandry, mines, and forests. The revenue derived from the $45,700,000,000 was only $1,850,000,000, while that derived from the $16,300,000,000—largely agricultural products and coal—was $2,360,000,000, the respective percentages being about 14.42 on the agricultural, mining, and forestry products and 4.05 on the manufacturing and miscellaneous. If we adjust these percentages to the present greatly reduced commodity prices, the sales tax on this total would be much increased. Prices have dropped and railroad rates have been somewhat increased. The grains, then paying about 15 per cent of their destination price, must now be paying about 25 per cent.

Consolidation, with resulting economies, will probably enable the Government to reduce these unfair taxes, now falling, with intolerable severity, on the farmers. This factor has more remedial importance than any of the futile, foolish schemes of the Farm Board or of the Farm Loan Bureau. Reduced taxes and increased income, not more debts, indicate the proper program for saving the farmer—if he can be saved. A dollar, in the farmer's salable products, is now worth about 50 cents for buying his farm machinery and his needed "store goods," relatively the lowest purchasing power in recorded farm economic history. This is the result of the so-called remedies thus far devised and adopted.

It is plain that there is no solution for our railroad troubles in an increase in rates. The original scheme of the railway managers in the early months of this depression, of raising railroad rates 15 per cent, was absurdly unsound. No community can stand unlimited taxation of all sorts.

IV

Of course, the railroad forces and their numerous satellites will attack government ownership as "lacking in individual initiative" and as being but "another inefficient government bureaucracy." To my mind it is a sufficient answer to this criticism to say that, after many years of observation of both government and private-corporation bureaucracies, the only government bureaucracies fairly comparable in inefficiency and waste with innumerable private-corporation bureaucracies are the Farm Board and possibly the Shipping Board. In general, government business is managed, both by the Federal Government and by most State and municipal governments, on sounder and less wasteful lines than private-corporation business. There is less fraud in government administration, and fewer serious errors in the methods and in the policies adopted; private corporations, however, are more successful in concealing both their frauds and their inefficiencies than the government bureaucracies. In general, our Government functions with less disregard of essential human rights and interests.

To state adequately the grounds for these frequently disputed but maturely considered propositions would require a paper perhaps as long as the present essay. Enough, for present purposes, to note that our Federal Government has obviously great intrinsic advantages over any State-chartered corporations in the field of interstate rail-highway transportation. Even if less efficiently managed, a single Federal corporation would do the job better than several State-chartered corporations. But we may fairly expect better management, dealing with a better organization.

It is also clear that Government officials can hardly show less "individual initiative" than have our railroad excutives. Their failure seasonably to recognize and to take any intelligently de-

vised measures to meet the new competitive transportation methods has subjected them to just criticism in quarters normally favorable to railroad and banker management.

The last three years have shown us that we have in banking, in industry, and to a less degree in politics, no "great men"; that we are all, with meager brains, groping in the mazes of the economic and political labyrinth of this machine age. Many of the idols of the recent past are now seen to be merely predatory and aleatory schemers—not a few of them of the Kreuger type. They have functioned less usefully than the earls and barons of medieval feudalism. We are now disillusioned as to all our great business leaders. There are none. Really great leaders would have seen that mass production, without mass purchasing power, could only give us the present ghastly contrast of ragged bread lines with unmarketable surpluses of both food and clothing—a mere economic engorgement.

The tax returns for 1929 show over 500 individual incomes exceeding a million dollars, of which 36 exceed $5,000,000, with an aggregate revenue for 504 persons of over $1,470,000,000. This tremendous concentration of the results of our dominant American policies was a large cause contributing to our present widespread unemployment of about 10,000,000, as well as the destructive drop in all commodity prices, largely brought about by the general failure in mass purchasing power. If these many hundreds of millions of current income had been fairly spread, they would have substantially increased the general purchasing power; we should have had less economic arteriosclerosis.

After the October, 1929, stock-market smash, the first step taken by the Hoover-Mellon administration, as a remedy, was to reduce taxes in the higher brackets by one hundred and sixty millions. Let us pass over the question of this unintelligent estimate of the prospective Treasury needs; the argument for this reduction was that thus more capital would be set free for an assumed needed increased production—that is, for more steel, automobile, and other manufacturing plants, in utter disregard of the obvious fact that there was an existing excess of production facilities in every line American business needs nothing less than more manufacturing plants. Probably a substantial part of the existing plants will be junked within the next few years, as hundreds of expensive textile and other plants have already been junked. Our outstanding, unsolved, and perhaps insoluble problems are now those of distribution, not of production. From Adam Smith down to the present our economists have dealt mainly with means and methods of production. Let them now teach us how fairly to distribute our excessively abundant production and thus restore their damaged prestige. Profit seeking, as a dominant economic force, clearly does not give us fair distribution.

In science, including medical science, we may have really great men. I do not know. But no other class or profession can advance any claim to having made any contribution to our present civilization.

But we still have intelligent, hardworking, and faithful men, striving to work out some solution for the present apparently insoluble problems. A fairly careful reading of the Senate reports in the CONGRESSIONAL RECORD leads to the conclusion that we have there, in places of limited though important power, a body of harder-working men, more intelligent and far more public-spirited than most of their shallow and abusive critics in editorial or banking service; that more than half of them are abler than all but a few of our industrial or banking leaders. In the House of Representatives also there are many high-minded, hard-working men. The recent gross and general abuse of Congress is entirely unwarranted.

It is an encouraging fact that our tendency is now toward drawing a full proportion of our ability, character, intelligent activity, and social sense into our public service. Our politicians and statesmen are the ablest of our real rulers. Their controlling motives and actions are more humane and less antisocial than those of our industrial and financial leaders. On them we must mainly ground our hopes for the radical economic and financial changes clearly needed to make our American life wholesome and tolerable. A large factor, in any tolerable future, will be a thorough reorganization and coordination of all our means and methods of transportation. This should be one of the early undertakings of our statesmen.

V

Let us go back for a moment to the suggestion that $15,000,000,000 is a reasonable valuation of the railroad properties. It may well be that this figure overestimates the extent to which the market depreciation is due to the utter failure, so far, both of Congress and of the railroad executives, even to broach any workable and constructive plan. It is thus quite possibly, in this implied valuation, an excessively optimistic plan. The market value may be nearer the real value. The question of what value to attach to the mixture of unusable junk and still usable transportation facilities is one of great doubt and difficulty. This warrants a few general observations.

A fundamental factor in our past American development has been the rapid increase in our population, from birth and from immigration. Immigration is now cut off; the birth rate is down.

America's economic future must be estimated in the light of an approximately static population. No increase in any line of business, such as we are accustomed to think of as "American progress," is in reasonable prospect. The problems of a nearly static population, dwelling in a land with no more substantial areas of unsettled territory, are radically different from those contemplated by all Americans now of mature years. It is almost impossible to exaggerate the controlling importance of this factor in assessing our economic future.

Moreover, the prevailing tendencies (probably unwholesome) make against the effective use of all transportation, and particularly transportation by rail. We now have a great excess of transportation facilities of all kinds. Yet we are apparently committing ourselves to the St. Lawrence waterway. The project may be wise (the hydroelectric power aspects are most enticing), but it will not decrease the troubles of our railroads. It requires much optimism to see a normal growth of traffic compensating the railways for diversions to the great carrier performances prophesied for this waterway. The European Old World has, in general, shown more sense and judgment in providing itself with needed (and only needed) transportation facilities, and in equipping and operating them, than we of the New World. The European rail systems involve less excess building than ours; the equipment is lighter and far more economical, especially for passenger traffic; the development of air transport is ahead of ours.

Transportation is nothing but a means to trade, to exchange commodities. Tariff walls have destroyed a large part of our foreign trade, with its resultant movement of commodities to and from our seaports. There are marked tendencies not only toward national self-sufficiency but toward local self-sufficiency in the production both of food and of manufactured products. An illustration is the manufacture of textiles in the South, in the cotton-producing section, thus greatly reducing the transportation of cotton. In spite of agricultural overproduction of food supplies, there is a slight movement back toward the farm, where people can at least escape starvation by raising their own food.

More than one-third of the tonnage of the railroads of recent years has been coal. Coal is relatively decreasingly used. More and more it is being transmuted into power at or near the mine mouth and thus carried by wire. Less and less will it furnish traffic for the rail carriers.

A fundamental factor affecting the value of our rail facilities is the great increase in competitive facilities. Oil goes by pipe line; so does natural gas. Their most serious competitors are the trucks and busses. The railroads have about 2,400,000 freight cars; there are some 3,500,000 trucks on our highways. The undeniable tendency is toward a diminishing traffic in coal, ores, and crude heavy stuffs generally, and thus toward lighter, short-haul traffic, in which the truck has an intrinsic competitive superiority.

The competition between the rival systems of transportation is increasing and is exceedingly difficult of regulation; but existing conditions are unfair to the railroads, which are heavily taxed and move on purchased and owned rights of way, while the trucks move on free roads, in considerable part paid for out of taxes levied on the railroads. The railroads have, since 1920, lost over 40 per cent of their passenger traffic, without taking into account the normal increase from an increasing population.

Mr. Edward A. Filene tells me that when he was asked by representative Chinese to advise them concerning the development of the essential facilities of modern civilization for that great country and great people he told them to build, not railroads, but motor roads, because motor roads are more generally adapted for human needs. Clearly, motor roads can do everything that railroads can do, except steer the vehicles and thus permit the use of long trains with but few operators—a vital difference for our present traffic needs.

In my article, Roads—Motor and Rail, published in the Atlantic for March, 1925, I wrote: "It always becomes 'a public function' to provide essential roads and necessary public carrier service thereon, when, charging what tolls the traffic will bear, the undertaking is not money making. If it is money making, then the job belongs 'in the field of efficient private initiative.' We may be nearing that stage in dealing with our railroad problems." We have now reached it. On that theory the Government took over the Cape Cod Canal, and Massachusetts has gone far toward taking over the unprofitable Boston trolley system.

The railroad problem is far more difficult, but it must be solved in the same way. Government ownership is inevitable. The important question now is: Will it be adopted promptly, and on a sound plan? An affirmative answer requires an optimistic disregard of the forces of blind greed and unenlightened selfishness that have generally dictated our American policies, at least in recent years.

EQUALIZATION OF RADIO FACILITIES—DECISION OF DISTRICT COURT OF APPEALS

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD the decision of the Court of Appeals of the District of Columbia in the case of Nelson Bros. Bond & Mortgage Co. (station WIBO), appellants, against Federal Radio Commission, Johnson-Kennedy Radio Corporation, and others.

In this connection I want to call attention particularly to the fact that the majority opinion as written in this decision practically nullifies the act of Congress enacted two or three years ago for the purpose of equalizing the distribution of radio facilities in various zones, and particularly in the different States. I shall not attempt to discuss the merits of the case other than to call attention to the fact that in this case the commission granted the State of Indiana a

wave length which had been used by the State of Illinois, the State of Illinois having 55 per cent more than its quota and the State of Indiana having 22 per cent under its quota; yet the majority opinion of the court declares that there is still a fair and equitable allocation under the law. It is such a far-fetched interpretation of ordinary language that it does not seem possible that a court could have written such a decision; and I sincerely hope the Radio Commission will carry this case to the Supreme Court of the United States.

The VICE PRESIDENT. Is there objection to printing the decision referred to in the RECORD? The Chair hears none, and it is so ordered.

The decision referred to is as follows:

IN THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

No. 5530

NELSON BROS. BOND & MORTGAGE CO. (STATION WIBO), APPELLANT, *v.* FEDERAL RADIO COMMISSION, JOHNSON-KENNEDY RADIO CORPORATION, A CORPORATION, INTERVENER; STRAWBRIDGE & CLOTHIER, INTERVENER

No. 5533

NORTH SHORE CHURCH (STATION WPCC), APPELLANT, *v.* FEDERAL RADIO COMMISSION, JOHNSON-KENNEDY RADIO CORPORATION, A CORPORATION, INTERVENER; STRAWBRIDGE & CLOTHIER, INTERVENER

Appeals from the Federal Radio Commission

(Argued May 2, 1932. Decided December 5, 1932)

Levi Cooke, of Washington, D. C., for appellant in No. 5530; Levi Cooke and Edward Clifford, both of Washington, D. C., for appellant in No. 5533.

Thad H. Brown, D. M. Patrick, Fanney Neyman, all of Washington, D. C., for Federal Radio Commission.

M. W. Willebrandt, of Washington, D. C., for Johnson-Kennedy Radio Corporation, intervener.

Bethuel M. Webster, jr., and Paul M. Segal, both of Washington, D. C., for Strawbridge & Clothier, intervener.

(Before Martin, chief justice, and Robb, Van Orsdel, Hitz, and Groner, associate justices.)

Robb, associate justice: Appeals from a decision of the Radio Commission granting the application of the Johnson-Kennedy Radio Corporation (station WJKS), of Gary, Ind., that it be assigned the 560-kilocycle frequency shared by stations WIBO (owned by the Nelson Bros. Bond & Mortgage Co.) and WPCC (owned by the North Shore Church), of Chicago, Ill.

Station WJKS commenced broadcasting in August, 1927, with a frequency of 1,290 kilocycles and 500 watts power, sharing time with station WSBC, of Chicago. Under the reallocation in November, 1928, the station was assigned a frequency of 1,360 kilocycles and shared time with station WGES, of Chicago. Shortly thereafter, as a result of its complaint to the commission of interference, the station was granted a power output of 1,250 watts daytime and 1 kilowatt nighttime, and continued to operate on that frequency and power. In February, 1931, the station applied for the frequency of 560 kilocycles and unlimited time, and suggested that if the granting of its application "would require the removal of a station or stations using the facilities requested in an overquota State of the fourth zone, then the applicant desires stations WIBO and WPCC, Chicago, as the stations to be removed." The application was designated for hearing before the chief examiner and notice given appellants and other parties in interest. Over a period of seven days voluminous testimony was taken.

After a careful review of the established facts, the examiner recommended that the application be denied. He found that the station is rendering a commendable public service on its present part-time assignment, but that the service "would be improved by the installation of the most modern radio equipment and the operation of this station in the most efficient manner on its present frequency." He further found that it is possible that "more objectionable interference would result from the operation of station WJKS on the 560-kilocycle channel than now results from the operation of this station at Gary on the 1,360-kilocycle channel, since station WNOX, at Knoxville, Tenn., is separated from Gary by a distance of only 440 miles, whereas the nearest station on applicant's present assigned frequency, operating with 1 kilowatt, is at Syracuse, N. Y., separated from Gary by a distance of 600 miles." He also found that stations WIBO and WPCC "are meritorious stations, serving public interest, convenience, and necessity"; that "the owners and operators of these stations have at great cost prepared themselves to exercise the broadcasting privileges heretofore granted them by the Federal Radio Commission, and in the opinion of the examiner clear and sound reasons of public policy demand that these broadcasting privileges be not taken from them and assigned to applicant station"; that stations WIBO and WPCC provide radio service for people within the service area of the applicant station, who also "receive a large proportion of their radio broadcasting service from stations operating in the State of Illinois, *none of which service may be charged against the quota of the State of Indiana.*" (Italics ours.)

Exceptions to the report were filed by the Johnson-Kennedy Radio Corporation, of which appellants received notice. Thereafter, without notice to appellants or other parties in interest, the commission filed a statement of facts and grounds for its decision, together with its order, stating the issue to be "whether or not the public interest, convenience, and/or necessity would be served by the granting of this application and the consequent forfeiture of the facilities now assigned stations WIBO and WPCC." The decision of the examiner was reversed and the application of the Johnson-Kennedy Radio Corporation granted. The commission found that the applicant station "now renders an excellent public service in the Calumet region (in which station WJKS is located), and the granting of this application would enable that station to further extend and enlarge upon that service"; that the "granting of this application and deletion of stations WIBO and WPCC would work a more equitable distribution of broadcasting facilities within the fourth zone."

We have held that the business of broadcasting, being a species of interstate commerce, is subject to the reasonable regulation of Congress. (Technical Radio Laboratory *v.* Federal Radio Commission (59 App. D. C. 125, 36 F. (2d) 111, 66 A. L. R. 1355); City of New York *v.* Federal Radio Commission (59 App. D. C. 129, 36 F. (2d) 115); Chicago Federation of Labor *v.* Federal Radio Commission (59 App. D. C. 333, 41 F. (2d) 422); KFKB Broadcasting Association *v.* Federal Radio Commission (60 App. D. C. 79, 47 F. (2d) 670); Journal Co. *v.* Federal Radio Commission (60 App. D. C. 92, 48 F. (2d) 461); Trinity Methodist Church *v.* Federal Radio Commission (No. 5561, decided this term, — App. D. C. —, — F. (2d) —).)

The question, therefore, in this case is whether the decision of the commission assigning to the applicant station the frequency enjoyed by stations WIBO and WPCC since 1928 "and the subsequent forfeiture" of the assignment held by stations WIBO and WPCC is a reasonable exercise of regulatory power or an arbitrary and capricious assertion of power.

Station WIBO was established in April, 1925, and represents a total cost of about $346,000, less a reserve for depreciation of about $54,000. It employs 55 persons, has monthly operating expenses of from $16,000 to $18,000. It serves a radius of from 50 to 100 miles, and on the basis of its earnings is estimated to be worth between $500,000 and $700,000. There is not even the suggestion that it has failed to comply in any respect with the regulations of the commission; on the contrary, it affirmatively appears that this station has been operated in the public interest.

Station WPCC was established in July, 1924, and is owned by the North Shore Church of Chicago. Prior to the installation of this broadcasting station, the church was largely in debt. The installation of the radio greatly increased the church's audiences. There are 20 radio stations in Chicago broadcasting about 60 hours of religious programs on Sundays, but there are practically no week-day spiritual programs broadcast except those of station WPCC. That the operation of this station has been in the public interest, clearly appears.

In the reallocation of 1928 following the enactment of the Davis amendment (act of March 28, 1928, 45 Stat. 373), the commission found that conditions warranted the assignment of the frequency of 560 kilocycles to station WIBO (originally established in April, 1925) and station WPCC (originally established in July, 1924), and the assignment of the frequency of 1,360 kilocycles to station WJKS (originally established in August, 1927). The evidence fails to disclose that there has been a material change in conditions since the reallocation of 1928.

The Davis amendment declared it to be the policy of Congress that the people of the five zones established by the radio act of 1927 are entitled to equality of radio broadcasting service, both of transmission and of reception, and that in order to provide such equality the licensing authority shall, as nearly as possible, make and maintain an equal allocation of broadcasting licenses, bands of frequency or wave lengths, periods of time for operation, and of station power, to each of the zones, "and shall make a fair and equitable allocation of licenses, wave lengths, time for operation, and station power to each of the States, the District of Columbia, the Territories, and possessions of the United States within each zone, according to population."

It will be observed that the statute directs the licensing authority to establish and maintain "as nearly as possible" equality of broadcasting service to each of the several zones, and to "make a fair and equitable allocation of licenses," etc., to each of the States within those zones. The requirement that there shall be an equal allocation to each of the zones, and "a fair and equitable allocation" to the States within each zone, according to population, is significant. (Crawford *v.* Burke, 195 U. S. 176, 190; Johnson *v.* United States, 225 U. S. 405, 415; Brewster *v.* Gage, 280 U. S. 327, 337.) The fourth zone, in which the stations directly involved in this controversy are located, comprises the States of Indiana, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa, Nebraska, Kansas, and Missouri. Congress declared that the people of all the zones are entitled to equality of broadcasting service, but evidently recognized that the licensing authority might not be able to establish and maintain an exact mathematical equality among the zones, hence the language, "establish and maintain as nearly as possible." After providing for the establishment and maintenance of nearly equal facilities among the zones, Congress in dealing with the problem evidently anticipated that greater difficulty would arise in undertaking to equalize allocations to the several States within a zone, and therefore provided for, not equal, but "fair and equitable allocation" to the States within a zone. The House committee report on the amendment states, inter alia: "This amendment looks to the future. It declares in terms the duty of the licensing authority to make an equal allocation among the five zones, of broadcasting li-

censes, * * * and provides that within each zone there shall be an equitable allocation among the States thereof in proportion to the population and power. The equality here sought is not an exact mathematical division. That may be physically impossible." (H. Rept. No. 800, 70th Cong., 1st sess.)

We have repeatedly held that "it would not be consistent with the legislative policy to equalize the comparative broadcasting facilities of the various States or zones by unnecessarily injuring stations already established which are rendering valuable services to their natural service areas." Reading Broadcasting Co. *v.* Fed. Radio Comm. (60 App. D. C. 89, 48 F. (2d) 458); Chicago Fed. of Labor *v.* Fed. Radio Comm. (59 App. D. C. 333, 41 F. (2d) 422). In Strawbridge & Clothier *v.* Fed. Radio Comm. (61 App. D. C. —, 57 F. (2d) 434), we sustained the commission, although the applicant station was in an underquota State and an underquota zone and sought an increase of power which would have affected stations in an overquota State in an overquota zone. There would have been more justification for the granting of the application in that case than in this, for here the parties most affected are in one zone and the applicant station is located within 30 miles of Chicago, from which Gary and surrounding territory receives much of its radio service, although, as observed by the examiner, none of that service is charged against the Indiana quota. While station WJKS, through this application, seeks greater opportunity to furnish broadcasting service to the people of Gary and surrounding territory, it is in evidence that it even now devotes from two to three hours daily to broadcasting phonograph records. It also suggests that it has special programs for the foreign-born element of Gary, but the record discloses that the total number of foreign born in Chicago is greater than in Gary and vicinity.

Station WIBO had been broadcasting for more than two years, and station WPCC more than three years, when station WJKS entered the field. The only apparent reason for granting the application of station WJKS and destroying the other two stations is that Indiana is underquota, which in the circumstances furnishes no substantial justification for the decision of the commission. As already observed, the evidence discloses that stations WIBO and WPCC have been and are "serving public interest, convenience, and necessity" certainly to as great an extent as the applicant station. In our view, the conclusively established and admitted facts furnish no legal basis for the decision of the commission. In other words, the decision is in a legal sense arbitrary and capricious.

Another point remains. Appellants' complain that the decision of the commission was rendered without notice to them. Not having sought a hearing, appellants are not in a position to raise this question. (Goldsmith *v.* Bd. of Tax Appeals, 270 U. S. 117.)

The decision is reversed and the case remanded.

Reversed and remanded.

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

No. 5530

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Groner, J., dissenting: I regret I am not able to concur in the opinion of the court in this case. In point of fact the controversy involves a contest between a radio station now located in Gary, Ind., and two stations now located in Chicago, Ill. The Indiana station now operates on the frequency 1,360 kilocycles—the Chicago stations on a frequency of 500 kilocycles, sharing hours of operation. The Indiana station applied to the commission for a modification of station license, and requested the frequency 560 kilocycles used by the two Chicago stations. The commission granted the application. The opinion reverses this decision. I think it should be affirmed.

The question for decision, as it appears to me, is the right and power of the Radio Commission, in the public interest, to refuse to renew the license of a station in an overquota State and transfer its facilities to an applicant station in an underquota State. The answer and the conditions on which the answer depends, requires an examination of the act of March 28, 1928, known as the Davis amendment (45 Stat. 373; Title 47, U. S. C. A., sec. 89), which provides:

"SEC. 5. The second paragraph of section 9 of the radio act of 1927 is amended to read as follows:

"It is hereby declared that the people of all the zones established by section 2 of this act (47 U. S. C. A., sec. 82) are entitled to equality of radiobroadcasting service, both of transmission and of reception, and in order to provide said equality the licensing authority shall as nearly as possible make and maintain an equal allocation of broadcasting licenses, of bands of frequency or wave lengths, of periods of time for operation, and of station power, to each of said zones when and in so far as there are applications therefor; and shall make a fair and equitable allocation of licenses, wave lengths, time for operation, and station power to each of the States, the District of Columbia, the Territories and possessions of the United States within each zone, according to population. The licensing authority shall carry into effect the equality of broadcasting service hereinbefore directed, whenever necessary or proper, by granting or refusing licenses or renewals of licenses, by changing periods of time for operation, and by increasing or decreasing station power when applications are made for licenses or renewals of licenses: *Provided*, That if and when there is a lack of applications from any zone for the proportionate share of licenses, wave lengths, time of operation, or station power to which such zone is entitled, the licensing authority may issue licenses for the balance of the proportion not applied for from any zone to applicants from other zones for a temporary period of 90 days each, and shall specifically designate that said apportionment is only for said temporary period. Allocations shall be charged to the State, District, Territory, or possession wherein the studio of the station is located and not where the transmitter is located."

We have had occasion recently to examine the extent of the right conferred on the owner of a radiobroadcasting station, and in Trinity Methodist Church, South, *v.* Federal Radio Commission, decided this term, held that such right is permissive only, and, under the commerce clause, within the regulatory power of Congress. We said in that case, as we have said in previous cases, that interstate radiobroadcasting is interstate commerce, and that one who engages in interstate commerce does so subject to the regulatory power of Congress, and therefore obtains no property right to be free from the exercise of that power. In the Trinity Church case we stated the test to be whether the restrictive measures which Congress may apply from time to time are reasonably adapted to secure the purposes and objects of regulation. In such cases the enforcement of the regulation without compensation is not an unconstitutional taking of property, or without due process of law. (Atlantic Coast Line *v.* Goldsboro, 232 U. S. 548, 558–559.) In the decision referred to we reached the conclusion that the power of Congress over the channels of interstate transmission was coextensive with the power of Congress over the navigable waterways of the country, and we called attention to the rule last announced by the Supreme Court in the case of Greenleaf-Johnson Lumber Co. *v.* Garrison (237 U. S. 251), which was a case where the owner of a wharf, constructed pursuant to the permission of the State prior to the assertion by the Government of authority over the river, was required to demolish it without compensation when the Government asserted its power and changed the lines of navigability.

Section 9 of the radio act of 1927, as amended by section 5 of the act of March 28, 1928, which I have quoted above, authorizes the commission, in granting or refusing a license, or renewal of license, to bring about equality of broadcasting service in the different zones into which the country is divided by section 2 of the act (47 U. S. C. A. 282) and to allocate the licenses, etc., within the zones proportionately between the States comprising the zone according to population. The debates in Congress prior to the adoption of the act of 1927 indicate a recognition by Congress of the well-known fact that prior to the passage of the act chaotic conditions existed in the broadcasting field. There were within 50 miles of Chicago 40 stations; of New York, 38; of Philadelphia, 32; and of San Francisco, 22. It was this unequal distribution of the limited number of wave lengths, etc., and the recognition of the principle that equality of service within the several States depends in considerable measure in a proper distribution of operating stations within the States that induced the passage of the Davis amendment. The amendment is a determination of policy by Congress, for its preamble declares, "It is hereby declared that the people of all the zones * * * are entitled to equality of radiobroadcasting service, both of transmission and of reception." And since it is based on the equality of privilege among the several States, it is neither unreasonable nor arbitrary. Nor can it be properly insisted there is any conflict between the requirements of the amendment and the standard of public interest prescribed by the original act. The former of necessity yields to the latter. The commission must take into consideration public convenience, interest, and necessity, and if and when these be satisfied, then the standard of sectional equality is mandatory and should be applied.

The record here discloses that the State of Illinois is 55 per cent over quota, while the State of Indiana is 22 per cent under quota. Indiana has only 16 stations of any power, only 4 of which are full-time stations, as compared to 37 stations assigned to and operating in Illinois. Indiana has only 1 station with as much power as 5 kilowatts, and that is only a part-time station, while 11 of the 37 stations located in Illinois have power ranging from 5 to 50 kilowatts. In these circumstances it is obvious that if the Davis amendment is to be applied its terms are controlling in the conditions existing here, and this brings me to consider whether, in view of the terms of the amendment, the decision of the commission is capricious, unreasonable, or arbitrary.

The opinion of this court entirely ignores the findings of the commission but relies on those of the examiner, which the commission expressly overruled. In so doing I think the court is substituting its own conclusions for those of the commission, and I had assumed that, in view of the change in the statute (46 Stat. 844; 47 U. S. C. A., sec. 96), this might not be done—especially since it is not claimed that there was any irregularity in the proceedings or error in the application of the rules of law.

Summarized, the commission's findings of fact are that intervener's (the Indiana station) then service was in all respects excellent, and that the granting of the application would extend and enlarge this service; that the effect of the withdrawal of appellants' (the Chicago stations) permits would not militate in any respect against persons (the public) now within the area of those stations, nor the granting of the application (of the Indiana station) increase interference within that area with any other station; that the granting of the application would work a more equitable distribution of broadcasting facilities within that

zone, and would serve the public interest, convenience, and necessity. The evidence, I think, sustains these conclusions.

It shows that the two Chicago stations operate together under temporary and revocable renewal licenses granted and accepted "subject to such action as the commission may take after hearing on the application filed by" the Gary (Ind.) station. One of the Chicago stations (Nelson Bros. Bond Co.) had been in operation since 1925, and by original permit of the Radio Commission since November 27, 1927, at which time it was assigned to 560-kilocycle frequency in collaboration with the other appellant station (North Shore Church). It is affiliated with the National Broadcasting Co.'s chain program broadcasting. Its companion station (North Shore Church) uses only the time from 12.30 to 4.30 p. m. and 7 to 8 o'clock p. m. on Sunday, and from 12 to 12.30 p. m. each day. Its broadcasts are exclusively religious in character. The evidence shows that both stations were complying in all respects with the rules and regulations of the Radio Commission. Their area included the Calumet district served by intervener. It was determined by the commission, however, that their withdrawal from the air would still leave that, as well as all other territory served by them, fully served by other stations broadcasting in the main substantially the same programs, and the evidence bears out this finding.

Intervener's station is located at Gary, Ind., and, at the time of its application for greater facilities, was able to reach only a few miles outside the city proper. Beyond that it was subject to serious interference. Gary is a town of about a hundred thousand people, and the "Calumet territory" surrounding it has a population of approximately a million people, who depend upon the steel industry for a living. Nearly two-thirds are of foreign birth. Intervener provides programs to meet the needs of this foreign population. Several witnesses described the station as the "community center." Its programs are arranged to meet the wishes of each nationality, and are rendered both in English and the languages of the different nationalities. Among its special features are English-speaking programs, religious broadcasts, Americanization, amateur broadcasts by children, and community activities broadcasts. There is evidence in the record to support the commission's finding that on its present frequency it is not able to operate satisfactorily. To avoid this trouble and to meet the needs of the workers in Gary, and in that neighborhood, who, in normal times, work with three shifts on a full 24-hour day, it asks for full time and a change in frequency.

Epitomized, therefore, the evidence shows that all three stations concerned are now rendering satisfactory service, but that the operation of the two Chicago stations may be terminated without detriment to the public interest and that the service of the Indiana station may be improved and extended in the public interest by granting to it the facilities now enjoyed by the other two. Coupled with this is the fact that the Chicago stations are located in an overquota State and the Indiana station in an underquota State. More than this is unnecessary if the intent of Congress, as expressed in the amendment, is to be given effect, for Congress has conferred on the commission, in the first place, just as it had in the case of the Interstate Commerce Commission, the power to determine what is and what is not in the public interest and in the second place has admonished it, when this condition is met, to "make a fair and equitable allocation of licenses, wave lengths, time for operation, and station power to each of the States, the District of Columbia, the Territories, and possessions of the United States within each zone, according to population." In the instant case the commission has declared that by reason of the character of the population in the Calumet district, its foreign origin, its hours of service, and such like matters, it is entitled to and ought to receive in the fullest measure possible the sort of program provided by the Gary station. This is no more than the recognition of a difference in sectional interests and conditions and an extension of the opportunity to those interests to gratify their local tastes. This was the purpose and object of the amendment.

If, therefore, upon an application for a station permit in an underquota State or for an increase of facilities by an already authorized station, the commission, after hearing, decides the public interest will be served by granting the application, and the evidence reasonably supports that decision, as undoubtedly is the case here; I think it has, under the Davis amendment, not only the right and power to grant the application, but that the plain and explicit language of the amendment requires it to do so, for in no other way can the equalization which Congress has declared should obtain be accomplished. In such a case, if injury results to the holder of a revocable permit, the injury is said to be damnum absque injuria.

Since Congress possesses the power, the right to assert it may not be questioned, nor the motives which impell it inquired into, nor its wisdom challenged. It is for the courts to follow the law as they find it. (Hamilton *v.* Distilleries Co., 251 U. S. 146, 161.)

If Congress should hereafter think that the progress of the science and the stability of investments made in its development will be better advanced and the public interest benefited by modification or reversal of the policy inducing the passage of the amendment, a repeal or modification will avoid such a situation as exists here, but that, unfortunately for appellants, is not now the case.

I am not unmindful of the fact that the effect of this is to impose upon the commission great responsibility and wide powers affecting large investments in property, and likewise discretion in the ascertainment of the "public interest" without explicit standards or formulæ. But as to this we can only say that the Supreme Court has several times approved standards no more definite in cases where, as here, the delegation was to executive boards or officers. (See Mahler *v.* Eby, 264 U. S. 32; Colorado *v.* United States, 271 U. S. 153, 169; Mutual Film Corporation *v.* Industrial Commission, 236 U. S. 230, 245.) Besides, the radio act requires certain definite information from those applying for permits, and this and the evidence of comparative benefits developed at the hearings furnish a reasonable basis for applying the statutory standard as nearly free from unjust discrimination as is possible. Here the commission has assigned definite reasons for its refusal to renew appellants' licenses on the one hand and the transfer of their facilities to intervener on the other. These, as we have seen, show that the action taken would supply an existing need to the people in Indiana without corresponding loss to the people of Illinois and would carry out the congressional will. This, I think, is enough.

Judge Hitz authorizes me to say that he concurs in this dissent.

A true copy.

Teste:

Clerk Court of Appeals, District of Columbia.

BRANCH BANKING

Mr. THOMAS of Oklahoma. Mr. President, the New York Times of this date contains an article on the front page entitled "Mills Urges a Move for Branch Banking." The article pretends to quote some excerpts from the report of the Secretary of the Treasury to Congress. I ask unanimous consent to have printed in the RECORD that portion of the article referring to branch banking, the portion marked in the copy I send to the desk.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MILLS URGES A MOVE FOR BRANCH BANKING—REPORT ADVOCATES TRADE AREA AUTHORIZATIONS TO STRENGTHEN THE FINANCIAL STRUCTURE

In dealing with reforms in the banking situation Mr. Mills suggested immediate authorization for trade-area branch banking as a temporary expedient to aid national banks, and recommended that a joint committee of Congress study all available data with a view to legislation "that will remedy the fundamental weakness of our banking structure."

BANKING REFORM NECESSARY

Secretary Mills presented at length his recommendations in regard to the need of banking reform. He said:

"The developments of the last decade have uncovered unmistakable defects in the American banking structure. They constitute a source of weakness in our economic life and have been an important factor in the present depression. They call for fundamental reforms.

"The outstanding facts are as follows:

"First. During the 20 years ended with 1920 there was an enormous increase in the number of banks. In 1900 there were about 14,000; in 1920, over 30,000. In 1900 there was one bank for every 5,500 of the inhabitants of the United States; in 1920, one for every 3,500.

"Second. This excessive growth in the number of banks was due in part to our dual system of State and national banks, and to a laxity resulting from its competitive feature. There is no doubt that both State and national authorities have in the past granted bank charters too freely, a condition to which the Comptroller of the Currency directed attention as early as 1927.

"Third. During all of this period unit banking received every encouragement, while branch banking was discouraged and for the most part prohibited.

"Fourth. The banking system of the United States as thus developed did not successfully meet the test of adverse circumstances. In 12 years there have been over 10,000 bank failures, or over one failure for every three active banks in the country in 1920. These failures have involved deposits aggregating nearly $5,000,000,000. They have brought untold hardship to countless individuals, and have intensified the economic depression. The Comptroller of the Currency has in recent years repeatedly pointed out weaknesses in our existing system.

"It is true that during the period in question the banks have had to struggle with extraordinarily difficult economic conditions. This was particularly true in the agricultural regions where sharply declining prices, accompanied by rapid depreciation in land values succeeding a rapid increase during the years prior to 1920, created unusual difficulties for the farmers and the banks that served them.

"During the last three years the problems facing our entire banking system have been accentuated owing to the strains occasioned by the credit crisis which has accompanied a world-wide depression.

WOULD EXTEND BRANCH BANKING

"But even so, the country is entitled to the services of a banking system which will not only function adequately and safely in periods of fair weather but will be able to withstand the stresses of even unusual storms. Any system that develops weaknesses to the extent that ours has when subjected to an unusual strain calls for careful analysis and study with a view to reform.

"Various studies that have been made point to unescapable conclusions. The mortality rate is much greater among small banks than among the banks with larger resources. The earnings of most of the smaller institutions over the period of the last few years have been entirely inadequate, making it impossible for them to build up reserves. The cost of operation, and consequently the cost to the community which it serves, bears a direct relationship to the size of the bank. This is particularly true of the great number of institutions with limited resources that were operating in 1920 at the time the number of banks reached the maximum. The losses sustained by the smaller institutions have been relatively greater; and it is unquestionably true that a great number of the small banks have been unable to secure proper management.

"This does not mean that mere size will of itself guarantee good banking or a sound banking structure. These facts, however, do indicate that the operation of a vast number of independent unit banks under such conditions that it is difficult for them either properly to diversify their assets, to make earnings, to procure competent management, or to command adequate resources, is a definite source of weakness in the American system of banking.

"Our dual system and the divided control which exists have tended to relation in banking law and regulations, and to the development of unsound practices in the management of the banks. Moreover, recent events have disclosed as never before the extent to which many banks with deposits payable on demand have allowed too large a proportion of their assets to become tied up directly or indirectly in capital commitments. Furthermore, in some instances the functions of commercial and investment banking have become merged under the same management to such an extent as to present a difficult and important problem calling for remedy.

"These facts speak for themselves. The banking structure of the United States needs modification.

"In the last annual report of the Secretary of the Treasury it was recommended that trade-area branch banking be adopted for national banks as a measure that would help overcome some of our present banking difficulties.

"I renew the recommendation looking to the extension of branch banking.

"But it seems to me that the problem goes deeper than this. There is no occasion for any extensive new gathering of material. The facts are available in the reports of hearings of the Banking and Currency Committees of both Houses, in the reports of the Comptroller of the Currency, and in the comprehensive studies made by the Federal reserve system.

"I recommend that a joint committee of the two Houses, in cooperation with the Federal Reserve Board and the Office of the Comptroller of the Currency, consider pending banking legislation in the light of information which has more recently become available, with a view to prompt formulation and enactment of legislation that will remedy the fundamental weaknesses of our banking structure."

NATIONAL-BANK BACKING

Referring to a recommendation against continuance of the use of Government bonds bearing 3½ per cent interest or less as backing for national-bank circulation, Secretary Mills stated that on October 31 about $125,000,000 of additional notes had been issued. He considered these issues might have been helpful in some localities, but added:

"Under the terms of this law, however, the total amount of national-bank notes that can be issued is in excess of $900,000,000. Under different business and economic conditions the power of the banks to issue such an amount of additional notes would seriously interfere with the Federal reserve system's contact with the market and ability to influence credit conditions.

"I therefore recommend that the authority granted by the act of July 22, 1932, for a period of three years be not extended beyond that period."

RESPONSIBILITY OF CONGRESS TOWARD UNEMPLOYMENT

Mr. FRAZIER. Mr. President, I ask unanimous consent to have inserted in the RECORD an address by Rev. John A. Ryan, D. D., at a meeting of the Joint Unemployment Conference, December 3, 1932, on Responsibility of Congress Toward Unemployment.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Last July Congress enacted three measures relating to unemployment. The first carried an appropriation of $300,000,000 for direct relief through loans to the States. This sum was scandalously insufficient. During the coming winter the number of the unemployed will be upward of 12,000,000, which will mean some 25,000,000 persons dependent upon charity for the necessaries of life. The average allotment to each would therefore be only $12. Combined with the relief forthcoming from private contributions and local public authorities, $300,000,000 will not permit the prevailing miserable allowance of $4 per family per week.

Our country has sufficient goods or sufficient facilities for producing them to provide monthly allowances of $40 to $50 per family, or $8 to $10 per individual. When we compel Americans who are destitute through no fault of their own to subsist on less than this amount, we violate their moral right to a decent living and convict ourselves and our Government of either callous inhumanity or stupid incompetence. If Congress is to perform its elementary obligation toward our helpless millions, it ought to appropriate $2,000,000,000 as soon as possible after it assembles for the short session. At the rate of $10 a person per month this would sustain our 25,000,000 destitute for only 8 months; at the rate of $8, it would suffice for 10 months. If through something equivalent to an economic miracle, unemployment should be considerably reduced during the next 10 months, the appropriation need not all be spent.

Congress appropriated $200,000,000 to provide employment through the erection of Federal buildings. This measure has not given employment to a single person. This, however, is not the fault of Congress. The third relief measure appropriated $1,500,000,000 to provide employment through loans to States and municipalities for "self-liquidating" projects. This money is getting into action so slowly that it has not yet given jobs to more than 1,000 men, nor made jobs possible for more than 25,000. Owing to the "self-liquidating" limitation this slow process will apparently continue for a long time. While the depression remains, States and municipalities will not be able to collect money enough to provide interest and amortization for a large volume of such projects. In other words, there are not sufficient "self-liquidating" works to permit a sufficiently rapid expenditure of the $300,000,000.

Even if this money could be spent promptly, the sum is notoriously inadequate. In order to put men to work with sufficient rapidity to reduce considerably the amount of unemployment and to bring about a sustained and general improvement in business, at least $6,000,000,000 are necessary. Senator LA FOLLETTE'S bill should be promptly enacted. This money should be converted as rapidly as possible into Federal, State, and municipal public works, and the "self-liquidating" condition should be made optional. With proper organization, the money could be expended fast enough to provide direct employment for 2,000,000 or 3,000,000 persons within six or eight months and indirect employment for at least twice that number.

Eight billion dollars could be raised as rapidly as needed through the sale of Federal bonds. The country did better than that during the war when its productive resources were less than they are to-day. Within the last three months various issues of Treasury notes carrying low rates of interest were sold, the total amount being $1,600,000,000; the total called for by the bidders was $15,000,000,000. Even at 4 per cent, the interest and sinking fund on $8,000,000,000 would not amount to more than $400,000,000 annually. This is only a little more than half the deficit which the Federal Government has accumulated since last July when the Budget was "balanced." If within two years business regained even half the losses that it has suffered since 1929, ample provision could be made for these annual payments out of the increased revenues and all the nuisance taxes could be abolished. The objection that such a large issue of new Federal bonds would bring down the price of those already in existence is not formidable in view of the great benefits which would accrue not only to the unemployed but to all debtors, to all holders of industrial stocks and bonds, and, indeed, to all persons who are interested in a rise in the general price level.

The alternative to these radical measures is a continued decline in employment and industry. The hope of some business men and of many politicians and statesmen that the slight increase of industrial activity which took place early this fall would continue and spread is no longer held by any intelligent observer. The improvement came to an end about the middle of October. Business activity will be smaller and unemployment greater next spring than they are to-day, and no one has yet suggested any solid reason for believing that an improvement will take place next summer. The national income this year will not be more than $45,000,000,000, as against $89,000,000,000 three years ago. Since October, 1929, general business activity has declined by almost 50 per cent; employment by more than 40 per cent; wage payments by more than 60 per cent; and the income of the farmers by 66 per cent. In view of this enormous loss of purchasing power, how can we expect that an upward movement of business will come about automatically?

The alternatives for our fiscal system are equally disastrous. The Federal deficit now amounts to $750,000,000. This can not be wiped out by taxes on beer, plus economies in the operation of the Federal Government. Moreover, every governmental economy involves reduction in employment, in wage payments, and in purchasing power. This is bad for business. The proposal to balance the Budget through a sales tax is subject to the same objection, since this tax diminishes the amount that would be spent upon finished goods. Here, as in the case of governmental economies, we are confronted by a vicious circle. Both of these measures reduce purchasing power and volume of business and, therefore, the sources from which taxes can be collected. While the depression continues, no efforts to balance the Federal Budget will be successful for more than 15 or 20 minutes.

The only way by which the Budget can be durably balanced is through an increase in employment and industrial activities. The only way to bring about these latter is through bond issues and public works. If these measures fail, we shall be no worse off than we are now. At the meeting of this committee the 30th of last April I said that if an adequate program of public works were not provided by Congress before it adjourned, the level of business activity and employment would be still lower at the beginning of the second session in December. That forecast has been verified. Employment has fallen 8 per cent; general business activity, 4 per cent. One needs no gift of prophecy to foresee that if Congress continues to evade this duty, we shall be in a

worse plight a year from now than we are to-day. The situation is not only grave but extreme. It amounts to a crisis. It calls for drastic, courageous measures. The responsibility resting upon what is left of the Seventy-second and all of the Seventy-third Congress is greater than that which confronted our national lawmakers at any previous time since the eve of the Civil War.

SUGAR REFINING CORPORATION v. THE UNITED STATES

Mr. SMOOT. Mr. President, I ask unanimous consent to have printed in the RECORD a statement regarding the case of the Savannah Sugar Refining Corporation against the United States.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE CASE OF THE SAVANNAH SUGAR REFINING CORPORATION v. THE UNITED STATES

Shortly after the passage of the Hawley-Smoot Tariff Act in 1930, the Bureau of Customs learned of a device about to be practiced by importing interests under which they would attempt to secure the importation of sugar to be refined in the United States upon payment of a rate of duty insignificant in comparison with that prescribed by the tariff act.

The device contemplated the dilution of sugar with water with the addition of a small quantity of formaldehyde as a preservative, and the extraction of the sugar from the mixture after its clearance through the customs in the United States. It was to have been entered at the customhouses under the claim that it was dutiable as a sugar sirup at the rate of one-quarter cent per gallon under paragraph 502 of the tariff act.

When this came to the attention of Commissioner of Customs F. X. A. Eble, he immediately instituted an investigation in which it was determined that a typical shipment of the merchandise of, say, 500,000 gallons would have been dutiable, had the importers' contention been conceded, at $1,000, whereas the duty on the same quantity classified as "sugar" would have been approximately $70,000. The investigation resulted in a ruling promulgated on October 4, 1930, by the Commissioner of Customs with the approval of Mr. Secretary Mills (at that time Under Secretary of the Treasury), holding merchandise of the kind described properly classifiable under the tariff act as sugar.

If the plan and purpose of the importing interests had been accomplished and the vast imports of sugars been permitted in the diluted state, it has been estimated that in normal times it would have deprived the Treasury of duties of from $120,000,000 to $140,000,000 per annum, and domestic agriculture would have been deprived of the corresponding protection.

The Savannah Sugar Refining Corporation imported sugar diluted with water to the percentage of 45.96 total sugars, to which a small quantity of formaldehyde was added for the purpose of preserving the mixture from souring.

It was classified for duty under the provision in paragraph 501 of the tariff act of 1930 for "sugars * * * testing by the polariscope not above 75 sugar degrees" at the rate of 1.7125 cents per pound less 20 per cent by virtue of the Cuban reciprocity treaty.

The Savannah corporation claimed that the commodity should be classified under the provision in paragraph 502 of the said act for "sugar sirups, not specially provided for," at the rate of one-fourth of 1 cent per gallon. An alternative claim was made under paragraph 1558 at 20 per cent ad valorem as "articles manufactured, in whole or in part, not specially provided for."

The importer frankly admitted that the purpose of importing this mixture was to bring a test case and secure a judicial determination of the dutiable status of the merchandise. The collector of customs at Savannah, Ga., imposed duty at the rate indicated, by virtue of the ruling of the Treasury Department (T. D. 44275), dated October 4, 1930. In that order the Bureau of Customs expressed the opinion that "If the mixture is not a sugar within the meaning of paragraph 501, then it is an article which, within the meaning of paragraph 1559, is one not enumerated which is manufactured of two or more materials. In such a case the paragraph provides that the duty shall be assessed at the highest rate at which it would be chargeable if the article were composed wholly of the component material of chief value. In this case the material of chief value is sugar and it follows that duty would be assessable at the rate provided for sugar in paragraph 501."

The case was submitted upon quite voluminous record and was elaborately briefed and argued by counsel for the litigants; and amici curiæ, Hon. Marion DeVries, appeared as a friend of the court, representing the Domestic (American) Sugar Producers' Association; and Mr. James L. Gerry, appearing as a friend of the court, represented the Hawaiian Sugar Planters Association.

The trial court upheld the view expressed in the Treasury ruling above quoted, applying the "two or more materials" provision of paragraph 1559, supra. The appellant endeavored to show that the importation was either commercially or commonly known as a sugar sirup. The Court of Customs and Patent Appeals, in a well-considered opinion by Garrett, J., stated that "No such article was known in trade or commerce at the time of the passage of the tariff act of 1930. It is, as stated by Government counsel, a 'new, unique commodity.' Also, as stated by Government counsel, it is 'experimental,' but it was not prepared or made up to be experimented with, in its imported state, as an article of food, or as an article utilizable for any purpose except to be refined. In a sense it seems to me that the effort is to experiment with the tariff law applicable to raw sugar, rather than the product itself."

Further, the appellate court observed: "As stated by the court below, in substance, no evidence was adduced showing that the product, as imported, has ever been bought and sold in the wholesale trade and commerce of the United States as sugar sirup."

The court accordingly held that no commercial designation was proven.

Turning to the question of whether the commodity was a sugar sirup within the common meaning of the term, the court quoted various definitions of the term "sirup" from dictionaries, from Department of Agriculture regulations, and from its own decision in the case of Cresca Co. (Inc.) v. United States (15 Ct. Cust. Appls. 105), and stated: "From all of these we are unable to conclude that the mixture at issue is a sirup in the common meaning of that term, or that any such product was, within the contemplation or intent of Congress, to be regarded as falling within the designation of 'sugar sirups' as those words are used in pagaraph 502 of the tariff act of 1930."

Further, the court said: "In so holding we have not overlooked the argument made on behalf of appellant to the effect that Congress by providing for 'sugar sirups testing not above 48 per cent total sugars' evidenced a purpose 'to take in all sugar sirups, of all densities, starting at zero, and going all the way up to and through saturated solutions.' If the mixture involved were a sirup, this argument would, of course, be persuasive, but since it is not a sirup the situation is different. The argument is sound only upon the premise that the article is a sirup in the sense of paragraph 502, supra. This we do not think it is."

The court commented upon the fact that each of the articles specified by name in paragraph 501 is "transmuted into refined sugar, while those specified in paragraph 502, supra, generally are used for other purposes than that of being refined."

With reference to the possible application of the doctrine of similitude of this case, the following appears in the opinion of the court: "Indeed, if there were a necessity for applying the doctrine of similitude in the instant case, we are of the opinion that, considering the use of the article—solely transformation into refined sugar—it might be held more nearly to resemble the 'sugars' provided for in paragraph 501, supra, than it does anything named in paragraph 502, supra. However, as we view the matter, no occasion arises for any classification by similitude."

In its concluding paragraphs the court reasoned as follows:

"The construction and application of the statutes made by the trial court lead to a conclusion which seems to us to be entirely consistent with the texts of the various paragraphs of the tariff act considered, and entirely consistent with the known intention of the legislative branch of the Government. * * * Assuredly, it is a matter of almost universal knowledge that the Congress which enacted the sugar schedule of the tariff act of 1930 had in mind and will the conscious purpose of doing two things, viz, raise large revenues and protect the domestic sugar industry. In view of this fact, it would be most surprising, indeed it would be rather astounding, to find that it had used language whose fair and reasonable construction would defeat, rather than promote, the ends known to have been intended."

The result of this decision is to sustain the judgment of the trial court which, in turn, affirmed the decision of the collector of customs at Savannah, Ga., pursuant to the ruling of the Bureau of Customs.

A great deal of credit in this case is due to the efforts of Secretary Mills and Commissioner Eble, and to the able prosecution by Assistant Attorney General Lawrence.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The calendar under Rule VIII is in order.

Mr. McNARY. Mr. President, I submit a proposed unanimous-consent agreement and ask that it may be adopted.

The VICE PRESIDENT. Let it be reported.

The Chief Clerk read as follows:

I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar, subject to debate under the 5-minute rule provided in Rule VIII.

The VICE PRESIDENT. Is there objection to the order? The Chair hears none, and the agreement is entered into. The Secretary will state the first bill on the calendar.

The bill (S. 268) to amend subdivision (c) of section 4 of the immigration act of 1924, as amended, was announced as first in order.

Mr. LA FOLLETTE. Over.

The VICE PRESIDENT. Objection is made, and the bill will go over.

The bill (S. 2642) to establish a commission to be known as a commission on a national museum of engineering and industry was announced as next in order.

Mr. COPELAND. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1856) to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation and/or similar districts other than Federal reclamation projects, or to counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 166) to print the pamphlets entitled "Draft of Mooney-Billings Report" and "Appendix Containing Official Documents" was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. A similar bill (H. R. 7233) is the order for 2 o'clock, and the bill just announced will be passed over.

The joint resolution (S. J. Res. 15) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes, was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 572) to provide that the United States shall cooperate with the States in promoting the general health of the rural population of the United States and the welfare and hygiene of mothers and children, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1058) repealing various provisions of the act of June 15, 1917, entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes" (40 Stat. L. 217), was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 97) to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 80) authorizing the Secretary of War to furnish equipment, goods, and supplies to governors and acting governors for use in aid of distressed citizens was announced as next in order.

Mr. REED. Over.

The VICE PRESIDENT. Objection is made, and the joint resolution will be passed over.

The bill (S. 1039) establishing additional land offices in the States of Montana, Oregon, South Dakota, Idaho, New Mexico, Colorado, and Nevada was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. Objection is made, and the bill will be passed over.

The joint resolution (S. J. Res. 13) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1251) relating to the making of loans to veterans upon their adjusted-service certificates was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. Objection is made, and the bill will be passed over.

The bill (S. 34) to provide for review of the action of consular officers in refusing immigration visas was announced as next in order.

Mr. REED and Mr. SMOOT asked that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 939) to limit the jurisdiction of district courts of the United States was announced as next in order.

Mr. COPELAND. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2842) to authorize construction of the Casper-Alcova division, North Platte project, Nebraska-Wyoming, was announced as next in order.

Mr. COSTIGAN. I request that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4080) to regulate the manufacture and sale of stamped envelopes was announced as next in order.

Mr. FESS. Over.

The VICE PRESIDENT. Objection is made, and the bill will be passed over.

The bill (S. 3223) relative to the qualifications of practitioners of law in the District of Columbia was announced as next in order.

Mr. REED. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes, was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 60) to hear and determine the contest of George M. Pritchard against Joseph W. Bailey for a seat in the Senate from the State of North Carolina was announced as next in order.

Mr. ROBINSON of Arkansas. Over.

The VICE PRESIDENT. The resolution will be passed over.

The resolution (S. Res. 26) changing the name of the Committee on Pensions to the Committee on Veterans' Affairs and defining its jurisdiction was announced as next in order.

Mr. REED. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 2687) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes, was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, was announced as next in order.

The VICE PRESIDENT. That bill is a special order for 2 o'clock to-day, and will be passed over.

The bill (S. 99) to amend section 8 of the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4291) to amend section 5219 of the Revised Statutes, as amended, was announced as next in order.

Mr. CAREY. Over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 186) favoring an expression on Mother's Day of our love and reverence for motherhood was announced as next in order.

Mr. WALSH of Montana. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 436) to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor was announced as next in order.

Mr. ROBINSON of Arkansas. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2473) to provide for increasing the permissible alcoholic content of beer, ale, or porter to 3⅞ per cent by weight, and to provide means by which all such beer, ale, or porter shall be made of products of American farms was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 368) for the relief of Joliet National Bank, and H. William, John J., Edward F., and Ellen C. Sharpe was announced as next in order.

Mr. WHEELER. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4567) to provide for the settlement of claims against the United States on account of property damage, personal injury, or death was announced as next in order.

Mr. BRATTON. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3053) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, was announced as next in order.

Mr. BLAINE. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 7) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. REED. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (H. J. Res 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 3243) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards, was announced as next in order.

Mr. REED. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4565) to amend the railway labor act was announced as next in order.

Mr. WHEELER. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4726) to supplement the migratory bird conservation act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the migratory bird treaty act and regulations thereunder, and for other purposes, was announced as next in order.

Mr. BRATTON. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2613) for the relief of Lynn Brothers' Benevolent Hospital was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3183) for the relief of Dr. A. M. Newton, of Pocatello, Idaho, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 10238) creating a reimbursable fund to be used for special medical and surgical work among the Indians of the Fort Peck Indian Reservation, Mont., and for other purposes, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 11499) for restoring and maintaining the purchasing power of the dollar, was announced as next in order.

Mr. SMOOT. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3346) to provide for the escheat to the United States of certain deposits in national banks was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2370) for the conservation of lobsters, to regulate interstate transportation of lobsters, and for other purposes was announced as next in order.

Mr. KING and Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1301) to renew and extend certain letters patent was announced as next in order.

Mr. SMOOT (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4755) to provide for grants and loans to the several States to aid in relieving unemployment, to facilitate the construction of self-liquidating projects, to provide for the construction of certain authorized Federal public works projects, and for other purposes, was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 11336) providing for an additional justice of the Court of Appeals of the District of Columbia was announced as next in order.

Mr. KING (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

REGULATION OF BONDING IN THE DISTRICT

The Senate proceeded to consider the bill (S. 4082) to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments.

Mr. SMOOT. Mr. President, I should like to ask the Senator reporting the bill whether the proposed amendments suggested by the commissioners were incorporated in the measure.

Mr. KING. Yes; they were.

Mr. SMOOT. And the bill now is favorably regarded by the commissioners, with those amendments?

Mr. KING. I answer my colleague affirmatively.

The VICE PRESIDENT. The bill will be read.

The Chief Clerk proceeded to read the bill.

The amendments were, on page 3, line 13, after the words "Sec. 5," to strike out "$5 per hundred shall be the maximum fee that it" and insert "It"; on page 4, line 21, after the word "detention," to insert "within a reasonable time"; on page 7, line 19, after the words "attorney at law" to insert "*Provided, however,* That it shall not be unlawful for any police or other peace officer, in conducting any raid or in executing any search warrant or warrant of arrest, to communicate to any attorney at law or person engaged in the bonding business, any fact necessary to enable such officer to obtain from such attorney at law or person engaged in the bonding business information necessary to enable such officer to carry out said raid or execute such process"; on page 9, line 3, after "$100," to strike out "and" and insert "or"; in line 5, after the word "jail," to insert "or both"; in line 7, after the word "shall," to insert "upon recommendation of the trial judge"; and in line 11, after the word "business," to insert "for such a period of time as the trial judge shall order," so as to make the bill read:

Be it enacted, etc., That the words "bonding business" as used in this act mean the business of becoming surety for compensation upon bonds in criminal cases in the District of Columbia, and the word "bondsman" means any person or corporation engaged either as principal or as agent, clerk, or representative of another in such business.

SEC. 2. That the business of becoming surety for compensation upon bonds in criminal cases in the District of Columbia is impressed with a public interest.

SEC. 3. It shall be unlawful for any person engaged, either as principal or as the clerk, agent, or representative of a corporation, or another person in the business of becoming surety upon bonds for compensation in the District of Columbia, either directly or indirectly, to give, donate, lend, contribute, or to promise to give, donate, loan or contribute any money, property, entertainment, or other thing of value whatsoever to any attorney at law, police officer, deputy United States marshal, jailer, probation officer, clerk, or other attaché of a criminal court, or public official of any character, for procuring or assisting in procuring any person to employ said bondsman to execute as surety any bond for compensation in any criminal case in the District of Columbia; and it shall be unlawful for any attorney at law, police officer, deputy United States marshal, jailer, probation officer, clerk, bailiff, or other attaché of a criminal court, or public official of any character, to accept or receive from any such person engaged in the bonding business any money, property, entertainment, or other thing of value whatsoever for procuring or assisting in procuring any person to employ any bondsman to execute as surety any bond for compensation in any criminal case in the District of Columbia.

SEC. 4. It shall be unlawful for any attorney at law, either directly or indirectly, to give, loan, donate, contribute, or to promise to give, loan, donate, or contribute any money, property, entertainment, or other thing of value whatsoever to, or to split or divide any fee or commission with, any bondsman, the agent, clerk, or representative of any bondsman, police officer, deputy United States marshal, probation officer, assistant probation officer, bailiff, clerk, or other attaché of any criminal court for causing or procuring or assisting in causing or procuring any person to employ such attorney to represent him in any criminal case in the District of Columbia.

SEC. 5. It shall be lawful to charge for executing any bond in a criminal case in the District of Columbia, and it shall be unlawful for any person or corporation engaged in the bonding business, either as principal, or clerk, agent, or representative of another, either directly or indirectly, to charge, accept, or receive any sum of money, or other thing of value, other than the regular fee for bonding, from any person for whom he has executed bond, for any other service whatever performed in connection with any indictment, information, or charge upon which said person is bailed or held in the District of Columbia. It also shall be unlawful for any person or corporation engaged either as principal or as agent, clerk, or representative of another in the bonding business, to settle, or attempt to settle, or to procure or attempt to procure the dismissal of any indictment, information, or charge against any person in custody or held upon bond in the District of Columbia, with any court, or with the prosecuting attorney in any court in the District of Columbia.

SEC. 6. A typewritten or printed list alphabetically arranged of all persons engaged under the authority of any of the courts of criminal jurisdiction in the District of Columbia in the business of becoming surety upon bonds for compensation in criminal cases shall be posted in a conspicuous place in each police precinct, jail, prisoner's dock, house of detention, and every other place in the District of Columbia in which persons in custody of the law are detained, and one or more copies thereof kept on hand; and when any person who is detained in custody in any such place of detention shall request any person in charge thereof to furnish him the name of a bondsman, or to put him in communication with a bondsman, said list shall be furnished to the person so requesting, and it shall be the duty of the person in charge of said place of detention within a reasonable time to put the person so detained in communication with the bondsman so selected, and the person in charge of said place of detention shall contemporaneously with said transaction make, in the blotter or book of record kept in any such place of detention, a record showing the name of the person requesting the bondsman, the offense with which the said person is charged, the time at which the request was made, the bondsman requested, and the person by whom the said bondsman was called, and preserve the same as a permanent record in the book or blotter in which entered.

SEC. 7. It shall be unlawful for any bondsman, agent, clerk, or representative of any bondsman to enter a police precinct, jail, prisoner's dock, house of detention, or other place where persons in the custody of the law are detained in the District of Columbia for the purpose of obtaining employment as a bondsman without having been previously called by a person so detained, or by some relative or other authorized person acting for or on behalf of the person so detained, and whenever any person engaged in the bonding business as principal, or as clerk, agent, or representative of another, shall enter a police precinct, jail, prisoner's dock, house of detention, or other place where persons in the custody of the law are detained in the District of Columbia, he shall forthwith give to the person in charge thereof his mission there, the name of the person calling him, and requesting him to come to such place, and the same shall be recorded by the person in charge of the said place of detention and preserved as a public record, and the failure to give such information, or the failure of the person in charge of said place of detention to make and preserve such a record, shall constitute a violation of this act.

SEC. 8. It shall be the duty of the police court, juvenile court, and the criminal divisions of the Supreme Court of the District of Columbia, each, to provide, under reasonable rules and regulations, the qualifications of persons and corporations applying for authority to engage in the bonding business in criminal cases in the District of Columbia, and the terms and conditions upon which such business shall be carried on, and no person or corporation shall, either as principal, or as agent, clerk, or representative of another, engage in the bonding business in any such court until he shall by order of the court be authorized to do so. Such courts, in making such rules and regulations, and in granting authority to persons to engage in the bonding business, shall take into consideration both the financial responsibility and the moral qualities of the person so applying, and no person shall be permitted to engage, either as principal or agent, in the business of becoming surety upon bonds for compensation in criminal cases who has ever been convicted of any offense involving moral turpitude, or who is not known to be a person of good moral character. It shall be the duty of each of said courts to require every person qualifying to engage in the bonding business as principal to file with said court a list showing the name, age, and residence of each person employed by said bondsman as agent, clerk, or representative in the bonding business, and require an affidavit from each of said persons stating that said person will abide by the terms and provisions of this act. Each of said courts shall require the authority of each of said persons to be renewed from time to time at such periods as the court may by rule provide, and before said authority shall be renewed the court shall require from each of said persons an affidavit that since his previous qualification to engage in the bonding business he has abided by the provisions of this act, and any person swearing falsely in any of said affidavits shall be guilty of perjury.

SEC. 9. It shall be unlawful for any police officer or other public official, in advance of any raid by police or other peace officers or public officials or the execution of any search warrant or warrant of arrest, to give or furnish, either directly or indirectly, any information concerning such proposed raid or arrest to any person engaged in any manner in the bonding business, or to any attorney at law: *Provided, however,* That it shall not be unlawful for any police or other peace officer, in conducting any raid or in executing any search warrant or warrant of arrest, to communicate to any attorney at law or person engaged in the bonding business, any fact necessary to enable such officer to obtain from such attorney at law or person engaged in the bonding business information necessary to enable such officer to carry out said raid or execute such process.

SEC. 10. The judges of the police court of the District of Columbia shall have the authority to appoint some official of the Metropolitan police force of the District of Columbia to act as a clerk of the police court with authority to take bail or collateral from persons charged with offenses triable in the police court in criminal cases in the District of Columbia at all times when the police court is not open and its clerks accessible. The official so appointed shall have the same authority at said times with reference to taking bonds or collateral as the clerk of the police court now has; shall receive no compensation for said services other than his regular salary; shall be subject to the orders and rules of the police court in discharge of his said duties, and may be removed as such clerk at any time by the judges of the police court. The Supreme Court and the juvenile court of the District of Columbia each shall have power by order to authorize the official, appointed by the police court, to take bond of persons arrested upon writs and processes from those courts in criminal cases between 4 o'clock p. m. and 9 o'clock a. m. and upon Sundays and holidays, and each of such courts shall have power at any time by order to revoke such authority granted by it.

SEC. 11. Any person violating any provision of this act other than in the commission of perjury shall be punished by a fine of

not less than $50 nor more than $100, or by imprisonment of not less than 10 nor more than 60 days in jail, or both, where no other penalty is provided by this act; and if the person so convicted be a police officer or other public official, he shall upon recommendation of the trial judge also be forthwith dismissed from office; if a bondsman, or the agent, clerk, or representative of a bondsman, he shall be disqualified from thereafter engaging in any manner in the bonding business for such a period of time as the trial judge shall order; and, if an attorney at law, shall be subject to suspension or disbarment as attorney at law.

SEC. 12. It shall be the duty of the police court, juvenile court, and of the criminal divisions of the Supreme Court of the District of Columbia to see that this act is enforced, and upon the impaneling of each grand jury in the Supreme Court of the District of Columbia it shall be the duty of the judge impaneling said jury to give it in charge to the jury to investigate the manner in which this act is enforced and all violations thereof.

The amendments were agreed to.

Mr. BLAINE. Mr. President, this is a very important piece of proposed legislation. I will ask the Senator from Utah, who reported the bill, to give a brief explanation of what it is all about.

Mr. KING. Mr. President, in a word may I say that this bill was recommended by the District Commissioners and, as I recall, by the corporation counsel.

It has been some time since the bill was before the committee and I am not as familiar with its terms as I was when it was considered. I recall that it was claimed that there were great abuses in this district in the matter of furnishing bail; that there were forms of collusion which were harmful to the administration of the law; that there were too intimate relations between some persons furnishing bail and subordinate officers.

Since the bill was acted upon by the committee, I have paid but little attention to it; but it had the approval of the commissioners, the corporation counsel, and the committee, when the matter was under consideration. If the Senator from Wisconsin wants the bill to go over for further examination of its terms, I have no objection.

Mr. BLAINE. I wish to inquire of the Senator whether or not the bill would hamper individuals or persons charged with criminal offenses in obtaining bonds.

Mr. KING. The reply was made that it would not. I can not now answer definitely; but I remember that that question was raised, and it was admitted that the passage of the bill would not hamper persons in obtaining bonds. Its purpose was to deal with an undesirable situation in the matter of obtaining and furnishing bonds for persons charged with offenses.

Mr. BLAINE. I think the Senator is correct in saying that there are abuses in the District respecting bonds; but the inquiry in my mind was whether or not the individual, the stranger who may be charged with an offense, will not be unduly hampered in obtaining bond.

Mr. KING. I do not think so; but I have no objection, if the Senator desires, to having the bill passed over so as to give him an opportunity to examine that matter. I should regret to see any measure passed that might be construed as unfair to any person charged with an offense.

The PRESIDENT pro tempore (Mr. MOSES). Does the Chair understand the Senator from Utah to interpose the objection under the rule?

Mr. KING. I do not.

Mr. BLAINE. I suggest that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS, ETC., PASSED OVER

The bill (S. 175) to provide for the early completion of river and harbor projects now or hereafter authorized and adopted by Congress, including the connecting channels of the Great Lakes, and to authorize the issuance of bonds therefor was announced as next in order.

The PRESIDENT pro tempore. This bill will be passed over.

The bill (S. 3606) to authorize the purchase by the Government of American-produced silver, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8681) to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4920) to authorize the closing of a portion of Virginia Avenue SE., in the District of Columbia, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4781) authorizing an emergency appropriation for the relief of needy and distressed residents of the District of Columbia and for the temporary care of transient and homeless persons in said District was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4046) to fix more equitably the responsibility of postmasters was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The concurrent resolution (S. Con. Res. 31) authorizing the printing of additional copies of House Report No. 2290 was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDENT pro tempore. The concurrent resolution will be passed over.

LIMITATION OF ATTORNEYS' FEES IN CONTEST CASES

The resolution (S. Res. 258) favoring a limitation on attorneys' fees in senatorial election contests was considered by the Senate and agreed to, as follows:

Resolved, That it is the sense of the Senate that in any contest hereafter instituted involving the right to membership in the United States Senate, fees and compensation to the attorney or attorneys for either party shall not exceed $5,000.

HEI MO SARKKINEN

The bill (S. 1684) for the relief of Hei Mo Sarkkinen was announced as next in order.

The PRESIDENT pro tempore. This bill is reported adversely; and, without objection, it will be indefinitely postponed.

GUST J. SCHWEITZER

The Senate resumed the consideration of the bill (H. R. 4910) for the relief of Gust J. Schweitzer, which had been reported from the Committee on Claims with amendments.

The PRESIDENT pro tempore. The amendments reported by the committee have been heretofore agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

INTERSTATE TRADE IN MOTION-PICTURE FILMS

The bill (S. 3770) to prevent the obstruction of and burdens upon interstate trade and commerce in copyrighted motion-picture films, and to prevent restraint upon free

competition in the production, distribution, and exhibition of copyrighted motion-picture films (a) by prohibiting the compulsory block-booking of copyrighted motion-picture films; (b) by making unlawful, unreasonable, and discriminatory protection in favor of certain theaters over others; (c) to compel the furnishing of accurate synopses of all pictures offered to theater operators before the same have been released and reviewed; and (d) to amend section 2 of the Clayton Act to make it apply to license agreements and leases as well as sales in interstate commerce was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I think that is a bill that the junior Senator from North Carolina [Mr. REYNOLDS] stated that he desired to have recommitted to the committee. I suggest to him that it might be possible now to have his motion considered.

Mr. REYNOLDS. Mr. President, I was desirous of taking up the matter with the Senator from Iowa [Mr. BROOKHART], who introduced the bill.

Mr. ROBINSON of Arkansas. Very well. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

JOINT RESOLUTION, ETC., PASSED OVER

The motion of Mr. BARBOUR to discharge the Committee on the Judiciary from further consideration of the joint resolution (S. J. Res. 114) proposing an amendment to the Constitution relating to intoxicating liquors was announced as next in order.

Mr. BRATTON. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The resolution (S. Res. 260) directing the Reconstruction Finance Corporation to report to the Senate regarding loans made or proposed to be made by it was announced as next in order.

Mr. REED. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 263) to investigate conditions respecting the sale and distribution of dairy products in the District of Columbia was announced as next in order.

Mr. KING. Mr. President, the Committee on the District of Columbia is now considering the rent situation, and some testimony has been adduced before that committee bearing upon this resolution. I ask, however, that the resolution go over for the present.

The PRESIDENT pro tempore. The resolution will be passed over.

ELIZABETH MILLICENT TRAMMELL

The bill (S. 4553) for the relief of Elizabeth Millicent Trammell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to Elizabeth Millicent Trammell, widow of H. Eric Trammell, late third secretary of American Embassy at Rio de Janeiro, Brazil, the sum of $3,000, equal to one year's salary of her deceased husband.

MUCIA ALGER

The bill (S. 4767) for the relief of Mucia Alger was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mucia Alger, widow of William E. Alger, late American consul at Fernie, British Columbia, the sum of $2,500, being one year's salary of her deceased husband, who died March 19, 1917, while in the Foreign Consular Service.

HUGH S. CUMMING AND OTHERS

The joint resolution (S. J. Res. 195) granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That Hugh S. Cumming, Surgeon General of the United States Public Health Service, be authorized to accept and wear the decoration of the order Al Mérito, bestowed by the Government of Ecuador, and the Order of Carlos Finlay, bestowed by the Government of Cuba; that John D. Long, medical director United States Public Health Service, be authorized to accept and wear the decorations of the order Al Mérito, bestowed by the Government of Chile, the order Al Mérito, bestowed by the Government of Ecuador, and the Order of Carlos Finlay, bestowed by the Government of Cuba; that Clifford R. Eskey, surgeon, United States Public Health Service, be authorized to accept and wear the decoration of the order Al Mérito, bestowed by the Government of Ecuador, the foregoing decorations having been conferred upon these officers by the Republics mentioned in recognition of assistance rendered by them as representatives of the Pan American Sanitary Bureau in matters relating to sanitation and health; and the Department of State is hereby authorized and permitted to deliver the above-mentioned decorations to the said Hugh S. Cumming, John D. Long, and Clifford R. Eskey, respectively.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (H. R. 7894) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 194) conferring jurisdiction upon the Court of Claims to render findings of facts in the claim of the Mack Copper Co. was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

P. F. GORMLEY CO.

The joint resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co. was announced as next in order.

Mr. WALSH of Massachusetts. Mr. President, this is merely a permissive measure, giving the Court of Claims the right to find certain facts in connection with a Government contract.

The Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations, to hear the claim of P. F. Gormley Co. for payment at the contract price of $106 per ton for structural steel furnished and used in the performance of its contract No. 2304 with the Navy Department, dated March 10, 1917, for construction of structural shop building at the navy yard, Philadelphia, Pa., for such amount as will fully compensate said company for said steel not in excess of the price aforesaid; and also claims for damages or extra costs occasioned by orders of the Navy Department requiring the contractor to pay wages at rates fixed by war-time wage boards; by the commandeering of contractor's labor for use on war-time work considered more urgent; for increased costs due to extended period of performance necessitated by war-time conditions and war orders, including wages at rates higher than when the contract was made, delay in shipments, demurrage, and other extra costs necessarily incurred by the contractor without fault or neglect on its part but due to one or all of the circumstances stated, and to render findings of fact, and to report such findings of fact to Congress.

JOHN S. SHAW

The bill (H. R. 1778) for the relief of John S. Shaw was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of John S. Shaw, who purports to have suffered injury while employed as rural mail carrier some time in October, 1918, in the same manner and to the same extent as if said John S. Shaw had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefit shall accrue prior to the enactment of this act.

RESTITUTION OF POST-OFFICE EMPLOYEES AT DETROIT, MICH.

The Senate proceeded to consider the bill (H. R. 5256) for the restitution of employees of the post office at Detroit, Mich., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter Wiggle, the sum of $2,150.75; to Alden Catton, $1,821.92; to George D. Walker, $1,821.92; to James P. Murray, $1,000; to Charles C. Kellogg, $1,493.26; and to James P. Bacon, $1,000, these sums having been collected by the post-office inspection department in the amounts named from these employees' personal funds to make up a shortage of funds embezzled by Charles E. Mussey, a clerk in the Detroit post office, and who committed suicide on August 17, 1926.

Mr. McKELLAR. Mr. President, can this bill be explained by whoever is interested in it?

Mr. COUZENS. Mr. President, this claim has been before the Congress for a number of years. It passed the House, and was in the Senate Committee on Claims for a number of years. I went into the merits of the claim quite thoroughly with the junior Senator from Nebraska [Mr. HOWELL]. At the last session of Congress I made a brief statement with respect to it. At that time a Senator, who was not familiar with the claim, interposed an objection because we were on the unanimous-consent calendar; but I refer to the report giving the circumstances of the claim and what the Postmaster General says about it.

It appears that one of the clerks in the Detroit post office embezzled some $19,000, and he had a bond for only $10,000. He committed suicide. After he had died, a note was found in which he confessed to stealing money from the Post Office Department. The Post Office Department collected $10,000 under the bond, and there was some $9,000 left over as to which the Post Office Department was not protected. They divided up this $9,000 and assessed it against the assistant postmaster and a number of employees whose names are listed in the report.

It appears that there was no real legal obligation on the part of the employees. I am not contending that there may not have been some negligence on their part in not properly following up a subordinate. However, we are all human enough to overlook following our duty 100 per cent. We even find Senators coming into the Chamber and expressing regret that bills have gotten through while they were out.

The question involved in this proposed legislation is whether or not, after six years of withholding this money from these employees, it should not be refunded.

The bill was ordered to a third reading, read the third time, and passed.

HEIRS OF C. K. BOWEN

The Senate proceeded to consider the bill (S. 2839) for the relief of the heirs of C. K. Bowen, deceased, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay to Mary E. Christenson, Houston, Tex.; Mrs. F. N. Heiman, Seabrook, Tex.; Mrs. A. B. Christenson, Burbank, Calif.; and C. K. Bowen, Burbank, Calif., heirs of C. K. Bowen, deceased, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $450.50, for damages sustained by the said heirs of the said C. K. Bowen, deceased, who lost his life during the hurricane of September 8, 1900, when the light station at Halfmoon Shoals, Tex., was demolished and the said C. K. Bowen, was drowned, as shown by Public Document No. 103, Fifty-seventh Congress, first session, dated December 7, 1901.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRAFFIC IN ADULTERATED FOODS

The bill (S. 4178) to amend section 8 of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended, relating to misbranded foods, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over. This completes the calendar.

PHILIPPINE INDEPENDENCE

Mr. McNARY. Mr. President, when I presented the order this morning for the consideration of the calendar I assumed that that would occupy the morning hour. Now I ask unanimous consent that we proceed to the consideration of the unfinished business.

Mr. ROBINSON of Arkansas. Mr. President, I have no objection whatever to that order, but I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kean	Schuyler
Austin	Couzens	Kendrick	Sheppard
Bailey	Cutting	Keyes	Shipstead
Bankhead	Dale	King	Shortridge
Barbour	Davis	La Follette	Smith
Barkley	Dickinson	Logan	Smoot
Bingham	Dill	Long	Steiwer
Black	Fess	McGill	Swanson
Blaine	Fletcher	McKellar	Thomas, Okla.
Borah	Frazier	McNary	Townsend
Bratton	Glass	Metcalf	Trammell
Broussard	Glenn	Moses	Tydings
Bulkley	Goldsborough	Neely	Vandenberg
Bulow	Grammer	Nye	Wagner
Byrnes	Hale	Oddie	Walcott
Capper	Harrison	Patterson	Walsh, Mass.
Caraway	Hastings	Pittman	Walsh, Mont.
Carey	Hatfield	Reed	Watson
Cohen	Hawes	Reynolds	Wheeler
Connally	Hayden	Robinson, Ark.	White
Coolidge	Hull	Robinson, Ind.	
Copeland	Johnson	Schall	

Mr. LA FOLLETTE. I desire to announce the absence of the senior Senator from Iowa [Mr. BROOKHART] on account of illness.

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

The senior Senator from Oregon asks unanimous consent, notwithstanding the order of the Senate entered into on the 1st of July, 1932, that the unfinished business may now be laid before the Senate. Is there objection? The Chair hears none.

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The PRESIDENT pro tempore. The amendment of the junior Senator from Michigan [Mr. VANDENBERG], on page 27, lines 7 and 12, is pending. The amendment will be stated.

The CHIEF CLERK. On page 27, line 7, before the word "designated," insert the words "or may be hereafter," and on line 12, before the word "government," to insert the word "independent."

Mr. VANDENBERG. Mr. President, I rise at the present moment only to refer to the parliamentary situation. Undoubtedly so much time has passed since the Senate was considering this legislation that Senators may not have in mind the precise status of the bill.

There is now pending one of a series of amendments which I have offered to the text of the committee bill. There is also on the desk a general substitute for the committee bill which I have offered and which I will assume to submit to the Senate at the proper parliamentary point.

In the course of the debate in the early summer the able senior Senator from Nevada [Mr. PITTMAN] made the following observations on June 30. He was speaking at the time in respect to one of these amendments which I had submitted to perfect the text of the committee bill. I quote the senior Senator from Nevada:

There is only one question here, and that is the theory and the thought suggested by the Senator from Michigan and the theory and the thought suggested by the committee. * * * Those in favor of the theory of the Senator from Michigan ought to vote against the bill. Those in favor of the theory of the bill ought



to vote down every amendment, because they have got to trust to the working out of the matter by the committee. * * * Let the issue come squarely between the two theories.

Mr. President, I have come to the conclusion that the position taken by the able senior Senator from Nevada upon that occasion was sound. Therefore, so far as I am concerned, and in order to facilitate the Senate's conclusive consideration of the matter, I am going to withdraw the pending amendment to the text. I shall not undertake to submit further amendments to the text, but when the text is completed I shall ask the Senate to consider the complete substitute to which I shall undertake to address myself. In that fashion it will be possible for us squarely to confront the problem of a choice between these two opposite theories of treating the Philippine matter.

Mr. LONG. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LONG. I beg the Senator's pardon, but what is the amendment he is withdrawing—one shortening the time between now and the freedom of the Philippines?

Mr. VANDENBERG. Oh, no; the pending amendment which I am withdrawing refers solely to the process by which the Government of the United States shall maintain American reservations of land in the Philippine Islands. It is a rather minor matter at best.

Mr. LONG. If I may ask the Senator further, the Senator, as I understand it, does not refer to the date of freedom, if the Philippines are to be freed; it is just a matter of a substantive proposition, as to whether we are going to retain the Philippines or not. There is no attitude of objecting to early freedom of the Philippines?

Mr. VANDENBERG. Mr. President, the complete theory upon which I approach the subject is outlined in the substitute, and if the Senator from Louisiana will permit me, it is quite impossible for me to paraphrase it in a word. At the proper time I shall be glad to undertake to make plain what my view is.

As I understand the parliamentary situation—and I make this inquiry of the Chair—although the substitute is upon the desk, it can not be called up until all the amendments perfecting the text of the committee bill have been acted upon. Is that correct?

The PRESIDENT pro tempore. The Chair will hold that the committee having amended the bill by practically a complete substitution, the question is on agreeing to the amendment proposed by the committee, and the Chair would hold that an amendment to the amendment in the nature of a substitute proposed by the Senator from Michigan could be offered at any time while the committee amendment is pending, and, according to the record at the desk, the Chair is informed that amendment has been formally offered.

Mr. VANDENBERG. The Chair is justified in that definition of the situation. Nevertheless, as a matter of orderly procedure, it seems to me that perhaps the pending committee text should be considered for amendment to that text as perfected before I undertake to press the substitute. Therefore, I shall leave the matter in that form for the time being.

The PRESIDENT pro tempore. That is what the Senate is now proceeding to do. The question is on agreeing to the amendment proposed by the committee.

Mr. HAWES. Mr. President, I send to the desk an amendment, which I offer.

Mr. COPELAND. Mr. President, may I ask the Senator from Missouri if it is his attitude that he does not care to have amendments to the pending bill offered from the floor?

Mr. HAWES. I have only one amendment of minor importance which I have sent to the desk. So far as I am concerned that is the only amendment which I would like to have embodied in the bill.

Mr. COPELAND. May I ask the Senator if there is any provision in the bill for retirement pay for American citizens who are now employed in the Philippines?

Mr. HAWES. There is no such provision. The matter has been very carefully considered and I understand that the subject is not going to be pressed. It is a very complicated matter. I do not believe it can be taken up at this time. I talked to Mr. Fisher about it. If the Senator wants to bring up the subject he may do so but there is no committee amendment on that subject.

Mr. COPELAND. Mr. President, is the parliamentary situation such that I can offer an amendment at this time?

The PRESIDENT pro tempore. The Senator from Missouri has submitted an amendment which has not yet been reported to the Senate and which will have priority.

Mr. COPELAND. I ask unanimous consent to submit such an amendment as I have just suggested and also an explanatory note regarding its importance.

The PRESIDENT pro tempore. The Chair would assume the proper way to accomplish what the Senator from New York has in mind is to ask unanimous consent to have his proposed amendment printed in the RECORD, together with the explanatory note.

Mr. COPELAND. That is my request.

The PRESIDENT pro tempore. Without objection, that order will be entered.

The amendment and explanatory note are as follows:

PROPOSED AMENDMENT TO HAWES-CUTTING BILL REGARDING PENSIONS FOR AMERICAN CITIZENS EMPLOYED IN THE CIVIL SERVICE OF THE PHILIPPINE GOVERNMENT

All citizens of the United States who are employed in the Philippine civil service, in the University of the Philippines, and in the Philippine Senate, on the date when this act becomes a law, and who have rendered services for a period between 5 and 10 years shall receive upon their application, in lieu of all other retirement pay and gratuities to which they may be entitled under the laws of the Philippine Islands, a gratuity equal to one year's salary; and all such persons having rendered services for more than 10 years shall receive, upon their application, in lieu of all other retirement pay and gratuities to which they may be entitled under the laws of the Philippine Islands, an annuity consisting of 2½ per cent of their annual salary for 1932 times the total number of years of service, provided that no annuity shall exceed 75 per cent of the annual salary for 1932. These annuities shall be paid during the life of the beneficiaries by the United States Government and shall be collected from the Philippine government. The amounts necessary to cover these payments shall be a first lien on the revenues of the Philippine government, but all contributions to pension funds which shall have been made by any and all beneficiaries mentioned in this section shall be paid to the United States Government as part of the cost of the retirement pay and gratuities payable under this act. This retirement pay and these gratuities shall be paid in lawful money of the United States, and for the purpose of computing their amounts 2 pesos in Philippine currency shall be considered as equal to $1 in United States currency.

All citizens of the United States who are receiving pensions from the Philippine government at the time this act becomes a law shall, if they so elect, receive in lieu of such pensions retirement pay as provided in this section.

EXPLANATORY NOTE FOR AMENDMENT PROPOSED TO HAWES-CUTTING BILL

Americans in the Philippine civil service have been led, from the events of the last year or two, to expect in the early future the enactment by Congress of legislation that will result before a great while in the independence of the Philippine Islands. The idea is not distasteful to them, in the main, for the reason that those who are still here are advancing in years, and they realize that they will naturally be separated from the service in the course of a few years anyway.

But there is a conviction that suitable provision should be inserted in any independence legislation providing for the retirement of those Americans who may be in the Philippine service at the time the contemplated independence legislation is enacted. Last spring the attention of the present Governor General, Theodore Roosevelt, was drawn to this matter, and he sent to the Secretary of War a recommendation for the incorporation of such a measure in any independence bill that might be passed by Congress.

We feel that the pension for Americans in the Philippine service should have an equal status with outstanding bonds with regard to guaranty of payments; in fact, it would only be just that the United States guarantee payment of pensions for Americans who have conducted the greatest American undertaking in the Orient. Employees who have not contributed to any pension fund should receive the same consideration as those who have, as the lack of contribution has not been due to unwillingness but to the failure of the Government to pass pension legislation.

We believe that the recommended provisions for Americans with more than 10 years' service are not too liberal, but they could be restricted to those with 10 to 15 years' service, 1½ per cent; from 15 to 20 years' service, 2 per cent; and 20 years and over, 2½ per cent. Of the 81 employees with service between 10 and 20 years, 26 have served more than 15 years and 55 between

10 and 15 years. There are a total of 120 who have served from 20 to 32 years.

The probable ultimate expense of the plan to the Philippine government does reflect careful study by competent personnel. Estimates may be too high in that expectancy of life is based on the supposition that all individuals are acceptable for life insurance at normal rates, which is far from true. In making this study the date of birth, age, present position, salary, expectancy of life, and pension or retirement rights already earned by civil-service employees under existing laws have been carefully considered.

The pension system which is proposed follows generally the principles laid down in existing pension systems for employees of the bureaus of health, constabulary, and education. The estimated cost of the system has been computed, assuming that all employees would retire as of July 1, 1933, without taking into account the separations by death or otherwise which will occur between the present and that date. As of October 1, 1931, there were 324 Americans in the civil service who would be affected by this proposal. Two hundred and one employees have rendered over 10 years of service, and 123 between 5 and 10. For those who have rendered over 10 years of service it is proposed to set up a retirement system as suggested above, based on their highest annual salary for each year of service rendered, in no case to exceed 75 per cent of such salary. This is the system already in force for employees of the bureaus of health and constabulary, and approximately the system in effect for the bureau of education. Of the 201 employees with more than 10 years' service, 128 are employed in the three bureaus already having retirement systems, leaving 73 whose only right upon retirement from the government service is the benefit of the Osmeña Retirement Act, which would grant each of them one year's salary.

It should be noted, however, that the three existing retirement systems above mentioned provide retirement after 20 years of service only, while the scheme herein proposed permits retirement after 10 years of service. It is believed that this is a just provision, however, for the reason that more than three-fourths of those who have rendered from 10 to 20 years of service are in the bureaus with pension systems and, if the political arrangements between the United States and the Philippines remain as at present, would probably complete 20 years of service and be entitled to retirement. They have remained in the service more than 10 years, many of them with that in mind, and they have a very definite equity which, while it is hard to compute in dollars and cents, nevertheless exists. The average number of years of service of those who have rendered over 20 years of service is 26.6. The average age is 55.4, and the average expectancy of life, which varies from 2 to 22 years, is 13.66.

The average present salary is ₱5,949.83, and the total annual pay roll for this group is ₱713,980. Retiring these employees under the system proposed above would involve an average annual retirement for each of ₱3,874.09, with a total annual initial charge for the group of ₱464,891. However, the 58 employees in this group who are entitled to pension under existing laws would be entitled to an average annual retirement of ₱2,938.36, with a total annual initial charge of ₱179,240. The reason that this proposed average retirement pay is so much more than under existing laws is the fact that the highest salaried employees, such as bureau directors, supreme court judges, etc., are not entitled to retirement pay except under the Osmeña Act. The 62 employees in this group who are not entitled to pension are, however, entitled to retirement under the Osmeña Act and immediately upon separation from the government there would be due to them the sum of ₱475,680, to be distributed over a period of three years. Under the proposed retirement system the initial average annual payment would be ₱464,891, but due to the advanced age of the group this sum would rapidly decrease in succeeding years.

Summing up: The total estimated cost of this retirement system, extending over a period of 22 years, would be ₱6,152,102, while the estimated total cost of existing retirement systems is ₱2,889,705, which means a net total increase over a period of years of ₱3,385,425. The annual increase in cost for the first year would be ₱285,651. This does not take into account the payments under the Osmeña Act for three years, so that the maximum annual increase in cost for the first three years would be ₱127,091.

The above figures are based on life expectancy in tropical countries compiled by the Insular Life Insurance Co., and this group contains an unusually large number of men of advanced age who draw much higher than average salaries. Considering the fact that this group have spent from 20 to 32 years in the Tropics and have taken infrequent vacations in temperate zones, and that they are not a select group, it is doubtful if their life expectancy would reach the span calculated from the mortality table.

For the 81 who have rendered more than 10 but less than 20 years of service, the following statistics show the cost of their retirement: Total annual pay roll, ₱348,900; average years of service, 13.39; average age, 46.74; average expectancy of life, 18.95; average present salary, ₱4,307.40; average proposed retirement pay, ₱1,464.05; estimated total retirement, ₱2,253,661; estimated total retirement each, average, ₱27,822.97; average Osmeña retirement, ₱4,307.40; total Osmeña retirement, ₱348,900; net total increase over existing laws, ₱1,904,839; initial annual payment, ₱118,588.

No account has been taken here of the equity which 62 with service between 10 and 20 years have earned toward retirement under existing laws. Inasmuch as all of them, however, are entitled to retirement under the Osmeña Act, the amount of one full year's pay for each has been deducted from the estimated cost of this system. The expectancy of life of this group ranges from 10 to 26 years.

Summing up then: The retirement of the entire group of 201 employees with more than 10 years of service, the annual pay roll which is ₱1,062,880, would mean an initial annual outlay of ₱583,479, the total cost of which over a period of 27 years would be ₱8,405,763. The total value of retirement which has already been earned under all existing laws for this group is ₱3,138,605, leaving a net increase in cost of ₱5,267,158. The total value of the Osmeña Retirement Act for this group is ₱824,580, which is payable over a period of three years at an annual rate of ₱274,360. This means that for the first three years the total annual payment of the Philippine government under existing laws would be ₱454,100; that is, the annual increase in cost for the first three years of this retirement system would be ₱129,379.

The proposed retirement system for those who have rendered between 5 and 10 years of service: This group is made up of 123, 97 of whom are teachers. The annual pay roll is ₱448,010. It is believed that a fair arrangement for this group would be to authorize the payment of one full year's salary, which would entail a total cost of ₱448,010.

If the members of the supreme court are otherwise provided for and are excluded from the provisions of this act, the initial annual retirement pay will be reduced by ₱50,500 and the total estimated cost by ₱473,000.

There would be less possibility of confusion if salaries for 1931, rather than 1932, were made the basis of the pension.

When it is considered that it costs the United States Government for Filipino veterans of the United States Army in the Philippines the approximate sum of $3,000,000 annually and approximately 2,000 Filipinos are employed in the civil service of the United States, as well as about $12,000,000 which has been given the Philippine government from the United States internal-revenue tax on Philippine tobacco sent to the United States, the foregoing proposal that the Federal Government guarantee a retirement, which will cost only a fraction of this sum and which will be paid to American citizens, appears to be reasonable.

The proposed legislation will cerate no charge against the United States, and judging from the friendly attitude of Filipinos toward retirement measures for Americans in the past, we believe that the suggestion will encounter but little opposition, if any, in that quarter.

Mr. HAWES. Mr. President, I ask unanimous consent that following the remarks of the Senator from New York a communication from the Philippine commission may be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, that order will be entered.

The communication is as follows:

LEGISLATIVE COMMISSION FROM THE PHILIPPINES,
Washington, D. C., December 6, 1932.

Senator HARRY B. HAWES,
Senate Office Building, Washington, D. C.

DEAR SENATOR HAWES: We are returning herewith the papers which came to you through the office of Senator BINGHAM, and which you sent us for our comment. These papers have reference to a proposed amendment to the Philippine bill now pending in the Senate so as to provide for the payment of certain gratuities or pensions to American officials and employees now serving in the government of the Philippine Islands, upon the inauguration of the Philippine Commonwealth. We believe that such an amendment is unnecessary and would be most inadvisable.

American officials and employees should not have the least fear that their services will be dispensed with immediately after the establishment of the Commonwealth. We are convinced that the authorities of the Commonwealth will realize the value of the experience and ability of such officials, and will have every reason to retain them in the service. But should it be found necessary to dispense with the services of some of them, we are sure that the government of the Commonwealth will provide for them such adequate gratuities as the financial condition of the government will allow, so as to compensate them in some measure for the years of loyal service they have rendered the Philippine government. The past record of the Philippine Legislature shows a continuous disposition to treat American officials and employees in a most sympathetic manner, the only limit being the ability of the government to carry the corresponding financial burden.

There is no law in the Philippines to-day granting a pension to civil-service employees, excepting teachers and members of the health service. There is a pension law for officers and soldiers of the constabulary. However, all officials and employees receiving pensions are contributing a portion of their salaries toward the building up of the pension funds.

Most of the American officials now serving in the Philippines are in the bureau of education. Their cases should be regarded as fully covered by the provisions of the teachers' pension law. Officials under special contract can have no fear that their contracts can be terminated before their expiration. As to other American officials and employees, we repeat it is our sincere belief that their cases will be taken care of with due regard to fairness and justice.

It is inadvisable to approve the proposed amendment, for it would open the door to many other small incidental questions which arise as a result of the passage of the pending bill. Moreover, the financial situation of the Philippine government during

the life of the Commonwealth has to be considered before it can be determined whether or not a gratuity or pension should be paid, and how much it should be. Finally, there would seem to be no reason why the civil employees of the Philippine government should be granted gratuities or pensions comparable to the rates and identical in respect to the basis of the pensions granted by the United States Government to officers of the United States Army.

It would be exceedingly unwise to impose upon the Philippine government the burden of paying officials and employees life annuities in advance of the determination of the ability of the government to pay such annuities, especially when annuities are to be paid irrespective of the age of the beneficiaries. In the present instance many of those who would receive the proposed pensions would begin to receive them while still in the prime of life. The experience of other governments which have undertaken such obligation should constitute a serious warning against a course like that suggested in this amendment.

For all these reasons, we are constrained to advise against the acceptance of the proposed amendment.

Very respectfully,

For the Philippine Commission:

SERGIO OSMENA.
MANUEL ROXAS.

The PRESIDENT pro tempore. The amendment submitted by the Senator from Missouri will be stated.

The CHIEF CLERK. On page 28, lines 20 to 22, the Senator from Missouri proposes to strike out the following words:

He may occupy the official residence and offices now occupied by the Governor General.

Mr. HAWES. Mr. President, the bill now provides that the high commissioner shall occupy what is known as the governor's palace. I find that there is a very great sentimental value placed upon the occupancy of this building. It was the old palace of the Spanish governor. It has been used by the American governor. The Filipinos would like, in case of independence, to have permission to use it, during the transition period, as the place of residence of the officer of their selection. That is all there is to the amendment.

Both political and practical reasons sustain this amendment. The fact that the chief executive of the Commonwealth of the Philippine Islands is installed in Malacanang Palace will give to that position, in the eyes of the Philippine people, a dignity and significance which would be of great value to that office. Malacanang was for many years the residence of the Spanish governors of the islands. For that reason it is bound up with the traditions of the Filipino nation and especially with their struggle for emancipation from Spain's dominion, symbolized by this palace. Some time ago it was remodeled and rebuilt by the Philippine government with funds supplied through taxation by the Philippine people. At present it is the residence of the Governor General, and its occupancy by the chief executive of the Philippine Commonwealth would symbolize a certain continuity in the transition from one government to the other.

It is highly advisable that the chief executive of the Commonwealth should be publicly recognized as succeeding to the authority and dignity of the Governor General. The staff required by the chief executive of the Commonwealth for the performance of his duties is certain to be more numerous than that needed by the high commissioner. The executive building annexed to Malacanang is a very large structure and is now used by more than a hundred officials and employees. Accordingly it would appear at once equitable and advisable to assign to the chief executive the sort of residence to which the dignity and actual requirements of his office entitle him. On the other hand, it would not seem wise to allot Malacanang to the high commissioner, for this might beget a wrong impression as to the nature and scope of his duties and create the belief that he should maintain a large and expensive corps of assistants and personnel.

Mr. KING. Mr. President, does the Senator intend to offer an amendment to the effect that such officer may occupy the official residence and offices now occupied by the commanding general of the Philippine department of the United States?

Mr. HAWES. No; I do not.

Mr. KING. My understanding is the amendment offered by the Senator does not intend by legislation to turn over to the high commissioner the present building occupied for government purposes.

Mr. HAWES. That is exactly true.

Mr. KING. Is there a provision that he may occupy the building which is used by the military forces or the commanding general?

Mr. HAWES. That is the property of the United States, and any building which now belongs to us might be designated by the President as to its use.

Mr. KING. I quite agree with the Senator. I think it is very unwise and unfair to commandeer, so to speak, that building which the Filipinos occupied so many years and which was occupied by the Spanish governor, and turn it over to high officials of the United States.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Missouri to the amendment.

The amendment to the amendment was agreed to.

Mr. HAWES. Mr. President, this matter has been before the Senate for nearly three years. Most exhaustive hearings have been held by both the Senate and House committees. The bill now before the Senate passed the House with only 47 dissenting votes, and of the absentees a majority, I am informed, would have favored the bill had they been present.

The bill was put upon the preferential calendar in the Senate by the Republican steering committee. An agreement was entered into at the request of the Senator from Oregon [Mr. MCNARY], on the Republican side of the Senate, and the Senator from Arkansas [Mr. ROBINSON], on this side of the Chamber, that this date should be set for taking up the bill and that the bill should be pushed to its conclusion.

Since these occurrences Congressman BUTLER B. HARE, of South Carolina, chairman of the House Committee on Insular Affairs, went to the Philippines last autumn and, while there, visited many parts of the archipelago, including Mindanao. Upon his return last month I had a conference with him in the course of which he related to me his experiences and observations in the islands. Although practically all of his conclusions confirm those which I reached while I was in the Philippines 15 months ago, his are more recent and in some respects most interesting, even to me. I was particularly impressed by his very sound and pertinent views regarding what he found as it relates to the provisions of the pending bill, especially as to the amount at which limitation on free imports of Philippine sugar should begin.

Mr. HARE is a very careful and discriminating observer, and I know that his impressions and observations during his stay in the Philippines would greatly aid in throwing light on the subject with which we are now dealing. I therefore suggested to Mr. HARE that he give in writing an account of his trip and his conclusions in order that I might bring it to the attention of the Senate during the discussion of this bill. His views merits serious consideration, coming as they do from a man who as chairman of the House committee having jurisdiction over the Philippines, has always shown a deep and sympathetic interest in the freedom and welfare of their people together with a keen understanding of the historical background and the moral obligations bearing on Philippine-American relations. At the same time he has a clear insight into and a just appreciation of the interests, both political and material, of the United States as they relate to the Philippines. He views the problem from a high plane, unselfishly and patriotically, and always with due regard to those noble, humanitarian motives which originally inspired our Philippine policy.

For these reasons I deem it a service to Senators to lay before them this most informative document, and I request that it be read from the clerk's desk.

The PRESIDING OFFICER (Mr. AUSTIN in the chair). Without objection, the letter will be read as requested.

The legislative clerk (Harvey A. Welsh) read the letter, as follows:

COMMITTEE ON INSULAR AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, December 6, 1932.

Hon. HARRY B. HAWES,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In response to your letter of November 26 I take pleasure in giving you a short account of my recent visit to the Philippine Islands and some of the outstanding impressions obtained as a result of what I saw and heard while there.

As you will recall, some time after the adjournment of Congress last July I decided to make a trip to the islands, because I felt that as chairman of the House Committee on Insular Affairs, which formulated the bill granting independence to the Philippines passed by the House in the last session, it was my duty to visit the islands at the first convenient opportunity and while the bill was still pending in Congress in order that I might confirm or correct my idea as to the wisdom of the measure and the accuracy of the facts and theories upon which it was based. I would have preferred to make the trip before the passage of the House bill, but, unfortunately, I was unable to do so.

I left San Francisco on September 9, and spent upward of two weeks in the islands, visiting the different sections of the country, including the islands of Luzon, Panay, Negros, Cebu, and Mindanao. I reached the United States on my return trip November 15.

I shall not burden this letter with a detailed story of my travels in the islands. I must say, however, that everywhere I found among the people a deep-seated feeling of gratitude and loyalty to the United States. I found also that the desire for independence is nation-wide, earnest, and intense. It is not confined merely to political leaders but has its roots among the masses of the people themselves, not excepting the inhabitants of Mindanao. I was very happy to note that this desire for political separation from the United States is not motivated by ungratefulness to America or dissatisfaction with our share in the conduct of governmental affairs in the islands, but rather by a very natural desire for national self-assertion—an inspiration which by our every act in the Philippines we have fostered—and by a conviction that the progress of the Philippines under American guidance has duly and adequately prepared the people for the separate nationhood which the United States has promised from time to time for 30 years or more.

No one who visits the Philippines can fail to observe the remarkable advancement they have made in government efficiency and democratic practices. The interest of the people in their government is widespread and is intelligently expressed. The Filipinos seem to be by nature a peaceful and law-abiding people, and I am convinced that public order among them can be maintained without great difficulty. Their achievement in the founding and maintenance of public schools is worthy of the highest commendation, for they compare favorably with our own in the United States. The work of sanitation, as well as the establishment of hospitals and sanitariums, has also made notable progress. Their prisons and reformatories keep pace with the most modern institutions of the sort.

The finances of the government, while suffering from reduced revenues due to the current depression, are nevertheless in a very satisfactory condition. A balanced budget, I was told, is being maintained. Government expenses have been courageously reduced to bring this about, and for this much credit is due to the Governor General and members of the legislature.

Nothing that I learned in the Philippines has caused me to doubt the wisdom or soundness as to basic principles and objectives of the measure that passed the House of Representatives last spring. In fact, all my views and convictions which were the basis of my espousal of that measure were fully confirmed. I found the Philippine people ready for independence politically, socially, and educationally, and with ample financial resources to support an independent government. It should be noted, however, that many of their basic industries have been developed under the stimulus of free trade with the United States and will not be able to escape fatal injury if such relationship is suddenly terminated. It is the process of transition from their present economic relationship with the United States to that which will follow independence that will determine to a large degree whether the Philippines shall emerge from it financially strong and self-sufficient, as they are now, or economically crippled, with some of their most important industries greatly injured, if not entirely destroyed. It is for this reason that the plan of economic adjustment acquires so much importance, especially in the minds of those who are desirous of fulfilling our pledge to grant independence to the Philippine people without inflicting any unnecessary hardship on them.

This economic adjustment is what necessitates a transition period prior to the withdrawal of sovereignty and the date fixed for full and complete independence. The United States must be willing to grant independence immediately and provide for trade adjustments during a stated period after independence, which I am quite sure is not now in the minds of Members of Congress. Furthermore, this expedient seems impracticable in view of our many international commitments which will prevent such a course. However, independence is not to be postponed for fear that the Filipinos are not politically ready for it. Therefore independence should be postponed only for such a period as is necessary to permit the economic transition without unnecessary detriment either to Philippine industries or to the very valuable American trade with the islands.

I have also been confirmed in my view that the best method of bringing about this economic adjustment, with the least shock to the economic structure of both countries, is the process outlined both in the House and Senate bills, namely, the maintenance of the present free-trade reciprocity arrangements subject to certain limitations and restrictions as to the amount of particular articles which the Philippines may export to the United States free of duty during the transitional period. This seems to be the only fair, equitable, and feasible process. Such other schemes as have been suggested calling either for the immediate imposition of a progressive tariff on Philippine exports to America or for a progressive reduction of the amount of limitations, would not only not serve the desired end but would cripple trade between the two countries, hurt Philippine industries from the very beginning of the process, and make economic conditions in the islands worse from year to year during the intervening period. Rather than adopt either of these alternative methods, it would be better for the Philippines that the United States grant their independence immediately and permit them to shift for themselves economically.

With the acceptance of this system of limitations on free imports from the Philippines during the transitional period, it is concerning the amount of these limitations, particularly as to sugar, that my views have undergone some minor change, not as to the process or principle involved but as to the facts or figures used in arriving at the limitation.

Both the House and the Senate bills limit free Philippine imports to the United States of sugar, coconut oil, and cordage during the transitional period. The amount of these limitations is fixed at what has been termed the status quo "as represented by estimated importations from existing investments." As I understand it, the reason for such limitations is fourfold: (1) To determine a satisfactory starting point from which an orderly liquidation or dissolution of American-Philippine free-trade relations is to commence; (2) to compel or encourage Philippine industries whose existence is to a large degree sustained by the free American market to progressively reduce their production costs with a view ultimately to placing them on a competitive basis with other producers; (3) to give greater impetus to the diversification of crops and products in the Philippines and to stimulate the production of those articles which shall not need the protection now afforded by the American tariff; and (4) to afford reasonable and adequate protection and relief to American agriculture against what it considers the injurious effects of unrestricted free imports of competing products from the Philippine Islands. If I am correct in these interpretations and if the status quo is the basis which it is found prudent and wise to adopt, then in fairness to the Philippines I wish to express the opinion that the amounts of sugars at which the limitation is to be fixed should be a little higher than those now provided for in the proposed legislation.

In the House bill we fixed the limitations on sugar at the exports of last year, 1931, when I think we should have placed the limitation on the probable exports at the time the limitations provided for should become effective. In other words, I found the planters by better cultural methods and by planting more improved varieties of cane are increasing their annual yields per acre without increasing their acreage, and this is the one thing to be encouraged or emphasized during the transition period so that the cost of production per unit may be decreased to such an extent that at the end of the period these same planters will be able to continue their farming operations and be in a position to compete with other sugar-producing countries in the markets of the world. To illustrate my point: Suppose a Filipino farmer had 50 hectares planted to cane in 1931, and suppose by better cultural methods and better varieties of cane his yield in 1933 or 1934, when the proposed legislation would become effective, has increased 10 or 20 per cent, we would be requiring him to try and adjust his business to a condition that existed in 1931, which I do not think would be exactly proper if we are going to provide a period for adjustment based on his condition at the time the act becomes effective, because his condition in 1931 may have been quite different from that in 1933 or 1934, and it may be impossible to readjust his farming operations to coincide with his export production three or four years ago and then successfully adjust his business during the transition period. According to the best information I have been able to obtain, the present milling capacity of the 40 sugar centrals in the Philippines is about 1,200,000 long tons. This milling capacity is the result of investments already made. These mills are in actual and active operation. The normal annual consumption of sugar in the Philippines is about 75,000 long tons, in addition to the consumption of brown sugar produced by the old muscovado mills. Making allowance for an increase in consumption to 100,000 long tons, there would remain 1,100,000 long tons for export. The present capacity of sugar refineries in the Philippines is about 100,000 long tons. Deducting from this amount about 50,000 long tons for domestic consumption, there would remain about 50,000 long tons for export. Practically all sugar exported from the Philippines comes to the United States. Hence the estimated importations from the Philippines from "existing investments" would be approximately 50,000 long tons refined, and 1,050,000 long tons raw. This amount of importation will in all probability be reached this next harvesting season, or before the proposed legislation could go into effect. According to Willett & Gray, confirming estimates which had been submitted to me in the Philippines, next year's crop, that is to say, the crop of 1932–33, is estimated at 1,100,000 long tons.

To show that the limitation of 850,000 long tons, including both refined and unrefined sugar provided in the pending bills, is in-

sufficient and inadequate and was based on an inaccurate estimate of last year's crop, it will suffice to examine the reports of the United States Department of Commerce, which show that for the 10 months ending October 31 of the present calendar year sugar imports into the United States from the Philippine Islands have exceeded 856,000 long tons.

At the expense of repetition I desire to emphasize the real or fundamental reason why the sugar limitation should be increased to the amount suggested. The theory upon which the limitation is predicated is to take as a basis for limitations the estimated importations to the United States from the Philippines for the crop year immediately preceding that in which the limitations are first to be imposed. In the present case these trade restrictions will not become operative until the inauguration of the Philippine Commonwealth, which would be in 1934.

In other words, if we are going to take the "status quo" or "existing investments" as the basis for fixing the limitation, I think, instead of taking the export figures of 1931 as a basis for the limitations on sugar, we should take as near as possible the export figures at the time the limitations go into effect, because many of the planters, as I have stated, have already made their investments in better seed and in some cases provided a system of irrigation which will result in the indicated production by the time the proposed legislation can be made effective. In that event, the limitations on sugar, as already suggested, should be at least 1,050,000 long tons raw and 50,000 tons refined.

It is with a keen sense of our obligation to be absolutely fair to the people of the Philippine Islands that I have felt it my duty to submit in some detail these facts and impressions for your sympathetic consideration, and I hope you will not consider it improper for me to suggest that an amendment to the bill in the Senate increasing the limitation on raw-sugar imports from the Philippines to 1,050,000 long tons would make this provision more in harmony with the facts obtained as a result of my study in the islands than the limitation as now provided. It may not be amiss to state in this connection that these views regarding the necessity for increasing the amount of sugar limitations confirm representations made before our committee by the Resident Commissioners and the Philippine commission in Washington when the House bill was being considered last spring.

In one other respect has my judgment in relation to the Philippine problem been confirmed by my observations and studies in the islands: That is that its solution can no longer be delayed without injury to the United States and the Philippines; that the Philippine people earnestly desire their independence and should have it as soon as possible, and that legislation along the lines of the bill now pending is the only statesmanlike and feasible method of dealing with the problem, and should be enacted in the present session of Congress.

With kind regards, I am, cordially yours,

BUTLER B. HARE.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

Mr. HAWES. Mr. President, in the absence of the Senator from Rhode Island [Mr. METCALF], who is unavoidably detained at this time, and at his request, I send the last of the corrective amendments to the desk and ask for their adoption.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 29, line 19, strike out the words "production in the preceding year," and insert the words "average annual production for the calendar years 1931, 1932, and 1933."

On page 25, line 20, after the word "sugar," insert "from each mill."

On page 25, line 20, after the words "may be," insert the word "so."

On page 25, line 20, after the word "exported," strike out the words "from each mill."

The PRESIDING OFFICER. Is there objection?

Mr. SMOOT. Mr. President, I ask that the amendment be again reported. My attention was diverted for the moment.

The PRESIDING OFFICER. The amendment will again be reported.

The LEGISLATIVE CLERK. On page 29, line 19, it is proposed to strike out the words "production in the preceding year"——

Mr. BROUSSARD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROUSSARD. Is this amendment offered for consideration at this time?

The PRESIDING OFFICER. The Chair understands it is.

Mr. BROUSSARD. Then, I should like to have the amendment read again. I thought I would have time to look into it.

Mr. SMOOT. I ask that the amendment be again stated.

The PRESIDING OFFICER. The clerk will again state the amendment.

The LEGISLATIVE CLERK. On page 29, line 19, it is proposed to strike out the words "production in the preceding year."

Mr. BROUSSARD. Mr. President, I think there is something wrong about the print of the bill we have.

Mr. SMOOT. There is no such place on the bill before me.

Mr. HAWES. Mr. President, I think just a word of explanation will make this matter perfectly clear. The bill as reported fixed the limitation on the basis of the year 1931, a debatable subject. The amendment now makes the limitation on the basis of the average annual production for three years. That is all it does.

Mr. BROUSSARD. Does the Senator mean three future years?

Mr. HAWES. Oh, no; the three preceding years.

Mr. BROUSSARD. I wish to say that the print I have does not correspond with this amendment. I do not find the place in the bill before me.

The PRESIDING OFFICER. The Chair asks the Senator from Missouri what print of the bill is referred to in the amendment?

Mr. HAWES. It is the committee print. Probably the Senator from Louisiana has the wrong print.

Mr. BROUSSARD. No; I think I have the correct print.

Mr. SMOOT. I have the committee print, but there must be another print of the bill. I will ask the Senator if there was ordered another print of the bill?

Mr. HAWES. There was.

Mr. BROUSSARD. I can not follow this amendment at all.

Mr. HAWES. It is an amendment proposed by the Senator from Rhode Island [Mr. METCALF].

Mr. SMOOT. But there is not any place in the bill I have to which the amendment applies.

Mr. VANDENBERG. It applies on line 9, page 29, in the print Senators have on their desks.

Mr. HAWES. Line 9, instead of line 19.

Mr. BROUSSARD. All the amendments I desire to offer are to the print reported by the committee.

Mr. KING. Mr. President, will the Senator from Missouri yield, so that I may make an inquiry of the Senator from Michigan?

Mr. HAWES. Certainly.

Mr. KING. I inquire whether line 9 reads, "on the basis of their production in the preceding year"?

Mr. VANDENBERG. Yes.

Mr. KING. And the amendment offered on behalf of the Senator from Rhode Island would occur after the word "production," in line 9 on page 29. Is that the Senator's suggestion?

Mr. VANDENBERG. I am unable to answer the Senator's question. I have just identified the place where the amendment comes in.

Mr. HAWES. Let us have the amendment read again so that we will thoroughly understand it.

Mr. KING. I ask that it may be read slowly.

Mr. HAWES. I am sure that there will be no objection to it.

The LEGISLATIVE CLERK. On page 29, in the reprinted bill, line 19, it is proposed to strike out the words "production in the preceding year"——

Mr. BROUSSARD. Mr. President, we must have two different bills here.

Mr. SMOOT. There is no such language at that place in the bill I have before me.

Mr. BROUSSARD. We can not find the place.

The PRESIDING OFFICER. The amendment will be again stated.

The LEGISLATIVE CLERK. On page 20, line 9, it is proposed to strike out the words "production in the preceding year" and insert the words "average annual production for the calendar years 1931, 1932, and 1933."

Mr. SMOOT. That is not in my bill at all.

Mr. KING. Mr. President, if the Senator will yield, a number of Senators have before them the bill as first reported by the committee rather than the reprint; and where amendments based on the reprint are to be tendered, it will necessitate some little conferences to integrate them properly with the original print of the bill which is now under consideration.

Mr. HAWES. I do not believe there can be any serious objection to this amendment. It is very simple, and I am offering it because I did not think there would be any objection to it.

Mr. BROUSSARD. What years does it cover, may I ask the Senator?

Mr. HAWES. The three preceding years.

Mr. BROUSSARD. But what years?

Mr. HAWES. Here is the language, Mr. President:

The average annual production for the calendar years 1931, 1932, and 1933. .

Mr. BROUSSARD. The amendment goes into the future.

The PRESIDING OFFICER. If the Senator from Missouri will refer to the original print of this bill, he will notice that the words occur in line 6, on page 29. Perhaps that is one of the causes of confusion.

Mr. HAWES. I think we had better get copies of the last print of the House bill, H. R. 7233, and then it will be quite clear.

Mr. BROUSSARD. I am very sorry. I did considerable work on this bill, using Senate bill 3377, and I should have to rearrange every amendment I have.

Mr. SMOOT. So shall I. I shall have to arrange every amendment there is if I take up this print of the bill.

Mr. KING. Mr. President, will the Senator from Missouri permit me to ask him a question? As I understand, the bill as we are now considering it would fix a limit of substantially 800,000 tons of sugar per annum that might come in free of duty.

Mr. BROUSSARD. It would fix a limit of a million tons.

Mr. SMOOT. No; 800,000 tons.

Mr. KING. The amendment which is now under consideration would modify that, and increase it probably some little, because the production in 1931 and 1932 and 1933 might be in excess of that figure. Therefore the amendment which we are now considering, offered by the Senator from Rhode Island [Mr. METCALF], probably would call for bringing free into the United States a larger minimum than is provided for in the bill as reported by the Senator from Missouri.

Mr. HAWES. Mr. President, the object of this amendment is not to increase the amount of the limitation. It is put there for just one reason—that is, to base the limitation on the average—not to increase it at all. It is not believed that it will increase it, but it is the fairer way of arriving at the amount.

I will leave the matter now in the hands of the Senator from Rhode Island.

Mr. METCALF. Mr. President, the intention of this amendment was to be fair to the different mills in the Philippines, and not to increase the amount in any way. This amendment does not increase the amount of sugar that may be imported. It remains just the same in the bill. It was only to base it on fair averages for those mills.

Mr. BROUSSARD. May I ask the Senator a question? Why include the year 1933, when we have not the returns for 1932 yet?

Mr. METCALF. This was because in one year one mill may not do as well as another mill in another year; and we thought it was a better average, fairer to them, to do it in that way. It does not increase the amount of sugar at all.

Mr. BROUSSARD. May I ask the Senator another question? Why not take the last three years upon which we have a record, instead of future years?

Mr. METCALF. I thought that would be the fairer way to do it.

Mr. BROUSSARD. It is fairer to the Filipinos, perhaps, but it is unfair to the American producer.

Mr. METCALF. It does not bring in a pound more of sugar. It is only fair in the allocation of what that mill can produce. Not another pound of sugar will come in. This is only for the Filipino allocation.

Mr. HAWES. That is all. This does not refer to the matter of exclusion. It refers exclusively to the matter of allocation amongst the mills. Instead of stating one year, it gives three years; and it does not affect the American producer or the exports to this country by one ton.

Mr. SMOOT. Mr. President, let me read the amendment to the Senator, and let us see whether the construction placed upon it by the Senator is correct.

The amendment says: On page 29, line 19—that is, of the bill we are considering—strike out the words "production in the preceding year" and insert the words "average annual production for the calendar years 1931, 1932, and 1933"; in other words, the average for those three years.

Mr. METCALF. That is not for export at all.

Mr. VANDENBERG. This is simply a domestic rule of distribution.

Mr. METCALF. Yes; it is just a domestic rule of distribution, to be fair to the Filipinos.

Mr. LONG. That is the division of what they can export.

Mr. METCALF. Only amongst themselves.

Mr. LONG. I say, that does not affect the quantity that can come to this country.

Mr. METCALF. Not a pound.

Perhaps this will explain it a little better:

Under the proposed amendment each mill will receive its proportion of the export licenses, based upon the average productions for those three years; and each mill, by this method, knowing what its export license will be, regardless of the action taken by other mills, can control its production and develop its business logically and economically, rather than be forced into an artificial increase.

Mr. KING. Mr. President——

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. KING. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Utah?

Mr. HAWES. I do.

Mr. KING. After listening to the amendment, I am inclined to think it relates not to the point I suggested a moment ago, but rather to allocation than to an increase in the amount that might be brought in free of duty. I do not think it enlarges the imports which may come in free of duty, but rather that it determines the question of allocation, and that allocation is to be predicated upon two or three years rather than upon one year. So I can see no objection to the amendment from the point that it might be enlarging the amount that might be brought into the United States free of duty. It deals only with allocation, rather than with quantity of imports.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield the floor?

Mr. HAWES. Yes, sir.

Mr. BROUSSARD. Mr. President, may we have the rest of the amendments read? I have just received the print, and I can now locate the amendments.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. In the original print as reported by the committee, on page 29, line 6, strike out the words "production in the preceding year," and insert the words "average annual production for the calendar years 1931, 1932, and 1933."

On the same page, line 7, after the word "sugar," insert "from each mill."

On the same page, line 7, after the words "may be," insert the word "so."

On the same page, line 7, after the word "exported," strike out the words "from each mill."

On the same page, line 8, after the word "allocated," insert the words "in each year."

And on the same page, lines 9, 10, and 11, strike out the words "received by the planters and the mills from the planters' cane as provided in their milling contract" and insert the words "to which the mill and the planters are respectively entitled."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Rhode Island [Mr. METCALF].

Mr. SMOOT. Mr. President, these bills are so mixed that I can not follow the amendment, but I shall reserve the right to call for a separate vote upon this amendment after I see it printed and after I put it into the bill and see just exactly what it means. From the reading of the amendment at the desk I do not think anybody can tell just exactly what it means.

Mr. LONG. I understand that it only refers to an allocation among the mills.

Mr. SMOOT. That is what is said; but I can not follow it that way with the bill I have. Therefore, I reserve the right to bring up the matter at any time for further consideration if it proves to be other than as just stated by the Senator.

The PRESIDING OFFICER. The Senator from Utah has the right to raise that question at any stage under the rule.

The question is on the amendment proposed by the Senator from Rhode Island to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. KING. Mr. President, the interesting and, indeed, remarkable letter by Congressman HARE, which has just been read, warrants a brief comment. The communication contains important information concerning conditions in the Philippine Islands and, I submit, is an argument in favor of independence for the Filipinos within a very short time. The letter, in my opinion, proves that conditions in the Philippine Islands are such as to justify their inhabitants' demanding immediate independence. International-law writers point out the essentials of an independent government. Our own Government has had to deal with the question of recognition, both de facto and de jure, of political organizations that have claimed recognition. Our State Department as a rule has been liberal in applying the principles which usually attend recognition. Where a people occupy a territory, not necessarily extensive in area, and are united under some known and defined form of government which they acknowledge and to which they are subject, and such government functions and is competent to administer justice and preserve order and discharges its obligation, both local and, so far as permitted, international, then under the principles of international law, as I understand them, such government is entitled to recognition and to take its place in the family of nations. Certainly, from the statement made by the able Congressman the people of the Philippine Islands enjoy peace and maintain public order and have attained a high degree of culture and civilization.

Congressman HARE in his letter emphasizes the fact that in the Philippines there is public order; and his statement, as well as a multitude of statements which have been brought to our attention, indicates that a stable government is there maintained—certainly a government more stable in this period of world confusion than that found in many countries upon this hemisphere, as well as in other continents.

The communication just read refers to the excellent school system found in the Philippine Islands and, in effect, declares that it is comparable to those found in other countries. I might add in passing that the testimony given before the committees of the Senate and the House conclusively established that the Filipinos have been greatly interested in education and in all cultural movements, and that they are devoting a very large part of the revenues collected by the government to the maintenance of their public-school system. More than a million and a quarter children in the Philippine Islands attend the public schools, and, in addition, there are many private schools and universities which are largely attended. I think the people of these far-off islands are entitled to great credit for the progress which they have made along educational lines and for their sincere devotion to those movements—educational, cultural, and religious—which have so powerfully influenced them and have produced such splendid results.

My recollection is that in the matter of literacy the Philippine Islands stand very much higher than many occidental nations, to say nothing of various oriental countries.

Congressman HARE, as appears from his letter, noted the satisfactory measures adopted for sanitation and public health. There is much corroborative evidence indicating that the Filipinos have given serious attention to all matters relating to public health and to the prevention of disease.

The Filipinos are not a backward race, and the condition of their country is conclusive evidence of their progressive qualities and of their determination to maintain a government that will measure up to those high standards prevailing among civilized nations. They have welcomed not only the political principles which have been carried to the islands by Americans, but they have sought to apply them in their governmental activities. They have likewise adopted, so far as they were applicable and within the limitations imposed by our Government, economic and industrial policies calculated to promote the welfare of their country. They have demonstrated their capacity to meet new conditions, to apply principles and policies from other lands which would contribute to their material, moral, and spiritual development.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. LONG. If we extend this thing for 10 or 15 or 20 years, does not the Senator think that is going practically to bring about a suspended vacuum condition there, and that it is much better to pass on this question now and either free the Philippines within a relatively short time or announce a contrary determination?

Mr. KING. To fully answer the Senator would require more time than I desire to consume at this time. I rose only to comment briefly upon the letter written by Congressman HARE. May I say, however, that in my opinion Congress should deal with what is called the Philippine question or Philippine problem now, and deal with it in a decisive and just and satisfactory way? There are, of course, sharp differences of opinion as to what our Government should do. The administration, so far as I can interpret its views, is opposed to granting independence to the Philippine Islands, at least for an indefinite period. Notwithstanding there have been many statements emanating from Presidents McKinley, Roosevelt, Taft, Harding, and Wilson, as well as various officials in high station, which, in effect, declared it to be the purpose of our Government to give to the Filipinos independence, there is opposition in administration circles against carrying out what I believe to be solemn promises to the effect that the Filipinos should have independence as soon as a "stable government was established."

There is no question as to the stability of the Philippine government. Congressman HARE, in his letter, declares that there are courts, and law, and order, and peace, and schools, and an excellent school system in the Philippine Islands.

His statement also shows that there is a balanced budget, economies in the administration of public affairs, and a revenue system which provides for the needs of the government. Notwithstanding the undisputed evidence that the Filipinos have reached the objective set before them and have established a stable government, the administration, or at least the Secretary of State and the Secretary of War, have declared, in effect, that the situation is not such as to justify granting independence to the Filipinos. A new condition apparently is being annexed to the promise of independence, namely, that an economic system of some sort must be established that will meet the demands of the administration or some Americans. It would be rather difficult to find economic stability and satisfactory economic conditions in many civilized countries; indeed, many occidental nations are unable to balance their budgets, threaten

repudiation of obligations, and are facing most serious financial and economic conditions. The economic condition in the Philippine Islands is infinitely better than that found in many countries of the world to-day.

It would be strange indeed if it became an accepted principle and policy governing communities and nations that independence should not be permitted any people unless their economic situation met the demands of certain financiers or economists, or certain standards which imperialists or empirists might set up by which to measure economic or industrial stability.

In my opinion, it will be better for the Filipinos as well as for our country if provision be now made for the independence of the Filipinos within the next two or three years.

The Democratic Party, as early as 1908, declared in favor of the independence of the Filipinos. In various platforms since then similar declarations have been made. The time has come, in my opinion, for these platform pledges to be redeemed. But aside from the question of declarations by political parties, what is more important is the wishes, desires, interests, and welfare of the Filipinos. The chief consideration should be their desires. There are moral and ethical principles involved in this question which transcend all other considerations. Certainly, the question as to what would be best for the United States is not the controlling nor indeed the important one.

The question before us is, What is right, what is our duty towards the Filipinos, what are their wishes and their desires? Undoubtedly, there are some persons who believe that the Filipinos if they become an independent nation will be unable to meet the vicissitudes and dangers incident to such status. Prophecies with respect to the future will be indulged in no matter what course is pursued, but human prophecies are often unfulfilled. The United States has not been made by Providence the guardian of other nations. Our Constitution does not contemplate that the Federal Government shall hold distant territories as colonial possessions and deny to the people residing therein all the rights and privileges of American citizens. Our Government was not patterned upon the lines of monarchical governments, or governments of unlimited power, to hold in subjection alien races.

Mr. President, for a number of years I have been urging independence for the Filipinos and have in various sessions of Congress introduced measures providing for their independence. I believe several years ago, when I first offered a measure for Philippine independence, that it would be better for the Filipinos, as well as for our country, to promptly liquidate the Philippine question by speedily granting independence to the Filipinos.

I predicted that if there were delay in granting independence, complications would arise, more American capital would be invested in the Philippine Islands, and the increasing difficulties would delay the final settlement of the question. When the Jones Act was passed, I believed that Filipinos, desiring independence as they did, were entitled to it. It seemed to me then, as it seems to me now, that this Republic, which has been the champion of freedom and which has been regarded as a leader in the great march for liberty and progress, could not consistently or honorably deny to the Filipinos the liberty which they coveted.

I agree with the implications involved in the Senator's question, that the measure before us, or any measure that postpones for 15 or 20 years the independence of the Philippine Islands, will prove not only unsatisfactory both to the Filipinos and to the United States but will prove disadvantageous to both Governments. It will be provocative of animosities and controversies. It will be unsatisfactory to the agriculturists and labor organizations of the United States and will result in reactions unfavorable to those relations of mutual good will and confidence which should exist between the peoples of the two countries.

It may result in attempts to secure legislation which, in my opinion, will not be in harmony with our institutions and which may be unconstitutional if approved by the Filipinos, so long as they are held under the flag of the United States. To me it has not seemed consistent with our ideals, our protestations of liberty and fidelity to the principles of justice and humanity, for us to hold under the flag of the United States, against their will, an alien people who are competent to govern themselves and who desire their liberty and their independence.

If I had had my way, war would not have been waged against the Filipinos; nor would have thousands of American soldiers been sent across the seas to engage in sanguinary conflicts with the forces of the Philippine government under Aguinaldo, who were battling for what they conceived to be their liberty, and to defend a government the constitution of which contained important provisions which had been drawn from our fundamental law. I remember coming to this Chamber to listen to the eloquent appeals made by the great Senator from Massachusetts, Senator Hoar, his appeals for liberty and independence for the Filipinos, his philippics against the policy of our Government in imposing upon them at the point of the bayonet a government which they did not desire.

As stated, the Filipinos established their own government and won their independence from Spain. It is true the United States was engaged at the same period in a contest with Spain, and the armed forces of both the United States and the Philippine Governments destroyed Spain's authority in the Philippines.

I agree with the Senator from Louisiana that the Filipinos should be given their liberty at a very early day. I have offered a substitute for the bill now under consideration, which would, if the Filipinos desired to avail themselves of its provisions, give to them complete emancipation from American control within two years; but if they avail themselves of the flexible provisions of the bill, complete independence would be given them within three years.

But, Mr. President, I rose briefly to comment upon the letter of Congressman HARE, which, I think, furnishes a conclusive argument in favor of a speedy disposition of this problem, so called, by granting to the Filipinos their liberty within a short time, by providing machinery under which, when it is put into motion, they may achieve their independence.

One other statement in the letter just read attracted my attention. Reference is made to the fact that the Philippine government, as now operating, has a balanced budget; that its finances are in excellent condition. May I say, Mr. President, that we might take lessons from the Filipinos in the matter of governmental finance. We are confronted now with a possible deficit of $2,000,000,000 and with a certain deficit of $1,650,000,000 for the fiscal year ending June 30, 1933.

The deficit for the last fiscal year was approximately $3,000,000,000, and for the preceding year the deficit was $998,000,000. With all our wit (and we have but little, apparently) and our wisdom (and there seems to be a poverty of wisdom), we were unable to frame a revenue bill at the last session of Congress that would have balanced our Budget. It is true the President of the United States and his able Secretary of the Treasury, Mr. Ogden Mills, announced to the country that provisions had been made to balance the Budget, and that the revenue bill which was enacted would afford sufficient revenues, coupled with those which would be derived from preexisting laws and from other sources to meet the expenditures of the Government for the next fiscal year. But the prophecies of the President and the Secretary of the Treasury have not been fulfilled. But in the Philippine Islands there is a balanced budget. The Philippine government had courage enough to reduce expenditures. We did not have, and I doubt whether we will have courage enough now to reduce the expenses of the Government to the limits imperatively required.

The President of the United States in his message a few days ago challenged our attention to the fact that there would be forces at work within and outside the Government to restrain and prevent Congress in the execution of its imperative duty to reduce governmental expenditures. I in-

vite my Democratic colleagues to consider the declaration of the Democratic last platform. We promised the American people solemnly that the expenses of the Government would be reduced 25 per cent. Have we the courage to do it? Already, as indicated, forces are in operation to prevent Congress from carrying out the mandate of the people and the solemn promises made. There are organizations of Federal employees, organizations within and outside of the periphery of the Federal Government, working assiduously day and night to thwart the purposes of the President as expressed in his message and to thwart the purposes of those who are determined to reduce the expenses of the Government and to balance the Federal Budget.

Mr. President, in my opinion, it would be a serious mistake for Congress to pass a tax bill during this short session of Congress. It is our duty to cut expenses from over $4,000,000,000 to reasonable proportions. I have no doubt that demands will be made for the enactment of a tax bill which will increase the burdens of the people, but every effort should be made to curtail expenses and bring them within the revenues that will be derived from existing laws.

I have been disappointed in the Budget suggested by the President, because there are recommended reductions where perhaps they are not warranted, and where warranted, and indeed demanded, the reductions suggested are wholly inadequate.

There should be material reductions, at least $250,000,000, in the military and naval expenses of the Government. There should be important reductions in the appropriations made for the Veterans' Bureau. There should be important reductions in the appropriations made for the Department of Commerce, the Department of the Treasury, as well as in other Federal departments, agencies, and instrumentalities.

There should be an abolition of 15 or 20 of the bureaus and commissions which are now subtracting from the Treasury of the United States millions of dollars annually for their maintenance. But I shall not pursue this matter further. I only mention it incidentally, in view of the statement that the Filipinos have reduced their expenses and balanced their budget and are meeting their responsibilities in an honorable way.

The letter of the distinguished author of the so-called Hare bill has, in my opinion, furnished a conclusive argument why we should pass a bill that would provide, through proper machinery, for the independence of the Philippine Islands within two or three years.

I sincerely hope that when the amendment which I shall offer as a substitute is presented it may receive the approval of this body.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). The question is on agreeing to the committee amendment.

Mr. COPELAND. Mr. President, in seeking a constitutional justification for relinquishing sovereignty over the Philippines recourse is had to the "disposing clause" of the Constitution. Senators will recall what this is, but in order that it may be freshly in mind let me read it.

Section 3 of Article IV provides, first, for the admission of new States into the Union. The second paragraph is the one to which we refer as the disposing clause, and it reads:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States or of any particular State.

That is the clause of the Constitution which is frequently quoted as giving justification for the alienation of sovereignty over the Philippines. No longer ago than last week an intelligent, highly educated, and honest Filipino did me the honor to call upon me at my office in the Senate Office Building, where we discussed briefly the matter which is now pending before the Senate. This gentleman urged upon me as ample excuse for this action, the alienation of sovereignty, the disposing clause of the Constitution. Time and again in the Senate this has been used in justification of any action that might be taken.

On March 5, 1930, I had a colloquy with the senior Senator from Virginia [Mr. SWANSON], and I quote from the RECORD what he said:

> We have a right to-day to dispose of the Philippines under the clause of the Federal Constitution which says that Congress has control of the territory of the United States.

The late Senator Wesley L. Jones, of blessed memory, in a similar colloquy on April 23, 1930, quoted the disposing clause, reading it as I did a moment ago, and then said:

> It seems to me that language is perfectly clear. On the assumption that the Philippine Islands are not a substantial part of the United States, the Congress is given authority to dispose of any property or any territory of the United States or belonging to the United States.

It was clearly the view of Senator Jones, as expressed on the occasion mentioned and on other occasions, that under the disposing clause of the Constitution there was ample authority for the alienation of property.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Texas?

Mr. COPELAND. I yield.

Mr. CONNALLY. Let me ask the Senator from New York a question. Suppose the United States should become involved in a war and should be defeated and the conquering power should take a piece of territory. What would we do about it?

Mr. COPELAND. We would pay for the calamitous war at the demand of a victorious enemy, and by treaty we would dispose of the territory which they demanded.

Mr. CONNALLY. Suppose we had a boundary dispute and claimed that our boundary with Canada is 50 miles north of where it now is and they claimed their boundary is 50 miles south of where it now is. Would not we have the power to fix the boundary and give up and cease jurisdiction over the territory over which we had been exercising jurisdiction?

Mr. COPELAND. The very thing the Senator mentions has been done several times in our history. There is no question that where we hold possession of certain territory on the assumption that it is really ours, when by conference or otherwise it is determined that we do not actually own that land, then, of course, by treaty we dispose of it. But I want to say that in the entire history of our country, from its founding to this moment, the flag has never been hauled down over a square inch of territory which was rightfully ours. In the case of a difference of opinion about a boundary, where an international conference was held and it was found that we were mistaken, of course, we would and did adjust the boundary.

Mr. CONNALLY. If it will not interrupt the Senator, I would like to ask still another question.

Mr. COPELAND. Certainly.

Mr. CONNALLY. Let me ask the distinguished Senator from New York this question: Is not the power to acquire and to dispose of territory one of the attributes of sovereignty, one of the powers that goes with sovereignty?

Mr. COPELAND. It is.

Mr. CONNALLY. Is not that one of the necessary accompaniments of the sovereignty of a nation?

Mr. COPELAND. I fully agree with the Senator, but I would not let the matter rest there. Sovereignty in our country is not in the Congress of the United States. Sovereignty in our country is with the people. It is only the people of the United States who can exercise sovereignty. The Congress has no power except such power as has been given it by the people, and the people have never delegated the power to alienate territory, as proposed here.

Mr. CONNALLY. So far as sovereignty is concerned, every power which the Congress exercises is exercised as the act of the people, because of the delegation to this body of certain powers enumerated.

Mr. COPELAND. That is true.

Mr. CONNALLY. Does the Senator contend that the people could alienate territory, but that there is no way to do it? Is that his contention?

Mr. COPELAND. Oh, no. The people could delegate the right to alienate sovereignty over the Philippines by a constitutional amendment.

Mr. CONNALLY. Does the Senator contend that it takes a constitutional amendment to do that?

Mr. COPELAND. I do.

Mr. CONNALLY. It did not require a constitutional amendment to acquire the property.

Mr. COPELAND. It did not. We acquired it by treaty.

Mr. CONNALLY. Does the Senator contend that we should abrogate it by treaty? Does not the Congress, in the exercise of the powers conferred by the Constitution, have supreme power with reference to those matters committed to it?

Mr. COPELAND. It does, but it has not had committed to it the right to alienate sovereignty.

Mr. CONNALLY. Where does the Senator contend it rests—only in the people?

Mr. COPELAND. In the people. So far as I am concerned, no man on this floor has in his heart a greater desire to give freedom to the Filipinos than I have, but I want it given lawfully and legally and constitutionally, and it can not be done with the powers already in the hands of Congress.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Maryland?

Mr. COPELAND. I am glad to yield.

Mr. TYDINGS. The Senator, of course, claims that the Filipinos are citizens of the United States at present?

Mr. COPELAND. Not in the sense as are the citizens of Puerto Rico.

Mr. TYDINGS. If they are not citizens of the United States, of what country are they citizens?

Mr. COPELAND. Of the Philippines.

Mr. TYDINGS. Are the Philippines a part of the United States?

Mr. COPELAND. They are.

Mr. TYDINGS. Then, are not the Filipinos citizens of the United States?

Mr. COPELAND. They are technically.

Mr. TYDINGS. What I can not understand is: If Filipinos have the right to come to this country and the immigration laws do not bar them from coming to this country, why they do not have more right in the voice of the Government if they are a part of the citizenship of the United States of America.

Mr. COPELAND. Of course, the answer, to be perfectly frank about it, lies in the fact that the Philippines have not been incorporated. I can understand and I sympathize with the action of the commissioners in writing the treaty as they did. I assume the Senator wants a full answer?

Mr. TYDINGS. Of course.

Mr. COPELAND. This is the first time in the making of a treaty—and I am referring to the treaty made with Spain in 1898—that the treaty did not carry with it by direct statement or by inference the incorporation of the people with the citizens of our country. I can understand why the commissioners deemed it wise to refrain from the action of incorporation of language in the treaty which would give the effect of incorporation, because of the radical differences in the institutions of the two peoples. The Spanish institutions, the court procedure, much more familiar to the Senator from Maryland than to me, the various functions of government in Spain and in Spanish possessions, are radically different from those in the United States. When the cession was made——

Mr. TYDINGS. May I interrupt the Senator's response to my question, because I think he has proceeded far enough for me to gather the idea he has in mind? The Senator says we acquired the islands not by constitutional amendment but under the treaty-making power of Congress. Why then can not we, by treaty or otherwise, divest ourselves of them?

Mr. COPELAND. With what foreign powers would the Senator make such a treaty?

Mr. TYDINGS. With the Filipinos themselves or suitably with any sovereign power divesting ourselves of the islands.

Mr. COPELAND. Is there another nation?

Mr. TYDINGS. Yes. Originally as a requisite in the bill there was the provision that before Filipino independence became effective we must have guaranties of neutrality of the Philippines by other nations of the world and thus they would sanction our divesting ourselves of these islands. Offhand, it seems to me, that, in effect, we are making a treaty by this bill with the Filipinos themselves.

Mr. COPELAND. A treaty involves——

Mr. TYDINGS. May I continue further in order that the Senator may get the idea I have in mind? The Senator will recall that we extended the territorial limits of the United States by virtue of the treaty-making power when we extended the 3-mile limit to become the 12-mile limit for the purposes of national prohibition enforcement. In other words, in concert with England and other nations, we extended the territory of the United States 9 miles beyond its previous limitation, so that ships might be searched in a 9-mile zone in which theretofore they could not be searched, as being within the territory of the United States. That has been upheld by the Supreme Court of the United States; and if we can extend our territory through the treaty-making power with other nations, I can not see why the reverse would not likewise follow, namely, that we could divest ourselves of territory under the treaty-making power of the Constitution.

Mr. COPELAND. If the Senator desires to have it done in that manner, the right way to proceed would be to stir up a rebellion in the Philippines, to have a revolution, involving a calamitous war so far as we are concerned. Then by right of military possession the Philippines would be sovereign enough for us to deal with them; but if we were to attempt to deal with them now we would be dealing with ourselves. We could no more grant alienation of sovereignty to the Philippines than we could alienate the sovereignty to California which we received.

Mr. TYDINGS. Mr. President, may I say to the Senator from New York that the purpose of my first question was to bring to his mind the fact that the Filipinos are not what we might term complete American citizens.

Mr. COPELAND. I agree with the Senator.

Mr. TYDINGS. Therefore, in the acquisition of the islands, we never really made them complete American citizens.

Mr. COPELAND. That is true.

Mr. TYDINGS. And there is nothing in any of the treaties of acquisition which provides that we ever would make them complete American citizens. Therefore, as they have never been accepted into complete citizenship, the idea of sovereignty does not apply as it would in the case of Louisiana, Utah, or Maryland, were we to undertake to divest ourselves of their territory, for the simple reason that the three States have been brought within the limitation of sovereignty, while the Filipinos never have been brought within that limitation. Therefore, in my judgment, the idea of sovereignty as to the Philippines is extraneous to the Constitution as we generally conceive our constitutional power in dealing with the States themselves.

Mr. COPELAND. I should like to ask my friend this question: Assuming that he is right, under what power of the Constitution would we then confer sovereignty upon the Philippines?

Mr. TYDINGS. The Philippines were taken by the United States not as a part of our territory permanently but only as a part of our territory temporarily, for such period as we saw fit to exercise what sovereignty we have over them.

Mr. COPELAND. Why does the Senator so think?

Mr. TYDINGS. Because that is the fact. We have never admitted them to citizenship in the accepted sense of the term. They have no representatives in the Senate; they have no representatives in the other House. Their own governor is appointed by the President, who has veto power over many acts of their legislature, and, in reality, they can not

be considered on an equality with those who enjoy American citizenship as the Senator from New York and I enjoy it.

Mr. COPELAND. Does the Senator believe that we could incorporate the Philippines into the Union and make a State of them?

Mr. TYDINGS. Yes; we have power to do that; but we have never put them in a position where we could extend to them that status.

Mr. COPELAND. But we have that power?

Mr. TYDINGS. Yes.

Mr. COPELAND. Our sovereignty of the Philippines is so great that we could actually make a State of them?

Mr. TYDINGS. That is right.

Mr. COPELAND. But yet the Senator contends that, because we have not incorporated them into the Union, given them full benefit of American citizenship, or entered into negotiations to make them a State, even so we might dispose of our responsibility and cede to the Filipino people their liberty and the islands themselves?

Mr. TYDINGS. That is right.

Mr. COPELAND. Now, by what authority of the Constitution would the Senator think we could do that?

Mr. TYDINGS. By the treaty-making authority or by legislative act in the nature of a treaty with the Filipinos.

Mr. COPELAND. But with whom would you treat? The Philippines are not a sovereign country. Until the Philippines become sovereign, become independent, we can not enter into a treaty with them.

Mr. TYDINGS. But does not the Senator see that, first of all, other than to the United States, the Filipinos owe sovereignty to no one except themselves? Does not the Senator see that while they are now a part of the United States of America, in a general sense, they are not really a part of the United States of America as a State is a part of this country? Therefore, not having been brought completely within the authority of our sovereignty, we can divest ourselves of them without any breach of sovereignty.

Mr. COPELAND. Does the Senator believe——

Mr. TYDINGS. Have I answered the Senator's question?

Mr. COPELAND. No, not fully; and I am going to come back to it. Does the Senator believe that instantly upon the ratification of the treaty in all the instances when we have acquired territory the acquired territory came under the banner and shield of the United States in every sense?

Mr. TYDINGS. In a permanent way; no.

Mr. McKELLAR. Will the Senator yield to me?

Mr. TYDINGS. May I continue for just a moment?

Mr. McKELLAR. Certainly.

Mr. TYDINGS. I wish to say before surrendering the floor that, in my judgment, when this country used its treaty-making power to extend the 3-mile limit to the 12-mile limit, in order to search vessels for breaches of the prohibition law there was a usurpation of legislative power. That was a usurpation of the legislative power; namely, we did by treaty what we should have done by law. Under the treaty-making power of the Constitution we extended the penalty of internal prohibition enforcement 9 miles farther than the law itself extended it.

Mr. COPELAND. If I understand the Senator, he wants us now to do another illegal act?

Mr. TYDINGS. No; that has been upheld by the Supreme Court, and I am simply using that by way of analogy to show that we can reverse the process.

Mr. COPELAND. I want to say, Mr. President, there is no analogy. When this extension of the 3-mile limit was made to 12 miles that was by treaty with sovereign powers.

I want to ask the Senator again, if he wants to dispose of the Philippines by treaty, with whom would we make the treaty? Where is there a sovereign power with which to make it?

Mr. TYDINGS. The bill itself provides for that, because it is provided in the bill that before Filipino independence becomes final it shall be ratified by the people of the Philippine Islands, who, according to the Senator's own argument, are sovereigns in their own land.

Mr. COPELAND. I do not think I went that far; but I am very much interested in what the Senator says.

Mr. TYDINGS. We either make a treaty with the representatives of a people or with the people themselves. In this case we make it with the people themselves.

Mr. COPELAND. We could no more make a treaty with the people of the Philippine Islands than we could make a treaty with the people of Texas or the people of California or the people of Louisiana. Those areas were added to our country by treaty, but how could we enter into a treaty with any of them as sovereign powers? No; I can not agree with the Senator at all.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. I yield.

Mr. McKELLAR. There is another very plain provision in the Constitution of the United States.

Mr. COPELAND. I am glad to hear that; it will relieve this situation!

Mr. McKELLAR. I will be very glad to read it to the Senator.

Mr. COPELAND. Very well.

Mr. McKELLAR. The Philippines are now the territory of the United States are they not?

Mr. COPELAND. Well, go ahead and read section 3 of Article IV, I will be glad to hear it again.

Mr. McKELLAR. That section of the Constitution provides—

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

Mr. COPELAND. That brings us back to my argument. That is where I was when the Senator from Maryland interrupted me.

Mr. McKELLAR. That is the plain language of the Constitution, and it gives the Congress the power to deal with "territory or other property belonging to the United States" in specific terms, and I do not believe there is anyone in the world who denies that the Philippine Islands are now the territory of the United States.

Mr. COPELAND. Mr. President, if the Senator will do me the honor——

Mr. BROUSSARD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. BROUSSARD. I should like to correct the Senator from Tennessee. The Philippines are not territory of the United States; they are possessions of the United States.

Mr. McKELLAR. They are called territory of the United States and are so regarded by everybody, unless it be the Senator from Louisiana.

Mr. COPELAND. Mr. President, if the Senator from Tennessee will be good enough to stay here until I can develop the thought, I will show him that some very distinguished gentlemen, members of the Supreme Court and Chief Justices of the Supreme Court, have expressed opinions which are not in accord with the opinion just expressed by the Senator from Tennessee, who is usually so accurate. It was on that very subject that I was discoursing when interrupted by the Senator from Maryland.

In a moment I am going to quote extensively from Chief Justice Taney, who gives in clear terms, understandable language, and convincing argument exactly what the disposing clause of the Constitution means. Let not the Senator think for a moment that I am now turning aside from his question, but, for the sake of orderliness, I want to insert two or three things in the RECORD before I give that quotation.

I had already said, may I remind my friend from Tennessee, that I had colloquies on this subject on the floor of the Senate with the Senator from Virginia [Mr. SWANSON], with the late Senator Jones, of Washington, and later with the Senator from Utah [Mr. SMOOT] relative to this very question. For instance, on the 30th of June, 1932, the Sen-

ator from Utah [Mr. SMOOT] quoted the same section 3 of Article IV of the Constitution and said:

If Congress can "dispose of it" it seems that the authority, so far as that is concerned, is granted within or without the limits of the United States. The provision, in my opinion, can not possibly be construed as the Senator—

That is, the Senator from New York—

has construed it.

Senator after Senator upon this floor and gentlemen elsewhere have turned to the disposing clause of the Constitution as the thing that gives us authority to alienate sovereignty. Mr. President, let us see what the legal lights have had to say about that. It will be disappointing to those who hold that this particular clause gives authority. I assure the Senator from Tennessee that that is sinking sand. With one accord, so far as I can find, the doctrine that Congress can alienate sovereignty can not be justified by that clause of the Constitution.

Judge Malcolm, of the Supreme Court of the Philippine Islands, an old university friend of mine, professor of public law in the University of the Philippines, is, in my opinion, one of the greatest living authorities on the subject of the Philippine Islands and the legal rights of the Filipinos. He makes it very clear that he long ago abandoned the idea held by the Senator from Tennessee. He says, and I quote from page 179 of his book, Philippine Constitutional Law:

The Constitution likewise grants to Congress the power "to dispose of * * * the territory or other property belonging to the United States." The full scope of this provision "has never been definitely settled." It is probable, however, that the term "territory" as here used "is merely descriptive of one kind of property, and is equivalent to the word 'lands.'" If this be true, this provision of the Constitution would have no bearing on a change of status for the Philippines as a political entity.

That is what Judge Malcolm said. I am going to give now, however, the words of Chief Justice Taney, and I think that any Senator who is truly interested in the legal problems involved in the question of alienating sovereignty over the Philippines must read this decision with great interest.

Because there was so much controversy in our country over the Dred Scott decision, much ill-feeling was generated in certain sections of our country against Mr. Justice Taney. I am glad to say that with the passage of time all that spirit of criticism has disappeared, and to-day, as a distinguished Member of this body said to me in private conversation a day or two ago, he and Chief Justice Marshall are recognized as the two great outstanding Chief Justices of the Supreme Court of the United States.

I had a friend who died recently who was a judge of one of the high courts in my State. He was a nephew of Mr. Justice Curtis, who sat upon the bench with Chief Justice Taney at the time of rendering the decision in the Dred Scott case. My friend, as a member of the committee to receive new members of the bar, used always to ask the question, "What Justice was it who dissented from the opinion of Chief Justice Taney?" And, of course, it was his uncle, Mr. Justice Curtis.

I read two or three days ago, and Senators who are interested will see in the CONGRESSIONAL RECORD of the last session of Congress, inserted at the request of the Senator from Maryland [Mr. GOLDSBOROUGH], the address made by Chief Justice Hughes at the unveiling of a monument in Baltimore erected to the memory of Chief Justice Taney. One of the things that struck me in that address was a quotation from Mr. Justice Curtis, where he paid his respects to Mr. Justice Taney, written at the time of the death of the great Chief Justice. He spoke of the honesty and the intelligence and the character and the ability of Chief Justice Taney. He spoke of his work in the council chamber, and the great impression that he always made upon his colleagues.

I am sure it is right and proper for me to quote Taney's words. Surely the words of this great Chief Justice will carry weight in this argument.

I want to quote from him rather extensively, because he gives so clearly the real meaning of the disposal clause of the Constitution. After one has read these words and pondered them, I am sure he will no longer raise the question of whether or not we might dispose of the sovereignty of the Philippines by authority alleged to be given by this particular clause, section 3, Article IV, of the Constitution.

This decision, Dred Scott against Sandford, was rendered at the December term of the Supreme Court, 1856, at a time when there were still living men who had knowledge of the events of the Constitutional Convention of 1787. I want to read these words, and when they have been put into the RECORD I feel that there will be no more argument about the Congress having power to dispose of sovereignty over the Philippines because of section 3, Article IV, of the Constitution.

On page 432 of Nineteenth Howard I find this language in the opinion of the court, rendered, as I have said, by Chief Justice Taney:

The counsel for the plaintiff has laid much stress upon that article of the Constitution which confers on Congress the power "to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States"; but, in the judgment of the court, that provision has no bearing on the present controversy, and the power there given, whatever it may be, is confined, and was intended to be confined, to the territory which at that time belonged to, or was claimed by, the United States.

He was referring, of course, to the Northwest Territory, and perhaps anticipating the cession to be made by North Carolina, Kentucky, and Tennessee.

To continue the quotation:

The power there given * * * is confined, and was intended to be confined, to the territory which at that time belonged to, or was claimed by, the United States, and was within their boundaries as settled by the treaty with Great Britain, and can have no influence upon a territory afterwards acquired from a foreign government.

Could language be plainer than that?

It was a special provision for a known and particular territory, and to meet a present emergency, and nothing more.

Mr. McKELLAR. Mr. President, may I interrupt the Senator right there?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. I yield.

Mr. McKELLAR. Even restricting the word "territory," as Chief Justice Taney in that case did restrict it—that case, however, has been overruled by the people of the United States——

Mr. COPELAND. What did the Senator say had been overruled?

Mr. McKELLAR. The decision in that case has been overruled by the people of America, very greatly to my injury, perhaps, in some respects; but I do not object to it. I desire to say, however, that whatever may be the restricted definition given by Chief Justice Taney to the word "territory," there can not be any doubt about its application in this case for the reason that this provision is very much fuller than the word "territory" would imply:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory *or other property* belonging to the United States.

Whatever may be said as to their being called "territory," or "possessions," or what not, the Philippines certainly are the property of the United States and have been since we acquired them.

Mr. BROUSSARD. They are possessions of the United States.

Mr. McKELLAR. They are property, and they come under the very terms of this provision of the Constitution.

Mr. COPELAND. Mr. President, unless my distinguished friend has refreshed his memory by reference to the various decisions of the court, I hope he will not hold too strongly to the opinion he has just expressed. Anyway, for the sake of the RECORD, I continue my quotation from Chief Justice Taney.

Mr. LONG. Mr. President, before the Senator makes that quotation——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I do.

Mr. LONG. How did we get the Philippines? How did they become a part of our sovereignty? They did not come through constitutional amendment. How did we get them?

Mr. COPELAND. We got them as a result of a successful war, and they were ceded to us by treaty with a sovereign power.

Mr. LONG. Then certainly a treaty would not be sufficient to undo what the Constitution prohibited.

Mr. COPELAND. Of course nobody could be better qualified to speak on that subject than the Senator from Louisiana, because the Senator will recall the qualms of conscience that Thomas Jefferson had over the acquisition of Louisiana.

Mr. LONG. We acquired it just the same.

Mr. COPELAND. Yes; he backed up in that matter.

Mr. LONG. Yes; he backed up and acquired it. Having acquired it, the same power that a nation had to acquire property would give the nation the right to deal with that property as it saw fit.

Mr. COPELAND. I agree fully when the Senator says "nation," because the people have a right to deal with it. This territory is not ours forever if the people do not want it; but with us sovereignty lies in the people. It is different from sovereignty in Great Britain, for there the Parliament can act for the people. It is different than Russia, where the Czar could and did alienate sovereignty over Alaska. Our sovereignty lies in a different plane from that of other countries which have dealt with us. Anyhow, we received this Territory by treaty. Let me ask the Senator from Louisiana, if we received it by treaty, with whom could we make a treaty to dispose of it?

Mr. LONG. We did not have any war with France when we took over Louisiana, so there was not any conquest about it. The same power that authorizes us to receive authorizes us to dispose. It requires an act of the sovereignty. If that must be done by the Constitution, then a treaty is not going to do it. A treaty is no more than an act of law. It has the same status that any act of Congress does and no more. A treaty can not be made in violation of the Constitution. So, if we have the power to acquire by law, we have the right to dispose by law. There is no question about it.

Mr. COPELAND. It would seem, of course, as a matter of common sense, that that would be true; but, as a matter of fact, we can not do as the Senator suggests. We never have disposed of territory. We never have alienated sovereignty over anything that was fully ours.

Mr. LONG. Yes; we have.

Mr. McKELLAR. We came very near that in the case of Cuba.

Mr. COPELAND. Very well; let the Senators state what they have in mind.

Mr. McKELLAR. We came very near it in the case of Cuba.

Mr. LONG. We did more than that.

Mr. McKELLAR. Of course, the wording of the treaty with Spain in the case of Cuba was somewhat different; but, as a matter of fact, we acquired all the powers and sovereignty over Cuba. Article I of that treaty reads:

> Spain relinquishes all claim of sovereignty over and title to Cuba.

That was done in a treaty with the United States.

Mr. LONG. That is right.

Mr. McKELLAR. Then there is this additional provision:

> And as the island is, upon its evacuation by Spain, to be occupied by the United States, the United States will, so long as such occupation shall last, assume and discharge the obligations that may under international law result from the fact of its occupation for the protection of life and property.

We all know, however, as a matter of fact, that the United States governed Cuba in precisely the same way that we have governed the Philippines, except that we did not govern it so long. We afterwards made a treaty with Cuba or passed an act of Congress by which we ceded to Cuba the sovereignty of Cuba, and it is a precedent for the bill that is proposed here.

Mr. LONG rose.

Mr. COPELAND. If the Senator will wait just a moment, I will answer him; he will appreciate that I can take only one Senator at a time.

I note that the Senator from Tennessee has changed his mind a little bit about this treaty.

Mr. McKELLAR. I have not changed my mind at all.

Mr. COPELAND. Does the Senator ever change his mind?

Mr. McKELLAR. Occasionally.

Mr. COPELAND. I would not think the Senator was fossilized in his mental processes.

Mr. McKELLAR. I hope not.

Mr. COPELAND. He is ready to change his mind when he can be convinced that he should change it.

I speak with a good deal of feeling about all this Spanish War business, because, as I told the Senate last year, the first public speaking I ever did was in connection with this matter. I went about pleading with the people of my State to urge President McKinley to intervene in Cuba. I went around with Mr. Quesada, who was the agent from Cuba. But I do not need to go into that ancient history.

Let me call the attention of the Senator to what is very clear in my mind because of my interest at the time it happened. Before we entered into that war we solemnly pledged that we would not retain any possession that we might gain by reason of our intervention in Cuba. That was the declaration of the Congress, and it was well understood by the peace commissioners. When we read the minutes of the various meetings of the commission we find that that was very clearly understood. One has only to read the treaty itself to realize that there is a very great difference between the temporary acquisition of Cuba and the actual sovereignty we acquired over Puerto Rico and the Philippines.

Note the language. I am not going into it extensively now, but I refer to Treaties and Conventions, by Malloy, page 1691. Is that the same book the Senator from Tennessee has?

Mr. McKELLAR. No; I have Compilations of Treaties in Force.

Mr. COPELAND. I have the treaty with Spain of 1898.

Mr. McKELLAR. I have that before me.

Mr. COPELAND. Let us take article 1.

Mr. McKELLAR. I have just read that article.

Mr. COPELAND. The language of article 1 is as follows:

> Spain relinquishes all claim of sovereignty over and title to Cuba.

Article 2 provides:

> Spain cedes to the United States the island of Puerto Rico.

Article 3 provides:

> Spain cedes to the United States the archipelago known as the Philippine Islands.

When the matter came before the Senate every effort was made to change the language so as to have the same language used with reference to the Philippines and Puerto Rico as was used with reference to Cuba.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. LONG. My friend the junior Senator from Maine [Mr. WHITE] feels that, apropos of the argument which the Senator from New York is making, he should give the following line from Aaron Burr:

> Law is whatever is boldly asserted and persuasively maintained.

Mr. COPELAND. Aaron Burr was ready to die for that conviction, was he not? But he was unfortunate, after all.

Here we have what I want to point out to the Senator from Tennessee: Mr. Vest and Mr. Hawley presented various amendments, and Mr. Gorman, for Mr. Vest, on February 6, 1899, proposed the following amendment:

Article III—

That is the one relating to the Philippines.

Article III. Strike out the words "cedes to the United States" and insert in lieu thereof the words "relinquishes all claim of sovereignty over and title to."

He wished the identical language used with reference to Cuba. That was brought up in the Senate and considered by the Senate. When it was put to vote in the Senate, the proposed amendment was defeated by a vote of 30 yeas to 53 nays.

Mr. President, if there had been no intention on the part of the Senate to retain possession of the Philippines and Puerto Rico, why did not the Senate on February 6, 1899, adopt the amendment presented by Mr. Gorman for Mr. Vest, and leave it in the hands of the Congress to determine at some later time what should be done with the Philippines and with Puerto Rico?

The fact is—and none can dispute it—that the Senate, in acting upon the treaty with Spain, deliberately and knowingly accepted possession of the Philippines and Puerto Rico. In my opinion, except by consent of the sovereign people, we have no legal right to pass this bill and to alienate sovereignty over these islands.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. McKELLAR. I suggest to the Senate two other treaties by which sovereignty was yielded by our country to another, first, a treaty of 1819, whereby certain territory known theretofore as Florida was ceded to Spain. There was also a treaty of 1842 with Great Britain whereby a large tract of land or territory between the Great Lakes——

Mr. COPELAND. "Fifty-four forty or fight."

Mr. McKELLAR. No; territory between the Great Lakes and the Pacific Ocean. A large territory was ceded to Great Britain. Unquestionably from 1819 down to the present day our Government has been ceding territory to other nations, so that necessarily the only question that arises is, Can we create a government and then deal with it by treaty and cede territory to it? I think we can under these precedents.

Mr. COPELAND. Mr. President, one of the disconcerting things about debate in the Senate is the ephemeral nature of the audience, whether the audience is in the gallery or upon the floor. Already this afternoon I have replied to that argument.

Mr. McKELLAR. I did not hear the Senator's reply.

Mr. COPELAND. But because the Senator has raised the question, I feel under obligation to answer him. I do not want him to think for a moment that I am seeking to evade something. I certainly am not seeking to do that.

The United States flag has never been hauled down from over a square mile of American territory which was justly and fully ours. That is the thesis. Of course, several times in our history there have been occasions when we have not had a just cause; we claimed possession, and we had conferences with the other nations, arbitrators were appointed, and it was decided that we did not actually own the territory in question. So, in order that the record might be complete, we gave quitclaim deeds, so to speak, and made treaties under those circumstances, several times ceding territory which was not ours, which never had been ours, which we only thought was ours. Those are the instances cited by the Senator in his desperation to find a means of disposing of the Philippines. As he must realize, the legal reason for doing so is so thin that I am not surprised he seeks for some excuse.

Mr. McKELLAR. Mr. President, the Senator is a lawyer, and I am not, and, of course, I do not know much about legal reasons; but I need not go into that. The Senator puts it on the ground of equity and good conscience, stating that we did not own the territory which we have heretofore ceded in equity and good conscience. I do not think we own the Philippines in equity and good conscience. Our ownership of the Philippines is contrary to everything the American Nation ever stood for in all of its history, and I would have been glad, if I had been a Member of Congress the next year after we took them over, or the next day after we took them over, to yield those islands back to the people who inhabited them. I am ready now to do that. I have been ready ever since I have been in Congress to yield sovereignty over those islands. But I do not think that in equity and good conscience we have any moral right or have any legal right to retain the Philippines permanently. The legal right about which the Senator talks is exceedingly thin, but it is the legal right by which we retain sovereignty over those people 8,000 miles away, across the Pacific Ocean. In my judgment we ought never to have taken the islands, but, having taken them, we ought to yield the islands back to the people who are the real owners of those islands, and at the earliest date possible, and unless I change my mind, I am going to vote for any amendment that will yield them back immediately. The Democratic Party has taken that position ever since we took the islands. It took that position in its last platform, and I indorsed that provision of the platform 100 per cent. [Demonstrations of applause in the galleries.]

Mr. COPELAND. Mr. President, a Fourth of July speech is always popular.

I want to say to my friend from Tennessee that I am with him in this: I wish we had never taken the Philippines. The feeling I have in the matter dates to those years away back there when we did take them over. But we sometimes "get the bear by the tail," if the Senator knows what I mean, and it is difficult to let it go.

I shall present again a proposal for a constitutional amendment giving the power to Congress to get rid of the Philippines. I want the Philippines to be free, but I want their freedom to come as a result of law and in a constitutional manner, and not by the evasion of law or by disregarding the Constitution. Certainly any man who believes in the Constitution ought to desire and, I have no doubt, does desire that whatever he does and that whatever vote he casts shall be in accordance with the provisions of the Constitution.

Mr. President, I wish to quote further from Justice Taney.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. Certainly.

Mr. WALSH of Montana. I wish to inquire of the Senator about the proposition he was advancing a little while ago upon the authority of the decision of Mr. Justice Taney, that the provision of the Constitution in relation to the control of Congress over the territory of the United States is to be construed as restricted to territory then—at the time of the adoption of the Constitution—within the possession of the United States. Have I quoted the Senator correctly?

Mr. COPELAND. The Senator is entirely correct. That is the opinion Mr. Justice Taney expressed.

Mr. WALSH of Montana. I wonder how Congress ever got authority to dispose of the territories acquired under the Louisiana Purchase, because two-thirds of our States are within that territory, and the titles to all the lands are derived from the Government of the United States. If Congress had no power to acquire that territory, I fear it would reflect rather seriously upon the title to the property.

Mr. COPELAND. I would not have the Senator think for a moment that I question the right to acquire territory by treaty nor the right to dispose of it by treaty.

Mr. WALSH of Montana. Oh, no. We have that. I do not enter into controversy with the Senator on that point. I simply invite his attention to the contention he was making that the provisions of the Constitution in relation to the disposition of property of the United States as found in the eighth section of Article I extends only to territory which at the time of the adoption of the Constitution was a part of the United States.

Mr. COPELAND. No one knows better than the Senator what decisions have been made by the courts. I want to refresh his memory, because I have recently looked up those decisions. I remind him of the fact that even where there

has been a question about how we would govern the territory the court has given a sort of blanket reason that it might be by reason of the disposing clause of the Constitution or by reason of the fact that since we have the right to make treaties and acquire property under treaties it just naturally follows that we have the right to govern the territory which we get.

Mr. WALSH of Montana. The Senator has accurately quoted the decision, but that is totally aside from the question I am addressing to the Senator. I am not now talking about the power to govern at all. I am talking about the provision of the Constitution that gives the power to dispose of and make all needful rules and regulations concerning property of the United States. As I understood the Senator, that provision of the Constitution applies only to such land as was within the territory of the United States at the time the Constitution was adopted; accordingly, not whether Congress has the power to govern the territory within the Louisiana Purchase, but whether the Congress has the power to dispose of the land within that reach.

Mr. COPELAND. The Senator has misunderstood me. I am pointing out that Mr. Justice Taney did refer only to that territory which we then had, the Northwest Territory, the territory then under consideration. Of course, later decisions have given other meanings to the disposal clause, to the effect that the word "territory" therein used referred to land and proprietary rights in contradistinction to other and movable property and have held that we have the right to dispose of land in the sense of selling public land or selling any movable property which we might acquire.

Mr. WALSH of Montana. The Senator then takes the view that notwithstanding anything that may have been said by Mr. Justice Taney, the Congress has the power to dispose of any land which the Government of the United States has?

Mr. COPELAND. I have no doubt of that; but I want to make it clear that Mr. Justice Taney took a very positive stand regarding the limitation of the powers conferred by section 3 of Article IV. But I am quite sure from later decisions that we must reach the conclusion that there is no doubt of our right to dispose of land and other property, but not of sovereignty.

Mr. WALSH of Montana. Is there any doubt about our right to govern any territory?

Mr. COPELAND. Not the slightest.

Mr. WALSH of Montana. Then really what pertinency has the quotation the Senator makes from Justice Taney?

Mr. COPELAND. It has this pertinency: The most frequently used argument by the proponents of the pending measure or by those who believe in Philippine independence is that the word "dispose" in the clause means to alienate sovereignty—to relinquish sovereignty. I want to make it clear from what Mr. Justice Taney said that he went so far as to state that the language had absolutely no reference to the disposal of sovereignty, and that, in his opinion, it related wholly to the territory which the United States then had.

Of course, I say frankly to the Senator, I go beyond that conclusion because of more recent decisions. I think we are not in disagreement at all as to what Congress can do now in the disposal of public lands.

But I want the RECORD to show Mr. Justice Taney's view, and I quote further from page 432:

> A brief summary of the history of the times, as well as the careful and measured terms in which the article is framed, will show the correctness of this proposition.

That is, that it was a special provision for a known and particular territory and to meet an immediate emergency and nothing more. That was the view Mr. Justice Taney took. The opinion then proceeds:

> It will be remembered that, from the commencement of the Revolutionary War, serious difficulties existed between the States in relation to the disposition of large and unsettled territories which were included in the chartered limits of some of the States. And some of the other States, and more especially Maryland, which had no unsettled lands, insisted that as the unoccupied land, if wrested from Great Britain, would owe their preservation to the common purse and the common sword, the money arising from them ought to be applied in just proportion among the several States to pay the expenses of the war, and ought not to be appropriated to the use of the State in whose chartered limits they might happen to lie, to the exclusion of the other States, by whose combined efforts and common expense the territory was defended and preserved against the claim of the British Government.

I want to comment upon that for a moment. We gained the Philippines by the common purse and the common sword. The blood and treasure of this country were employed and used to gain and occupy the Philippines. I wonder if Senators appreciate how much money we have spent in the Philippines. To me it is an amazing thing that in a matter so significant as the alienation of sovereignty over a vast territory, 7,000 islands occupying a strategic position in the Pacific, there should be such an apparent indifference of the people to what is proposed. I wonder how many citizens in this country realize what we are attempting here?

Disregarding all the rights that the citizens have, disregarding the sovereign rights of the people of our country, the Congress has set out on this project of granting sovereignty and ourselves giving up possession of this great possession.

Think what it has cost us through the War Department, the Navy Department, the Bureau of Insular Affairs, the Coast and Geodetic Survey, the Public Health Service, the Philippine Commissioners in Congress, the Department of Agriculture, the relief of distress. Up to the 25th of November, 1931, it was $792,000,000—to be exact, $792,370,473.91—and when we add to that those expenditures which we have since made, it is disclosed that almost $1,000,000,000 of public money has been contributed to the ownership and maintenance of these islands.

Mr. President, do you realize how much a billion dollars is? It is a lot of money. Not alone have we expended of public funds an enormous sum of money, but American citizens have invested in the islands in excess of $257,000,000; a billion and a quarter dollars have been spent in the Philippines.

Mr. President, I am not going to attempt to say whether the Philippines are ready for freedom. I want them to have it as soon as they are ready for it. But I think it would be utterly out of all worthy thought and decency to our people if we gave away a billion dollars worth of the public possessions without even consulting the owners of the property.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. I yield.

Mr. WALSH of Montana. I understood the Senator likewise to say that there had never been any cession of territory belonging to the United States?

Mr. COPELAND. Yes, sir; I said that.

Mr. WALSH of Montana. Of course the Senator excluded from his statement disputed territory the boundaries of which were adjusted by treaty?

Mr. COPELAND. Yes, sir.

Mr. WALSH of Montana. Such cessions, of course, the Senator realizes have taken place; but, omitting them entirely, the Senator contends that no cession has ever been made?

Mr. COPELAND. No cession of any territory that was ours has ever been made. I know exactly what the Senator is going to say. He is going to call my attention to Samoa.

Mr. WALSH of Montana. No; I might call the attention of the Senator to Samoa, but I will call his attention to another case.

I read from Crandall's Treaties: Their Making and Enforcement, page 227, as follows:

> As the result of the decisions of tribunals of arbitration, to which the determinations of disputed boundary lines have been referred, territory over which the United States had theretofore exercised jurisdiction has fallen within the jurisdiction of foreign powers. Thus, to take a recent case, by the decision of the Alaskan boundary tribunal, constituted under the treaty with Great Britain of January 24, 1903, to determine the boundaries of Alaska as described in the treaty between Russia and Great Britain of 1825, Wales Island fell to Great Britain, although Rus-

sia, and her successor, the United States, had continuously exercised jurisdiction over the island since 1825, in which Great Britain had acquiesced.

Mr. COPELAND. The point made by the Senator is, I assume, that that is an instance where we have ceded territory that is ours?

Mr. WALSH of Montana. Exactly.

Mr. COPELAND. As a matter of fact, the commissioners in that case determined that the territory was not ours, and in the settlement of a boundary dispute we made a cession.

Mr. WALSH of Montana. Nevertheless, we had exercised jurisdiction over it for years.

Mr. COPELAND. That is true of other sections of our country. It is true of the northwestern border, and under the Webster-Ashburton treaty of the boundary between Maine and New Brunswick. There is not any question at all that in the settlement of boundaries cessions of territory have been made, just exactly as owners of land have to give quit claims, to give up possession of what they thought was theirs. Where it was held by a court or by those in authority or by arbitrators it was not their land, of course they gave quit-claim deeds, and in that way settled the title, and that is what happened in the case mentioned by the Senator from Montana.

Mr. WALSH of Montana. Let us go a little farther with that. Is it not a fact that frequently in boundary disputes we have ceded territory over which there was no dispute and acquired from the other country territory claimed by it, thus adjusting the boundary so as better to suit the convenience of both countries?

Mr. COPELAND. The Senator means that we made a horse trade?

Mr. WALSH of Montana. Exactly.

Mr. COPELAND. No; I do not think there is any such instance.

Mr. WALSH of Montana. Let me call attention to one. I read again from the same authority:

In the reciprocal renunciations of the Florida treaty the United States, in the language of the treaty, agreed to "cede to His Catholic Majesty, and renounce forever, all their rights, claims, and pretensions to the territories lying west and south" of a line beginning at the mouth of the Sabine. The United States had claimed the Rio Grande as the boundary. In referring to the Florida treaty, President Monroe, in his annual message of December 7, 1819, said: "On the part of the United States this treaty was evidently acceded to in a spirit of conciliation and concession. * * * For territory ceded by Spain other territory of great value, to which our claim was believed to be well founded, was ceded by the United States, and in a quarter more interesting to her [Spain].

That is to say, we had some territory that Spain cherished, and that Spain had some territory that we cherished, and we made a trade.

Mr. COPELAND. I remember the Senator one time in a conversation spoke about two islands, as I recall, off the coast of Washington, one near the Canadian line and one near ours. Does the Senator recall that?

Mr. WALSH of Montana. No; I do not.

Mr. COPELAND. The Senator asked me, as I recall, if we could exchange for an island which was nearer us and which it would seem more naturally should belong to us but which was owned by Canada, another island, a little farther away, and less accessible to us, which was American. Perhaps he simply used it as an example. My answer was, "No; I do not think so"; and I do not think so now. I have tried to study such cessions very carefully, but I can not believe that there ever has been an instance where our ownership was undoubted and unquestioned and where we were able to convince the umpires of that fact, where the flag has come down. I should think, anyway, that we would hardly wish to make a disposal of the Philippines upon any basis so trivial and unimportant as that relating to the correction of a boundary line.

I was pointing out that by the common purse and the common sword we have taken possession of these islands at an expenditure of the taxpayers' money of a billion dollars. On the theory that we are the agents, the attorneys of the people, though without power of attorney, without authority conferred upon us to dispose of the property of our principal, we are seeking here to alienate sovereignty over a great rich possession which belongs to the sovereign people.

Senators, we have no right to do that. After studying all the facts and circumstances and the history surrounding this great problem, no one of you holding the view that I take could be true to his oath of office if he voted for this bill.

Mr. President, do not misunderstand me. I do not want to bind the conscience or the judgment of any other Senator, but, believing as I do, I could not be true to my oath of office if I voted for this bill.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. I yield.

Mr. McKELLAR. I should like to call the Senator's attention to the fact that the Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended by approval of the cession of the Philippines by Spain to—and here is the wording of the approval—

incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor * * * permanently annex said islands as an integral part of the United States, but * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands.

And in addition to that, in 1916, Congress, in the preamble to the Jones law, declared—and I again quote—

It is * * * the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and recognize their independence as soon as a stable government can be established therein.

I have called the Senate's attention to these two excerpts, one from the action of the Senate in approving a treaty and the other from a declaration contained in the Jones law, for the purpose of showing, if I may, that it has been the purpose of the Government of the United States from the time the Philippines were taken over, as I understand, to the present good hour to do just what is proposed to be done by this bill.

Mr. COPELAND. I am very glad the Senator has raised that question. The resolution which he read was a resolution prepared by Senator Mason, of Illinois. I will ask him if that is not correct?

Mr. McKELLAR. It was adopted in 1899; I do not recall who was its author.

Mr. COPELAND. Here is the answer. The resolution was introduced just exactly as the Senator has said and in the language he has read, by the then Senator from Illinois, Mr. Mason. Now, I want to ask the Senator: Suppose at a meeting of the Senate now we were fortunate enough to have 48 Senators present and voting, and 26 of them voted in the affirmative and 22 in the negative; would such a vote adopt the resolution?

Mr. McKELLAR. If there were a quorum it would certainly adopt the resolution.

Mr. COPELAND. Well, there were 48 present.

Mr. McKELLAR. Forty-eight Senators do not constitute a quorum, but I imagine that there must have been some Senators present besides the 48 who actually voted; otherwise, the resolution would not have been agreed to.

Mr. COPELAND. Unfortunately, for the Senator——

Mr. McKELLAR. Or, as the Senator from Arkansas [Mr. ROBINSON] observes to me, there might have been some States without full representation; there might not have been the full 96 Senators here. However, I assume that if it were a resolution of the Senate a quorum was present, otherwise, it was not a resolution of the Senate.

Mr. COPELAND. I call attention to the fact that in the Diamond Rings case——

Mr. McKELLAR. Mr. President, another suggestion has been made and, I think, properly so. If I remember aright, neither Arizona nor New Mexico, and perhaps not Oklahoma, were members of the Union at that time. I am quite sure they were not members of the Union at that time;



and, therefore, the vote to which the Senator refers shows an actual quorum.

Mr. COPELAND. Unfortunately for the Senator, the Supreme Court of the United States has given the answer to this question.

I have in my hand, in One hundred and eighty-three United States Reports, the case of Fourteen Diamond Rings against the United States. I read from page 179:

By the third article of the treaty Spain ceded to the United States "the archipelago known as the Philippine Islands," and the United States agreed to pay to Spain the sum of $20,000,000 within three months. The treaty was ratified; Congress appropriated the money; the ratification was proclaimed. The treaty-making power, the executive power, the legislative power, concurred in the completion of the transaction.

The Philippines thereby ceased, in the language of the treaty, "to be Spanish."

This is the language of Mr. Chief Justice Fuller that I am reading.

Mr. McKELLAR. Perhaps the Senator and I misunderstand the question raised, or perhaps I do. The Senator may understand it fully, and I am afraid I do not; but I understood him to say that when this resolution was passed, in 1899, only 48 Senators voted—26 for it and 22 against it.

I find from looking into the record that Oklahoma was admitted into the Union November 16, 1907; New Mexico, January 6, 1912; and Arizona, February 14, 1912. The six Senators from those States were not here, of course, in 1899. At that time 90 Senators constituted the whole membership of this body. Forty-six Senators, therefore, constituted a quorum; and according to the Senator's own figures, read from the resolution, 48 was more than a quorum.

Mr. COPELAND. I have listened with great interest to the Senator. If he has anything to add to his argument I advise him to do it now, because I am going to dispose of it by the opinion of the court. The Senator has presented the case?

Mr. McKELLAR. I have presented the case.

Mr. COPELAND. Chief Justice Fuller says of the Philippines:

Ceasing to be Spanish, they ceased to be foreign country. They came under the complete and absolute sovereignty and dominion of the United States, and so became territory of the United States over which civil government could be established. The result was the same, although there was no stipulation that the native inhabitants should be incorporated into the body politic, and none securing to them the right to choose their nationality. Their allegiance became due to the United States and they became entitled to its protection.

But it is said that the case of the Philippines is to be distinguished from that of Puerto Rico, because on February 14, 1899, after the ratification of the treaty, the Senate resolved—

Here is the language. I want to read it exactly as it was:

Resolved, etc., That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the United States and the inhabitants of said islands.

That was the resolution. The opinion of the court continues:

The Senate resolved, as given in the margin, that it was not intended to incorporate the inhabitants of the Philippines into citizenship of the United States, nor to permanently annex those islands.

We need not consider the force and effect of a resolution of this sort, if adopted by Congress, not like that of April 20, 1898, in respect of Cuba, preliminary to the declaration of war, but after title had passed by ratified cession. It is enough that this was a joint resolution; that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum; and that it is absolutely without legal significance on the question before us. The meaning of the treaty can not be controlled by subsequent explanations of some of those who may have voted to ratify it. What view the House might have taken as to the intention of the Senate in ratifying the treaty we are not informed, nor is it material; and if any implication from the action referred to could properly be indulged, it would seem to be that two-thirds of a quorum of the Senate did not consent to the ratification on the grounds indicated.

Now I will say to the Senator that there is nothing left in his argument.

Mr. McKELLAR. My remarks were not made for that purpose at all. I was merely presenting that resolution of the Senate to show that so far as the Congress was concerned, from the very inception of our ownership of the Philippine Islands it has been the distinct, positive, unequivocal intention upon the part of the Congress, specifically stated time and again, by these two resolutions, at any rate, to cede the sovereignty of the Philippine Islands to the Philippine people at the earliest possible opportunity.

Mr. COPELAND. I think it is a very significant thing—and I called attention to it last year in the Senate—that almost immediately after the ratification of the treaty an effort was made in this body to interpret it. This joint resolution was presented, and the amazing thing is that many of the men who voted for the joint resolution, referred to by my distinguished friend, were men who voted for the ratification of the treaty. It is one of those things that I can not understand. I said last year that I was hoping some time to find out why it happened. I do not now know why it happened. It did happen; and yet the Senate had an opportunity to change the treaty and to have Spain simply relinquish sovereignty over the Philippines and Puerto Rico, as she did over Cuba. Overwhelmingly the Senate said, "No; we will not do it."

Of course, I have left that what entered into this matter so quickly was the cry that was raised against "imperialism." You will recall that Mr. Bryan, the leader of my party, was the chief one of those opposing the idea of our becoming a military world power. The Senator from Tennessee [Mr. McKELLAR] says what is the fact, that from that time down to now, even to the last convention, the Democratic Party has taken the view that independence should be given to the Philippine people. That was the declaration of our last convention, was it not?

Mr. McKELLAR. Absolutely.

Mr. COPELAND. That has been the attitude of the Democratic Party. Senators may smile when I say that that is my position, too. I am for that; but I do not want my party to do an illegal, an unlawful, an unconstitutional thing. If I appear to stand here in opposition to the platform of my party, it is not because of any lack of loyalty, but even with greater loyalty than some others show, because I want my party, when it votes for liberty for the Filipinos, to do it properly and legally and lawfully and constitutionally.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a question? I am asking the question for information.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I do.

Mr. ROBINSON of Arkansas. I understood the basic proposition of the Senator's argument to be that the Congress is without power to grant independence. Is that correct?

Mr. COPELAND. That is correct.

Mr. ROBINSON of Arkansas. Then I ask the Senator how it is possible to carry out the platform declarations to which he has referred, which commit the party to which the Senator and I belong to the policy of granting independence, if it is an unconstitutional act to do that?

Mr. COPELAND. I will answer my leader. I should like to have this bill amended—I said this last year—so as to make the action contingent upon the adoption by the people of an amendment to the Constitution.

On the 8th of May, 1930, I introduced a joint resolution proposing an amendment to the Constitution of the United States relating to Philippine independence. It reads as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of

each House concurring therein), That the following amendment of the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"After 10 years from the ratification of this article, and with the consent of the citizens of the Philippines, the Congress shall have power to relinquish sovereignty over the Philippine Islands and to transfer to the Filipino people all the territory in the Philippine Archipelago acquired by treaty with Spain."

Mr. ROBINSON of Arkansas. The Senator's answer, as I understand it, is that it is necessary to amend the Constitution in order to carry out the declarations to which reference has been made.

Mr. COPELAND. That is right.

Mr. TYDINGS. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Maryland?

Mr. COPELAND. I yield.

Mr. TYDINGS. I follow the Senator's argument that the reason why he withholds his support of this bill is not because he is opposed to the spirit of the bill or what it intends to accomplish, but that we have no authority to do it by act of Congress.

Mr. COPELAND. That is right.

Mr. TYDINGS. I am wondering whether the Senator maintains the same ground when we consider the acquisition of the islands in the first instance; namely, did we abuse our sovereignty when we acquired the islands? If we did not abuse our sovereignty when we acquired the islands, I should like to hear from the Senator as to how we would abuse our sovereignty by divesting ourselves of them.

Mr. COPELAND. Mr. President, I have very distinguished Democratic authority for the position which I take in the matter referred to by the Senator. There once lived a great man named Thomas Jefferson. The Senator from Maryland is one of his distinguished and able followers. A question arose as to the acquisition of Louisiana. The great founder of our party hesitated. He said, "There is no authority of the Constitution for the extension of the territory of our country."

If our founder had persisted in his course, the Senator from Maryland and I would say that under no circumstances can we add to our territory. But there came a change in the spirit of Mr. Jefferson's dream. At first he said there must be a constitutional amendment in order to acquire Louisiana, did he not?

Mr. TYDINGS. Yes; I believe he did.

Mr. COPELAND. The amendment was prepared and it was all ready for presentation in this body. But Mr. Jefferson decided that we could, under the treaty-making power, acquire Louisiana, and we did it.

Mr. TYDINGS. The Senator has not altogether answered my question. What I was asking him was not what Mr. Jefferson thought or what we have done in the past but, as a matter of constitutional law, did we exercise more sovereignty than we had in acquiring the islands in the first instance; and if we did not exercise more sovereignty than we had in acquiring them, why could we not use that same sovereignty in divesting ourselves of them?

Mr. COPELAND. I can see why the Senator is such a good lawyer and so successful. He can twist a law so that it appears to back up his position, even though he knows the facts and the law are against him.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. LONG. I believe the question is one of such intricate, technical, deep constitutionality that the Senator from Maryland does not understand the explanation that has been made.

Mr. COPELAND. I do not quite get what the Senator means.

Mr. LONG. I stated that I believed that the answer which the Senator made is on a question of such deep interest and technical constitutionality that I do not think the Senator from Maryland has fathomed the answer.

Mr. COPELAND. I fear the Senator from Louisiana is facetious. If he means to intimate that I think that my knowledge of the law is greater than that of my distinguished friend from Maryland, he is mistaken. I will give way to my friend from Maryland on any matter of law. But when it comes to this particular constitutional question I am afraid that there are many in this body who have not studied it as they should have. I am convinced of that more than ever by the questions which have come to me to-day.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. I would like to say to the Senator that I think his argument is sound in so far as it would apply to the severing of one State from the Union, but I think it is unsound in so far as it applies to a territory obtained by treaty, under particular circumstances, which has never been admitted into statehood, and which, at the time of its addition to the United States, was accepted with the distinct understanding that it was to be returned to the people who inhabited the territory as soon as they were in a position——

Mr. COPELAND. Does the Senator mean the Philippines?

Mr. TYDINGS. I refer to the Philippines—as soon as they were in a position to govern themselves.

Mr. COPELAND. Where does the Senator find that?

Mr. TYDINGS. In the first place, in the debate in the House of Representatives. The Senator will recall that we acquired the islands by a single vote, and all during the debate, if I am correctly informed, the upshot of the matter was that we would take the islands temporarily to rid them of Spanish sovereigny, and that their future disposition would be taken care of as circumstances and occasions permitted the best interests of the Philippines to be achieved, and all during the period of time since, particularly since the Jones Act, we have been affirmatively of record as desiring to divest ourselves of them when the people had achieved the measure of local self-government necessary to enable them to carry on and rule the islands. The Senator will concede that at no time have they ever been admitted to the same equality which the State of New York enjoys in our United States of America.

They have always been territory, obtained through war, and under propositions of humanitarianism, which carried an implied condition that we would return them to their own people whenever we could; simply taking them from under Spanish rule at the time we acquired them. The Senator is making an argument as if they were States, as if they had at one time been a complete and integral and unqualified part of the Union, when, as a matter of fact, they have never obtained that status, and, therefore, having been kept in a so-called removed state, we can deal with them as never having been completely a part of our own country.

Mr. COPELAND. Mr. President, I assume the Senator is asking me a question. Let us assume the Senator has made a deed, which has been signed and delivered and the money exchanged. Could the Senator's client a few days later decide that the conditions should be different from those set out in the deed? Of course not. In the acquisition of the Philippines the deed of cession is the treaty.

I know that later there was such a debate as that about which the Senator talks, and to me it is an amazing thing. I pointed out a moment ago—I think the Senator was not in the Chamber at the time—that many of the Senators who voted for Senator Mason's resolution, which was a declaration of intention to turn over the Philippines to the people of the islands, were Senators who had voted against Mr. Vest's proposal to change the language of the treaty. I can not understand that. But we can not go back of the record.

This is the record. These islands were ceded to us, and we took the whole grant. There are no "ifs" and "ands" about it. There are no conditions attached. We took the "whole grant," as one of the decisions of the court said.

Mr. TYDINGS. I could follow the Senator's argument if he were consistent to the extent of maintaining that when we acquired Alaska, or when we acquired the Philippines, or any other possession which we have acquired since we became the United States of America the only way we could acquire them was by amending the Constitution. But I can not follow the Senator's reasoning when he says that without an amendment we can acquire property, but must have an amendment to divest ourselves of that acquired property, notwithstanding it has never been admitted to statehood.

Mr. COPELAND. I do not want to evade at all either the direct question or the implication. Suppose Japan were to approach us with a view to taking the Philippine Islands off our hands, not as a result of war but in peace. Does the Senator believe that we could, as a Senate, by treaty dispose of the Philippines to Japan?

Mr. TYDINGS. As a matter of fact, of course, the Senator's question is one that is theoretical and not practical, and I am not in a position to answer it offhand. I would say, offhand, no. I would say that when we divest a part of the United States we must give to that divested part the right or the authority or the privilege to say to what, if any, country they wish to adhere, if not to live under their own government.

Mr. COPELAND. I want to follow that up.

Mr. TYDINGS. Of course, there is nothing in the Constitution dealing with it.

Mr. COPELAND. Suppose we had the consent of the Filipinos; suppose they stated they wanted to go to Japan, their consent being obtained. Could the Senate then make a treaty with Japan and dispose of the Philippines to Japan?

Mr. TYDINGS. I think that under those conditions it could.

Mr. McKELLAR. Mr. President, if the Senator will yield to me, I will read from a decision of the Supreme Court, the same case from which the Senator read just a few moments ago on that subject. Said Justice Brown:

> By parity of reasoning a country ceases to be foreign the instant it becomes domestic. So, too, if Congress saw fit to cede one of its newly acquired territories—

Speaking of these very Philippines——

Mr. COPELAND. Read the material in the parenthesis, please.

Mr. McKELLAR. I continue:

> (even assuming it had the right to do so) to a foreign power, there could be no doubt that from the day of such cession and the delivery of possession, such territory would become a foreign country, and be reinstated as such under the tariff laws.

That is from page 197, in the case of DeLima against Bidwell.

I will now read from the case of Downes against Bidwell, reported in the same volume of the United States Supreme Court Reports, volume 182, page 285. The very subject about which the Senator is talking is discussed by Mr. Justice Brown, speaking for a majority of the court. He said, and this is the majority opinion:

> Had the acquisition of other territories been contemplated as a possibility, could it have been foreseen that within little more than 100 years we were destined to acquire not only the whole vast region between the Atlantic and Pacific Oceans but the Russian possessions in America and distant islands in the Pacific, it is incredible that no provision should have been made for them, and the question whether the Constitution should or should not extend to them have been definitely settled. If it once be conceded that we are at liberty to acquire foreign territory—

I read that again, because I want to call the Senator's special attention to it. It confirms what the Senator from Maryland stated just a moment ago—

> If it once be conceded that we are at liberty to acquire foreign territory, a presumption arises that our power with respect to such territories is the same power which other nations have been accustomed to exercise with respect to territories acquired by them. If, in limiting the power which the Congress was to exercise within the United States, it was also intended to limit it with regard to such territories as the people of the United States should thereafter acquire, such limitations should have been expressed. Instead of that, we find the Constitution speaking only to States, except in the territorial clause, which is absolute in its terms and suggestive of no limitations upon the power of Congress in dealing with them.

That is a decision that applies to the case in point, that the power to acquire suggests no limitation upon the power of the Congress to dispose of what we have acquired.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. COPELAND. I would like to take one at a time, but is the Senator in a hurry?

Mr. HAWES. I desire to ask the Senator a question. The Senator has discussed this constitutional question heretofore for approximately three days. I am wondering, as he has an amendment taking the position that the only way we can carry out our national promise to the Philippine people is through a constitutional amendment, if he will not submit that amendment to the Senate and give us an opportunity to vote upon whether they think his contention is right or wrong? I ask the Senator to do that so that we may save time. I am sure the Senator does not want to occupy more time on the constitutional question on which the Attorney General of the United States has disagreed with him, the legislative counsel of the Senate disagrees with him, and I have not yet been able to find or discover a lawyer in the Senate or a lawyer in the House who agrees with the Senator. Would it not be fair to the Senate and to the importance of the subject to present in the form of an amendment his thought on the subject so the Senate might have an opportunity to vote upon it and dispose of it in a short while?

Mr. COPELAND. I thank the Senator for his suggestion.

Mr. ROBINSON of Arkansas. Mr. President, before the Senator from New York proceeds with this phase of his argument, in which I am very much interested, I should like to ask him what in his opinion is the application, if any, of the following language in section 3, Article IV, of the Constitution:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property of the United States.

Mr. COPELAND. I want to be entirely courteous, Mr. President, but the Senator from Missouri has already called attention to the fact that I have taken a lot of time. I went over that question quite extensively while the Senator was out of the Chamber.

Mr. ROBINSON of Arkansas. I shall not press the question. I did not know the Senator had discussed it.

Mr. COPELAND. Before I accede to the request of the Senator from Missouri to present my amendment and sit down, I shall discuss more fully the point referred to by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. If the Senator has discussed it, he need not, of course, repeat his argument. As he knows, I was unable to be present all the time during his presentation of the subject.

Mr. COPELAND. As a matter of fact, I am not through with that particular matter, and I shall say more about it on another occasion.

I want to answer the Senator from Tennessee [Mr. McKELLER]. He referred to the case of De Lima *v.* Bidwell, which is one of the "insular cases" in which a majority of the court concurred. Mr. Justice Brown, who read the opinion, used the language which the Senator from Tennessee quoted:

> By parity of reasoning a country ceases to be foreign the instant it becomes domestic. So, too, if the Congress saw fit to cede one of its newly acquired territories—

The inference is, and unless one reads the language and has the text before him that he would form the opinion that the court was holding that that could be done, but as a matter of fact, in parenthesis at this point, the court said, "Even assuming that it had the right to do so," and there never was a thought, in my opinion, in the mind of Mr. Justice Brown that there could be such a cession.

Mr. McKELLAR. If the Senator will yield, the same Justice, reading a majority opinion by the same majority in a

subsequent case on a subsequent page in the same volume, held that the Congress has unlimited right of disposition.

Mr. COPELAND. That is where the Senator is wrong.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. COPELAND. In just a moment I shall be glad to yield. I want to invite the attention of the Senator from Tennessee to One hundred and eighty-second United States Reports, Downes against Bidwell, at page 244. This is the most remarkable decision ever rendered by the Supreme Court, in all probability, and I want to read a footnote found at the bottom of page 244:

> In announcing the conclusion and judgment of the court in this case, Mr. Justice Brown delivered an opinion. Mr. Justice White delivered a concurring opinion which was also concurred in by Mr. Justice Shiras and Mr. Justice McKenna. Mr. Justice Gray also delivered a concurring opinion. The Chief Justice, Mr. Justice Harlan, Mr. Justice Brewer, and Mr. Justice Peckham dissented. Thus it is seen that there is no opinion in which a majority of that court concurred. Under these circumstances I have, after consultation with Mr. Justice Brown, who announced the judgment, made headnotes of each of the sustaining opinions, and placed before each the names of the Justices or Justice who concurred in it.

That is the footnote of the report, and so I would not, in all respect, give very much attention to this particular case, because it was not concurred in on any subject by a majority of the court.

Mr. McKELLAR. Let me say to the Senator that I read from the majority opinion of the court, and what some reporter might have construed to be a dissenting opinion has no influence because that case was settled by a majority of the Justices of the court. I did not call the attention of the Senator to it, but if he will turn back to the first case from which I read it will be found there were four Justices dissenting in that case. The only thing is that five Justices gave their assent to the majority opinion just as in this case five Justices gave a contrary view.

Mr. HAWES. Mr. President, will the Senator yield now?

Mr. COPELAND. I will yield when I have answered the Senator from Tennessee. The Senator from Tennessee is utterly wrong. I am sorry to say that, because he is usually right.

Mr. McKELLAR. But the court is right.

Mr. COPELAND. The court would be right if a majority of the court took a position. The dictum of any Justice of course is interesting, but there is no decision in this case. I suppose there is not another case in the reports of the Supreme Court like it. It so happened there was a division of thought in the court and that there was no unanimity of opinion so far as the majority was concerned on any one of the subjects under consideration.

I yield now to the Senator from Missouri.

Mr. HAWES. Mr. President, I return to my suggestion of a moment ago. We have before the Senate farm relief and many other measures of importance. We have a limited session known as the short session. There are many matters pending upon which I know the Senate would like to pass. The Senator from New York has discussed his constitutional question at very great length and very ably. I ask the Senator why he is not now prepared to submit his amendment to this bill and let the Senate vote on the question directly of whether this proposal requires a change of our Constitution or whether it can be done by act of Congress.

May I digress long enough to invite the attention of the Senator to the first statement made on this subject by President McKinley? He said:

> The whole subject is now with Congress; and Congress is the voice, the conscience, and the judgment of the American people. Upon their judgment and conscience can we not rely?

Lawyers have nearly all agreed on this matter. The learned Senator from New York can at least submit to a vote on whether his contention is right or wrong. It can be done quickly. The debate has been long, lasting several days in the last session, and all this afternoon. I ask him to submit his amendment and let us vote upon it. I ask it in good faith without any intention of irritating the Senator in the slightest degree.

Mr. COPELAND. Mr. President, I have assumed always since I have been in this body, now about 10 years, that the purpose of debate is to try to reach a consensus of thought. Of course, if in all cases we are to present measures and bills and amendments and resolutions, and have them voted upon without debate, that would be perfectly proper. I am not surprised that the Senator from Missouri, who is filled with zeal and has an ardent conviction that we should give immediate liberty to the Filipinos, is unwilling to have any time spent, whether long or short, in debate by the opposition.

So far as I am concerned, I stand on my rights as a Member of this body and as one of the representatives of my State to take as much time under the rules as I may deem necessary to present a cause.

Mr. VANDENBERG. Mr. President——

Mr. COPELAND. That is not only my right, but that is my duty, and I intend to live up to it.

Mr. VANDENBERG. Mr. President, will the Senator yield for the purpose of submitting to a motion to recess, or does he desire to proceed further?

Mr. COPELAND. I want to answer this question, and then I shall be glad to yield, because I want a recess just as much as any other Member of the body.

I am not here for the purpose of filibustering or trying to delay action. I contend that it is not fair to put upon me the imputation that I am delaying legislation. There is no legislation ready for presentation except the bank bill. That is the only bill that is ready. I am ready to have the Philippine matter set aside at any time to take up the bank bill. But if my friend from Missouri will be patient I hope that within a reasonable time I shall be through with what I have to say. I have been encouraged to-day because there seemed to be an interest on the part of a few Members of the Senate to look into the problems involved in the matter.

I want to say frankly to the Senator from Missouri that what he asks is absurd on its face. He has no right to ask me simply to present a resolution or an amendment and have it voted upon without opportunity to discuss it at some length, if I feel so disposed. Whether he is pleased or otherwise—and I hope he is pleased because he is a genial gentleman and a friend of mine for whom I have real affection—he can not drive me from the floor. I am going to debate this matter at reasonable length in order that the facts may be presented. Then I am content to leave it to posterity to determine whether the Senator from Missouri was right or whether I was right.

I have no doubt that when the Senate has a chance to vote it will vote in favor of the Senator's bill. There is no question about that in my mind, but that does not make any difference. I am going to do my duty, so let us put aside any thought that I can be crowded off the floor, because I do not intend to be. I shall go ahead doing the best I can to present this cause.

If Senators had taken the pains to study this question as I have, not this week or this month but for years past, I know there is not one of them here who would vote for the pending measure. Certainly that vote would not be cast until there was included in the measure an opportunity for the people of the United States to express their opinion and to confer authority upon us to act in the matter.

I now yield to the Senator from Michigan [Mr. VANDENBERG].

The PRESIDING OFFICER. Does the Senator from New York yield, or does he desire to retain the floor to-morrow?

Mr. COPELAND. I will occupy the floor to-morrow, if I may.

Mr. HAWES. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Missouri, who desires to put some matter in the RECORD, as I understand.

Mr. COPELAND. I wish it understood that I am not yielding the floor.

Mr. VANDENBERG. That is correct.

Mr. HAWES. Mr. President, some months ago I had occasion briefly to discuss the right of Congress to grant

independence to the Philippine Islands and the constitutional question which is involved. I ask unanimous consent to insert in the RECORD some excerpts from that discussion, and also an argument by Judge Fisher, of the Philippine Supreme Court. The friends of Philippine independence do not want to occupy unnecessarily the time of the Senate, and, therefore, I ask for this permission.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

President McKinley, 10 days after the treaty had been ratified, told the American people: "The whole subject is now with Congress; and Congress is the voice, the conscience, and the judgment of the American people. Upon their judgment and conscience can we not rely?"

In 1924 the question was submitted to the Attorney General, who on April 30 of that year, in a formal opinion on the question, said:

"The Philippine Islands have never been incorporated into the United States as an integral part thereof. They are held as an insular possession, appurtenant to the United States but not incorporated into the United States. (See Downes *v.* Bidwell, 182 U. S. 244, 341–342; Dorr *v.* United States, 195 U. S. 138). The Constitution of the United States has never been extended to the Philippine Islands. It has been so extended to the Territory of Alaska by congressional enactment. (Rasmussen *v.* United States, 197 U. S. 516.)

"Under the Constitution of the United States, Congress has complete control over Territories. It likewise has such control over insular possessions, and may do with such possessions as it may see fit. If Congress deems it expedient to grant complete independence to the people of the Philippine Islands or a limited independence, it may, in my judgment, do so."

More recently a memorandum on the subject, likewise accepting the view that Congress does possess such power, was prepared by the office of the legislative counsel of the United States Senate, and was inserted in the CONGRESSIONAL RECORD of January 29, 1930. Justice Malcolm, of the Supreme Court of the Philippine Islands, in his treatise on Philippine Constitutional Law (p. 173), upholds a similar view.

The power of Congress to alienate territory or to give the Philippines their independence may be supported on any one of six grounds: First, because such power is expressly granted to Congress under the Constitution; second, because the power may be implied from powers expressly granted to Congress; third, because the power resides in Congress by virtue of its resultant powers; fourth, because it is inherent in sovereignty; fifth, because the power exists in the President and in the Senate of the United States by virtue of the treaty-making power; and, sixth, because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

Since the decision in the Insular cases, cited in the opinion of the Attorney General, there has been no serious contention by anyone, except some of the extremists in the opposition, that the Congress did not have power to grant it. All recognized constitutional authorities concede that the inherent right of a sovereign to acquire territory unquestionably includes the right to dispose of it. And until the Philippines are incorporated as a part of the territory of the United States, which the Supreme Court says has not been done, the Congress undoubtedly has the constitutional authority to grant independence.

Congressman HATTON W. SUMNERS, a distinguished lawyer, discussing the constitutional question in the House of Representatives on January 23, 1930, said:

"Without supervision, without limitation, the people conferred upon the Federal organization the power to declare war at any time upon people, to imperil the life of every human being in the States, to exhaust the resources of the country to the last farthing, to borrow money upon credit without limit, to subject every foot of soil to the hazards of invasion and of conquest, and yet, according to those who deny the power to rid ourselves of the Philippines, withheld from that same Federal Government the power to make peace, if in order to do so cession of territory should be necessary. * * * The United States is maintaining government in the Philippine Islands. The Congress of the United States established that government. It can withdraw it. It has the constitutional power to do it."

The Hon. JAMES M. BECK, formerly Solicitor General of the United States, now a Member of the House of Representatives from Pennsylvania, and a noted constitutional authority, takes the same position. Senator SWANSON, of Virginia, an able student, discussing the matter in the Senate on March 5, 1930, said: "We have a right to-day to dispose of the Philippines under the clause of the Federal Constitution which says that Congress has control of the territory of the United States, and I do not know anybody who has ever disputed that fact since that decision, except somebody who believes that minority opinions ought to be the law of the country."

Judge Elliott has this to say:

"'The Constitution,' said Chief Justice Marshall, 'confers absolutely on the Government of the Union the powers of making war and of making treaties; consequently that Government possesses the power of acquiring territory by conquest or by treaty.' Under the provisions of the Constitution Congress may either sell the territory which it so acquires, hold and govern it by such rules and regulations as it deems wise to make, or carve it up into numerous States and admit them into the Union. It follows that until new States are created out of the national territorial property and admitted into the Union the Constitution of the United States is not in force in such territory."

We all remember the debates and uncertainty concerning the question of a permanent retention of the Philippines, which developed in the year 1899. At that time Judge James Bradley Thayer, professor of law at Harvard University, read a paper to which was given a place on the front page of nearly every newspaper in this country, and which was discussed with approval by the public. It may be said that it decided the American mind with regard to the legal right to acquire and dispose of the Philippines. It was intended for the nonprofessional mind. Judge Thayer, in his opinion, stated very emphatically that he was opposed to the acquisition of the Philippines. His reasoning has never since been successfully gainsaid by anyone. The address is found in Thayer's Legal Essays, beginning on page 153. This learned legal authority devoted nearly 30 pages to the subject. I quote only three of his paragraphs:

"Let me at once and shortly say that, in my judgment, there is no lack of power in our Nation, of legal constitutional power, to govern these islands as colonies, substantially as England might govern them; that we have the same power that other nations have; and that we may, subject to the agreements of the treaty, sell them, if we wish, or abandon them, or set up native governments in them, with or without a protectorate, or govern them ourselves. * * * The Constitution has to be read side by side with the customs and laws of nations. The operation of our Constitution is not to create a legislative body which is wholly bereaved of power to do anywhere the things which are forbidden within the United States. It is not stricken with inability, destitute of power, as if paralyzed, on these subjects, anywhere and everywhere and under all circumstances. The prohibitions, although they do not say it, deal only with certain circumstances and persons and places. * * * The great difficulty when the United States Constitution was made, was the adjustment between the power of the States and of the United States. The territories played no part at all. They were disposed of in the Constitution, so far as anything was said of them, by placing them wholly under the control of Congress. Article IV, section 3: 'The Congress shall have power to dispose of, and make all needful rules and regulations respecting the territory or other property belonging to the United States.' In Article I, section 8, Congress is also given power of exclusive legislation in all cases whatever over the district, not exceeding 10 miles square, where the seat of government should be fixed, and over places purchased by consent of the States for forts and the like."

THE CONSTITUTIONAL POWER OF CONGRESS TO WITHDRAW THE SOVEREIGNTY OF THE UNITED STATES OVER THE PHILIPPINE ISLANDS

By F. C. Fisher, former associate justice, Philippine Supreme Court

The essentially temporary nature of the control of the United States over the Philippine Islands has repeatedly been affirmed by our Presidents and by the national legislative bodies. The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended by approval of the cession of the Philippines by Spain to "incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor * * * to permanently annex said islands as an integral part of the United States; but * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

In 1916 Congress, in the preamble to the Jones law (39 Stat. L. 545) declared that "* * * it is * * * the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and recognize their independence as soon as a stable government can be established therein * * *."

Presidents have differed as to the time when the ultimate purpose should be accomplished, but not one of them has advocated its abandonment. Our policy in dealing with the Philippines has consistently pursued a course leading to independence.

All the official utterances on the subject assume that Congress has the power, under the Constitution, to relinquish our sovereignty over the Philippines and to authorize the establishment and recognition of an independent government of the islands. The existence of this authority is likewise assumed in all the various bills for the granting of independence to the Philippines which from time to time have been introduced into Congress. That such power exists is, however, denied by some opponents of Philippine independence. The argument in support of this view was presented by the late Judge D. R. Williams, first in an article published in the Virginia Law Review (vol. 12, p. 1) and later in pamphlets published by him. Judge Williams's opinion has occasionally been cited in debates in Congress on the Philippine question; and as the insistence by the Farm Bureau and allied agricultural interests and by the American Federation of Labor upon an early grant of independence, for economic reasons, is practically certain to bring the subject to the fore in the present session of Congress, an examination of Judge Williams's argument in support of the contention that Congress has no power to take such action may be interesting and timely.

His argument may be summarized briefly as follows: Congress being an agent of the Nation, operating under enumerated dele-

gated powers, is without authority to relinquish sovereignty over any American territory unless power to do so has been conferred by the Constitution, expressly or by necessary implication, and none of the powers expressly conferred, or of the implied powers flowing from them, can be construed properly as involving authority in Congress to cede or relinquish sovereignty over territory. The only provision of the Constitution in any direct manner dealing with the disposal of territory occurs in paragraph 2, section 3, of Article IV, which provides that Congress shall have power "* * * to dispose of and make all needful rules and regulations respecting the territory and other property belonging of the United States * * *." But the Supreme Court of the United States has held (United States *v.* Gratiot, 14 Peters 526, 536) that the term "territory" as here used is merely descriptive of one kind of property, and is equivalent to the word "lands." This provision, therefore, relates to the disposal of proprietary rights, but does not authorize the transfer or relinquishment of sovereignty.

The fact that the Philippines are unincorporated territory, belonging to, but not forming an integral part of, the United States, Judge Williams considered to be irrelevant to the inquiry. Our national sovereignty is a unit and is as complete with respect to the Philippines as it is with respect to Long Island, so if Congress, by voluntary legislative action, can divest our sovereignty over the Philippines, it could do so with respect to any other part of our national domain, and with equal right could dispose of an entire State. If, as the result of a calamitous war, part of our territory were wrested from us by conquest, or its cession demanded by a successful foreign enemy, this de facto situation might be recognized in the treaty of peace; but the fact that territory may be alienated in the exercise of the treaty-making power under the stress of force majeure does not authorize the conclusion that a voluntary cession of territory is within the jurisdiction of Congress. It is admitted by him that the power to cede territory, like the power to acquire it, is an inherent attribute of sovereignty possessed by all completely independent nations; but the power of the United States to cede territory, unless it be under duress, is asserted to be one which has not been delegated by the Constitution, but to be one of those which are reserved to the people and still lie dormant in the body politic.

The conclusion is stated that if the American people are desirous of conferring upon Congress the power to alienate their sovereignty over the Philippines, or any other territory of the United States, the result can be accomplished only by specific delegation of the power through an amendment of the Constitution.

It is believed that the argument is unsound, and that in the light of available precedents and of a proper construction of the Constitution the power to take the contemplated action will be found to reside in Congress.

Acquisition of territory: The frequent exercise by the United States of the power to acquire territory by treaty and by joint resolution of Congress, and the recognition of that power by the courts, leaves no room for doubt that the authority to expand the national domain is by the Constitution conferred upon the appropriate organs of the National Government. Louisiana, Texas, California, and the adjacent areas—Alaska, the Philippines and Puerto Rico, the Hawaiian Islands, Samoa, and the guano islands—have been acquired, and no doubt exists as to the validity of the extension of our authority and jurisdiction over them. The theories as to the particular provision of the Constitution which authorized this action are important, because of the light they shed upon the question of the power to cede territory, but before taking up this point attention will be drawn to action taken in the past in cases which seem to be analogous to the contemplated action with respect to the Philippines.

Cession of territory and relinquishment of sovereignty by the United States: In Judge Williams's brief on this subject he asserts that "no territory, once admittedly brought under the American flag, has ever been alienated."

This statement is too broad. Cases can be pointed out in which there have been cessions of territory subject to our sovereignty.

The Florida treaty: An instance of the exercise by the President and the Senate of the power to cede territory of the United States is to be found in the treaty with Spain by which the Floridas were acquired in 1819. The United States, after the acquisition of the Louisiana territory from France, asserted that the ceded area included the vast domain lying between the Sabine River and the Rio Grande, a contention vigorously disputed by Spain. In the correspondence between John Quincy Adams, then Secretary of State, and the Spanish ambassador (Am. State Papers, vol. 4, pp. 422 et seq.), which led up to the treaty of 1819, the American claim to this area was again asserted, and its renunciation was part of the consideration for the cession of the Floridas. The treaty, by Article I, transferred to the United States sovereignty over the Floridas and by Article II fixed the boundary between the Spanish and American domains west of the Mississippi. The treaty adopted the Sabine as the western boundary of Louisiana to the thirty-second degree of latitude, thence following a course which excluded the Texas territory claimed by the United States. By the terms of the treaty "* * * The United States hereby cede to his Catholic Majesty, and renounce forever, all their rights, claims, and pretensions to the territories lying west and south of the above line * * *," and Spain reciprocally "cedes to the United States" all its rights to territories north and east of the line. It is to be noted that the language of the treaty precludes the idea that the line so fixed was the true, preexisting boundary.

The treaty, which was signed February 22, 1819, was promptly submitted by the President to the Senate for its approval, which was granted two days later. By its terms the treaty was to be ratified by both countries within six months, but that period expired without action by the Spanish Government. President Monroe, in his annual message to Congress of December 7, 1819, said:

"On the part of the United States this treaty was acceded to in a spirit of conciliation and concession * * *. For territory ceded by Spain other territory of great value, to which our claim was believed to be well founded, was ceded by the United States * * *."

This clearly demonstrates that the President and his Secretary of State must have been of the opinion that the treaty-making power includes the power to cede territory of the United States. It is true that the title to Texas asserted by the United States at that time was extremely debatable, and had always been denied by Spain; but the quoted language indicates that the cession was not justified upon that ground. On the contrary, the President's statement clearly affirms that territory of the United States had been "ceded" to Spain in exchange for other territory.

It was maintained by many that the relinquishment of our claim to Texas was too high a price to pay for the Floridas. The failure of Spain to ratify the treaty within the agreed period was believed to relieve the United States of its obligations and to leave matters as they were before its negotiation. One of the opponents of the treaty was Henry Clay, at that time a Member of the House. On April 3, 1820, he called up for debate in the House as a Committee of the Whole the following resolutions sponsored by him:

"1. *Resolved*, That the Constitution of the United States vests in Congress the power to dispose of territory belonging to them, and that no treaty purporting to alienate any part thereof is valid without the concurrence of Congress.

"2. *Resolved*, That the equivalent proposed to be given by Spain to the United States in the treaty concluded between them on the 22d day of February, 1819, for that part of Louisiana lying west of the Sabine was inadequate; and that it would be inexpedient to make a transfer thereof to any foreign power or renew the aforesaid treaty."

In the debate which followed (Annals of Congress, 16th Cong., 1st sess., pp. 1719 et seq.) Clay pointed out that—

"In the Florida treaty it was not pretended the object was simply a declaration of where the western limit of Louisiana was; it was, on the contrary, the case of an avowed cession of territory from the United States to Spain. The whole of the correspondence manifested that the respective parties to the negotiation were not engaged so much in an inquiry where the limit of Louisiana was as that they were exchanging overtures as to where it should be."

Clay maintained with vigor that the United States had a valid title to Texas under the Louisiana Purchase, and that Texas was worth more than Florida; that no such cession of territory could be made without the consent of Congress, because by section 3 of Article IV of the Constitution the power to "dispose of" territory is given to that body.

The debate on Clay's resolutions continued for two days, but the record does not show that any vote was taken. In October, 1820, the Spanish Cortes and the King of Spain ratified the treaty. February 14, 1821, President Monroe transmitted the treaty to the Senate with a message in which he drew attention to the fact that the Spanish ratification had occurred after the six months' period, and requested a reaffirmance of the Senate's consent and approval. This was given five days later. The original vote of approval had been unanimous; the second approval was carried by 40 ayes and 4 nays (Executive Journal of the Senate, Vol. III, pp. 178 and 244).

The history of this treaty has an important bearing upon the question under consideration. It shows that President Monroe, Mr. Adams, and almost all the Members of the Senate were of the opinion that the Government created by the Constitution was vested by that instrument with power to cede territory of the United States, not alone under the duress of war, but in peace. The second vote in the Senate was taken after the debate upon Clay's resolutions in the House had drawn attention to the question of constitutional law involved. It is further significant that Clay and his supporters in the House did not dispute, but affirmed, the existence under the Constitution of the power to cede territory, their contention being that its exercise pertained to Congress rather than to the President and the Senate; or rather that the consent of Congress was essential to the valid exercise of this particular manifestation of the treaty-making power.

The northeastern-boundary treaty: The Webster-Ashburton treaty of 1842, by which the northeastern boundary between the United States and British territory was fixed, did not result in the determination of the location of a preexisting correct line, but in the establishment of a conventional line, in consequence of which territory which unquestionably lay within the United States was ceded to Great Britain. The language of the treaty clearly shows that neither party contended that the line agreed upon was the true one. On the contrary, the preamble, after stating that repeated attempts to ascertain the location of the line described in the treaty of 1783 had resulted in failure, declares it to be the purpose of the parties to avoid "further discussion of their respective rights" and to "agree on a conventional line * * * with

such compensations and equivalents as are deemed just and reasonable."

The cession involved was made with the express assent of Maine, within which State the ceded area lay, with the concurrence of Massachusetts. The treaty recites that the United States agrees to pay Maine and Massachusetts the sum of $300,000 in equal moities "on account of their assent to the line of boundary described in this treaty, in consideration of the conditions and equivalents received therefor from the Government of Her Britannic Majesty."

It has been expressly recognized by Congress that the effect of this treaty was to divest the sovereignty of the United States over territory in the possession and control of the State of Maine.

The execution of the treaty resulted in claims against the United States by her citizens who were owners of land ceded to Great Britain, a summary of which is to be found in Senate Report No. 2132, Fifty-eighth Congress, second session. The act of March 3, 1877 (19 Stat. L. 343) provided for compensation to the owners of some of these lands. The preamble to the act recites that by the treaty of August 9, 1842, through the adoption of a "conventional line" instead of the "true line" the United States "did cede to the British Crown a strip of land" of which 10,718 acres had been granted to citizens of the United States by Maine and Massachusetts "while the same were in the lines of the United States, and for which the United States received compensation in equivalents and concessions from the British Crown * * * whereby said citizens became entitled to compensation for said lands so appropriated to public use," and provides for the payment by the Treasury to the owners thereof of the value of the "land taken from the State of Maine by said conventional line and included in the Province of New Brunswick."

The "conditions and equivalents" received from Great Britain for the cession of the area within the State of Maine are clearly stated in President Tyler's message of August 11, 1842, with which he transmitted the Webster-Ashburton treaty to the Senate of the United States (Letters and Papers of the Presidents, Vol. V, p. 2015). The President said:

"By the treaty of 1783 the line is to proceed down the Connecticut River to the forty-fifth degree of latitude and thence west by that parallel until it strikes the St. Lawrence. Recent examinations have ascertained that the line hitherto received as the true line of latitude between these points was erroneous, and that the correction of this error would not only leave on the British side a considerable tract of territory hitherto supposed to belong to the States of Vermont and New York, but also Rouses Point, the site of a military work of the United States. It has been regarded as an object of importance not only to extend the rights and jurisdiction of these States up to the line to which they have been considered to extend but also to comprehend Rouses Point within the territory of the United States. The relinquishment by the British Government of all the territory south of the line hitherto considered to be the true line has been obtained and the consideration for this relinquishment is to inure by the provisions of the treaty to the States of Maine and Massachusetts."

This clearly shows that the treaty of 1842 was understood by the President, as it must have been by the Senate, to be one by which a part of Maine was ceded to Great Britain in order that we might obtain more valuable territory elsewhere, notwithstanding the fact, stated elsewhere in the message, that the United States and Maine "have entertained no doubt of the validity of the American title" to the territory so ceded. As the territory to be ceded was within a State, and therefore subject to State as well as National sovereignty, the consent of the State was deemed essential; but it is interesting to note that no doubt seems to have been entertained at the time as to the existence of power in the National Government to relinquish the sovereignty of the United States over territory to which our title was declared to be perfectly valid.

Samoa: By the treaty of December 2, 1899, between the United States, Germany, and Great Britain (Foreign Affairs, 1899, p. 667), Germany and Great Britain renounced in favor of the United States all their rights over the island of Tutuila and others of the Samoan group, and the United States and Great Britain made a similar renunciation in favor of Germany of their rights and claims over the islands of Upolu and Savaii and others.

In 1902 Mr. P. C. Knox, Attorney General of the United States (23 Ops. Atty. Gen. 629), in an opinion rendered at the request of the Secretary of the Treasury, held that as by the treaty of December 2, 1899, "the exclusive sovereignty over [Tutuila] appears to be asserted by us, and recognized by Great Britain and Germany, which nations formerly shared with us a protectorate," Tutuila must be regarded as domestic territory within the meaning of the tariff laws. The joint resolution of March 4, 1925 (43 Stat. 1357), definitely asserts our sovereignty over Samoa.

The history of our relations with Samoa (Moore, Int. Law Dig., Vol. I, pp. 536 et seq.) shows that for some time prior to the negotiation of the treaty of 1899 the Samoan Islands, while nominally under a native king, were practically held in a condominium by the United States, Germany, and Great Britain under the terms of the act of Berlin of June 14, 1889 (Foreign Relations, 1889, p. 352). It is important to note that while the assent of the native government of Samoa was contemplated with respect to the provisions of the act of Berlin, Samoa was not a party to the treaty by which, in the opinion of Mr. Knox, confirmed by the joint resolution of March 4, 1925, supra, Tutuila became subject to the sovereignty of the United States. If, therefore, exclusive sovereignty over Tutuila now exists, as asserted by Congress, as the result of the renunciation of their rights by Germany and Great Britain in favor of the United States (Hyde, Int. Law, Vol. I, p. 131), the conclusion is inevitable that at the time of the negotiation of that treaty sovereignty over the entire group was held in condominium by the three treaty powers and that the renunciation by the United States and Great Britain of their rights over the other Samoan Islands in favor of Germany constituted a cession of their sovereignty over that part of the Samoan Islands thereafter subject to the exclusive sovereignty of Germany.

Cuba. Congress, by the resolution of April 20, 1898, disclaimed any intention to exercise sovereignty over Cuba "except for the pacification thereof," and asserted its purpose to leave the government and control of the island to its people (30 Stat. 738). At that time, of course, the sovereignty of Spain over Cuba was complete, notwithstanding the existence of the insurrection. As the result of the war which followed, Spain by the Treaty of Paris relinquished her sovereignty over Cuba, without in terms ceding it to the United States or to the Cuban insurgent government (Treaty of Paris, Art. I). Between that time, however, and May 20, 1902, when the American military government in Cuba, pursuant to the Platt amendment, transferred the government to the president of the Cuban Republic, it seems clear that sovereignty over Cuba, from the standpoint of international law, was vested in the United States, although as a matter of domestic law Cuba was regarded as foreign territory during that period (Neely *v.* Hankel, 180 U. S. 109). It is to be noted, however, that in the Neely case the court said:

"It can not be doubted that when the United States enforced the relinquishment by Spain of her sovereignty in Cuba, and determined to occupy and control that island * * * it succeeded to the authority of the displaced government so far at least that it became its duty under international law * * * to protect * * * the lives, the liberty, and the property * * * of the inhabitants."

Thus clearly recognizing the distinction between the situation from the standpoint of international law and that created, for domestic purposes, by the action of the national Government. During the occupation of Cuba the military authorities of the United States created and maintained a civil government, exercised legislative power and established a judiciary (Neely *v.* Hankel, supra, p. 778). Indeed, it is difficult to imagine what greater authority could have been exercised had the occupation been under a formal assertion of sovereignty, preliminary to annexation.

In this connection, the language of the Platt amendment (31 Stat. 897) is significant. By its terms the President was authorized to leave the "government and control" of Cuba to its people "as soon as" the contemplated Cuban Government had been established under a constitution embodying the conditions imposed. Obviously the amendment recognized that at that time the "government and control" of Cuba was being exercised by the United States, and would continue to be so exercised until the fulfillment of the prescribed conditions. Had the people of Cuba failed or been unwilling to accept the limitations upon the contemplated insular government imposed by the Platt amendment, the control of the United States and its exercise of sovereign powers in Cuba might have continued indefinitely.

Butler, writing in 1901, said: "Whatever the status of Cuba may be as to the United States * * * its status as to other powers is that, so long as the occupation of the military forces of the United States continues, it must necessarily be considered as much under the jurisdiction of the United States Government as though it were an integral part of the territory thereof." (Treaty-making Power of the United States, Vol. I, p. 189.)

The view that the effect of the treaty of Paris was to transfer the sovereignty of Spain over Cuba to the United States is expressed by Justices White, Shiras, and McKenna in their concurring opinion in Downes *v.* Bidwell (182 U. S. 244, 342), in which it is said: "* * * Quite recently one of the stipulations contained in the treaty with Spain which is now under consideration came under review by this court. By the provision in question Spain relinquished 'all claim of sovereignty over and title to Cuba.' It was further provided in the treaty as follows:

"'And as the island is upon the evacuation by Spain to be occupied by the United States, the United States will, so long as such occupation shall last, assume and discharge the obligations that may under international law result from the fact of its occupation and for the protection of life and property.'

"It can not, it is submitted, be questioned that under this provision of the treaty, so long as the occupation of the United States lasts, the benign sovereignty of the United States extends over and dominates the island of Cuba. Likewise it is not, it seems to me, questionable that the period when that sovereignty is to cease is to be determined by the legislative department of the Government of the United States in the exercise of the great duties imposed upon it and with the sense of the responsibility which it owes to the people of the United States and the high respect which it, of course, feels for all the moral obligations by which the Government of the United States may, either expressly or impliedly, be bound. Considering the provisions of this treaty and reviewing the pledges of this Government extraneous to that instrument, by which the sovereignty of Cuba is to be held by the United States for the benefit of the people of Cuba and for their account, to be relinquished to them when the conditions justify its accomplishment, this court unanimously held in Neely *v.* Henkel (180 U. S. 109) that Cuba was not incorporated into the United States and was a foreign country. It follows from this decision that it is lawful for the United States to take possession of and hold in the exercise of its sovereign power a particular territory without incor-

porating it into the United States if there be obligations of honor and good faith which, although not expressed in the treaty, nevertheless sacredly bind the United States to terminate the dominion and control when, in its political discretion, the situation is ripe to enable it to do so. Conceding, then, for the purpose of the argument, it to be true that it would be a violation of duty under the Constitution for the legislative department, in the exercise of its discretion, to accept a cession of and permanently hold territory which is not intended to be incorporated, the presumption necessarily must be that that department, which within its lawful sphere is but the expression of the political conscience of the people of the United States, will be faithful to its duty under the Constitution, and therefore when the unfitness of particular territory for incorporation is demonstrated the occupation will terminate" (pp. 342–344).

The Cuban Government, to which authority over the island was ultimately transferred, was clearly a creation of the United States. Its present status, from the standpoint of international law, is that of a dependent rather than an independent State. (Hyde, International Law, Vol. I, p. 26.) In consenting to its creation the United States reserved to itself powers of intervention incompatible with complete sovereignty on the part of Cuba. (Act of March 2, 1901.) The Republic of Cuba was required to refrain, and so agreed, from entering into any treaty or compact with any foreign power—

"* * * which will impair or tend to impair the independence of Cuba, or in any manner authorize or permit any foreign power or powers to obtain by colonization * * * or otherwise lodgment in or control over any portion of said island."

Suppose that on account of a change in the conditions of international relations or for any other reason deemed sufficient to make it inadvisable as a matter of national policy the United States in 1901 had determined not to carry out the purpose expressed in the joint resolution of April 20, 1898, but to retain Cuba and give it the same status as Puerto Rico. Would any further cession from Spain have been necessary? Obviously not. Spain's sovereignty had ceased with its relinquishment by the treaty of Paris, and the status of Cuba was simply that of conquered territory in the possession of the United States and subject to its complete sovereignty and control. There was no government in Cuba other than that established by the United States. That control might have been continued indefinitely and Cuba, as unincorporated territory or otherwise, brought under the sovereignty of the United States for all domestic purposes, as it was already from the standpoint of international law. When the United States permitted the establishment of the Cuban Republic and relinquished its control over Cuba, with the limitations noted, it accomplished the same result as that now contemplated with respect to the Philippines—a relinquishment of sovereignty. The power to accomplish this object can not, it is submitted, be traced to the original declaration of purpose as its source, for necessarily Congress can not create or augment its own powers, all of which are delegated and must rest upon the Constitution; but even though such declaration of purpose could be given any effect whatever with respect to the power to accomplish the relinquishment of sovereign control over Cuba, it is interesting to note that the Senate, when advising ratification of the treaty of Paris, expressly declared (Magoon, Civil Government, p. 47):

"That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

While this proposed joint resolution was not concurred in by the House at the time, a similar declaration of purpose and intention, as of the time of the acquisition of the Philippines, was made by Congress in the preamble to the Jones law.

Authoritative expressions of opinion regarding the power of the National Government of the United States to cede territory: The action taken by the Senate in authorizing ratification of the Florida treaty, the Webster-Ashburton treaty, and the Samoa treaty of necessity implied the belief on the part of the Members who voted in support of those measures that the President and the Senate, under the Constitution, are empowered to cede territory of the United States and relinquish sovereignty when it is deemed advantageous to do so. The same opinion was expressed by necessary implication in Section 4 of the guano islands act (11 Stat. 119), by which the right to abandon islands brought under the sovereign control of the United States pursuant to that statute is asserted. It must have been entertained by the Senators who voted in support of the proposed joint resolution (ante, p. 17) by which the temporary character of the retention of the Philippines was asserted, and by all Members of both Houses who voted in support of the Jones law.

If the question of the constitutionality of the proposed relinquishment of sovereignty over the Philippines could be presented for judicial review, the exercise of the power in the cited instances, and the adoption by the Senate and Congress of measures which of necessity imply the opinion that the power exists, would properly be taken into consideration and given great weight.

Henry Clay was evidently of the opinion (ante, p. 8) that Congress is vested with power to cede territory. Calhoun appears to have entertained the same view. In his "Discourses on the Constitution and Government of the United States" (Vol. I, p. 233) he said:

"There still remains another and more important limitation, but of a more general and indefinite character * * *. Among which it seems to be settled that it can not change or alter the boundary of a State or cede any portion of its territory without its consent. Within these limits all questions which may arise between us and other powers, be the subject matter what it may be, fall within the limits of the treaty-making power and may be adjusted by it."

In Moore's International Law Digest (Vol. V, p. 171 et seq.) citations show that such eminent authorities as Hamilton, Marshall, and Story were of the opinion that the power to cede territory had been delegated to the National Government. Mr. Justice Story is quoted as saying that in a conversation of his with Chief Justice Marshall that great authority said that "he was unequivocally of opinion that the treaty-making power did extend to cases of cessation of territory, though he would not undertake to say it could extend to all cases; yet he did not doubt it must be construed to extend to some." (Moore, op. cit. Vol. V, p. 173).

In Crandall's work on Treaties, Their Making and Enforcement, the author, after a review of the precedents, expresses the opinion that even as to territory within a State the power of cession is vested in the treaty-making power of our Government, and may be exercised whenever the vital necessity for such action arises. As to other cessions, he says:

"In respect of territory not within the boundaries of a State, the Central Government exercises, subject to the express prohibitions of the Constitution applicable thereto, all the powers of government enjoyed by both the Central and State Governments over territory within the limits of a State. * * * The power to cede outlying territory is no less essential to the full exercise of the treaty-making power of the United States * * * than is the power to acquire."

The same conclusion is expressed by Butler, after a full consideration of the applicable precedents with respect to the constitutional limitations upon the treaty-making power (Treaty Making Power of the United States, Vol. II, p. 393).

In Kent's Commentaries (Vol. I, p. 167, note 3) the learned author, after adverting to the fact that by the Webster-Ashburton treaty of 1842 territory claimed by Maine had been "ceded to Great Britain," says that as regards the power to cede territory within a State "the better opinion would seem to be that such a power of cession does not reside exclusively in the treaty-making power under the Constitution of the United States. * * *."

The opinion that the National Government is possessed of power to dispose of territory not only through the treaty-making power but by act of Congress is also expressed by Doctor Willoughby (Constitutional Law, Vol. I (2d ed.), p. 424). He rests his opinion upon the theory of "resulting powers," to which reference is made (post, p. 28) hereafter.

In the case of Fort Leavenworth Railroad Co. *v.* Lowe (114 U. S. 525, 541) the court, referring to the Webster-Ashburton treaty, said obiter:

"The jurisdiction of the United States extends over all the territory within the States, and therefore their authority must be obtained, as well as that of the State within which the territory is situated before any cession of sovereignty or political jurisdiction can be made to a foreign country."

In the case of Gregory *v.* Riggs (133 U. S. 258, 267) it was said, citing the Fort Leavenworth Railroad Co. decision:

"The treaty power, as expressed in the Constitution, is in terms unlimited, except by those restraints which are found in that instrument against the action of the Government or its departments, and those arising from the nature of the Government itself and that of the States. It would not be contended that it extends so far as to authorize that which the Constitution forbids, or a change in the character of the Government, or in that of one of the States, or a cession of any portion of the territory of the latter without its consent. * * * But with these exceptions it is not perceived that there is any limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country."

In Jones *v.* United States (137 U. S. 202) the court upheld the authority of Congress to regulate by legislation the exercise of the power of the United States, granted by the law of nations, to acquire territory by discovery and occupation, and to exercise jurisdiction over territory so acquired "* * * for such period as it sees fit. * * *."

This may be regarded as concurrence in the opinion of Congress, as expressed in the guano islands act, supra, that under the Constitution sovereignty over unincorporated territory may not only be acquired by legislative action but by like action may be relinquished.

In this connection the remarks of Mr. Justice White and the other concurring justices in the case of Downes *v.* Bidwell (182 U. S. 244, 343) are interesting. There can be no doubt that the distinguished jurists who subscribed to that opinion held the view that Cuba at that time was unincorporated territory subject to the sovereignty of the United States, and that the obligation to withdraw it was moral, not legal. The joint resolution of April 20, 1898, was a statement of intention, no more binding in law than is the declaration of purpose in the preamble to the Jones law. Nevertheless, the opinion was expressed by Justice White and his concurring associates that the "legislative depart-

ment," in its own discretion as to time and conditions, might divest that sovereignty by relinquishment.

The power of Congress to establish an independent government in the Philippines is also assumed by Mr. Justice White in his "practical illustration" (p. 318) of an "autonomous government" for the islands which might be created should Congress determine that their inhabitants should no longer "continue appurtenant to the United States." The same opinion is indicated, equally forcibly, in the opinion of the court in the cited case, written by Mr. Justice Brown. He said (p. 283):

"Whatever may be finally decided by the American people as to the status of these islands and their inhabitants—whether they shall be introduced into the sisterhood of States or be permitted to form independent governments—it does not follow that in the meantime * * * the people are * * * unprotected by * * * our Constitution * * *."

It can not reasonably be understood that the reference in this citation to "the American people" indicates the view that their action by an amendment to the Constitution would be required to permit the grant of independence. The quoted remark relates equally to the admission of the new territory to statehood, which, if desired, the American people could exercise through the agency of Congress.

Again, in Justice White's concurring opinion in the cited case, he said (p. 317) that although as the result of a "calamitous war or the necessity of a settlement of boundaries" citizens of the United States might be expatriated "by action of the treaty-making power, expressly or impliedly ratified by Congress," this could not justify the general proposition that "territory which is an integral part of the United States may, as a mere act of sale, be disposed of."

The use of the word "integral" in this connection is significant in view of the fact that the crux of the decision, with which the concurring justices were in accord, is that "Puerto Rico is a territory appurtenant and belonging to the United States but not a part of the United States."

Another significant remark to be found in the opinion of the court (p. 285) written by Mr. Justice Brown is that "if it be once conceded that we are at liberty to acquire foreign territory, a presumption arises that our power with respect to such territory is the same power which other nations have been accustomed to exercise with respect to territories acquired by them."

It will not be questioned that the general power to which reference is made includes not only the power of acquisition but the power of cession.

The status of the Philippines as unincorporated territory: It is apparent from what has been said that sharply differing opinions have always existed as to the power to dispose by cession of territory which pertains to a State; and the same doubt may exist, although in less degree, as regards the power, save under duress, to withdraw sovereignty over incorporated territory, such as Hawaii and Alaska, which is part of the United States. But the Philippines are not part of the United States, but are territory belonging thereto; and it is believed that by reason of this fact the solution of the problem as to the power of Congress to release them from our sovereignty does not present the same questions as those which would arise were such action contemplated with respect to Alaska or Hawaii.

That the Philippine Islands and Puerto Rico are unincorporated territories belonging to but not forming an integral part of the United States is now firmly established by a series of decisions, the most important of which are Downes *v.* Bidwell (182 U. S. 244), Door *v.* United States (195 U. S. 138), Rassmussen *v.* United States (197 U. S. 516), and Balzac *v.* Puerto Rico (258 U. S. 298), decided in 1921. In the Balzac case the earlier decisions were summarized and approved in the statement that by them it had been "settled * * * and confirmed that neither the Philippines nor Puerto Rico was territory which had been incorporated in the Union, or become a part of the United States as distinguished from merely belonging to it."

The practical result of this conclusion was the holding that "* * * the power to govern territory, implied in the right to acquire it, and given to Congress in the Constitution in Article IV, section 3, to whatever other limitation it may be subject, the extent of which must be decided as questions arise, does not require that body to enact for ceded territory, not made a part of the United States by congressional action, a system of laws which shall include the right of trial by jury, and that the Constitution does not, of its own force, carry such right to territory so situated."

The source of the power of Congress to cede or relinquish sovereignty over unincorporated territory: The fact that the Philippine Islands have not been incorporated into and do not form an integral part of the United States is one of great significance with respect to the power of the Congress to withdraw, by voluntary legislative action, the sovereignty of the United States over that part of the national domain.

From the standpoint of international law there is no difference, as regards our relations with other States between the sovereignty we exercise over Guam and that which we exercise over Long Island; but in view of the fact that it is with us settled domestic law that the Philippine Islands are not "a part of the United States," but territory "merely belonging to it" (Balzac *v.* Puerto Rico, 258 U. S. 298), one's natural inclination, on approaching the subject, is to assume that there must in the nature of things be a fundamental difference between the relations of the United States, as an entity, to its constituent incorporated units, and the relations of that entity to unincorporated territory "merely belonging to it."

The United States unquestionably constitutes a sovereign state, vested with all the powers which such states enjoy under the law of nations, which include the capacity to acquire and to cede territory (Hall, International Law, 4th edition, pp. 47–48). It can not be disputed that the United States possesses these powers. The only question which has arisen concerning the matter of cession is whether the authority to exercise this power of the Nation has been delegated to the National Government by the Constitution, or whether it is one inherent in the Nation but which still lies dormant in the body politic. With respect to the power to acquire territory it is definitely settled that the necessary authority has been vested by the Constitution in the National Government, and through its repeated exercise territory has frequently been acquired by treaty and by the action of Congress.

As summarized by Doctor Willoughby (op. cit. p. 408), the constitutional power to annex foreign territory has been held to arise from the power to admit new States into the Union (Constitution, Art. IV, sec. 3, cl. 1); the power to declare and carry on war (Constitution, Art. I, sec. 8, cl. 11); the power to make treaties (Constitution, Art. II, sec. 2, cl. 2); and the power, as a sovereign state, to acquire territory by discovery or occupation, or by any other methods recognized as proper by international usage.

After a review of the decisions which have sustained the power to acquire territory, Doctor Willoughby (op. cit. p. 419) says:

"It is to be observed that in none of these cases is there any argument to show just why, and in what manner, the acquiring of foreign territory is a necessary or proper means by which war may be carried on or treaties entered into. This leads to the consideration of the doctrine which, constitutionally speaking, appeals to the author as the soundest mode of sustaining the power of the United States to acquire territory, as well as one which, in application, affords the freest scope for its exercise. According to this doctrine, the right to acquire territory is to be searched for not as implied in the power to admit new States into the Union, or as dependent specifically upon the war and treaty powers, but as derived from the fact that in all relations governed by the principles of international law the General Government may properly be construed to have, in the absence of express prohibitions, all the power possessed generally by the sovereign states of the world. The doctrine thus is that the control of foreign relations being exclusively vested in the United States, that Government has in the exercise of this jurisdiction the same power to annex foreign territory that is possessed by other sovereign states."

An example of acquisition of territory, by authority of Congress, which can be justified only upon the theory advocated by Doctor Willoughby, is afforded by the guano islands act of 1856 (Rev. Stats., sec. 5570 et seq.; U. S. C. A., sec. 1411 et seq.). By this act Congress provided that unoccupied guano islands, not subject to the jurisdiction of any other power when discovered and occupied by a citizen of the United States, might, at the discretion of the President, "be considered as appertaining to the United States." It was provided that "all acts done and offenses or crimes committed" on such appurtenant islands should be subject to the laws of the United States applicable to national ships on the high seas. One of the islands brought under the operation of this act was Narvassa. A homicide subsequently occurred on the island and the prosecution of the offense involved a determination of the validity of the guano islands act. No express authority for the act can be found in the Constitution. The United States Supreme Court, nevertheless, decided that the legislation was valid (Jones *v.* United States, 137 U. S. 202), without direct reference to any specific provision of the Constitution or to the doctrine of implied powers, upon the ground that the United States, as a sovereign State, enjoys "by the law of nations" the power to acquire dominion of new territory by "* * * discovery and occupation as well as by cession and conquest * * *" and further held that this principle afforded "* * * ample warrant for the legislation of Congress concerning guano islands."

The opinion thus expressed was repeated, many years after, by Chief Justice Fuller in his dissent in Downes *v.* Bidwell (182 U. S. 244, 369), in which he said:

"The power of the United States to acquire territory by conquest, by treaty, or by discovery and occupation is not disputed, nor is the proposition that in all international relations, interests, and responsibilities the United States is a separate, independent, and sovereign Nation."

The decision in the Guano Islands case clearly and of necessity implies that the court was of the opinion that the Constitution has conferred upon the organs of the National Government authority to exercise certain powers possessed by the United States by reason of its status as a sovereign nation, although such authority has not been included in words in the Constitution by express delegation or by necessary implication from any one of the expressly delegated powers. It is only upon this theory that such congressional legislation as the guano islands act, and the resolution for the annexation of Hawaii can be explained and justified.

The Constitution (Art. I, sec. 8) delegates to Congress authority to make all laws "necessary and proper" for the exercise of the powers enumerated in the section, and also such laws as are needful to carry into execution "all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

The effect of the adoption of the Constitution was to create a nation. It was and is vested, to the exclusion of the individual States, with all power appertaining to its status under the law of

nations as a State (Pang Yue Tung v. United States, 149 U. S. 698). As Doctor Willoughby says (op. cit. vol. 1, p. 64):

"* * * The supreme purpose of our Constitution is the establishment and maintenance of a State which shall be nationally and internationally a sovereign body."

The same writer says (Vol. I, p. 66) that the doctrine of implied powers is sufficiently broad to justify the exercise by the Federal Government of powers not deduced from specific grants of authority but from the fact that the United States, as to its own citizens, is "* * * a fully sovereign National State, and, with reference to other States, a political power equipped with all the authority possessed by other independent States."

This view was stated with great force by Senator Foraker in the Senate debate upon the annexation of Hawaii. He stated (Willoughby, Vol. I, p. 342) that prior to the organization of the Union each of the thirteen original States was vested with all the powers inherent in sovereignty, including the power to acquire new territory. By the creation of the Union under the Constitution the individual States surrendered this power. The necessary conclusion, he argued, is that the effect of the denial to the individual States of any power which they formerly possessed as an attribute of sovereignty was to confer it by implication upon the Federal Government. The Senator's contention is just as applicable to the power to cede unincorporated territory or to relinquish or abandon sovereignty over it as it is to the power to acquire it.

The wording of the last paragraph of section 8 of Article I of the Constitution clearly shows that its authors believed that other powers than those expressly or by implication conferred by the preceding specific enumeration had been vested in "the Government of the United States." It was recognized at an early period that there are powers of government delegated by the Constitution which need not be traced directly, to warrant their exercise, to one or more of the specifically enumerated grants. It was said by Chief Justice Marshall in Cohens v. Virginia that "* * * it is not indispensable to the existence of every power claimed for the Federal Government that it can be found specified in the words of the Constitution or clearly and directly traceable to some one of the specified powers. * * * It is allowable to group together any number of them and to infer from them all that the power claimed has been conferred."

Justice Story, in his work on the Constitution (par. 1256), first published in 1833, says, after discussing the doctrine of implied powers:

"It may be well, in this connection, to mention another sort of implied power, which has been called with great propriety a resulting power arising from the aggregate powers of the National Government. It will not be doubted, for instance, that if the United States should make a conquest of any of the territory of its neighbors the National Government would possess sovereign jurisdiction over the conquered territory. This would, perhaps, rather be a result from the whole mass of the powers of the National Government and from the nature of political society than a consequence or incident of the powers specially enumerated. It may, however, if an incident to any, be an incident to the power to make war."

Justice Story states (par. 1285) that the only theory upon which the acquisition of Louisiana can be justified is that "the right to acquire territory was incident to national sovereignty; that it was a resulting power, growing necessarily out of the aggregate powers confided to the Federal Constitution * * *." The subsequent acquisition of Florida, he points out (par. 1288), which was acquiesced in by all the States, "can be maintained only on the same principles," and illustrates the truth that "constitutions of government require a liberal construction to effect their objects * * *."

The germ of the theory of resulting powers arising from the Constitution, distinct from and in addition to the powers expressly granted, and those incidental to them, as expounded by Story, may, perhaps, be found in Hamilton's statement (The Federalist, Ford's edition, p. 657) that—

"It is not denied that there are implied as well as express powers * * * and for the sake of accuracy it shall be mentioned that there is another class of powers which may be properly denominated resulting powers * * *. This would be rather a result from the whole mass of the powers of the Government and from the nature of political society than a consequence of either of the powers specially enumerated."

The theory of resulting powers arising from the Constitution as a whole, construed in the light of the purpose to create a sovereign nation, has been expressly recognized by the Supreme Court. In the Legal Tender cases (12 Wallace 457, 533) the court, after asserting that the express powers should be construed in the light of the paramount purpose of the framers of the Constitution to create a "government, sovereign within its sphere," said:

"The same may be asserted also of all the nonenumerated powers included in the authority expressly given 'to make all laws which are necessary and proper for carrying into execution the specified powers vested in Congress, and all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof.' It is impossible to know what those nonenumerated powers are, and what is their nature and extent without considering the purposes they were intended to subserve. These purposes, it must be noted, reach beyond the mere execution of all powers definitely intrusted to Congress and mentioned in detail. They embrace the execution of all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof * * *.

"And here it is to be observed it is not indispensable to the existence of any power claimed for the Federal Government that it can be found specified in the words of the Constitution or clearly and directly traceable to some one of the specified powers. Its existence may be deduced fairly from more than one of the substantive powers expressly defined or from them all combined. It is allowable to group together any number of them and infer from them all that the power claimed has been conferred. Such a treatment of the Constitution is recognized by its own provisions. This is well illustrated in its language respecting the writ of habeas corpus. The power to suspend the privilege of that writ is not expressly given, nor can it be deduced from any one of the particularized grants of power. Yet it is provided that the privileges of the writ shall not be suspended except in certain defined contingencies. This is no express grant of power. It is a restriction. But it shows irresistibly that somewhere in the Constitution power to suspend the privilege of the writ was granted, either by some one or more of the specifications of power, or by them all combined. And that important powers were understood by the people who adopted the Constitution to have been created by it, powers not enumerated and not included incidentally in any one of those enumerated, is shown by the amendments. The first 10 of these were suggested in the conventions of the States and proposed at the first session of the First Congress before any complaint was made of a disposition to assume doubtful powers. The preamble to the resolution submitting them for adoption recited that the 'conventions of a number of the States had at the time of their adopting the Constitution expressed a desire in order to prevent misconstruction or abuse of its powers that further declaratory and restrictive clauses should be added.' This was the origin of the amendments, and they are significant. They tend plainly to show that, in the judgment of those who adopted the Constitution, there were powers created by it, neither expressly specified nor deducible from any one specified power, or ancillary to it alone, but which grew out of the aggregate of powers conferred upon the Government, or out of the sovereignty instituted. Most of these amendments are denials of power which had not been expressly granted, and which can not be said to have been necessary and proper for carrying into execution any other powers. Such, for example, is the prohibition of any laws respecting the establishment of religion, prohibiting the free exercise thereof, or abridging the freedom of speech or of the press.

"And it is of importance to observe that Congress has often exercised without question powers that are not expressly given nor ancillary to any single enumerated power. Powers thus exercised are what are called by Judge Story in his Commentaries on the Constitution, resulting powers, arising from the aggregated powers of the Government. * * *"

It is believed that the theory of resulting powers advanced by Story and expounded by Senator Foraker (ante, p. 35) is logical and convincing. That theory does not, of course, involve the assertion that there are vested in the National Government or in any department of it inherent sovereign powers—that is, powers which may be exercised independently of the Constitution or which do not flow from the grants of power considered singly or collectively. While it may be admitted that it is difficult to define sharply the line which separates the resulting powers from those which, if asserted, could be maintained only upon the inadmissible theory of inherent sovereign powers, it is clear that the power to acquire territory, either by treaty or by congressional action, is one which is possessed by the National Government under the Constitution and not independently of it.

If the power to acquire territory is one which results from the creation of the United States as a sovereign nation by the Constitution, it seems equally clear that the power to cede territory is one which must be possessed by the National Government. If it is not essential to the exercise of the power to acquire territory to be able to point to some express grant of such power in the Constitution, or to find that it is implied as necessary or proper to the effective exercise of an express power, why should it be essential that the power to cede should be derived from the express or implied as distinguished from the resulting powers conferred by the Constitution? It is believed that on principle it is not, and that the same reasoning which supports the power to acquire territory by discovery and occupation, as in the case of the guano islands (supra, p. 33) or the annexation of Hawaii by the action of Congress must lead to the conclusion that the power to cede territory is one which likewise results, growing (to use Justice Story's words) "necessarily out of the aggregate powers confided to the Federal Constitution." Unless it be conceded that they had in mind the power to "dispose of * * * territory * * * belonging to the United States * * *" conferred by section 3 of Article IV of the Constitution—a possibility considered elsewhere herein—upon what other theory than that of resulting powers can the authority to cede territory be made to rest by the members of the executive, legislative, and judicial branches of our Government who have from time to time asserted it? If, as President Monroe and Henry Clay believed and asserted, the ratification of the Florida treaty involved a cession of valid rights over Texas, upon what other possible theory of the Constitution could that treaty have been ratified? Mr. Justice White, for himself and Justices Shiras and McKenna, in his concurring opinion in the case of Downes v. Bidwell (supra) very definitely

expressed the belief (p. 314) that the theory that the disposing clause of section 3 of Article IV of the Constitution "relates as well to a relinquishment or cession of sovereignty as to a mere transfer of rights of property, is altogether erroneous." Nevertheless, in the same concurring opinion it was said that if territory brought under the sovereignty of the United States is found by the "legislative department" to be unfit for incorporation, "the presumption necessarily must be that that department * * * will be faithful to its duty under the Constitution and, therefore, when the unfitness of particular territory for incorporation is demonstrated the occupation will terminate." If, as Justice White believed, the authority to relinquish or cede sovereignty can not be grounded upon the disposing clause of section 3 of Article IV of the Constitution, upon what theory, other than that of resulting powers, can it be assumed that the "legislative department" may withdraw sovereignty over territory believed unfit for incorporation?

The same theory must have been implied in the obiter statement (ante p. 20) in the opinion in Geofroy *v.* Riggs (133 U. S. 258, 267) that the treaty-making power, with the consent of a State of the Union, may cede territory within its boundaries. Such a cession would involve the relinquishment not only of State sovereignty, but of the sovereignty of the United States. It could not be justified under section 3 of Article IV, for no area within a State can be regarded as "territory * * * belonging to the United States" within the meaning of that provision. The authority to make a cession of territory within a State, such as was contemplated in the cited decision, and was exemplified by the Webster-Ashburton treaty (ante, pp. 9–11) can be referred only to the resulting powers of the National Government "growing out of the aggregate powers confided to the Federal Constitution" (Story, ante, p. 28).

If it be assumed, as it is believed it should, that the power to cede territory, subject to the limitations to be considered, is one of the resulting powers vested in the National Government by the Constitution, it is obvious that whether it is to be exercised by the treaty-making authority or by congressional legislation depends upon the character of the purpose to be accomplished. A cession of territory to a foreign state or its acquisition from such state would ordinarily be effected by treaty. The regulation of the acquisition of territory by discovery, or its relinquishment to permit the creation of a new state in the ceded territory must be accomplished, if at all, by congressional action. Whichever may be the method adopted, the nature and source of the power exercised must be the same and subject to the same restrictions and limitations, if any there be.

If it be assumed that it was the purpose of the framers of the Constitution to vest in the National Government not only the power to acquire territory which it has so frequently exercised, but also the power to dispose of territory, it would have been illogical to limit the exercise of these faculties exclusively to the treaty-making organ. The making of treaties of necessity implies the preexistence of two or more sovereign entities, capable of entering into such relations with each other. If, however, as the result of a successful war we were to conquer and occupy the whole of the territory of an enemy power and completely destroy its government, the annexation of such territory, if desired, would of necessity have to be accomplished by legislative action.

The creation of new sovereign entities by peaceful disintegration of greater political units is not an unusual phenomenon. The five existing Republics of Central America arose from the dissolution by the Federal Congress of the federated state of which they were formerly members. The states which form the British commonwealth of nations, which are to-day autonomous communities, in no way subordinate one to another in any respect of their domestic or external affairs, have been recognized as such by the legislative organ of the empire of which they were formerly mere colonial dependencies. The limitation of the power of relinquishment of sovereignty over unincorporated territory to the treaty-making organ of our Government would be a restriction based upon no logical distinction, and would prevent its exercise, through the creation of new states, in the manner most compatible with the genius of our institutions.

The treaty-making power was said by the Supreme Court in Geofroy *v.* Riggs (133 U. S. 258, 267) to be unlimited "* * * except by those restraints which are found in that instrument against the action of the Government or any of its departments and those arising from the nature of the Government itself or that of the States. It would not be contended that it extends so far as to authorize what the Constitution forbids, or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter without its consent. * * * But with these exceptions it is not perceived that there is any limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country."

Doctor Willoughby (Constitutional Law, 1st ed., vol. 1, p. 512) is of the opinion that the United States, through its treaty-making organ, possesses "the constitutional power, in cases of necessity, to alienate a portion of or the entire territory of a State or States." The same reasoning, he says, "* * * which supports the power of the United States, as a sovereign power in international relations, to annex territories, is sufficient to sustain its power to part with them, even should the area parted with be a part of one of the States or include one or more of them."

If by this it is meant that such cessions may be made when required by pressure of superior hostile force, the correctness of the statement could not be disputed; but the author does not so limit the conclusion expressed. If such power does exist, the organ empowered to act would be upon familiar principles the sole judge of the sufficiency of the necessity. (Martin *v.* Mott, 12 Wheat. 19.) Obviously, if the power to cede territory within the States whenever deemed "necessary" by the treaty-making organ be conceded, its power to cede unincorporated territory could not be questioned; and the same reasoning would support the relinquishment of sovereignty by congressional action. This extreme doctrine, however, is not likely to command general assent.

The contrary view seems more persuasive, for as the paramount purpose of the Constitution is to create and maintain a "more perfect union" than that which had existed under the Confederation, it is difficult to believe that it was ever intended to authorize the voluntary alienation of the territory of any State without its consent.

Whether the power of voluntary alienation extends in general to incorporated territory of the United States not within a State is open to much doubt. It could not have extended to the Northwest Territory, for the Ordinance of 1787 had established that such territory "should forever remain a part" of the Confederacy, and that it should ultimately be erected into States; and this existing engagement was one assumed by the United States under the Constitution (Article VI). As to territory subsequently acquired and incorporated but not admitted to statehood, it might perhaps be contended that the power to cede exists (Crandall, Treaties, ante, p. 23). The Supreme Court has used very sweeping language at times in its description of the scope of the power of Congress over the territories. The fact, however, that the incorporated territory forms an integral part of the United States, the entity to which the unincorporated territory belongs, might well justify the contention that voluntary alienation of such incorporated territory, either by treaty or congressional legislative action, would constitute a partial dismemberment of the Nation, composed of all the people of the United States, contrary to the paramount purpose of the Constitution. The Government created by the Constitution is, in the exercise of the powers delegated to it, the agent of the entity, the United States, created by that instrument. The United States, as an entity, includes not only the States but all the territory which has been incorporated into it. In the Rasmussen case (197 U. S. 516, 520) the court, after pointing out that the insular cases turned upon the point that the Philippine Islands were under "* * * the sovereignty of the United States and were subject to its control as a dependency or possession, [but] had not been incorporated into the United States as a part thereof * * *," held that Congress, by appropriate legislation subsequent to the treaty of acquisition had accomplished (p. 523) the "* * * incorporation of Alaska into the United States as a part thereof * * *."

Territory which by incorporation has become a part of the United States, although not admitted to statehood, is therefore an integral constituent of the Nation as a whole—of the entity to which the unincorporated territory belongs and for which the organs of the National Government act in the exercise of their delegated authority. In dealing with the unincorporated territory Congress acts not on behalf of the States which have been admitted to the Union but of the United States, the national entity, which includes all territory incorporated into it.

While from the standpoint of international law the United States as a national entity possesses the inherent power of cession of any part of its territory, whether incorporated or not, it may well be that from the standpoint of national constitutional law the organs of the National Government, save under the duress of exterior force, are without the power of voluntary alienation of territory within that part of the national domain which, in the domestic sense, constitutes the United States as distinguished from those unincorporated areas which belong to it.

It may reasonably be contended that the grant of delegated powers, express or implied, and the powers resulting from the creation of a sovereignty, whether construed singly or by grouping, could not have been intended to permit the agent, by voluntary legislative action or through the exercise of the treaty-making power—free from all elements of compulsion—to deprive the grantors of the delegated powers of the benefits of the political union which it was their purpose to create and maintain. That political union, as originally constituted, was not limited to the States. It certainly included the Northwest Territory, for the Ordinance of 1787 declared and ordained that "* * * the said territory and the States which may be formed thereout * * * should forever remain a part of the Confederacy of the United States of America. That territory, ceded to the Confederation by the States by which it was formerly claimed, became incorporated territory and an integral part of the United States, if not by the force of Article VI of the Constitution, then certainly by the reenactment by Congress, in 1789 (1 Stat. 50) of the Ordinance of 1787. As additional territory was thereafter acquired from time to time and incorporated into the United States, such territory, after incorporation, bore the same relation to the rest of the United States as had the Northwest Territory before the admission of the States formed from it. In all such territory the limitations upon the legislative power of Congress became operative ex proprio vigore "as far as applicable" from the fact of incorporation (Alaska *v.* Troy, 268 U. S. 101). Such territories, whether "organized" or not, were regarded as embryo States (Shively *v.* Bowlby, 152 U. S. 1; Willoughby, Constitutional Law, 1st ed., Vol. I, p. 332).

These facts militate strongly in favor of the view that the paramount purpose of the Constitution to create a nation composed of the people of all parts of the territory forming an in-

tegral part of the United States constitutes a limitation upon the general power of cession resulting from the status of sovereignty. The existence of such a limitation is implied in the statement by Mr. Justice White in his concurring opinion in Downes *v.* Bidwell (182 U. S. 244, 317) that while the exigencies of unsuccessful war might require the expatriation of citizens of the United States, this could not "* * * justify the general proposition that territory which is an integral part of the United States may, as a mere act of sale, be disposed of."

These considerations, however, can not apply with respect to the Philippine Islands, which clearly are not an "integral part" of the United States, but are merely territory belonging to it. The organs of the National Government are the agents of the United States, and the powers vested in them may reasonably be deemed to be subject to the "* * * restraints * * * arising from the nature of the Government itself * * *" (Geofroy *v.* Riggs, 133 U. S. 258, 267), one of which arises from the fact that the Government was created by the Constitution to preserve the national entity, the United States, which that instrument brought into being; but as regards the unincorporated territory "merely belonging" to the United States, no such restraint can be said to exist. The people of the unincorporated territories, to which the Constitution does not geographically apply, are in no sense the source of any of the powers of Congress. In legislating for them Congress obviously does not act in any respect as their agent but as the agent of the people of the entity, the United States, to which the unincorporated territory belongs. With respect to such territory the Government of the United States, in the exercise of the resulting power of cession derived from the Constitution by reason of the status of the Nation as a sovereign State, is subject to none of the "restraints * * * arising from the nature of the Government itself," which might be urged against the contemplated cession or relinquishment of sovereignty over incorporated territory.

Expatriation: One objection frequently urged against the power of voluntary cession or relinquishment of territorial sovereignty over territory, incorporated or not, whose inhabitants are citizens of the United States, is that the effect of such cession would be the expatriation of such citizens. While it is believed that the power to cede or relinquish sovereignty over unincorporated territory includes the power to expatriate its inhabitants, the question does not arise with respect to the Philippine Islands, for their inhabitants are not citizens of the United States.

The power to dispose of territory as implied in the express powers to regulate commerce and promote the national defense: The power to dispose of territory, an attribute of sovereignty, is analogous and naturally correlative to the power to acquire it. It is not contended that the grant to Congress of the power to acquire territory necessarily implies, from the standpoint of our constitutional law, the possession by the National Government of the power to relinquish it; but at least with respect to unincorporated territory, belonging to but not forming an integral part of the United States, the possession by Congress of the power to acquire such territory naturally inclines the mind to assume that the intention to withhold a power so important and necessary can not readily be imputed to the framers of the Constitution.

That Congress does possess the power to acquire territory by legislative act can no longer be open to doubt. It was by this method that the Hawaiian Islands were acquired. Doctor Willoughby (op. cit., vol. 1, sec. ed., p. 429) expresses the opinion that this action was constitutionally warranted by the same reasoning by which the guano islands act was upheld. He says it may also be justified upon the theory that the annexation of the Hawaiian Islands by joint resolution of Congress was "a necessary and proper measure for the military defense of the Nation and for the protection and increase of our foreign commerce. * * *" This thought seems to have been in the minds of the Senators who approved the committee report favoring the annexation of Hawaii. (Willoughby, op. cit., sec. ed. note, pp. 429–30.) It has long been recognized that there are powers which can not be ascribed to any one of the express powers delegated to the National Government by the Constitution but which may be taken as implied by a construction of two or more of the express powers, considered in the aggregate. In the Legal Tender cases (12 Wallace, 457, 533) the court said that certain powers of the Federal Government, not specified in the words of the Constitution or clearly traceable to any one of the express powers, "may be deduced fairly from more than one of the substantive powers expressly defined, or from them all combined. It is allowable to group together any number of them and infer from them all that the power claimed has been conferred."

Although the enumerated powers of Congress do not include the power to acquire territory by annexation or to withdraw the sovereignty of the United States, by voluntary legislative action, over unincorporated territory, they do include the power to regulate commerce and to raise and support armies and navies; and regarding these powers together it may well be, as suggested by Doctor Willoughby, that they may be taken as authorizing the exercise by Congress of the implied power to annex territory when, in its judgment, the result will be to strengthen the national defense and extend and protect our national commerce. Congress possesses a wide discretion in the adoption of measures deemed by it to be appropriate to the accomplishment of the objects of government committed to its care. It has been held, for example, that (United States *v.* Gettysburg Electric Ry., 160 U. S. 668, 681) a grouping of the express powers to create and equip armies and navies and to levy taxes for the general welfare justifies the exercise of an implied power of eminent domain to acquire by condemnation land upon which to erect monuments commemorative of heroic deeds of the national military forces. Such action, the court said, tends to enhance the respect and love of the citizen for the institutions of his country, and therefore is valid because "germane to and intimately connected with and appropriate to the exercise of some one or all of the powers granted * * *."

The selection of the particular means by which a constitutional power, express or implied, may be exercised by the National Government pertains to the discretion of the department in which it is lodged. The multiple activities of the Federal Government, carried on as manifestations of the power to regulate commerce and to maintain armies and navies, are familiar to all students of our legislative and judicial history. If, as Doctor Willoughby suggests, the power to acquire territory by congressional legislative action may be referred to these powers, as constituting a means by which commerce may be promoted and our armed forces made more effective, it would seem that by a parity of reasoning Congress would have power to release the sovereignty of the United States over unincorporated territory if it should find that, due to changed conditions, the retention of such territory would retard the development of commerce and militate against the effectiveness of our armed forces.

The disposal clause of section 3 of Article IV of the Constitution: It is vigorously asserted by Judge Williams (12 Virginia Law Review, 1, 8–10) that the power of Congress to cede or relinquish sovereignty over the Philippines can not be predicated upon the disposal clause in section 3 of Article IV of the Constitution. By this provision Congress is given "* * * power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States * * *."

Justice Malcolm (Philippine Constitutional Law, p. 179) and Doctor Willoughby agree that the proper construction of the word "territory" in the cited provision would make it a synonym of the word "lands" and limit the application of the disposal clause to rights enjoyed by the Nation as the owner of property in the territories subject to the jurisdiction of the United States as well as in the States of the Union.

At the time the Constitution was adopted the only territory—using the word in its political sense—subject to the jurisdiction of the United States was the Northwest Territory. As this territory was permanently incorporated into the United States, it must be admitted that the cited clause was not intended to confer authority upon Congress to alienate sovereignty over it; and if the opinion of the majority in the Dred Scott case (19 How. 1393) were to prevail, this section of Article IV would have to be regarded as functus officio for all purposes, for the Chief Justice and his associates held that it was intended to apply only to the Northwest Territory and could not be regarded as a source of power to govern after-acquired territory. This view was contrary to that entertained by Chief Justice Marshall, who, in the early case of Sere *v.* Pitot (6 Cr. 332), with the concurrence of his associates, expressed the opinion, with reference to the territory of Orleans, that even were it to be doubted that the power to govern is implied in the right to acquire territory, it could be predicated upon the grant to Congress of the power to dispose of and make all needful rules and regulations respecting the territory belonging to the United States. This opinion he repeated in 1828 (American Ins. Co. *v.* Canter, 1 Pet. 511) with reference to the government of Florida, which until admission to statehood was, he said, to continue to be "* * * a territory of the United States; governed by virtue of that clause which empowers Congress to make all needful rules and regulations respecting the territory or other property of the United States * * *"; although he suggested that independently of this provision the power to govern might be derived from the power to acquire territory.

It is true that in 1840 the Supreme Court, upholding the power of Congress to authorize the President to lease mines in the Indiana Territory, said (United States *v.* Gratiot, 14 Pet. 526, 537) that the term "territory" as used in the cited section of Article IV is "merely descriptive of one kind of property, and is equivalent to the word "lands." But in 1853, in a case concerning territory acquired from Mexico (Cross *v.* Harrison, 16 How. 164), the court invoked this provision of the Constitution as a source of the power of Congress to govern acquired territories.

Decisions subsequent to the Dred Scott case show that the court did not consider that the question had been settled definitely. In Church of Jesus Christ *v.* United States (136 U. S. 1) the court held that the power to govern "territories of the United States is * * * general and plenary, arising from and incident to the right to acquire the territory itself and from the power given" by section 3 of Article IV. In Downes *v.* Bidwell (supra) Mr. Justice White, concurring, said (p. 290):

"* * * In some adjudged cases the power to govern locally at discretion has been declared to arise as an incident to the power to acquire territory. In others it has been rested upon the clause of section 3, Article IV of the Constitution, which vests Congress with the power to dispose of and make all needful rules and regulations respecting the territory or other property of the United States."

It is obvious, therefore, that there is authority for the opinion that even were the theory of implied powers of Congress to govern territory as the result of its acquisition to be rejected, that power could be grounded upon section 3 of Article IV of the Constitution.

If the word "territory" means only land as property, it could hardly be assumed that the power to make all needful "rules and

regulations" respecting it would imply the authority to set up the complicated governmental machinery which Congress has from time to time provided for our territories. The manner in which the power has been exercised implies that it was assumed, if the cited provision of the Constitution was looked to as its source, that the word "territory" was to be construed in its political sense. Suppose that there had not been a square foot of public land in Puerto Rico or the Philippines—no "territory" whatever in the limited sense of land of public ownership—would that have been an obstacle to the erection of such governments as those which exist there to-day? Obviously not. The powers of government have been exercised as though the word "territory" in section 3 of Article IV had precisely the same meaning as it has in the eighteenth amendment, in the phrase "in the United States and all territory subject to the jurisdiction thereof." As there used it has been construed (Cunard Steamship Co. *v.* Mellon, 62 U. S. 101, 122) to denote "the regional areas—of land and adjacent waters—over which the United States claims and exercises dominion and control as a sovereign power." At the time of the adoption of the eighteenth amendment the term "United States" had been defined judicially to mean the States and the incorporated Territories. The insular possessions had been declared to be unincorporated areas subject to the sovereignty of the United States, belonging to but not an integral part of it. The phrase "the United States and all territory subject to the jurisdiction thereof" was obviously worded in such a manner as to include the whole domain of the United States. Certainly it was not intended that the word "territory" should be construed to mean only places over which the United States has a mere proprietary interest. Nor is such meaning the only one of which the word "territory" in section 3 of Article IV is susceptible. On the contrary, the word "territory" is more properly used in the sense of domain subject to political sovereignty than it is as a synonym for land. The principal argument against understanding and applying it in this sense, in connection with the power of disposal contained in the cited provision of the Constitution, is that at the time of its adoption there was no territory of the United States from which Congress could have withdrawn sovereignty, because of the limitations due to the nature of the States and the permanency of the incorporation of the Northwest Territory. But if language used in the Constitution—in this particular instance the words "power to dispose of * * * territory * * *"—is broad enough to meet the requirements of an existing situation, must it be rejected because it must be assumed that the particular situation could not have been contemplated when the Constitution was adopted? In the Dartmouth College case (4 Wharton 518) it was argued that the preservation of rights created by the grant of a charter could not have been in contemplation when the prohibition of the impairment of contracts by State legislation was written into the Constitution. To this contention the court in the opinion written by Chief Justice Marshall, replied:

"* * * It is not enough to say that this particular case was not in the mind of the convention when the article was framed, nor of the American people when it was adopted. It is necessary to go further and to say that had this particular case been suggested the language would have been so varied as to exclude it, or it would have been made a special exception. The case being within the words of the rule, must be within its operation likewise, unless there is something within its literal construction so obviously absurd or mischievous, or repugnant to the general spirit of the instrument as to justify those who expound the Constitution in making it an exception."

Can it be assumed that if the framers of the Constitution had been told that "the power to dispose of * * * the territory belonging to the United States" might in the future be construed as authorizing the relinquishment of United States sovereignty over an unincorporated territory on the other side of the Pacific, to enable its people to create a government of their own, upon the suggestion of this particular case the language would have been so varied as to exclude it? Is the contemplated construction one which is "obviously absurd or mischievous, or repugnant to the general spirit" of the Constitution?

Henry Clay was obviously of the opinion that the power to cede territory was possessed by Congress under section 3 of Article IV of the Constitution—that opinion was the foundation of his opposition, and that of his supporters in the House (ante pp. 6–8) in 1820, to the then pending Florida treaty; and this opinion is also expressed by Doctor Willoughby (Constitutional Law, 2d ed., Vol. I, p. 423) who says on this subject:

"* * * but the fact is that the Supreme Court, as will be later shown (Ch. XXV), has repeatedly and definitely committed itself to the proposition that this grant relates to political or jurisdictional rights of the National Government as well as to proprietary rights. It would seem, then, that, giving to the provision this political as distinguished from merely proprietary signification, it would follow that the power granted to Congress to 'dispose' of territory belonging to the United States implies not merely a right to sell the lands or other property of the United States, but to release the political sovereignty of the United States over such territories by sale or cession to another power, or, simply, by withdrawing its own sovereignty and thus recognizing the independence and self-sovereignty of such territory."

Therefore, either upon the theory of resulting powers, or upon that of the power of disposal under section 3 of Article IV, Congress is vested with constitutional authority to relinquish the sovereignty of the United States over the Philippine Islands, and to permit its people to organize and establish an independent government.

F. C. FISHER.

WASHINGTON, D. C., *December 15, 1931.*

RECESS

Mr. VANDENBERG. I move that the Senate take a recess until 12 o'clock noon to-morrow.

Mr. COPELAND. I yield for that purpose, with the understanding that I shall retain the floor to-morrow.

The PRESIDING OFFICER. The Chair so understands. The question is on the motion of the Senator from Michigan.

The motion was agreed to; and (at 4 o'clock and 16 minutes p. m.) the Senate took a recess until to-morrow, Friday, December 9, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 8, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, we are grateful to Thee for the blessing of each day. With the coming of the morning sun comes Thy loving providence, and with the going of the day Thou dost remain as our Guardian Angel. Conscious of our need and dependence, we have a retreat from every fevered fear. We thank Thee for the refuge that is ever sure in the Eternal Heart. Make this day a rich opportunity for culture, for encouragement, and for renewed vision of the needs of our country. Inspire us with wise and just conceptions of good government, and may our citizens everywhere work and press forward for the good fortunes of peace and plenty. Graciously remember, O Lord, all who yearn for love, sympathy, and happiness. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 36. Concurrent resolution authorizing the appointment of a committee to make arrangements for the inauguration of the President elect on March 4, 1933.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

EVA CRAIG

Mr. WARREN. Mr. Speaker, I offer the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House Resolution 310

Resolved, That there shall be paid out of the contingent fund of the House to Eva Craig, widow of Samuel T. Craig, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding $250, to defray funeral expenses of the said Samuel T. Craig.

The resolution was agreed to.

COMMITTEE ON INAUGURATION

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 36.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the resolution, as follows:

Senate Concurrent Resolution 36

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, re-

spectively, is authorized to make the necessary arrangements for the inauguration of the President elect of the United States on the 4th day of March next.

Mr. BLANTON. Reserving the right to object, the President elect has given out to the country that he desires a very simple ceremony without expense to the Government. This resolution authorizes this joint committee "to make necessary arrangements." I do not know what construction they will put upon those words "necessary arrangements." I think it ought to be understood, complying with the statement given out to the public by the President elect, that the ceremony should be simple and inexpensive. With the understanding that the committee is not going to go beyond what the President elect has given out to the people and the press as his desire, I shall not object.

The SPEAKER. Is there objection?

Mr. CULLEN. Reserving the right to object, may I ask a question with regard to this resolution. Does this take away from the Committee on the Election of President and Vice President the right to be managers of the inaugural of the new President?

The SPEAKER. The Chair does not think that is a parliamentary question. The Chair knows of no law that authorizes the committee to take charge of it. This is the usual resolution that has been passed at each Congress for the inauguration ever since the Chair has been a Member of this body. The precedents are well established. Is there objection?

There was no objection.

The resolution was agreed to.

The Chair appointed as the committee on the part of the House Mr. POU, Mr. RAINEY, and Mr. SNELL.

UNEMPLOYMENT

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered at the meeting of the Joint Unemployment Conference, December 3, 1932, by the Rev. John A. Ryan, D. D.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. UNDERHILL. I object.

DEBATE ON THE PRESIDENT'S MESSAGE

Mr. RAINEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the President's message.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. HANCOCK of North Carolina in the chair.

Mr. GREENWOOD. Mr. Chairman, I yield seven minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman and members of the committee, I desire to call to the attention of the House a matter that I consider, and that other people consider, something in the nature of an emergency, which requires legislation before January of next year. It pertains to the reapportionment of congressional districts. You will recall that the reapportionment act of August 8, 1911, section 3, required that the congressional districts be "composed of a contiguous and compact territory and containing as nearly as practicable an equal number of inhabitants." Those requirements were followed in the districting made under that act.

In 1929, it will be recalled, we passed what was known as the census bill. That bill came over from the Senate and under a special order was taken from the Speaker's desk and passed. Although really a census bill, it had added to it section 22, which provided a new and continuing method of apportionment of congressional districts. Nothing was said, however, in that act of June 18, 1929, as to the equality of districts or their compactness or contiguity. In a number of States the redistricting under that apportionment was tested in the courts on various grounds, including claims of inequality and lack of compactness and contiguity. As I recall, cases arose in New York, Minnesota, Missouri, Illinois, Kentucky, Virginia, Mississippi, and in perhaps some other States. While some of those cases went to the Supreme Court of the United States, notably the New York case of Koenig *v.* Flynn, and the Minnesota case of Smiley *v.* Holm, both decided April 11, 1932, the validity of section 3 of the act of August 8, 1911, was not passed upon. I was one of the counsel in the New York case, and contended in the New York courts that section 3 had not been repealed by the act of 1929. The same contention was made in the other cases, but the precise point was first passed upon by the Supreme Court of the United States on October 18, 1932, in the Mississippi case of Wood *v.* Broom, which opinion I append hereto. In that case, Mr. Chief Justice Hughes, writing the opinion of the court with four judges dissenting, held that the provisions of section 3 of the act of August 8, 1911, had been repealed or had not been reenacted by the act of June 18, 1929. This decision was a distinct surprise to many of us who relied on the debate in this House as clearly indicating that Congress did not intend to repeal the provision of section 3 of the 1911 act but rather to keep it in force. (CONGRESSIONAL RECORD, vol. 71, pt. 3, pp. 2363, 2364.)

At that time the gentleman from Illinois [Mr. CHINDBLOM] was presiding, and the gentleman from New York [Mr. REED] offered an amendment to include those provisions in the 1929 act. I engaged in the debate with reference to the matter. That debate was cited in all the cases that went to the State courts and before the Supreme Court, and everyone assumed that the intent of Congress was clearly shown by that debate. The Chairman at that time, Mr. CHINDBLOM, decided that this amendment was not in order because the act of 1911 was not repealed, and that no attempt was made to repeal the 1911 act by the 1929 act, which we were enacting.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. REED of New York. One of the reasons I offered that amendment was so as to make sure there would be no question about the reenactment of that section with regard to contiguous territory.

Mr. O'CONNOR. I understood then that was the gentleman's intention, but the House decided, through its Chairman's ruling, that there was no need to put such a provision in the 1929 act; that the 1911 act was a continuing act, and would be applicable to districting under the 1929 act. Mr. Chief Justice Hughes decided otherwise, however, our debates to the contrary notwithstanding.

Mr. REED of New York. He also expressed the opinion that apparently it was the intention of Congress to repeal it.

Mr. O'CONNOR. Yes; but that could not have been the real intent of Congress. But perhaps the Supreme Court felt that it need not pay attention to the debates of Congress as indicating legislative intent.

I do not apprehend that anyone will object to congressional districts being as nearly equal as possible, that they be as compact as possible, and that they consist of contiguous territory. It would be an outrageous gerrymander if in the districting of a State the legislature could put only one voter in one district and a million voters in another. Still, that may be done, under the opinion of Mr. Chief Justice Hughes, and at this moment there it nothing anyone can do about it.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. STAFFORD. In the apportionment act in Minnesota the Supreme Court declared that it was a legislative act and that the veto of the governor was operative. In that apportionment one of the districts had more than 100,000 population, while another had more than 300,000 population.

Mr. O'CONNOR. Yes; and the Supreme Court of Illinois also held that State's reapportionment invalid because the districts were not fair, equal, and just.

To-day I am introducing a bill to correct this anomalous situation by reenacting the provisions of the law of 1911 so that the districts shall be as nearly equal and compact and

contiguous as possible. Quick action on it is imperative, however, before the legislatures which have not yet apportioned their States act in January. I imagine the bill will be sent to the Census Committee. I hope that committee will act speedily upon it, and, if necessary, I shall do all I can to procure a special rule from the Rules Committee for its consideration in the House.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. PATTERSON. It seems to me that the contiguous part is constitutional, is it not? Is not that in the Constitution?

Mr. O'CONNOR. No; there is nothing in the Constitution about it. The power of Congress to so prescribe is derived from section 4 of Article I of the Constitution.

Mr. PATTERSON. I know what the gentleman is aiming at and I think it is very good.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. GOSS. Would the bill the gentleman has introduced affect any State in respect to a Congressman at large, supposing a State desired to have one Congressman at large and the rest to be left in the same districts as heretofore? Also, when would it change the membership? Would it be in the following election?

Mr. O'CONNOR. It would apply to the following election, of course. It is hard to conceive that the legislatures could undo anything that has been done in the past.

Mr. GOSS. What about the other question I asked with respect to Congressmen at large?

Mr. O'CONNOR. Of course, the only way that arises is where a State gets additional Congressmen and the legislature does not redistrict.

Mr. GOSS. Could they still maintain that?

Mr. O'CONNOR. They could fail to redistrict; but if they did district, they would have to proceed in accordance with the provisions of the act of 1911, as reenacted in the bill which I propose to offer. In addition to reenacting the provisions of sections 3 and 4—the latter being a companion to section 3—of the act of 1911, my bill will contain a provision giving concurrent jurisdiction to the Federal and State courts both in law and equity to enforce their provisions. The granting of this power is deemed necessary in view of the jurisdictional disputes which have arisen in these reapportionment cases.

The decision in the Mississippi case is as follows:

SUPREME COURT OF THE UNITED STATES

No. 424.—October Term, 1932

WALKER WOOD, SECRETARY OF STATE OF THE STATE OF MISSISSIPPI, ET AL., APPELLANTS, *v.* STEWART C. BROOM. APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

[October 18, 1932]

Mr. Chief Justice Hughes delivered the opinion of the court.

Under the reapportionment pursuant to the act of June 18, 1929 (c. 28, 46 Stat. 21, 26, 27), Mississippi is entitled to seven Representatives in Congress, instead of eight as theretofore. The Legislature of Mississippi, by an act known as House Bill No. 197, regular session 1932, divided the State into seven congressional districts. The complainant, alleging that he was a citizen of Mississippi, a qualified elector under its laws, and also qualified to be a candidate for election as Representative in Congress, brought this suit to have the redistricting act of 1932 declared invalid and to restrain the defendants, State officers, from taking proceedings for an election under its provisions. The alleged grounds of invalidity were that the act violated Article I, section 4, and the fourteenth amendment, of the Constitution of the United States, and section 3 of the act of Congress of August 8, 1911 (c. 5, 37 Stat. 13). Defendants moved to dismiss the bill (1) for want of equity, (2) for lack of equitable jurisdiction to grant the relief asked, (3) because on the facts alleged the complainant was not entitled to have his name placed upon the election ballot as a candidate from the State at large, and (4) because the decree of the court would be inefficacious. The district court, of three judges, granted an interlocutory injunction, and after answer, which admitted the material facts alleged in the bill and set up the same grounds of defense as the motion to dismiss, together with a denial of the unconstitutionality of the challenged act, the court on final hearing, on bill and answer, entered a final decree making the injunction permanent as prayed. Defendants appeal to this court. (U. S. C., title 28, sec. 380.)

The district court held that the new districts, created by the redistricting act, were not composed of compact and contiguous territory, having as nearly as practicable the same number of inhabitants, and hence failed to comply with the mandatory requirements of section 3 of the act of August 8, 1911. Sections 3 and 4 of that act are as follows:

"SEC. 3. That in each State entitled under this apportionment to more than one Representative the Representatives to the Sixty-third and each subsequent Congress shall be elected by districts composed of a contiguous and compact territory and containing as nearly as practicable an equal number of inhabitants. The said districts shall be equal to the number of Representatives to which such State may be entitled in Congress, no district electing more than one Representative.

"SEC. 4. That in case of an increase in the number of Representatives in any State under this apportionment such additional Representative or Representatives shall be elected by the State at large and the other Representatives by the districts now prescribed by law until such State shall be redistricted in the manner provided by the laws thereof and in accordance with the rules enumerated in section 3 of this act; and if there be no change in the number of Representatives from a State, the Representatives thereof shall be elected from the districts now prescribed by law until such State shall be redistricted as herein prescribed."

The act of August 8, 1911, as its title states, was an act "For the apportionment of Representatives in Congress among the several States under the Thirteenth Census"; that is, the census of 1910. The first section of the act fixed the number of the House of Representatives and apportioned that number among the several States. Its second section related to the allotment of Representatives to the Territories of Arizona and New Mexico. The third and fourth sections expressly applied to the election of Representatives to which the State was entitled "under this apportionment"; that is, under the apportionment under the act of 1911 pursuant to the census of 1910. Substantially the same provisions are found in prior reapportionment acts, the requirements as to compactness, contiguity, and equality in population in the new districts in which Representatives were to be elected under the new apportionment being addressed in each case to the election of Representatives "under this apportionment"; that is, the apportionment made by the particular act. (Act of June 25, 1842, c. 47, sec. 2, 5 Stat. 491; act of February 2, 1872, c. 11, sec. 2, 17 Stat. 28; act of February 25, 1882, c. 20, sec. 3, 22 Stat. 5, 6; act of February 7, 1891, c. 116, secs. 3, 4, 26 Stat. 735, 736; act of January 16, 1901, c. 93, secs. 3, 4, 31 Stat. 733, 734.)

The act of June 18, 1929, however, in providing for the reapportionment under the Fifteenth Census (none having been made under the Fourteenth Census) omitted the requirements as to the compactness, contiguity, and equality in population, of new districts to be created under that apportionment. It did not carry forward those requirements, as previous apportionment acts had done. There was, it is true, no express repeal of sections 3 and 4 of the act of 1911 and, as the act of 1929 did not deal with the subject, it contained no provision inconsistent with the requirements of the act of 1911. Smiley *v.* Holm (285 U. S. 355, 373). No repeal was necessary. The requirements of sections 3 and 4 of the act of 1911 expired by their own limitation. They fell with the apportionment to which they expressly related. The inquiry is simply whether the act of 1929 carried forward the requirements which otherwise lapsed. The act of 1929 contains no provision to that effect. It was manifestly the intention of the Congress not to reenact the provision as to compactness, contiguity, and equality in population with respect to the districts to be created pursuant to the reapportionment under the act of 1929.

This appears from the terms of the act, and its legislative history shows that the omission was deliberate. The question was up and considered. The bill which finally became the act of 1929 was introduced in the first session of the Seventieth Congress, and contained provisions similar to those of sections 3 and 4 of the act of 1911. (H. R. 11725; CONGRESSIONAL RECORD, 70th Cong., 1st sess., vol. 69, p. 4054.) At the second session of the Seventieth Congress the House of Representatives, after debate, struck out these provisions. (CONGRESSIONAL RECORD, 70th Cong., 2d sess., vol. 70, pp. 1496, 1499, 1584, 1602, 1604.) The bill passed in the House of Representatives in that form (id., p. 1605) and, although reported favorably to the Senate without amendment (id. 1711), did not pass at that session. The measure as to reapportionment was reintroduced in the Senate in the first session of the Seventy-first Congress in the form in which it had passed the House of Representatives and had been favorably reported to the Senate in the preceding Congress—that is, without the requirements as to compactness, contiguity, and equality in population, which had been deleted in that Congress. (S. 312, 71st Cong., 1st sess., CONGRESSIONAL RECORD, vol. 71, pp. 254, 2450.) And when, after the passage of this bill in the Senate, it was before the House of Representatives and an effort was made to amend the bill so as to make applicable the requirements of section 3 of the act of 1911 with respect to the districts to be created under the new apportionment, the amendment failed. The point of order was sustained that, as the pending bill did not relate to redistricting of the States by their legislatures, the amendment was not germane. (CONGRESSIONAL RECORD, 71st Cong., 1st sess., vol. 71, pp. 2279, 2280, 2363, 2364, 2444, 2445.) The bill was then passed without the requirements in question. (CONGRESSIONAL RECORD, 71st Cong., 1st sess., vol. 71, p. 2458.)

There is thus no ground for the conclusion that the act of 1929 reenacted or made applicable to new districts the requirements of the act of 1911. That act in this respect was left as it had stood, and the requirements it had contained as to the compactness, contiguity, and equality in population of districts did not outlast the apportionment to which they related.

In this view it is unnecessary to consider the questions raised as to the right of the complainant to relief in equity upon the allegations of the bill of complaint, or as to the justiciability of the controversy, if it were assumed that the requirements invoked by the complainant are still in effect. See Ex parte Bakelite Corporation (279 U. S. 438, 448). Upon these questions the court expresses no opinion.

The decree is reversed, and the cause is remanded to the district court with directions to dismiss the bill of complaint.

It is so ordered.

Mr. Justice Brandeis, Mr. Justice Stone, Mr. Justice Roberts, and Mr. Justice Cardozo are of opinion that the decree should be reversed and the bill dismissed for want of equity, without passing upon the question whether section 3 of the act of August 8, 1911, is applicable. That question was not presented by the pleadings or discussed in either of the opinions delivered in the district court. (— F. (2d) —.) It was not mentioned in the jurisdictional statement filed under rule 12 or in the briefs of the parties filed here. So far as appears, all the members of the lower court and both parties have assumed that section 3 is controlling.

Mr. GREENWOOD. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I would like to insert in the RECORD in connection with my remarks some very interesting information that has been compiled by the Veterans' Administration at my request. This information discloses the number of veterans in each State receiving disability compensation allowance, death compensation, and all other benefits, and the amount received by each State from those benefits during the fiscal year. The information also discloses the amount paid to veterans of all wars during the last three years, and the specific purpose for which it is paid.

Statements have often been made on the floor of this House that we are expending this year for World War veterans the sum of $860,000,000. I do not believe that information is correct. I did not believe it was correct, so I asked the Administrator of Vetereans' Affairs to give me a complete statement, not only for this year but for the last three years, itemizing the expenditures for veterans not only of the World War, but for veterans of all wars. That statement has been furnished, and contrary to the belief of many people, the United States Government is spending this year $53,405,000 less on World War veterans than was spent the preceding year. I believe that all Members will find this information to be of interest, and it is authentic.

I would ask permission, Mr. Chairman, to insert this information in connection with my remarks.

The CHAIRMAN. The Chair does not think that he has authority to grant that request, and that it should be made in the House.

Mr. PATMAN. I am asking unanimous consent that I may insert the statement from the Veterans' Bureau in regard to the subject matter of my talk. As I understand it, I could insert it without listing it as a table from the Veterans' Bureau, but I would not like to do that.

Mr. UNDERHILL. Reserving the right to object, has this not already been printed?

Mr. PATMAN. No, sir; it has never been printed. I think all Members will find it to be very interesting. It has recently been compiled and only recently made available.

Mr. UNDERHILL. By the Veterans' Bureau?

Mr. PATMAN. By the Veterans' Bureau, and it is not in any Government publication, and the Members do not have any way of getting it except to get the Veterans' Bureau to make a copy of it.

May I ask what is the ruling of the Chair?

The CHAIRMAN. The Chair rules that a request to include extraneous matter in the gentleman's remarks must be made when we are in the House.

Mr. PATMAN. Very well. I shall be glad to ask permission when we go back into the House.

It is generally said that we have in this country in circulation to-day five and one-half billion dollars in money. That statement, although the Treasury Department will furnish you a statement showing that we have five and one-half billion dollars in money in circulation, is not exactly a correct statement of the facts for this reason: That is a presumption that all the money that has ever been placed in circulation has remained in circulation. That is not making any deduction for money that has been lost in fires, like the great Chicago fire, or in shipwrecks, or lost in other ways. There is no way of determining how much money has been lost, but this statement presumes that all the money that has ever been placed in circulation remains in circulation.

We do know that in July, 1929, the size of the paper money was changed, and since that time the Treasury Department, receiving the cooperation of all banking institutions and business men, has made an endeavor to get this old size currency out of circulation, and although they have made every effort to get this old size money out of circulation, there remains outstanding at this time something like $562,000,000. Evidently a large part of that money has been lost or destroyed. Furthermore, the Treasuy statement does not take into consideration the fact that Cuba uses our money exclusively, and Poland uses our money almost exclusively, and our money is used in many foreign countries. So in order to get the true per capita money in circulation in the United States, we should add at least the population of Cuba and most of the population of Poland, and make a good allowance for the money that is in other countries in circulation. So we do not have five and one-half billion dollars in circulation.

INSUFFICIENT AMOUNT OF MONEY

In addition to that a large part of it is hoarded money. I believe there was one witness, whose name I do not recall, but I believe he was connected with the Federal Reserve Board as an employee or an expert, who testified before the Ways and Means Committee at the last session that his best judgment was that we had at this time about $2,000,000,000 money in actual circulation. If that statement is true—and I presume it is about the best estimate we can get—we must all realize that 126,000,000 people can not do business with $2,000,000,000 of actual money, especially in view of the fact that during the past few years the banks of the country have decreased in number from 30,000 to 20,000. The depositors in those 10,000 banks have lost millions of dollars, and banking institutions have tightened up on their loans until credit facilities are frozen. So something must be done to at least loosen credit, or if we can not expand credit—and we have tried for the past few months and have been unsuccessful—there is only one other way to do it, and that is to add to the volume of the currency.

VELOCITY OF MONEY

In 1929 there was a velocity of currency and credit of 25 to 1; that is, currency and credit turned over about every two weeks, or twenty-five times during the year. We were doing about $1,600,000,000,000 worth of business annually during the years 1929 and 1928, but now money and credits are turning over about one time a month. It has slowed up more than 50 per cent, and instead of doing $1,600,000,000,000 worth of business a year we are doing only about one-third that amount of business. Velocity enters into this question as much as the volume; so the velocity has slowed up, and there is only one sure way to increase the velocity of money, and that is to add to the volume. When you talk about adding to the volume of money, then the question comes to your mind, "How are you going to add to the volume of money?" We are on the gold standard. We do not want to do anything that will endanger the gold standard. There is no necessity for us to do anything that would endanger the gold standard, and we are not going to propose any plan that would jeopardize a sound money system.

WOODEN MONEY AND HOT CHECKS

In Tenino, Wash., money made of wood is being used. Here is some wooden money. I hold a piece of it in my hand. This is good for 25 cents. You can buy anything in Tenino, Wash., with this wooden money that you could buy with gold or silver. They had to have a medium of ex-



change. They had to have some way of doing business and they did not have sufficient money. So they made their own money, and they are doing business in Tenino, Wash., to-day with wooden money.

Down at Farmersville, Tex., not so long ago, a customer bought a dollar's worth of goods from a merchant. He gave a dollar check in exchange for the goods. The check was indorsed by the merchant and transferred to 19 other people. When it reached the bank it had 20 indorsements on it, and the banker very promptly told the one presenting the check at the window that the maker did not have sufficient funds to cover that dollar check. Well, instead of each indorser going back on the other indorsers and collecting the dollar and letting those $20 in debts remain unpaid, the 20 indorsers got together; each contributed 5 cents apiece and deposited it to the credit of the man who gave the check. The check was promptly paid, and the $20 worth of debts were paid 95 cents on the dollar.

In this crisis it seems like people are using wooden money and hot checks to good advantage when they can not have a sufficient medium of exchange furnished to them by their Government to do business with.

CHART SHOWS NEED OF MORE MONEY

I have before me a chart which was prepared by the National Industrial Conference Board. The best economists tell us—that is, the ones who have the reputation of being the best economists—that money should increase along with the population of the country and along with the national wealth, national income, and the monetary gold stock of the country. If it increases along with the population, wealth, income, and monetary gold stock, then the people are presumed to have sufficient money to do business with.

I want to show you here the report of the National Industrial Conference on this question. This chart has been furnished me through the courtesy of Mr. J. S. Cullinan, of Houston, Tex., one of the best informed men in the Nation on the money question. Over a period of 50 years, from 1880 to 1930, the population has increased. For every 1 person in this country in 1880, we have 2.4 people now. For every $1 of national wealth then we have $8.40 now. For every $1 of national income then we have $11.20 now. For every dollar of gold stock then we have $12.90 now.

Now, then, listen to the amount of money in circulation. How has it increased over this 50-year period of time when the ratio for population is 2.4, for national wealth 8.40, for national income 11.20, and for national gold stock 12.90?

Money in circulation now is but $4.70 for every $1 then, and per capita money in circulation for every $1 then is only $1.80 now. So if the best economists in the world are right, our circulating money has not increased along with national wealth, income, population, and monetary gold stock.

TERRIFYING PHRASES

I know that whenever you talk about the issuance of money people use some terrifying phrases, like "it is a printing-press proposition" or "it is fiat money you want to issue." But let us forget those phrases just for a moment and talk about the Government policy and what it has been for 150 years in regard to the issuance and distribution of money that is backed by the credit of this Nation.

I hold in my hand a letter I received from a constituent this morning. He has moved from the West into my district. He had a mortgage on his cattle; that is, on all of his livestock, his horses and his mules. The mortgage amounts to only $500.

He was forced to move a distance of several hundred miles back to his old home, and the bank permitted him to bring that stock along with him. But now the bank's representative is asking that the mortgage be paid or foreclosed. He owes only $500 on the stock, which is well worth $1,000 or $1,500, even at depression prices. He goes to the local bank. The local bank admits it would be very glad to let him have the money to pay off the mortgage; the security that has been offered is good, but the banker says: "If we let you have this money, it will be sent several hundreds of miles from here; it will be sent out of this county, and we can not let you have the money, because it will decrease our reserve and we want to keep this in the bank, in the community, and in this county." Therefore this man, 63 years of age, is to lose everything he has on earth, a man who has worked hard all of his life, and he is going to lose it because the banks do not have sufficient money to do business on.

Mr. CLARKE of New York. Will the gentleman from Texas yield for a brief question right there?

Mr. PATMAN. I yield.

Mr. CLARKE of New York. Is it not a fair criticism that many of our banks to-day have too much liquid capital that they will not loan out to give employment, to aid manufacturing enterprise, and other legitimate activities? Is not this a fair question?

Mr. PATMAN. They have quite a bit of capital to loan. In this instance the bank would have loaned on the security offered except they did not want the money taken out of the county. They wanted to loan credit, not money. Five hundred dollars actual money is sufficient reserve to allow the bank to loan several times that amount in credit. It is true the bankers are hoarders. They should be criticized for refusing to make the good loans that are offered them.

The banks will not lend you money to take to some other place, but they want to lend you credit and keep the money in the bank as a reserve.

Mr. CLARKE of New York. The point I have in mind is this: The reports of many of our banks, particularly in my own State of New York, show that they have tremendous accumulations now of real, honest-to-God money. The trouble is that the poor devils who try to get a little money out of such banks in the form of loans can not get anything.

Mr. PATMAN. That is exactly right. You are never able to furnish the collateral that they want and the banks are not expanding credit. Since they refuse to expand credit, and we can not make them do it, we should at least expand the currency.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. EATON of Colorado. In giving statistics a moment ago, the gentleman omitted to make any statement of the increase in credits from the period of 1880 down to the present time.

Mr. PATMAN. I have that here.

Mr. EATON of Colorado. Has not that a very great effect upon this money situation to which the gentleman refers?

Mr. PATMAN. Yes. For the benefit of the gentleman from Colorado I will state that the National Industrial Conference Board reports that for every dollar of bank deposits in 1880 we have 25.9 dollars now.

Mr. EATON of Colorado. And your previous statement was that for every dollar in 1880 we now have 1.8 dollars?

Mr. PATMAN. Yes; that is correct. I will insert information obtained from the chart which I believe all the Members will find to be of interest.

United States	1880	1930	Ratio between beginning and end of period
Population	50,000,000	123,000,000	2.4+
National wealth	$43,000,000,000	$361,809,000,000	8.3+
National income	$7,500,000,000	$84,000,000,000	11.2+
Bank deposits	$2,134,000,000	$55,289,000,000	25.9+
Monetary gold stock	$350,000,000	$4,535,000,000	12.9+
Money in circulation	$960,000,000	$4,522,000,000	4.7+
Per capita money in circulation	$20.00	$36.71	1.8+
Cost of Government (1930)	$850,000,000	$12,605,000,000	14.8+

Your particular attention is directed to the amazing expansion of bank deposits (25.9), reflecting chiefly corporate or individual indebtedness calling for interest payment to the banks out of all proportion to the increase in population (2.4) or money (1.8).

Money is not only the measure of value and medium of exchange but under our banking laws is the basis for credit

and for credit expansion, hence it should have a proportionate relation to national wealth, national income, as well as to advanced type of civilization, standards of living, and high wage policy of our society.

Human history should teach us that having adopted such advanced standards, we can not safely scrap the conveniences, comforts, and ideals such imply without grave risk of chaos or revolution.

Mr. EATON of Colorado. And is not all this financial disturbance due to the attempts to squeeze down the credit structure and get it down to a point where it will have a proper relation to the metal money and other proper money bases?

Mr. PATMAN. That enters into the question. We can either do it as the gentleman suggests or we can increase the money and have a sufficient reserve to back up the credits, and then it would not be necessary to squeeze down the credit structure.

Mr. EATON of Colorado. Does the gentleman mean by that to increase the metal money base or to increase the credit money based on the metal money?

Mr. PATMAN. We could do it in either way—increase the paper money or increase the metal money. I know what the gentleman is interested in. The gentleman is interested in silver. I am too. I think the country will have to return to bimetallism.

SOUND MONEY

In discussing the ways that the money may be increased, we must take these questions into consideration:

First, it must be done without jeopardizing a sound-money system. Next, it must be done without in any way endangering the gold standard. Next, the proposal must have some way of distributing this money all over the Nation, and, next, we must not distribute this money by the payment of a dole. It must either be done in payment of services rendered, either now or rendered heretofore. I have studied this question many months and many years and I have never yet found a plan that would put this money in circulation like the people want it put in circulation except the plan to pay the adjusted-service certificates.

BILLION A YEAR FOR VETERANS

Now, when you talk about giving something to the soldiers the question is asked you, Have you not already paid the soldiers a large sum of money; do they not receive a billion dollars a year from the Government? This statement is often made, but it is not true. The World War veterans have not received much more if any over one-half billion dollars a year, and then a substantial part of that was for insurance benefits that they paid for themselves with their own money when they were working for Uncle Sam at $1 a day.

They will ask you then if this is not a bonus, and if it was not due in 1945 and we should not pay it now, and if we did it would cost our Government about $1,600,000,000.

NOT A BONUS

If it is a bonus, and if it is not due until 1945, and if it would cost our Government $1,600,000,000 extra to pay it now, I would be against it; but I want to tell you that these statements are not true.

In the first place, the chairman of the Committee on Finance in the Senate, in making a report on the adjusted compensation bill in 1924, used this language:

> Do not refer to this bill as a bonus bill. The word "bonus" is a misnomer. It is payment to veterans of the World War for services rendered and you should not refer to it as a bonus bill.

The Ways and Means Committee of the House, when it made a report on the bill, used similar language and said:

> The object of this legislation is to adjust the pay of the veterans of the World War in order that they may receive the difference between what they actually did receive and what the lowest paid laborer in America received during the World War.

Therefore it is not a bonus. The congressional committees, in passing upon this question, said it was not a bonus.

So the question is, Is it due now or in 1945?

I will admit that these certificates are payable in 1945. They are dated in 1925 and 25 per cent was added in 1925 on the amount that was due the veteran in order to compensate him for waiting from 1925 to 1945; but remember this, the veterans were not paid one penny of interest from the time they rendered the service in 1917 or 1918 to 1925, when the certificates were dated—not one penny of interest. Well, has it always been the policy of this Government to deprive one of interest when a debt is confessed? Why, no. It has always been the policy of this Government to allow interest. For instance, years after the war was over, the people who furnished munitions and supplies to the United States Government during the war came in and claimed that they had not deducted a sufficient amount for the depreciation of their war facilities during the war. They got the Treasury Department to allow them an additional sum dated back during the war and the Government paid them 6 per cent interest from 1917 and 1918, and not from 1925, although many of the payments were not made until 1928 and 1929, and some of them are just now being paid. They are paid 6 per cent interest from the time they are supposed to have rendered the service.

Now, if the Government invokes the same policy of paying the interest it has always invoked for everybody else engaged in the war or had anything to do with the war in any way, the full amount was due October 1, 1931. You can figure that out for yourselves. Therefore we can say that although the certificates are payable in 1945, each veteran is entitled to an amount now equal to the full face value of his certificate.

We may assume that they are not due, but if they can be paid now by using the credit of the Nation without cost to the Government, and at the same time promote the general welfare, it would be for the interest of the country that they be paid. They can be paid without a bond issue, without increasing taxes or interest, and without unbalancing the Budget. They can be paid without increasing the national debt one penny.

I prepared, in a question and answer form, the arguments in favor of full payment of these certificates, and I expect to put them in the RECORD.

GOVERNMENT'S MONEY PLANT

We have in Washington, D. C., a modern, up-to-date manufacturing plant employing 4,500 people. That is the Bureau of Engraving and Printing. Each day the Bureau of Engraving and Printing turns out about 3,000,000 new bills—paper money, the same kind of money you are using. Eighty per cent of all the money is paper money. The Bureau of Engraving and Printing turns out each year between three and five billion dollars of new crisp greenback money.

It is true that a large amount of this money is for replacement, to replace old worn-out bills, but a substantial part of it is new additional money that is being printed for the national banks when they deposit Government bonds with which to get that money.

Now allow me to explain the difference between the two plans—the payment of the certificates and the plan that the bankers have to get money from the United States.

HOW NATIONAL BANKS GET MONEY

The last night that Congress was in session in July we passed the home loan bank bill. It said that the national banks of this country could deposit with the Secretary of the Treasury Government bonds, Government obligations drawing 3⅜ per cent interest, and that the Secretary of the Treasury would return to those banks new money in return for those obligations. The banks use the money, except 5 per cent kept on deposit as a reserve, and in addition the banks pay interest on the bonds placed on deposit to secure this money that the banks have received.

I wish somebody in this House would explain to me how it is safe and sound, and you are not jeopardizing the gold standard or the sound money system for the banks to take Government bonds, deposit them with the Secretary of the

Treasury and get money in return for them, and yet it would be unsound and unsafe for other people holding Government obligations to do the same thing.

Let us compare the two plans. In each case the bonds due in 1945, or later than 1945, are deposited by the banks to get this money. In each case the Government's non-circulating obligations are converted into circulating obligations without increasing the national indebtedness one penny. The gold standard act of 1900 requires that all money shall be on a parity with gold.

Therefore, all the gold in the Treasury is back of this money, and we have sufficient idle gold to-day to back up at least $4,000,000,000 more of currency. By "backing it up" I mean that we will have at least 40 per cent of gold reserve behind every dollar that is issued. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Permission having been granted, I extend my remarks to include the following:

QUESTIONS AND ANSWERS WHICH I HAVE PREPARED ON THE PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

1. Q. What is an adjusted-service certificate?—A. It is a Government bond payable to an honorably discharged veteran of the World War, who served longer than 110 days, payable in 1945, or 20 years from date of issuance, in return for services rendered.

2. Q. Why did the veterans who served less than 110 days not receive such a certificate?—A. When each veteran was discharged he received $60 cash bonus to purchase civilian clothing, shoes, etc. The veteran had given his civilian outfit to the Red Cross when he entered the service. All veterans entitled to receive $50 or less were paid in cash and not given a certificate. In arriving at the amount of an adjusted-service certificate, the first 60 days were deducted on account of the $60 payment.

3. Q. How did the Government arrive at the amount of an adjusted-service certificate?—A. Each veteran was allowed $1 a day extra for each day he served in the United States and $1.25 a day extra for each day he served overseas. John Doe, a veteran, was entitled to a credit of $460; $210 for 210 days home service and $250 for 200 days service overseas. The first $60 was deducted reducing his credit to $400. Since he was being given a certificate due in the future, 20 years from date, the Government increased the amount of his credit by 25 per cent for waiting, making the credit $500. He was then given a certificate for an amount equal to the $500 credit with 4 per cent interest, compounded annually, for the 20 years, which amounted to $1,000. His certificate was dated January 1, 1925, and made payable January 1, 1945, or at death.

4. Q. Why did Congress agree to give the veterans this extra amount?—A. When the selective service act and other various legislative proposals were pending in Congress, relating to induction and enlistment of soldiers, sailors, and marines, the question of pay was very much debated. It was understood then that the pay agreed upon by Congress could be adjusted after the emergency in the event an adjustment was due. Many Members of Congress insisted on a $3 a day minimum pay. The war cost the United States more than $36,000,000,000; all the man power in uniform received less than $4,500,000,000 of this amount or less than one-eighth of the cost of the war.

5. Q. Did others receive adjusted pay from the Government for their services after the war?—A. Seven thousand war contractors received adjusted pay amounting to billions, directly and indirectly, after the war was over; many of them had invalid and illegal contracts which were validated by Congress. They were paid in cash. The railroad owners received a guaranteed return during the war equal to the average return three years prior to America's entrance into the war, which was the most prosperous period of railroading in the United States; in addition, they were given $3,000,000 a day extra pay for the next six months after being released from Government operation. Their adjustments in pay amounted to between one and two billion dollars; they were paid in cash. There were about 500,000 Federal civilian employees during the war; all of them receiving $2,500 a year or less had their pay adjusted, and the average received $1,000 extra pay. It was paid in cash. Many soldiers worked on the public roads in America during the war, side by side with civilians who were receiving $8 a day; these soldiers received an adjustment of $7 a day representing the difference between their soldier pay of $1 a day and the $8 a day drawn by the civilians. They were paid in cash after the war. Foreign countries, our allies during the war, were loaned billions of dollars by our Government after the war was over. They used a part of this money to pay their own veterans adjusted compensation and bonuses aggregating as high, in some instances, as $7,290 each.

6. Q. Are the veterans asking for the payment of a debt that is not due until 1945?—A. The debt is really past due now, although payable in 1945. The adjusted-service certificate gives the veteran the $1 a day for home service and the $1.25 a day for service overseas as of January 1, 1925, thereby depriving the holder of approximately seven years' interest. If one is entitled to a certain amount daily or monthly over a period of time, the interest should be computed by allowing full interest from a date representing a time halfway between the beginning and ending of the period.

7. Q. If the veterans are allowed interest from the time the services were rendered instead of from 1925, will they be receiving special favors from the Government?—A. No; it has always been the policy of the Government to deal with others in that manner. For instance, when the war was over, applications for tax refunds were filed by individuals and corporations, many of them claiming that they had paid too much income taxes during the war and others claiming that they failed to deduct a sufficient amount for depreciation of their facilities used in war service. The Secretary of the Treasury has refunded to large income-tax payers more than two thousand million or $2,000,000,000 from the year 1922 to the year 1929, inclusive—an amount sufficient to pay the remainder of the adjusted-service certificates in full. Much of this money was refunded or given back to them on the theory that the taxpayers did not charge off a sufficient amount for depreciation in value of their properties during the war from 1917–1919. A large part of it was refunded in plain violation of the law. A large number of the beneficiaries of these large gifts were war profiteers and should have been convicted of treason for dissipating and plundering our resources during the war. When each refund was paid, the Treasury also paid the one receiving it 6 per cent interest from the year it was claimed the deduction should have been made. On one refund to the United States Steel Corporation of $15,736,595.72, interest amounting to more than $10,099,765 was paid. Mr. Mellon has made large refunds to himself and to his companies, and in each case allowed 6 per cent interest—not from 1925, the date of the adjusted-service certificates, or seven years later—but from the year he claims the credits should have been given. Those who are so loud in their denunciation of the proposal to pay the veterans this honest debt have been just as silent as the tomb while these war profiteers were wrongfully getting billions of dollars from the Treasury.

8. Q. Why do you say that the certificates are past due?—A. If a holder of an adjusted-service certificate is paid the extra pay Congress has acknowledged and confessed was due him with 6 per cent interest, compounded annually, from the time the services were rendered, he was entitled to an amount equal to the face or maturity value of his certificate October 1, 1931.

9. Q. Is the interest rate suggested too high?—A. No. The veterans for many years were required to pay the Government 6, 7, and 8 per cent interest, compounded annually, for their own money, when they borrowed on their certificates. The amount charged on these high interest rates is now a part of the loans and compound interest is being paid on the amount annually. If it was fair for the veterans to pay 6, 7, and 8 per cent interest, compounded annually, for their own money and then receive it in small dribs, certainly it is not unfair for the Government to pay the veterans the minimum amount they were charged.

10. Q. What did the veterans receive for their services during the war?—A. An enlisted man, private, received $1 a day, except for overseas service, when he received 10 per cent extra, or $1.10 a day. They were permitted and in many cases required to make allotments of a certain amount of their pay monthly to their dependents; the amounts varied from $5 to $25 a month and were deducted from the amount due them. They also paid for altering and mending their clothing and shoes, barber bills, laundry bills, and other incidental expenses. In addition, the average veteran had deducted from his pay $6.60 a month for insurance; if he had anything remaining after these deductions were made, he usually subscribed for a Liberty bond on the installment plan.

11. Q. How many of these certificates are there outstanding; what is their average value, and so forth?—A. October 31, 1932, there were 3,555,058 adjusted-service certificates in force, of the face value of $3,517,857,285; 2,735,323 of these certificates have been pledged to the Government for loans. It is not known how many have been pledged to the banks; they range in value from $126 to $1,590 each, and their average value is $989.92, or approximately $1,000.

12. Q. Have the veterans obtained loans on their certificates?—A. Yes; the average veteran holding a $1,000 certificate obtained a loan of $87.99 in 1927; $26.79 in 1928; $26.33 in 1929; $24.59 in 1930; $23.50 in 1931; and the last loan in 1931 when the 50 per cent loan bill passed, and the only one he will be able to get for many years, of $271.99. They have borrowed the accumulated interest on the amount due them; the principal remains intact, if settled within same way Government settled with all others connected with the war.

13. Q. Would it not be better for the veterans to keep their certificates as a nest egg to be used in 1945?—A. If the remainder is not paid now, practically all of the remainder due will be consumed by compound interest required to be paid on prior loans. The veterans will be benefited more by substantial payments than they will be by receiving their money in dribs; it will benefit the country more.

14. Q. If the veterans are not paid now, how much will be received in future by those who have borrowed the limit allowed by law, and will continue to borrow the limit on their certificates?—A. The following statement will answer for the average veteran holding a certificate of the average value:

Tabulation to show average adjusted-service credit, average amount of certificate, and amounts of principal and interest on loans, and amounts of cash to veteran as loans and at maturity. Assuming loans by a bank in the eleventh (Texas) Federal reserve district at the maximum interest rate chargeable from 1927 to 1931, inclusive, then a loan on March 1, 1931, for the 50 per cent loan value and redemption of the note by the Government in six months

Certificate dated Jan. 1, 1925—Made payable Jan. 1, 1945, average adjusted-service credit ($1-per-day home service, $1.25 overseas and after deducting $60)	$400.00
Amount of additional 25 per cent added for deferred payment from 1925 to 1945	100.00
Total amount applied to purchase certificate (no interest allowed from 1918 to 1925)	500.00
Amount of certificate issued for the above amount at 4 per cent compounded annually from Jan. 1, 1925	1,000.00

Year	Loan value	Outstanding indebtedness	Interest rate	Interest due beginning of period	Cash to veteran
			Per cent		
1925					
1926					
1927	$87.99	$87.99	6		$87.99
1928	120.06	93.27	6	$5.28	26.79
1929	153.59	127.26	[1]7	7.20	26.33
1930	188.67	164.08	7	10.49	24.59
1931	225.38	201.88	7	13.21	23.50
Emergency loan act, Mar. 1, 1931	500.00	228.01	4½	2.63	271.99
Redemption by the Government:					
Sept. 1, 1931	500.00	511.25	4½	11.25	
1932	500.00		4½		
July 21, 1932		533.68	3½	22.43	
Sept. 1, 1933	500.00	552.36	3½	18.68	
1934	500.00	571.69	3½	19.33	
1935	500.00	591.70	3½	20.01	
1936	500.00	612.41	3½	20.71	
1937	500.00	633.84	3½	21.43	
1938	535.73	656.02	3½	22.18	
1939	589.05	678.98	3½	22.96	
1940	645.06	702.74	3½	23.76	
1941	703.92	727.34	3½	24.60	
Jan. 1, 1942	765.86	735.82	3½	8.48	$30.04
1943	831.12	792.67	3½	26.81	38.45
1944	900.00	860.21	3½	29.09	39.79
Jan. 1, 1945	1,000.00	931.50		31.50	68.50
Total				362.03	637.97

[1] Mar. 2, 1929.

15. Q. How much money will be required to pay the remainder due?—A. About two billion two hundred million dollars. All except about 500,000 veterans have borrowed the limit allowed by law on their certificates.

16. Q. If this amount of money is needed in circulation, would it not be better for the country to provide that amount for public buildings or highway construction?—A. No; because it would not be so well distributed in that way; it would go to certain localities and certain cities and only to people engaged in that kind of work. If it is paid to the veterans, it will go into every nook and corner of America possibly enough to replace the money now withdrawn for hoarding, will raise the per capita circulation of money about $18, can be paid immediately without waiting for blue prints and will place purchasing power in the hands of consumers who will put it into circulation.

17. Q. You are asking that money be distributed to one class, are you not?—A. No; every class, race, and creed; every occupation, avocation, trade, and business will get a share. It is the only plan yet suggested that will cause such a wide distribution of money to such a large number of consumers without payment of a dole.

18. Q. Are you asking for a revision of the contract?—A. Yes; in order that another part of the contract, the legislative intent, may be carried out. Congress contemplated that the veterans should be paid the adjusted pay as of the time the services were rendered and not seven years later without interest. The report of the Committee on Ways and Means of the House reporting the adjusted compensation legislation in the year 1924 states two objects they had in mind as follows: "That it should represent an amount approximately equal to the difference between what the soldier received and what he should have received. That it should confer substantial benefits upon the soldiers." The first object is not carried out by paying the veterans the amount representing that difference seven years later. The second object is not carried out if the money is paid in dribs and a large part of the principal consumed by the payment of compound interest on loans.

19. Q. Have others ever asked the Government for a revision of contracts?—A. Yes; the foreign countries that borrowed billions from us asked for a revision of their contracts. In the revision that was granted them they were given more than $10,000,000,000 by our Government. Hundreds of thousands of income taxpayers have asked the Government to revise their income-tax returns and allow them credits, refunds, and abatements. This has been done, and more than three and one-half billion dollars refunded in that manner. The income-tax returns were prepared wholly by the ones wanting the refunds. The foreign countries asking for a revision of their contracts have been a party to the contracts and had a voice in their making. The veteran had no other alternative than to accept the adjusted-service certificate in the form in which it was offered to him.

20. Q. Didn't the veterans agree to accept payment in 1945?—A. No. They were told what would be given them and were never asked to enter into any agreement at all.

21. Q. While a mechanic enlisted as a soldier, what was received by mechanics who stayed at home?—A. As everyone knows, they received America's all-time high wages for mechanics. Laborers were paid as much as $6 and $8 a day, and the soldier, through service, probably lost from $5 to $10 a day as compared with what he could have made had he not served with the armed forces. The adjustment that was made of his compensation was only a partial adjustment. During the war some laborers in shipyards, doing piecework, are reported to have made as high as $70 a day. Of course, such cases were exceptional.

22. Q. Did the United States pay her soldiers more than any other country engaged in the war?—A. The United States paid a private $30, while Canada paid her privates $33, New Zealand $36.60, and Australia $43.50 a month. When the corporal in the United States Army was receiving $36 a month, the Australian corporal was receiving $72.90. While the sergeant in the United States Army was receiving $38 a month, the Australian sergeant was receiving $76.50 a month.

23. Q. Is it not a fact that the 25 per cent increase that the Government allowed the veterans in addition to his $1 and $1.25 a day was intended to compensate him for the loss of interest from 1917–18 to 1925?—A. No; it is not a fact, although a former national commander of the American Legion, Mr. Spafford, made this contention before the delegates at the Portland convention. He was mistaken. The CONGRESSIONAL RECORDS and the reports of the committees reporting the legislation in Congress clearly disclose that there was no such intent. Congress intended, as disclosed by these records, that the 25 per cent would compensate the veteran for waiting from 1925 to 1945 for his money. As positive and convincing evidence that the 25 per cent increase was not to compensate the veterans for waiting until 1925 from the time the services were rendered, the ones receiving $50 or less in case did not receive the 25 per cent increase, neither did the beneficiaries of the ones who had died prior to the passage of the act receive the 25 per cent increase.

24. Q. Would it not be better to permit this amount of money to be loaned to big business institutions in order that they may employ labor and get the money in circulation in that way?—A. Labor has already produced more than can be sold. Owing to the lack of purchasing power among the masses, we have underconsumption, not overproduction. Business institutions will not employ labor to produce an additional surplus. The next move toward prosperity will have to be made by the consumers. The farmers and wage earners are the principal consumers. The additional money we propose to place in circulation will cause commodity prices to rise which will enable farmers to purchase what they need, thereby creating an incentive for manufacturing industries to employ labor and produce more. The large manufacturing industries can get all the credit they want from the banking institutions when they have a real demand for goods, and unless there is a demand they will not use the credit, except to bolster up the financial position of the industry or to pay dividends.

25. Q. Will it wreck the country to make the payment now?—A. The payment can be made without a bond issue, without increasing taxes, without increasing our national indebtedness, and without unbalancing the Budget.

26. Q. What is your plan?—A. It is to have the Government convert the veterans' adjusted-service certificates—which are noncirculating Government obligations—into United States notes—Government circulating obligations.

27. Q. Will not that plan involve the issuance of "fiat" or "printing-press" money, and is it not likely to throw us off the gold standard?—A. No. "Fiat" money is money not redeemable or at parity with gold. It will no more be "fiat" or "printing-press" money than the United States notes, Federal reserve notes, or national currency now outstanding, which, together, represent about 90 per cent of our circulating medium at this time. We have in this country to-day more than 100 per cent gold to back up all paper money outstanding, much more than any other country on earth. A gold reserve of 40 per cent is considered ample. Bank deposits are backed by less than a 2 per cent reserve. The 40 per cent gold standard is not retarding our country; it is the treble gold standard forced upon us contrary to the policy of our Government. Since we have three times as much gold as we need to back our paper money, we can safely issue the amount of money necessary to pay the veterans in cash without affecting the gold standard. The gold standard act of November 14, 1900, directs the Secretary of the Treasury to keep all forms of money at parity with gold and authorizes him to issue 3 per cent gold bonds for this purpose.

28. Q. Is there a precedent for issuing such money?—A. Yes; the last night Congress was in session, July 16, 1932, a law was enacted, which was approved by the President, allowing national banks to deposit with the Secretary of the Treasury Government bonds to the amount of $1,000,000,000, drawing 3⅜ per cent interest, and receive in return therefor currency equal to the value of the bonds so deposited. The banks will get the use of the currency and also receive interest on the bonds deposited to secure the currency. The banks have been getting money from the Government in this way for the last 68 years—since 1864. The Glass-

Steagall bill contains the same principle we are endeavoring to invoke.

29. Q. Compare your plan with the plan used by the national banks to obtain money from the Government on Government obligations under the law passed on July 16, 1932.—A. In each case a Government obligation, payable in 1945 or in the future, is deposited with the Secretary of the Treasury to authorize the issuance of money—a circulating Government obligation. In neither case will the total indebtedness of the Nation be increased. In neither case will there be a specific gold reserve set aside as a fractional coverage to redeem the paper money. We have, however, sufficient idle gold to establish such a coverage and the gold parity act of March 14, 1900, in itself provides that all money issued is legally redeemable in gold. The Bureau of Engraving and Printing is running every working day and often overtime in order to print money to replace worn-out bills and new money for the national banks. The Bureau of Engraving and Printing has 4,500 employees and prints a billion new bills a year. The money to be issued to the veterans will be the same kind of money. If it is a fact that the paper money printed for the national banks is sound because it is secured by Government obligations, then the paper money to be issued to the veterans will be sound for the same reason. An unlimited amount of paper money can not be so issued on the security of Government obligations, but we know that an amount sufficient to pay the veterans' certificates can be safely issued on the security of bonds based on those certificates without the setting aside of a specific fractional coverage of gold with which to redeem it. So far as redemption in gold is concerned the paper money to be issued for the veterans is on a par with that which is now being issued in large amounts for the national banks. It costs the Government tens of millions of dollars a year to pay interest on the Government bonds which the national banks deposit to secure the paper money they obtain from the Government. The Government will not be required to pay any interest on the bonds deposited to secure the paper money which is to be issued for the veterans. This will save the Government millions of dollars annually. In addition, the people will have the use, in a circulating medium, of nearly $2,000,000,000 upon which they will not be obliged to pay interest. Three hundred and forty-six million dollars and more of the paper money which was issued during the War between the States is still outstanding, and no one has been paying interest on it. The fact that the people do not have to pay interest on that paper money has saved them an outlay through the years of over half a billion dollars.

30. Q. Why do banks object to the payment of the adjusted-service certificates in full now?—A. The reason is obvious. At this time, the banks are receiving interest from the veterans on their adjusted-service certificates. There is one bank in St. Paul, Minn., that has loaned an enormous sum of money on adjusted-service certificates. In fact, it has loaned a sufficient amount to enable the bank to construct two 30-story office buildings and pay for them with the annual interest installments that the veterans must make on their adjusted-service certificates, which the bank holds, between now and 1945. Many other banks are also profiting through these loans. Further, the banks do not want money put into circulation upon which no interest is being paid while it is outstanding. If the $2,200,000,000 are put into circulation like we propose, no one will be drawing interest on that money while it is outstanding. Whereas if the banks get new money from the Government in exchange for Government obligations and lend it to the people, some one is paying interest on every dollar of that money all the time that it is outstanding.

31. Q. Would paying the certificates in full now with new money help balance the Budget by eliminating the amount set aside annually to retire the certificates in 1945?—A. The country really needs this additional money in circulation, and I do not believe that it will ever have to be retired. As the country increases in wealth, population, and national income, the money should increase per capita. The country's wealth, population, and national income has increased the last one or two decades to the extent that more than $2,000,000,000 is needed in circulation and it will not have to be retired. That being true, Congress can eliminate from its annual budget the $112,000,000 payment each year, which now goes into a sinking fund to retire these certificates by 1945. However, if it is desired to continue this sinking fund and retire the certificates in 1945, the Government will not be required to expend one penny more between now and 1945 if the certificates are converted into new money as we propose. The only difference, after the conversion, will be that the money will be retired in 1945 and not continued as a part of the circulating medium.

32. Q. Texas is an average State. What is the per capita circulation of actual money in Texas at this time?—A. The latest State comptroller's report shows that all of the 1,200 State and national banks of Texas have in their vaults less than $28,000,000, which represents all the money in circulation in Texas except the amount in the tills and pockets of the people, which has been estimated by Mr. George W. Armstrong, of Fort Worth, to be about $3,000,000 or 50 cents per capita. Therefore, there is only about $5 of money per capita in circulation in the State of Texas. It is less than any civilized country in the world ever had before. This same per capita ratio prevails in practically all of the other States in the Union. It is absolutely impossible to restore prosperity without increasing the volume of money in circulation, and the bill to pay the veterans is the best measure yet proposed for that purpose.

33. Q. If the certificates are paid now, can the Government be saved annual expenses in administration of the act?—A. Yes; it is now costing the Government from a half million to three-quarters million dollars a year to administer the adjusted compensation act. If the certificates are paid now, this expense can be abolished, thereby saving the Government many millions of dollars between now and 1945.

34. Q. Is the Government now making a profit on the interest charged on adjusted-service-certificate loans?—A. Yes; the Government is borrowing all the money it wants for 13 to 20 cents per hundred dollars a year. The veterans are being charged compound interest at the rate of $3.50 per hundred dollars a year. They have been charged as high as 6 and 8 per cent interest, compounded annually.

35. Q. Were the veterans given free war-risk insurance?—A. No; but they carried war-risk insurance with the Government by paying premiums monthly out of their pay. The average premium was $6.60 a month, which was deducted from the soldier's $30 a month. Much of the Government's cost of veterans' relief at this time is on account of insurance benefits paid to veterans; a benefit that they are entitled to receive because they paid for it with their own money.

36. Q. Is it likely that $2,200,000,000 will be too much money to add to the circulating medium at this time?—A. President Hoover, in his speech of acceptance, stated that $1,000,000,000 in gold had been withdrawn in the preceding year by Europe, and $1,600,000,000 of currency had been hoarded. The money to pay the soldiers would not fully replace this sum or put our circulation to normal. The people owe debts aggregating $203,000,000,000; these debts will be made easier to pay.

37. Q. The charge is made that your proposal represents uncontrolled inflation. The argument is made that if the money is issued under your plan that there will be no way to control it in the event of inflation or danger of inflation. What is your answer to that charge?—A. The original bill, H. R. 1, as amended by H. R. 7726, did not contain a provision for controlling the expansion of the currency in the event the extra money placed into circulation should cause a fear of inflation. However, former United States Senator Robert L. Owen, a former national banker and coauthor of the Federal Reserve act, drafted an amendment for the Committee on Ways and Means, which was adopted by the House of Representatives, which provided that in the event there should be in the minds of the Federal Reserve Board danger of inflation at any time after the veterans' money was placed into circulation, that the Federal Reserve Board should have the right and authority to exchange Government bonds for any part of this money for the purpose of withdrawing and canceling it. This Owen proposal converted the bill into what was known as a controlled expansion measure and answered every objection urged by the anti-inflationists. It is not thought that the Federal Reserve Board will ever have occasion to exercise this power, but it is given to it in order that it may be exercised if needed.

38. Q. Where does the responsibility for the issuance of money rest?—A. Under our Federal Constitution sole authority and responsibility rests with the Congress; section 8, Article I, devoted to the duties of the Congress, reads in part: "To coin money and regulate the value thereof and of foreign coin."

39. Q. In what respect has the Congress departed from the above?—A. Under the Federal reserve laws the issuance of currency is delegated to privately owned, and with the exception of governmental supervision, privately controlled banks.

40. Q. Is such private ownership and control objectionable?—A. Yes; in violating both the letter and the spirit of the Constitution in creating an agency whose interests and profit incentives are at variance with the public's; in the unwarranted expansion of credit banks are permitted to create under the law, the chief source of all inflation and resulting deflation. This has been frequently pointed out by J. S. Cullinan, of Houston, Tex.

41. Q. Why is such expansion of credit undesirable?—A. In the unjustifiable amount of interest collected by the member banks, the law permitting them to extend credit and collect interest on $10 or more for each dollar of gold deposited with the reserve banks. In their control over the property or the securities placed with the member banks as security or collateral by borrowers, and the impossibility of all borrowers meeting their obligations or protecting such property or securities when, through lack of confidence or other causes, deflation of credit occurs.

42. Q. How can such conditions be prevented?—A. By restoring the control of the issuance of money, its expansion or contraction, to the Government, where, under our Constitution, it properly belongs.

43. Q. Should the basis of issuing money be changed?—A. Yes; the volume of money should be regulated to conform with national wealth which it represents and national income which as the medium of exchange it is designed to facilitate, in addition to the existing basis—population.

44. Q. Should the volume of credit that may now be issued by member banks under the law continue while the volume of currency is being increased?—A. No; as non-interest-bearing currency is being expanded to meet governmental and individual requirements, the privilege extended by Government to banks of issuing interest-bearing credit should be contracted.

WORLD'S GREATEST RACKET

The greatest racket in the world to-day is the abuse of Government credit by powerful bankers for the benefit of

themselves, common swindlers, and foreign countries, to the detriment and impoverishment of the American people, who build our country in time of peace and who save it in time of war.

Our country is being reduced to barter. Wooden money is even being used. A sufficient medium of exchange must be provided for the convenience of the people.

We need $2,000,000,000 more money in circulation. It can not be distributed in a better way than by means of the plan offered to pay the debt due the veterans.

HOW MUCH WILL EACH STATE RECEIVE AND HOW MUCH WILL IT COST THE TAXPAYERS OF EACH STATE

The following table in connection with the footnotes is self-explanatory:

(1) Residence of veterans	(2) Number holders certificates	(3) Remainder due on certificates	(4) Amount each State will contribute income taxes	(5) 98.66 per cent class taxpayers	(6) 50 per cent class taxpayers	(7) Per capita payment to each State
Alabama	49,391	$29,876,840	$7,879,584	2,103	13	$12.00
Arizona	10,555	7,411,302	3,104,598	742	21	17.00
Arkansas	42,576	25,373,058	1,722,844	964	3	13.68
California	194,607	136,500,005	118,502,272	28,509	487	17.50
Colorado	33,265	21,514,464	8,650,571	2,428	39	20.77
Connecticut	42,765	29,902,203	44,822,030	8,755	176	18.61
Delaware	4,743	3,918,525	20,550,199	1,366	88	16.44
District of Columbia	27,460	18,198,685	14,500,808	3,329	55	37.38
Florida	38,260	24,460,835	14,965,667	2,385	51	16.59
Georgia	56,882	35,151,645	7,384,686	2,601	26	12.10
Idaho	13,138	8,248,500	396,441	302	0	18.53
Illinois	245,990	157,543,750	214,678,847	35,722	843	20.60
Indiana	92,813	59,254,650	19,595,646	5,090	86	18.29
Iowa	77,498	46,574,480	12,059,120	2,893	25	18.85
Kansas	55,456	34,934,250	5,690,509	2,376	11	18.57
Kentucky	61,848	38,064,000	10,940,425	3,322	42	14.56
Louisiana	52,321	31,168,150	8,497,764	2,452	28	14.83
Maine	20,791	13,446,550	8,269,247	1,870	27	16.89
Maryland	46,918	31,140,525	31,285,998	6,999	106	19.09
Massachusetts	133,133	92,376,144	115,893,608	22,647	457	19.38
Michigan	130,120	85,407,400	98,166,018	14,998	400	17.64
Minnesota	83,049	53,105,260	23,134,650	5,125	119	20.67
Mississippi	35,736	21,456,974	1,481,582	796	3	10.68
Missouri	108,464	67,608,904	36,687,296	9,182	112	18.62
Montana	17,580	11,424,128	2,518,167	882	8	21.25
Nebraska	39,016	24,227,271	4,092,122	1,821	14	17.58
Nevada	2,978	1,988,889	926,686	227	4	21.84
New Hampshire	12,011	8,084,753	3,864,197	1,168	15	17.38
New Jersey	113,024	77,317,513	100,666,486	19,694	351	19.13
New Mexico	9,809	6,257,550	900,995	381	2	14.78
New York	366,236	245,948,177	876,117,477	97,361	3,665	19.19
North Carolina	62,106	38,794,117	11,740,282	2,154	51	12.24
North Dakota	15,705	9,738,745	405,214	350		14.30
Ohio	177,390	117,878,406	107,466,150	19,336	410	17.73
Oklahoma	65,231	39,815,376	12,508,548	3,674	40	16.62
Oregon	34,349	22,978,122	4,613,316	1,886	14	24.09
Pennsylvania	252,388	172,888,542	187,738,583	34,152	744	17.95
Rhode Island	20,186	13,731,012	15,701,416	3,104	68	19.97
South Carolina	34,710	21,349,617	1,380,259	776	2	12.28
South Dakota	23,054	13,074,391	623,742	393	1	18.87
Tennessee	57,231	36,318,844	10,910,778	3,003	33	13.80
Texas	144,453	95,655,800	27,939,818	8,010	83	16.42
Utah	13,969	8,930,767	2,124,928	852	9	17.58
Vermont	8,004	5,604,408	2,038,436	772	6	15.58
Virginia	61,300	41,006,200	8,553,428	2,709	28	16.93
Washington	54,666	37,874,647	18,661,965	3,021	36	24.22
West Virginia	42,004	25,976,846	5,666,395	2,006	24	15.02
Wisconsin	85,481	52,438,873	24,171,077	6,333	90	17.50
Wyoming	10,794	7,144,348	721,929	430	2	31.23

Column 1. Residence by States of all veterans holding adjusted-service certificates.
Column 2. Number of veterans in each State holding certificates.
Column 3. After deducting all prior loans, the amount remaining due veterans of each State if full-payment bill is passed by Congress.
Column 4. Total amount income-tax payers in each State will eventually contribute toward full payment if the money is raised through individual income taxes. Year 1928 used as a basis.
Column 5. Secretary Mellon, in his plea for a sales tax, disclosed that 380,000 persons in the United States pay 97 per cent of all individual income taxes. Investigation discloses that 382,121 persons pay 98.66 per cent of the total tax paid by individuals. This column shows the number of persons from each State in the class that pays 98.66 per cent.
Column 6. Residence of personal income-tax payers who have an annual income in excess of $150,000 and are in the class paying 50 per cent of the total individual income taxes.
Column 7. Full payment will average per person, or for every man, woman, and child, in the State according to the 1930 census. The approximate amount of money that will be put into circulation in any city, county, or locality may be arrived at by multiplying the population by the per capita payment for that State.

I compiled this table from information received from Government departments.

GREENBACKS

In the early part of the Civil War it was found that the gold and silver then in circulation was not enough to furnish the necessary currency to carry on the war to a successful finish.

Mr. Lincoln asked for $62,000,000 in [fiat] paper money known as greenbacks. This money was to be full legal tender for all debts, public and private. Both Houses passed the bill. It was signed by the President and became law. During the life of that issue it never went below par as compared to gold and silver, the then legal tender in the United States. From 1794 to 1873, when gold and silver were at a parity, at a ratio of 16 to 1, you could never except once buy silver enough with a gold dollar to make a silver dollar. In 1862 Mr. Lincoln asked for two hundred and fifty million more on the same conditions. This bill passed the lower House and was sent to the Senate. Then trouble began. Wall Street and the bankers all over the world discovered that if this bill became law it would lower the rate of interest on all gold and silver in the banks or put it out altogether. The bankers of the United States with the aid of the Rothschilds of Europe, set to work to have inserted in this bill what was afterwards known as the exception clause, which read: "Good for all debts, public and private, except duties on imports and interest on the public debt." This bill was passed and the money issued.

A large part of this money was paid to Union soldiers who soon learned that owing to this exception clause the dollar was worth only 40 to 50 cents as compared to gold and silver and even less as compared to the first issue of sixty-two millions. That is the story of greenbacks up to the end of the war. Then came reconstruction, and many unjust things were done, but nothing quite so wicked as the disposition of these greenbacks by the honest gentlemen who then represented the people of the United States and in whom they all had faith. It was at this point of the robbery of the people that the bankers got together to see what could be done to regain the confidence of the people so they could rob them again. So they decided to redeem these dollars in gold. This is how it was done.

After it was quite certain that at least two hundred millions of these dollars that had helped to win the war was in the hands of the bankers, Congress voted to allow the holders of this money to buy United States bonds and pay for them with these dollars at the face value (equal to gold). The next step, as soon as the bankers had these dollars bought at 40 cents safely on hand a law was passed to allow these bonds to be deposited in the Subtreasury and notes up to 90 per cent of the value of these bonds issued. This was not widely contested by the people, but it soon became known that these bankers were drawing interest on $190,000 with a $40,000 investment.

NATION'S TAX BILL

Much is being said about the Nation's tax bill being $14,000,000,000 annually. The impression is left that the United States Congress is appropriating that stupendous sum for veterans, Army and Navy, bureaus, commissions, and for other governmental purposes. The amount is really three or four billions less than $14,000,000,000. The Federal Government is expending about 30 per cent of the amount, which is collected principally from income-tax payments. The States, counties, and cities spend the remainder, a large part of it is going to bankers and other financiers for interest on credit extended for school, highway, and other public improvement purposes.

The following table compiled by the National Industrial Conference Board is illuminating:

Comparative tax costs amount in millions

	1921	1930
Federal	$4,905	$3,468
State	783	1,780
Local	3,150	5,018
Total	8,838	10,266

Since the State and local expenditures have increased so rapidly over this 10-year period, and since the Federal cost

has actually decreased, one would expect a committee that has for its purpose a reduction in expenditures to commence its work on State and local expenditures. But such is not the case. No suggestion has been made by this outlaw organization as to how to reduce any expenditure except Federal expenditures. The reason is obvious. State and local taxes are paid by the home and other property owners; the Federal taxes are collected principally from income-tax payers; 380,000 income-tax payers pay 97 per cent of all income taxes. A few large income-tax payers in New York State pay about one-third of the income tax paid to the Federal Government. Every time a dollar is saved in Federal expenditures, these few large income-tax payers will have a chance of saving one-third of a dollar. It is this group that is backing the National Economy League.

WHO WILL BENEFIT IF FEDERAL EXPENDITURES REDUCED

In order for the citizen who does not make sufficient profit to pay an income tax to be relieved of any tax burden by the National Government, it would be necessary for tariff duties to be lowered and the tax on tobacco reduced. Neither is hardly probable. In past years when the Government was collecting too much money, the reductions were not made in the tobacco tax or tariff duties but made in income taxes—the big fellows were taken care of. We can judge the future only by the past. No increase in either of these sources of revenue is probable as they are as high now as the traffic will bear. Out of $4,000,000,000 collected by the Government annually, normally about $2,500,000,000 are collected from the income tax. Therefore, in order for the people who do not pay an income tax to get the benefit of a tax reduction by the National Government, our expenses will have to be reduced more than $2,500,000,000 annually. That is not even possible. Our civil and miscellaneous expenses amount to a billion dollars a year, the Army and Navy $800,000,000 a year; and besides there are other large disbursements for the Indians, pensions, United States Veterans' Bureau, postal deficiencies, and interest on the public debt.

IS PRINCIPLE OR GREED PARAMOUNT?

The campaign to reduce expenses of the National Government is a laudable one. Every board, bureau, and commission that can be dispensed with should be abolished. Every penny should be saved that can be saved. Yet the campaign is backed by many (not all) selfish individuals who do not want to give up a fair proportion of their profits in order to help support deserving enterprises of the National Government. They talk about State rights, local self-government, and how unbecoming it is for the National Government and State governments to contribute equal amounts for road building, promotion of agriculture, and other worthy undertakings. They are not trying to get you to condemn 50-50 appropriations to help you but to help them. They want to be saved the tax burden which they must pay in proportion to net profits made.

WHY SHOULD NOT THOSE WHO PROFIT SO MUCH MAKE A CONTRIBUTION TO THE NATIONAL GOVERNMENT?

Our very rich, whose net incomes are from $100,000 a year to $50,000,000 a year, receive a large part of their incomes from the following sources:

First. Patent rights.

Second. Monopolies assisted, tolerated, or granted by Government.

Third. Violations antitrust or antimonopoly laws.

Fourth. Tariff protection.

The ones enjoying tariff protection and patent monopolies are receiving substantial benefits granted and conferred by the Government. Many of them refuse to pay labor a sufficient wage, desiring to keep more of the profits for themselves. They are receiving such enormous benefits from the Government, why should they not be compelled to contribute liberally to the support of the Government? Since the Government is tolerating violations of the antitrust laws to the extent that unconscionable profits are made by the violaters, certainly a portion of the profits should be taken for the Government. The holders of monopolies can not complain if a fair share of the net profits is taken for the support of the Government granting the privileges.

These classes are receiving more financial benefits from their Government than others are receiving. They constitute a special-privilege class. If the Government allows them to earn too much, they want to keep it; they are opposed to having the Government use their excess profits for the public good.

WILL INCOME TAXES BE PASSED BACK TO THE CONSUMERS?

No economist will contend that individual income taxes can be passed back to the consumers. If that were true, there would be no objection to such a tax from the taxpayers. All the earners of huge incomes are not so solicitous of the public welfare as they are their own welfare. The argument that the income tax should not be raised because it will be passed back to the people is usually colored with a strong solution of personal interest and sometimes greed. Income taxes are paid at the end of the year after the profits are made and based solely upon "net profit." Everything is taken from the consumers now that competition will permit or the traffic will bear. An increase in the income tax in the higher brackets will not cause an increase of price of any commodity.

SELFISHNESS

The veterans have been accused of being selfish because they want something for themselves. The same charge can be urged against large income-tax payers because they want to collect extortionate profits from the people in every State and keep them for themselves without having to contribute a share for the expense of the Government that protects them and permits them to make the profits. If the Government does not collect a large share of the net profits made by a privileged few, they would hoard the profits, wealth would be more concentrated, and the general welfare would not be helped. Whereas if the Government collects a large share from those making net incomes up to ten, fifteen, and thirty million dollars a year and pays this money out to people residing in every section, the money will not be hoarded, the wealth will not be further concentrated, and the money will go into the channels of trade and production and everybody will be helped.

The citizens who are paying the local and State taxes are paying very little of the expenses of the Federal Government. On the other hand, the Federal income tax, collected from a few and paid out to people residing in every section, makes money and credit more plentiful among consumers and consequently the State and local taxes will thereby be made easier to pay.

The additional money, equally distributed as proposed, will cause net incomes to be increased, which will enable the Government to receive considerably more Federal revenue.

GOVERNMENT'S EXPENDITURES FOR VETERANS

Much is being said about the percentage of the total Federal expenditures chargeable to veterans' benefits. Let us examine the percentage of expenditures for former years and we will find that the percentages run as follows: $19.32 in 1880, $32.96 in 1894, $33.34 in 1896, $17.66 in 1914, $18.61 in 1925, and $18.36 in 1930.

The appropriations made to the Veterans' Administration during the fiscal year 1932–33 are $53,405,119.76 less than the same appropriations the preceding year. It is charged that more than a billion dollars a year is being spent for the relief of World War veterans. Of course, we should not add up against World War veterans the amount paid on their adjusted-service certificates, because that represents an acknowledged debt for services rendered. Neither should be charge up against them the insurance benefits they are now receiving, which they paid for themselves when they were working for Uncle Sam at a dollar a day. Not counting these two items, the veterans of the World War are receiving much less than a half billion dollars a year from the United States Government. Benefits for veterans and expenditures for the Army and Navy will always constitute a large part of our Federal expenditures, because they are expenditures that should be made solely by the Federal Government.

VETERANS' ADMINISTRATION

A distribution of expenditures, by States, during the fiscal year 1932, showing the number of beneficiaries, as of June 30, 1932

State	Disability compensation		Disability allowance		Death compensation		Emergency officers' retirement pay		Military and naval insurance (term)		Adjusted-service and dependent pay	Adjusted-service certificates (matured by death)	Pensions		Veterans remaining in hospital from each State	Administration [1]	Hospital and domiciliary facilities and services	Total disbursements
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount			Number	Amount				
Alabama	6,310	$3,097,846	14,818	$2,462,345	2,271	$856,521	112	$207,731	2,766	$2,103,604	$84,080	$343,634	2,049	$964,236	832	$1,677,908	$1,008,971	$12,806,876
Arizona	3,024	2,845,448	1,919	425,088	424	185,367	94	157,699	819	625,563	11,306	124,023	839	396,617	613	1,796,954	256,838	6,824,903
Arkansas	6,520	3,581,597	14,567	2,600,048	1,543	596,270	99	186,532	2,186	1,661,525	53,271	334,354	4,625	2,533,627	544	1,300,669	127,597	12,975,490
California	24,167	15,313,232	17,558	3,693,991	4,526	1,773,577	817	1,468,762	7,154	5,710,436	95,969	1,432,614	29,293	14,002,703	3,024	5,977,899	240,666	49,699,849
Colorado	5,482	4,304,450	3,360	755,279	1,034	413,864	204	349,901	1,967	1,588,346	15,643	236,787	4,807	2,455,429	729	1,351,970		11,471,669
Connecticut	4,667	2,620,282	3,465	654,177	1,032	380,730	56	97,022	1,779	1,420,604	24,245	263,260	4,559	2,438,427	538	764,506	107,800	8,771,113
Delaware	336	180,473	443	75,236	148	57,982	10	17,741	198	154,701	5,076	47,555	939	539,246	49			1,078,010
District of Columbia	3,440	2,121,465	4,353	704,322	756	316,080	235	436,628	1,198	931,467	11,091	228,263	5,406	2,228,113	639	25,103,943	63,676	32,145,648
Florida	3,943	2,231,548	5,904	1,057,611	1,331	510,255	132	249,123	1,760	1,355,007	52,575	309,329	3,834	2,144,746	669	1,015,898	169,066	9,095,158
Georgia	7,194	4,311,342	15,767	2,655,616	2,550	968,668	225	389,541	3,218	2,366,107	103,362	539,737	2,894	954,295	949	1,904,803	234,058	14,517,529
Idaho	1,122	663,468	607	134,824	295	107,189	17	38,771	614	524,201	5,794	78,422	1,458	746,093	269	542,018	214,058	3,054,838
Illinois	16,800	9,246,337	16,236	3,422,045	4,539	1,711,317	344	613,807	8,324	6,865,309	125,940	1,654,229	29,285	16,380,420	3,641	6,990,182	5,126	47,023,712
Indiana	9,801	5,468,260	16,878	2,838,083	2,482	933,484	150	275,517	3,647	2,966,829	52,838	588,749	24,684	14,028,324	1,273	1,883,394	659,239	29,694,717
Iowa	4,984	2,529,239	7,775	1,280,928	1,479	539,259	46	76,498	3,582	3,114,459	29,446	334,826	13,825	8,051,203	536	1,086,379	216,638	17,258,875
Kansas	4,290	2,330,535	4,799	853,991	1,287	469,394	82	155,591	2,553	2,198,849	28,689	337,928	15,703	9,290,275	489	1,250,108	47,922	16,961,282
Kentucky	10,734	5,768,337	18,624	3,028,195	2,569	988,565	128	238,167	3,215	2,600,212	52,802	479,415	11,468	5,945,343	636	1,678,111	103,029	20,882,176
Louisiana	4,005	2,380,225	7,247	1,307,278	2,059	782,927	74	135,482	2,544	1,874,931	59,771	381,844	2,846	1,407,578	691	1,200,790	75	9,830,901
Maine	1,767	1,002,519	2,233	401,401	685	261,300	26	50,052	1,049	853,153	12,689	119,031	5,877	3,316,786	244	814,296	11,241	6,842,567
Maryland	4,096	2,746,902	3,762	707,984	1,324	504,204	127	222,603	2,126	1,627,836	34,515	365,834	4,955	2,565,598	520	1,884,899	134,012	10,794,447
Massachusetts	15,453	8,946,760	15,637	2,924,158	3,435	1,335,361	336	599,984	5,423	4,271,164	48,802	886,990	15,821	8,252,767	1,831	3,169,157	89,850	30,524,993
Michigan	10,252	5,206,862	10,795	2,134,011	2,564	956,118	111	203,106	4,583	3,833,112	98,004	788,026	17,018	9,371,583	1,325	1,416,446	241,780	24,249,048
Minnesota	9,775	5,843,355	4,805	993,705	1,847	695,160	126	227,872	4,123	3,514,913	30,619	417,898	7,037	3,782,480	1,028	2,030,796	17,525	17,554,323
Mississippi	5,119	2,775,527	18,238	3,075,824	1,669	628,235	71	120,673	2,090	1,560,104	60,317	206,603	1,912	1,117,135	448	1,040,437	870,441	10,955,296
Missouri	10,452	5,305,252	18,672	3,195,871	3,254	1,198,665	152	274,376	5,180	4,259,957	61,808	708,304	20,263	11,420,272	1,438	2,267,572	470	28,692,547
Montana	2,391	1,497,501	1,325	266,625	340	128,255	35	63,790	739	644,697	7,783	117,637	1,758	823,258	261	713,579	284,444	4,547,569
Nebraska	2,904	1,453,496	4,176	867,168	740	277,942	26	43,617	1,576	1,348,726	15,015	191,992	6,385	3,602,834	365	904,587	66,417	8,771,794
Nevada	346	193,313	410	74,896	44	16,733	10	13,804	95	75,639	960	36,254	242	104,904	51	47,084		563,577
New Hampshire	1,171	719,004	879	164,101	376	144,886	25	46,108	664	540,172	3,412	47,328	2,769	1,528,377	189	122,951		3,316,939
New Jersey	6,775	3,945,457	4,489	925,804	2,419	911,474	140	249,979	4,022	3,215,135	86,853	771,615	9,563	4,918,756	967	1,259,707	374,922	16,659,702
New Mexico	2,444	1,996,703	2,099	438,331	433	177,883	50	98,925	749	585,832	8,981	85,748	919	440,577	260	1,113,839	1,129,017	6,073,836
New York	26,638	15,585,278	16,041	3,573,823	8,450	3,136,605	480	864,013	13,998	11,231,415	244,021	2,551,144	34,156	18,753,705	3,707	6,738,613	1,737,212	64,415,829
North Carolina	5,710	3,551,312	5,579	1,041,937	2,167	823,884	113	199,668	3,176	2,477,707	82,925	457,885	2,551	1,113,608	714	1,777,379	251,026	11,777,332
North Dakota	1,546	893,134	1,192	228,230	336	120,649	12	25,415	880	781,417	13,425	88,711	947	479,933	153	311,114		2,942,029
Ohio	18,655	10,113,020	24,380	6,603,200	4,471	1,678,069	269	487,776	7,269	6,119,395	114,150	1,244,016	38,548	21,448,269	1,459	4,379,541	234,507	52,421,943
Oklahoma	7,285	3,725,534	11,362	2,045,324	1,838	701,116	62	113,589	2,794	2,343,629	54,256	350,655	6,376	3,549,039	628	1,365,290		14,148,432
Oregon	3,241	1,988,677	2,470	470,392	735	272,672	76	142,046	1,410	1,144,347	17,330	162,645	5,023	2,619,318	437	804,556	48,545	7,670,529
Pennsylvania	21,768	11,960,850	28,280	4,911,017	6,387	2,354,622	332	605,192	10,809	8,842,450	172,597	1,828,858	35,638	19,193,780	2,535	3,207,606	326,789	53,403,861
Rhode Island	1,736	955,475	3,783	649,753	434	165,836	13	23,475	709	579,215	8,343	113,860	2,246	1,167,605	283	208,831		3,872,393
South Carolina	3,184	1,740,311	9,046	1,593,412	1,660	631,074	80	145,971	2,153	1,575,952	49,882	341,978	1,271	520,995	529	454,904	690,122	7,744,601
South Dakota	1,987	1,018,308	1,427	269,221	366	138,876	14	28,673	915	812,209	8,274	104,969	2,200	1,188,880	216	662,489	67	4,229,966
Tennessee	7,426	4,323,561	11,397	2,131,478	2,727	1,058,533	95	178,755	3,485	2,737,439	63,186	465,558	8,072	4,178,736	715	2,260,143	407,893	17,825,282
Texas	12,767	7,372,935	15,711	2,698,753	3,974	1,510,290	294	519,360	6,278	5,008,696	140,314	983,793	6,016	2,753,898	1,685	1,916,585	1,457,548	24,362,172
Utah	1,225	666,440	741	141,943	329	124,907	8	13,207	559	481,301	5,700	82,354	1,330	537,947	104	148,019	459,239	2,661,057
Vermont	1,072	601,705	885	166,057	326	117,559	17	31,292	532	434,511	6,098	42,386	2,753	1,559,785	102	114,034		3,073,427
Virginia	4,981	3,106,226	3,960	860,130	2,132	793,392	126	217,202	3,136	2,508,575	52,821	499,512	4,946	2,178,663	1,529	1,626,819	25	11,843,365
Washington	4,271	2,570,761	2,834	600,924	1,115	411,691	105	176,724	1,991	1,649,711	23,515	336,402	6,738	3,498,197	793	1,582,091	133,471	10,983,487
West Virginia	3,970	2,109,509	4,822	876,194	1,285	485,549	60	108,503	1,858	1,543,110	30,343	248,696	4,967	2,669,977	456	374,043	704,610	9,150,534
Wisconsin	7,372	3,846,453	8,903	1,651,386	2,176	784,455	123	236,934	4,184	3,620,123	31,441	451,171	10,913	6,134,505	1,176	2,379,631	230,702	19,372,891
Wyoming	969	542,039	1,511	270,487	141	52,128	18	32,486	319	272,473	2,008	64,156	702	310,220	160	735,713	13,020	2,294,730
United States possessions and foreign	3,101	2,242,117	1,420	555,636	6,914	2,525,904	58	107,401	6,639	5,186,268	77,278	338,041	9,515	2,891,276	1,118	992,129		14,916,050
Total	328,658	189,540,380	407,584	75,458,233	97,448	36,715,575	6,415	11,553,144	153,017	123,740,593	2,480,264	23,215,621	437,941	232,509,428	43,567	104,360,412	12,875,744	812,449,394

[1] Administration includes all expenditures incident to the maintenance and operation of all field offices and hospitals, also burials and travel of the Veterans' Administration.

Appropriations made to the Veterans' Administration during the fiscal years 1931–1933

Purpose	Fiscal year 1931	Fiscal year 1932	Fiscal year 1933
World War:			
Military and naval compensation	$250,400,000.00	[1] $314,200,000.00	[1] $356,250,000.00
Disability compensation	179,411,600.00	190,075,573.00	203,689,169.00
Death compensation	30,924,400.00	36,821,251.00	37,581,685.00
Emergency officers' retirement pay	10,792,240.00	11,593,039.00	11,078,582.00
Disability allowance	29,271,760.00	75,684,637.00	103,875,064.00
Military and naval insurance	120,000,000.00	125,733,000.00	[2] 117,000,000.00
Adjusted-service certificate fund	224,000,000.00	200,000,000.00	100,000,000.00
Loans to veterans for transportation, 1933			100,000.00
Adjusted-service and dependent pay		3,925,000.00	
Hospital and domiciliary facilities and services	16,350,000.00		12,877,000.00
Administration, medical, hospital, and domiciliary services [3]	88,450,000.00	[4] 98,312,983.77	[4] 102,573,629.00
Printing and binding	180,000.00	182,000.00	150,000.00
Miscellaneous	61,442.68	3,074.99	310.00
Total World War	699,441,442.68	742,330,558.76	688,925,439.00
Other veterans' activities:			
Army and Navy pensions	234,178,764.72	232,571,235.28	225,850,000.00
War of 1812	5,386.11	3,953.71	3,614.00
Mexican War	344,711.14	326,297.44	258,147.00
Indian wars	4,530,188.19	4,576,769.33	4,596,499.00
Civil War	121,868,268.76	107,894,447.34	94,608,339.00
War with Spain	102,151,352.82	113,788,733.01	119,649,232.00
Regular Establishment	5,264,104.44	5,968,010.46	6,722,199.00
World War	14,753,26	13,023.99	11,970.00
State and Territorial homes	590,000.00	608,280.00	722,000.00
Administration, medical, hospital, and domiciliary services [3]	13,215,620.00	11,810,206.23	12,320,854.00
Miscellaneous	47,213.58		
Total other veterans' activities	248,031,598.00	245,079,721.51	238,892,854.00
Annuities to participants and beneficiaries in yellow fever experiments		25,500.00	25,500.00
Nonveteran activities:			
Civil service retirement and disability fund	20,850,000.00	20,850,000.00	20,850,000.00
Salaries and expenses employees' retirement act	110,000.00	105,517.00	105,517.00
Total nonveteran activities	20,960,000.00	20,955,517.00	20,955,517.00
Grand total	968,433,040.98	1,008,391,297.27	948,799,310.00

[1] Includes annuities to beneficiaries in yellow fever experiments.
[2] Deficiency appropriation anticipated under this item.
[3] Appropriations shown under "Administration, medical, hospital, and domiciliary services" include appropriations for expenditures incident to the maintenance and operation of the former Pension Bureau, Bureau of National Homes, all forms of hospitalization, regional offices, supply depots, and other offices or field stations under the jurisdiction of the Veterans' Administration.
[4] During the fiscal years 1932 and 1933, based on a comparison of the number of veterans affected, approximately 89 per cent of the administration appropriation will be required for the administration of benefits provided for the veterans of the World War.

Mr. GREENWOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, ladies, and gentlemen of the committee, I want to speak briefly this morning upon the question of balancing the Budget and some of the features or phases of the President's message. Let it be understood to begin with that I shall avoid partisan reference and partisan argument. The importance of balancing the Federal Budget, to my mind, is a vital question, to which all other questions before the Congress must yield. During the course of my remarks I want to emphasize just a few fundamental principles of economics applicable to the present situation. The question of balancing the Budget, to my mind, should not be approached with a view at all of increasing taxes, but we should provide some means during this session of bringing about an actual definite balance of available funds into the Treasury by the elimination of the expenses of the operation of the Government. Of course there is pending before the committees at this time, and there will doubtless be reported, a number of bills proposing the abolishment of bureaus and unnecessary activities of the Government. I would like to say that the Budget can be balanced without the levying of a single additional tax, although I shall vote for some measure that will bring to the Treasury additional revenues to be derived from the legalization of nonintoxicating beer and other beverages. With that exception of a taxing proposal, so far I am inclined against additional taxes being levied in order to balance the Budget, because I do not believe the American people are either in the humor to accept additional tax burdens or have the ability to meet them.

One of the things to which I want to call particular attention is the reference by the President in his message as found on page 6 relating to the banking system of the country. The object of the President's message seems to be a reorganization of our banking system, and perhaps he is right in the respect that some necessary changes may be needed with regard to the present banking system; but to my mind the inactivity or the management or the control of the banking system is the chief trouble, and not the system itself. I call attention to the words of the message, which I quote:

> The basis of every other and every further effort toward recovery is to reorganize at once our banking system. The shocks to our economic system have undoubtedly multiplied by the weakness of our financial system. I first called attention of the Congress in 1929 to this condition, and I have unceasingly recommended remedy since that time. The subject has been exhaustively investigated both by the committees of the Congress and the officers of the Federal reserve system.

He continues with the further suggestion:

> The banking and financial system is presumed—

and I call particular attention to the use of the word "presumed"—

> The banking and financial system is presumed to serve in furnishing the essential lubricant to the wheels of industry, agriculture, and commerce, that is, credit. Its diversion from proper use, its improper use, or its insufficiency instantly brings hardship and dislocation in economic life. As a system our banking has failed to meet this great emergency. It can be said without question of doubt that our losses and distress have been greatly augmented by its wholly inadequate organization. Its inability as a system to respond to our need is to-day a constant drain upon progress toward recovery.

I call attention now especially to the word "inability." The word "presumed" is used in connection with the ability of the banking system of the country to meet the demands of the day, taken together with the word "inability" as a system to respond to the needs of the country, are the two things I want to emphasize in the course of my remarks. It is not only presumed that the banking system of this country will meet the economic and industrial needs of the country but it is the obligation of the banking system to do it, and, to my mind, the banking system of this country is not unable to do it, and, therefore, I emphasize the word "inability."

I think it is more an unwillingness to do it, dut to a state of fear on the part of the banking institutions and to a lack of confidence as to where they can find satisfactory investments. In discussing particularly this feature of banking, I call attention to the fact that the ability of the country to finance any proposition is amply shown in the recent issue of Treasury certificates made this week by the United States Treasury. The day before yesterday the Treasury offered an issue of $250,000,000 of 1-year certificates bearing interest at the rate of three-fourths of 1 per cent. They were doubly oversubscribed within 24 hours after the issue was made and offered to investors. While that is not a large sum of money as compared with the Budget needs, it shows the capacity of this country to finance its needs, and when I take the bulletin from the National City Bank of New York for this month, which to my mind is one of the greatest single banking units in America, and call your attention to money and banking as discussed in this pamphlet, I think you will readily agree with me that it is not a question of necessarily reforming the banking system but more particularly the lack of the banking system to function properly. I believe there are adequate funds in the country with which to revive business, and as an evidence of that I quote from this bulletin issued by this great banking institution in New York. They say:

> Conditions in the money market have changed very little during the past month. Banks in the larger financial centers continue to have more funds than they know what to do with.

On November 23 weekly reporting member banks in leading cities held $500,000,000 of reserves in excess of legal requirements—

I want to call especial attention to "legal requirements"—

of which $285,000,000 was held by banks in New York City and $153,000,000 by banks in Chicago. These figures represent a new high level of surplus funds for this period.

If there are to-day $500,000,000 of excess funds in addition to legal requirements in the banks of two of our great cities, may we not conclude that upon that average there are to-day in the United States in banks in the great cities approximately two billion and perhaps three billion dollars of excess funds beyond legal requirements?

Take the city of Philadelphia, the city of Pittsburgh, and the city of San Francisco; undoubtedly those three cities would have as much surplus funds as the two cities of Chicago and New York. But this bulletin continues:

The surplus of funds in the cities is, of course, a reflection on the one hand of the existing unsatisfactory state of business, which makes it difficult for banks to find safe employment for their funds, and on the other of a variety of factors, including, first, a concentration of funds from the country.

Now, that is the one thing to my mind that is wrong with the system of financing the business needs of this country. You can take any man in any community to-day, with adequate security, with an A–1 moral standing, and let him go to his local bank in his home town, which has surplus funds, 25 per cent beyond legal requirements, and he can not get a dollar in the world on the best of security.

Mr. BUSBY. Will the gentleman yield right there?

Mr. MAY. I yield to the gentleman.

Mr. BUSBY. Does the gentleman regard a bank that has nothing more than credit entered on the books as possessing funds that are loanable on application of business men to that bank? To make my question a little more definite, perhaps all of the currency that is held in the banks throughout this country will not amount to more than $2,000,000,000 of issued and coined currency; and with that $2,000,000,000 of issued and coined currency they must meet all possible runs and all immediate demands. Whatever else the bank holds on its books is nothing more than credit deposited by you and me, and therefore they are dependent entirely on property and commodity values for their stability, and therefore are just as much static and unyielding as the price of wheat and corn and cotton to-day, or the price of any other commodity.

Mr. MAY. I would answer that by saying that when you take into consideration the fact that the business of this country so far as the passing of actual cash is less than 10 per cent of the entire volume of business and more than 90 per cent of it in securities or money representing securities, it does not require a large amount of actual cash to transact business, but the whole thing hinges upon the confidence of the public in the system of banking, and the attitude of the banks toward being afraid to make investments, with the further statement that in this counry we are, as a banking system, indulging in too much investment banking rather than commercial banking, and as between investment banking and commercial banking I mean this: Investment banking has reference to the investment of the surplus funds of the banks in fixed securities, such as Government, municipal, and other industrial investment stocks. Commercial banking, as contrasted with investment banking, means a banker will go across the street to a merchant who is engaged in the grocery business and who needs $5,000 of additional capital to meet the demands of his trade, and loan it to him and he makes it a rotating fund that comes back and comes back, and it is a liquid account in the bank.

Mr. BUSBY. I agree in part with the gentleman, about the question of investment banking being involved, but I would like to suggest that of the forty or fifty billion dollars of credits shown on the books of the banks, perhaps $30,000,000,000 constitute checking accounts, and the only thing that the banks have to meet those checking accounts is less than $2,000,000,000 of cash, and perhaps 8 or 10 per cent of paper that can be converted into cash within a short time. So the banks of this country, to my mind, are in the most precarious condition of any business institution that we are dealing with to-day, and that is a good reason why they will not make loans, for the reason that 50 per cent of the accounts on the books are usually checking accounts, and no bank can stand a continued run, a continued demand by its depositors for immediate cash payment.

It must call upon other banks; and if one bank can not stand it, two banks can not stand it; and the reason we have lost 10,000 banks in this country in the last seven or eight years is because of the unsound basis on which they are founded, which is commodity values that will not yield in times like this.

Mr. MAY. My idea is that the commodity values will be controlled largely by the amount of money available for working capital.

Mr. BUSBY. To make that plainer, I mean by "commodity values" property values also, which really form the basis for the credit extended by the banks. Houses, lands, farms, buildings, every other kind of property that was at one time worth while as a security, is not good any more, as the gentleman has just observed, because of the lack of financial confidence. It is not confidence in men; but it is a lack of belief in the buying power of the people.

Mr. MAY. There are two things that can not be cured by legislation and that can not be changed. One is the law of supply and demand, and the second is the fact that the prosperity of this country must depend and always will depend on the purchasing power of its people.

Now, with those two things in mind, I would like to make a further observation that all our efforts in the last session of this Congress to relieve the country of its business depression were largely futile for the reason that, although we created the Reconstruction Finance Corporation, the administration of that corporation, as well as the administration of the Federal reserve banks, largely forgot the basic chief industry of this land—that is, the farming industry. That is shown by the last published report of the Reconstruction Finance Corporation, which shows that out of $1,054,814,486.39 embraced in 5,084 loans, mortgage-loan companies, joint-stock land banks, livestock credit corporations, and agricultural credit corporations received only $81,187,029.12 of that gigantic sum of money. In addition to that, only $8,000,000 of this $81,000,000, or approximately $8,000,000, was loaned to actual agricultural institutions. So, when you consider that with more than $600,000,000 loaned to banks, and that those loans were used for the purpose of retiring existing obligations, and such a small amount of money loaned to agricultural institutions or institutions designed to finance agriculture, we can readily understand why it is that the farmer is paralyzed in his business, and that he can not meet his obligations.

But we have got to do something in this Congress that will facilitate the matter of providing a market for the products of the farmers. I have often heard it said here that we have a vast surplus of products of the farms. I will admit that. Our warehouses are full, and I will admit that our granaries are burdened and overloaded; but I assert here that it is not necessarily a question of overproduction. It is a question of underconsumption, the lack of the ability of the people to buy the products of the farm and consume them, that has shackled the farmer, "the forgotten man," to a cruel fate.

The 11,000,000 of idle men in this country who continue to stay idle and have been idle for almost two years is one of the prime factors. If we can give employment to these men and enable them to become purchasers and consumers, then we will have balanced the Budget quickly, because it will bring the farmer's products up to a price level at which he can afford to market them; and when he finds a market for his products, he has gold in his warehouses, or the thing that represents gold, and he will at once liquidate his frozen assets in the bank and enable the bank to continue loans to commercial enterprise and for investment purposes.

I believe our problem is one not necessarily of tinkering——

[Here the gavel fell.]

Mr. MAY. I was just about to discuss the question of interfering with the money system of the country; which I think would be unwise at this time, but, Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Chairman, there seems to be a prevailing general feeling among many Members of the Congress that due to unprecedented economic conditions existing not only throughout this country but in many parts of the world we should do something radical, such as remonetize silver or go off the gold standard. While I frankly admit that we are living in unprecedented times and economic conditions are unparalleled in the recollection of any of us, I have always believed that when the storm is most terrific and dangerous is the time above all others when we should have clear heads, sober judgment, and unfailing courage of conviction.

Now is the time above all others to test our patriotism. We should, and I doubt not we will, put through legislation in this session of Congress that will greatly facilitate and aid in the general recovery of the country by which many of the sources of revenue that have become depleted will be replenished. The enactment of a sane and sound law to permit the manufacture, distribution, and sale of the palatable, nonintoxicating beer and other nonintoxicating beverages will not only bring a substantial amount of much-needed revenue to the Treasury, but it will give employment to hundreds of thousands of idle men and women and put into the marts of trade multiplied millions of idle and nonproductive dollars. This is the first step toward balancing the Budget. This is the one method by which, through the instrumentalities of legislation, we can levy a tax that will not be a nuisance tax. It will be a tax easily and economically collected; one we can get and make the taxpayer like it. It will be a painless tax with a flavor to it. I favor making the tax on beer and light wines reasonable and fair so that it will yield more revenue than a prohibitive tax, as has been our experience with the raising of postage stamps from 2 cents to 3 cents which produced less, and not more, revenue.

Speaking of idle and nonproductive dollars, it is my conviction that the hoarded dollar is one of the greatest if not the greatest source of our economic troubles. At this time I wish to insert in my remarks an article carried in the magazines of the country under the heading "Doles for Dollars"—

Consider the plight of the unemployed dollar. It may make less human appeal because dollars are canibalistic and can live on themselves a long while. But it is quite as important in the present situation as that of unemployed labor and looms as large in the problem of business recovery. It is only the other side of the shield.

The number of dollars at work in this country to-day, those with regular jobs in a bank loan or investment, are about $15,000,000,000 less than in 1929. We call that deflation. On the average, $1,500 means 1 man working one year, and there are 10,000,000 less men working than in 1929. We call that unemployment. The two things are the same thing, and must be considered together and at the same time. To make jobs for men you must make jobs for money.

Just now dollars by the billion are on the bread line in every financial center in the world, just as men by the million are idle in industrial centers. In the Federal reserve banks alone there are half a billion of them, called excess reserves, getting a free lodging for the night and not doing a lick of work or earning their keep; and for every one of them there are 10 loafing among the ledgers and idling amid the adding machines of the member banks.

Most of these dollars are living on a hand-out. The banks can not afford to pay them much because no jobs can be found for them at the old rates, and it is likely their dole will be cut down some more shortly. The Government is providing practically all the jobs there are, conscripting them through successive Treasury security issues, putting them to work in various ways—melting the ice off frozen assets, working on the railroads keeping rust and receivers away, and doing other desirable odd jobs. But even so, there is such a surplus that for every job offered by Uncle Sam a dozen apply, and the unsuccessful applicants are compelled to panhandle temporary sustenance at one-half of 1 per cent in the call-money market.

What's the matter with the poor simoleons? Hardly malnutrition or anemia. Every dollar has gained in weight about 50 per cent since 1929 and could do half again as much work in any line. Foreign competition is hardly a factor, since money's wages abroad are still higher than here, and immigrants are coming in only for a short stay. Foreign dollars have too much wanderlust to be hired for long jobs.

It is true that many of them are unemployables. They have become lazy, stupid, or sulky and have lost a good deal of the initiative and venturesome spirit that their fathers had. Some of them have been sleeping too long in safe-deposit boxes—hibernating-bear dollars. Most of them refuse to accept wage reductions or to take any permanent jobs except at impossible prices and with all sorts of guaranties. The spread-work idea at lower wages doesn't appeal to them, though their keepers preach it for unemployed labor. They had rather take a Government dole than regular employment at some productive work with a future. All of them expect unemployment insurance.

But their employers are also partly to blame for this demoralization of the dollar. Many of them are carrying inefficient, high-cost, superannuated dollars on their pay roll and wondering why they have to spend all their profits on red ink. These old dollars should have been retired on a pension before they petrified into obsolete equipment, plant facilities, and distributive machinery which are eating the employers out of house and home. Throughout industry there is opportunity and need to put new dollars—the big fat dollars of 1932—to work doing man-size jobs and earning their board turning out products at lower cost, improving processes, developing new products, expanding and rejuvenating sales and advertising effort. Why pay doles to idle dollars any more than to idle men when there is work in the world to be done?

This article expresses entirely, to my notion, the basis of most of our economic troubles. Put these idle, loafing, rusting dollars to work and distribute their wages in dividends to our 11,000,000 idle toilers and the wheels of prosperity and progress will begin to turn; you will see industry and activity supplant and take the place of idleness, and our sick patient will gradually recover from a most vicious case of paralysis.

How shall we do it? The answer to this question is easy, inasmuch as everyone knows that the present value of our gold dollar, as compared with the average price of other commodities, is at least 2, 3, or 4 to 1, and I say "other commodities" because gold is nothing more nor less than a commodity; it is the one product that has been singled out for favoritism by governments; it is the standard of value in the United States, England, and other countries, and we must do something to bring the value of our gold dollar to an equal parity with the value of the commodities of farmers and factories of this country; and when we do that, our commerce and industries, including our agricultural interests, will emerge from the wilderness of despair and come again into their own. It is my notion that there is not so much trouble with our present monetary system or our banking system as there is in its methods of functioning. It has been the boast of the Democratic Party and the pride of the illustrious authors of the Federal reserve banking system that it was the only means by which the American Government was enabled to finance and carry to a successful and triumphant conclusion the great World War, and no doubt that is true. And I maintain that if the Federal reserve system, then in its infancy, was able to finance the most colossal undertaking in world history, it certainly at this time, after years of strengthening its reserves and gaining new avenues of business, should be able to finance commerce and industry in our own country through a period of panic and depression such as we now have. Instead of resorting to such drastic measures as the remonetization of silver or going off the gold standard as some would do, why not liberalize the rediscount privileges of the Federal reserve banks, and instead of allowing them to hoard their idle dollars reported in vast surplus, require them by legislative mandate to make eligible for rediscount a large amount of other bankable commercial paper. For instance, the notes, drafts, and bills of exchange of substantial finance and credit companies should be made eligible for rediscount by amendment to section 13 of the present Federal reserve law.

There is pending in the House a bill by Representative AYRES, No. 12313, and one in the Senate, No. 4550, by Senator SHEPPARD, seeking to make eligible for discount at the Federal

reserve banks the notes, drafts, and bills of exchange of finance and credit companies for the purchase of obligations or evidences of indebtedness created in the marketing of goods on a deferred-payment plan, or for the purchase of goods for resale, or for the purchase of obligations or evidences of indebtedness given for the purchase of goods for resale, or for the purchase of accounts receivable growing out of the sale of goods, and it is my judgment that the thought expressed in these two bills is a step in the right direction, and some such legislation with proper safeguards as to the amount of indebtedness which may be incurred or as to the percentage of value involved would doubtless add billions of dollars to the circulation of money in this country. To my mind we should give these measures careful consideration with a view to enacting ultimately a proper measure.

This will help greatly, but there is still another feature to the possibility of a sane and sound system of inflation that may be accomplished through the Federal reserve system and the member banks thereof by making State and municipal first mortgage bonds the basis of issue of Federal reserve notes, with proper restrictions and limitations as to the amount of currency that may be issued upon the basis of first class marketable, negotiable bond issues of States and municipalities. Why not extend the privilege of issuing Federal reserve notes against State and municipal bonds secured by the power in States and municipalities to levy revenue for their retirement, just as we authorize the issue of currency based upon United States Government securities? This suggestion I think worthy of some consideration by our Banking and Currency Committee.

I have often remarked, and in some of my public utterances I have said that to my mind the Federal reserve law, when patriotically administered in the spirit and purpose for which it was intended by its authors, is the greatest law ever enacted on the subject of finance in any land, but by maladministration of it, it is possibly the source of the greatest danger imaginable to our country. Upon the floor of this House in the very beginning days of this session I have heard it referred to by able and distinguished statesmen as the archcriminal of the ages. That is rather a harsh criticism, but doubtless there is much merit in the claim that the system is not being properly administered. I am assuming in the face of the statement that I am about to make that the present management and control of the Federal reserve system is made up of honest and capable men, but I charge that they belong to that class of bankers that have the wrong conception of the function of the institution which they control; they are the Alexander Hamilton type of banker that believes in the centralization of all wealth in the hands of a few with the hope and expectation that from a great reservoir built up by a system of hoarding and manipulation there shall trickle down to the masses a few of the shekels. My hope is that when the new administration takes charge of the administration of the Government within the next few months, that it will see to it that bankers, who know that the American dollar consists of 100 cents and that a yardstick is but 36 inches in length and that the prosperity of this country depends upon the purchasing power of the masses of the people instead of the hoarded wealth of the powerful few, are placed in charge of the administration of this great banking system.

When that is done we will quickly emerge from our difficulties, economic and financial, and we shall rejoice in the return of a new day. Governor Roosevelt's "new deal" will become a happy realization; our farmers will again sing the songs of gladness and contentment; the "forgotten man" will break the shackles that now hang like a heavy weight upon his tired limbs; the idle factories will start and their silent whistles will again call the multiplied millions of idle Americans to employment and an honest return for their toil; the factories and mills will resume operations, and there will be need for coal, the great steam producer, and our coal mines will resume operations and multiplied thousands of idle miners will find steady employment, and with the channels of trade and commerce open again the untold millions of idle, fugitive dollars will emerge from their hiding places to produce business and commerce from which will come the taxes to balance permanently our National, State, and municipal budgets. So, my colleagues, I appeal to you that we substitute for our partisanship our patriotism, and with a unity of purpose we carry quickly into execution a legislative program that shall balance our Budget.

Still a better way to aid in balancing the Budget is a drastic reduction in operating expenses of the Government. For the last two decades our Uncle Sam has been the world's most noted prodigal. He has grown from a modest business man to the world's greatest bureaucrat, and for these last decades he has been a world-wide prodigal and has now come to the unhappy situation of living upon the "husks that the swine did eat." Before he can return to his father's house he must repent, get down in "sackcloth and ashes," and practice some of Ben Franklin's simple ideas of economy. He must not merely stop his practice of creating bureaus and commissions, but he must abolish a large number of them and eliminate unnecessary and wasteful practices and cease his mad orgy of extravagance and riotous living.

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from Illinois [Mr. SABATH] 15 minutes.

Mr. SABATH. Mr. Chairman, I must compliment the gentleman from Kentucky [Mr. MAY] and the gentleman from Mississippi [Mr. BUSBY] upon their views and knowledge of conditions. I am indeed pleased that to-day these gentlemen, as well as the gentleman from Texas [Mr. PATMAN], unlike the President in his recent message, have dwelt upon matters that are of real importance to the Nation. The President in his message endeavored to place the responsibility for our financial ills upon our banking system, and yet, tried to absolve the very men who control the system. We know that it is not the system that is at fault, but the men behind the system who are responsible for its breakdown.

I recall that many years ago, when we passed the Federal reserve act, the country was indeed gratified that a real constructive piece of legislation had been enacted that would curtail the power of Wall Street and would prevent panics. Then, every honest student, every economist, believed it was legislation in the right direction. And it was, that is, up to the time these very gentlemen, these bankers, whom the President is trying to absolve, first secured control. Since then, after having observed what was done by these men to an excellent system, I and others have come to the conclusion that, if the right men are not selected to administer the law, it does not matter what is done by Congress or what beneficial legislation we enact to aid the Nation, for nothing will come of it.

It is to be regretted that the avaricious and vicious influences of Wall Street have been able to control the activities of the Reconstruction Finance Corporation. I am sure that if the board had been permitted to carry out the intent of Congress much could have been accomplished, and that is true of the Farm Board and the home-loan bank system as well. It is these men and these influences that have destroyed the Federal reserve system.

It has been clearly demonstrated that it is not the system, but these avaricious Wall Street bankers who are at fault, for as soon as they had mastered the intricacies of the Federal reserve act that legislation and that aim of Congress from that moment were made subservient to their dictates and utilized to their advantage, contrary to the aims and hopes of its proponents and its advocates.

I recollect that in 1920, shortly after the war, certain unscrupulous gentlemen started to acquire a monopoly and control, not only of our agricultural products but of all other products, and then started to increase the prices of them by manipulation and gambling processes, so that the value of these products was raised 200 and 300 per cent.

At that time the Democratic administration, realizing its duty to the country, thought that such manipulation should not be permitted and should cease. A request was made to the Federal Reserve Board to withhold loans for speculative

and gambling purposes. If Governor Harding, who was then in control, had taken heed or advice and followed the request that was made of him, I am satisfied that the conditions that developed in 1921 could have been avoided. These very gentlemen who acquired control of the Federal reserve banking system started to withdraw credit from legitimate business instead of from the gambling and profiteering coterie of men who were enriching themselves at the expense and misfortune of the American people and who brought about the panic of 1921.

I maintained then that these men and these officers of the Federal Reserve Board were guilty of playing into the hands of these speculators, as well as of the big bankers, who fleeced the legitimate business of the Nation of millions and millions of dollars. I am confident that if a real investigation could have been had, it could have been proved that all of the largest bankers in the United States were aided by the officers of the Federal reserve system in the most vicious, nefarious, and usurious practices known in the country up to that time.

I hoped then that similar conditions would not occur or be permitted again in the future; but as the years went by I observed that this Federal Reserve Board continually cooperated with, and still cooperates with, that gambling element, that group of big financiers who, though pretending to be commercial bankers, have turned out to be investment brokers and stock manipulators.

For years I have realized, and the President should have realized—yes, should have known—that the influences and the big bankers controlling the outstanding banks of the United States must be curbed and their power curtailed if ever we expect to attain freedom in legislation, reestablish credit for legitimate business, and bring about the circulation of the currency or money that is required.

I fully agree with the gentleman from Texas [Mr. PATMAN] and others that we must restrict these money lords from financial domination of the Nation. The only way that this can be done—and should be done—has been thoroughly explained on many occasions, not only by me but by many of the outstanding and uncontrolled financial experts and by many Members of this House who have devoted years of study to this all-important question. Not until this is done can credit and confidence in the financial world be reestablished and can we expect an improvement in the unprecedented crisis.

The people of America are extremely tolerant and gluttons for punishment, but they will not permit millions of the country's citizens to depend on charity and be in want and misery forever.

Furthermore, Mr. Chairman, how long can we, the richest Nation in the world—how long can the States, municipalities, and other agencies of government continue to expend millions upon millions of dollars to feed the 15,000,000 unfortunates and their families who have been out of employment for over two years and who would prefer work to charity? I insist that it can not continue much longer; work must be provided for the unemployed and business reestablished; and to do this more currency, confidence, and credit are required.

Unfortunately for the country, the only concern these bankers display is concern for the high dollar, which they control, but which is out of reach for the business men, as well as the wage earners. What we should be concerned with is more dollars, so that people will have a chance and an opportunity to obtain a few of them, or, in other words, we must reestablish purchasing power before business can be resumed and unemployment eliminated. This can be done by increasing our currency, under and within the law, without our going off the sacred (to the banking oligarchy) gold standard.

No doubt, the relief proposed for the farmers by the farm group will, in a measure, aid; but I still insist and maintain that so long as the prices of commodities can be manipulated and held down by the vicious practice of short selling there can be no real relief forthcoming. And what applies to the manipulation of prices of commodities applies also to the vicious manipulation and short selling of stocks and securities on the stock exchanges.

I reiterate, so long as the few professional stock-exchange manipulators will continue with their infamous practice of short selling—selling something that they do not possess—no confidence can be reestablished, because the few people who have succeeded in holding on to a portion of their savings will not reinvest until they can be assured that their investment will not be destroyed over night.

Though this is a short session, I feel we should find time to enact some legislation to relieve the conditions, and we should not delay and wait until the new administration will assume control. Conditions, from day to day, are growing worse, and will continue to grow worse unless we act.

During the years of 1926, 1927, and 1928, they used the money of their depositors for dishonest stock manipulation, inflation, and gambling purposes. In fact, so much so that in 1929 we found that, through the aid, assistance, and administration of the Federal reserve, these bankers had advanced to Wall Street, for gambling purposes, eight and a half billion dollars in form of call money. To enable them to do this they started to withdraw credit from legitimate business.

The uncontrolled economists realized that by the use of such tremendous sums of money for gambling purposes and by withdrawing such credit from legitimate trade and business, conditions would be created that would be detrimental and destructive to the commerce of the Nation; but, notwithstanding that attention was called to the danger, the Federal reserve officials failed to act, and continued until late in 1929 to sanction—yes, augment—these large loans for gambling purposes, and did nothing to minimize the tremendous withdrawal of credit needed for legitimate purposes.

To my mind this was responsible for the crash. This was responsible for the criminal inflation. This was responsible for the unloading upon the masses of the people of America millions upon millions of shares of worthless stock. It was responsible for the withdrawal of money from circulation, not only from individuals but also from the smaller banks throughout the United States.

Naturally, when the money was withdrawn from the people and from legitimate business and used for gambling purposes business suffered. I maintained then, and I maintain now, that the action of those in aiding and assisting in this orgy of speculation, as was done by the administration, has been responsible for the greatest crime in the history of our country—a crime that brought destruction to millions and millions of people; that brought bankruptcy to over 4,000 banks and thousands upon thousands of commercial houses; that deprived widows and orphans of their savings; and that brought about the suicide of at least 30,000 of outstanding American citizens. And yet nothing has been done to prevent a similar occurrence in the future.

The banking system, as the President states, is responsible; but I repeat again the system itself means nothing. It is the same as a corporation. It is a being without a soul. The responsibility lies with the big bankers, with these Wall Street manipulators, who were in control of and responsible for the system, and I believe the Government should be strong enough and powerful enough to prevent such a recurrence in the future. We must prevent this in the future, and we can prevent it.

Mr. Chairman, ever since the crash in 1929 these big financiers, manipulators, and their highly paid publicists have been trying to place the responsibility for the crash and the ensuing panic upon Congress, charging that there has been too much governmental interference with business and that it is responsible for existing conditions. Who has been making these charges? The very men who have been responsible for the present conditions.

Mr. Chairman, you know that for the last 12 years, under the Republican administrations of Harding, Coolidge, and Hoover, there was no interference with our business giants. If anything, these administrations have aided the system. They helped to develop it, and they are responsible for it.

Notwithstanding this fact, these men are endeavoring to mislead the American people and place the responsibility upon the Government, when they themselves brought about these conditions and were the cause of them. [Applause.]

President Hoover's statements during October and even November of this year, that employment is increasing, is not borne out; on the contrary, unemployment, want, and misery are increasing. To-day's statement by the Standard Statistics Co. in regard to the decrease in corporation income for 1932 is very illuminating:

CORPORATION INCOME DROPS 79.8 PER CENT

Net income of 390 important corporations for the first nine months of 1932 aggregated $159,916,000, a decline of 79.8 per cent from the corresponding period of the preceding year, according to the Standard Statistics Co., of New York.

Profits of industrial companies dropped 99.4 per cent, and a net deficit was averted by the slim margin of $2,269,000. Sixty railroads registered a net deficit of $133,135,000, against an aggregate profit of $67,070,000 last year.

Thirty-two utilities, on the other hand, showed the relatively moderate decline of 15.6 per cent, to $290,782,000.

Is it not high time, then, that these great financial leaders take heed, if not for the country's sake, then for their own sake, and aid instead of retard legislation that will make possible the resumption of employment and business of this Nation?

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. McKEOWN] 20 minutes.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I have just returned after a very strenuous time at home, and during the time I was there it came to my attention that the newspapers of this country are or have been engaged in a campaign of ridiculing the Congress of the United States. They have indulged in the practice of placing the whole Congress in the eyes of the people as a lot of insincere men, idling their time away in Washington.

The viciousness of that thing is this: Whenever the great press of this country undermines the confidence of the American people in the sincerity of the Members of the House of Representatives and the other body, that day they are going to pull down on themselves the structure of this Republic, because the confidence of the people in their Representatives in Washington is one of the things that holds this country together.

But I did not rise, however, to talk about that. I rose to discuss that which in my judgment—and in the judgment of many of the financiers, to which group I do not belong—is the most important problem before the American people to-day, and that is the farm-mortgage problem as it exists to-day in America.

The farmers on all sides are in distress for the reason that the crops and prices are insufficient to pay their taxes or to meet the interest on their mortgages.

Now, I want to call your attention to some striking facts. The farms in 1930, the value of the land, was $34,929,844,584. The buildings were valued at $12,949,943,334.

Dwelling houses alone on these farms had a value in 1930 of $7,083,572,150.

The average acreage of the farms in 1930 was 156.9. The average farm in the United States under the 1925 census was 145.1. The average farm in the 1920 census was 148.2.

Now, this increase in size of the average acreage in 1930 as compared with that of 1925 is significant. Why that increase? Evidently because the prices of farm products were descending to the point where it was necessary to produce more crops in order to get more money, and that is the underlying cause of the surplus. It is due to the low value of the market prices, because the farmers had to meet certain obligations and they increased their acreage and their crops.

The average value of a farm in 1930, including land and buildings, was $7,614. The average value of a farm, including land and buildings, in 1925 was $7,764. The average value of a farm, including land and buildings, in 1920 was $10,284.

Now, the average value of an acre of land, including the buildings, is $48.52. In 1925 it was $58.52; in 1920 it was $69.38.

Now, listen to this. The acreage of crops planted in 1930 was 413,235,890. There were more lands planted to crops in 1930 than were planted in 1925. In 1925 the acreage of the crops planted was 391,450,902.

There was an increase between 1925 and 1930 of 21,884,988 acres, and this, as I said a while ago, was due to the fact that the farmer in his efforts to meet his taxes and make a living increased his crop acres because his products were selling at a lower price.

Let us see about owner-operated farms. In 1930 owners operated 3,563,394 farms, while tenants operated 2,664,365 farms. In 1925 the owners operated 3,925,090, and the tenants 2,454,804. Within the space of five years 209,561 more acres were worked by tenants than were worked by owners. The owners worked 356,616 acres less. Now note the remarkable shrinkage in the value of owner-operated lands in the five years. The value of owner-operated lands in 1925 was $89,064,222,907, and in 1930 there was a shrinkage of $10,604,419,610 in the value of owner-operated lands, a sum large enough to pay the entire mortgage debt on farm lands in the United States. And yet we have not done anything about it.

I heard two of the great leaders in this country discussing this question the other day and they both agreed that the most important matter to America's financial recovery is the solving of the farm-mortgage condition in this country. We Members of Congress enacted at the last session legislation to liberalize through the Federal land banks the situation in respect to the farmers—and what took place? Whereas Congress intended to help the farmer, the way the men who operated the Federal land banks did the thing was to help the bondholders of these banks and not the farmer. They refuse to carry out the mandate of Congress. I went home and was attacked in respect to what I had done in Washington. That is the cry in a campaign. The opposite fellow gets up and says, "What has he done? He has been up there some time and what has he done?" In answer to that question on one occasion I said that we had authorized a loan of $60,000,000 to the farmers of this country to make crops in 1932.

When I got through with my talk, a crowd of farmers just overwhelmed me at the bottom of the stand and said, "Where is it? We have never heard of it. We have not been able to get it. We tried to get it, but they had a bankers' committee set up at the county seat, and they would not let us have a dollar." That is what has been the matter. They have not administered the law according to the intent of Congress. What did the Federal land banks do? I tried to pass a moratorium and I was told it was unconstitutional, but it was defeated by 27 votes in this House, and they said they were going to have a sympathetic administration of the law and here is how it worked out. Every farmer who was owing the bank, who had not paid his last installment, was notified that if he did not pay he was going to be foreclosed, and he would write in and say that he wanted to pay, and they said they were going to foreclose.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. WOODRUFF. If my memory serves me correctly, this Congress appropriated a certain amount of money for the Federal land banks to enable them to tide over these worthy farmers who could not pay their regular installment.

Mr. McKEOWN. Yes.

Mr. WOODRUFF. How has it operated?

Mr. McKEOWN. I am telling how it has operated. They notify these farmers that are in default to come in and pay; but that is not the worst of it. Here is the viciousness of the whole situation.

I have been advised that they will go into a county where the farmers are delinquent, and some of them have ex-

cellent farms, and they will go around to some other man and say, "Would you like to buy this particular farm of so and so?" He would reply, yes, that he would like to do it if he could get it at a right price. Then they go and sell this man's farm over here for less than he owes on it and take it over and put him off the farm.

Mr. WOODRUFF. If the gentleman has any such cases in mind, let us have the facts in connection with them. If he has any such, I wish he would put them in the CONGRESSIONAL RECORD, because if the business of that institution is being handled in that way by the Federal land bank officials that particular organization ought to be put out of business.

Mr. McKEOWN. I agree with the gentleman, and I can give him information as to some of them, and if you will send out an investigating committee to investigate and not to dine I think you will find several.

Mr. MAY. If the gentleman from Michigan will read the Saturday Evening Post of some issue of last month, I think he will find an article of four or five pages giving the details of just that sort of thing.

Mr. McKEOWN. I think it was in Collier's Weekly that appeared.

Mr. MAY. I think in both. It gives the details as to how the Federal land banks had bought in the bonds and used them for the purpose of exchanging them with the intermediate credit banks, and in that way they took the farmer's farm away from him.

Mr. WOODRUFF. What I am interested in are the remarks made by the gentleman from Oklahoma [Mr. McKEOWN] to the effect that when a farmer in a certain community is delinquent the agent of that particular Federal land bank will go around that community until he finds somebody with some money, and then contracts with that man to purchase this farm that is owned by the man who is delinquent.

Mr. MAY. That was done in 40 cases in Kentucky in the last year.

Mr. WOODRUFF. That is an outrage.

Mr. McKEOWN. I know it is an outrage; and we gave them $125,000,000—$25,000,000 to take care of the delinquent farmers of this country, and at that time the delinquency was estimated not to exceed $19,000,000. There is a man in my county to-day, 75 years of age, who has put all of his life work in his ranch and cattle, and the cattle are down so low now that, as one gentleman over there knows, they went down $3 after they were put in the pens this fall. This man can not pay, and yet they propose to take his land, in spite of the fact that I have insisted time and time again that we have provided money to do this very thing. After foreclosure they finally stopped.

Now, I want to speak to you about this farm-mortgage situation in America. There are farm mortgages in this country totaling approximately $9,500,000,000 plus. What are we going to do about it? Are we going to let those men be foreclosed while we are getting some relief for the farmers? Are we going to let them be put out on the section line?

The joint-stock land banks are in a different situation from the Federal land banks, because they have to pay interest on their bonds, and that money must come out of their loans. There are investment bankers in the same situation. They must pay their obligations, and it must come from the interest they receive, and these farmers are not able to pay the interest on the loans.

Now I propose two things that will help the farmer and the business man in this connection. One of them is a bill that I drew from the Louisiana statute, which comes originally from the French code, which provides for a debtor's respite. It does not provide for a moratorium, but a respite. In other words, a debtor who can not pay his obligations at the present moment can submit to his creditors a proposition that if they will give him a certain length of time—a year or two years or 18 months—he will pay a part of the whole of the debt, and then the creditors can agree to it, and in order to make it safe we provide that when a majority of the creditors have agreed to it an order is made by a court of the United States staying all proceedings against him for the time he has asked and which has been agreed to by a majority of his creditors. The business men of this country need that proposition for this reason: Here are large mercantile companies who are doing business with a man and he has been a good merchant all these years. He finds that he has done a majority of his business with this one or two large firms, but here is another who, instead of following the safe road—that is, buying it all from one large concern, if possible—has bought from several people, and therefore has several creditors. That is an unsafe way, because when a depression comes the big creditor has so much at stake that he will be liberal with him and give him a chance to pay. But this man has bought a little bill of cotton thread from one fellow and a little bill of notions from another fellow and a little bill of hardware over from the other fellow, and all those fellows with their little bills get together and say, "Now, you have got to pay us or we will take $500 worth of claims and put you in bankruptcy." In other words, they just racketeer him. He has to pay up or they put him in. His big creditors were willing to go along with him.

Now under this law which I have introduced, all he would have to do would be to go into court and file a list of the names and addresses of his creditors and what he owes them, and also a list of his property, and say, "If you will give me a year or 18 months, I will pay your account in full."

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from Oklahoma 15 additional minutes.

Mr. McKEOWN. Now, when they are agreed, an order is made, and they can not sue him in any State court or Federal court during that time and he has a chance for his life. You would not have these receiverships among the corporations, which eat up all the profits there are in it now. You would save their lives. All these great mercantile concerns would come in and agree to postpone this and you would save all these receiverships of corporations that eat up all the profits.

Mr. MAY. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. MAY. In what respect does the bill which the gentleman has introduced differ from a voluntary petition in bankruptcy?

Mr. McKEOWN. It differs in this respect, that it does not put a stain of bankruptcy upon him. There is no stain of assignment. His property is not put up. His property remains in his own hands; and if they refuse to accept it, he can then move it into a petition for bankruptcy and can be discharged; but here is a man who does not want to go into bankruptcy. He does not want the stain of bankruptcy attached to his name, but he is willing to take the property and work it out without all of these costs of receivership and all those things.

Mr. MAY. I am very much interested in the information the gentleman is giving, and I would like to ask further if the bill which the gentleman has introduced makes it mandatory that the court shall grant a moratorium to him while he reaches a composition with his creditors.

Mr. McKEOWN. Whenever a majority of those creditors say they are willing to extend this delay, immediately an order is entered and a stay is granted, and no proceedings can be had by any creditor in any court.

Now, I want to come back to this proposition of taking care of these farm loans in America. I am not going to propose a plan to bankrupt the Government. I propose a plan that does not put the finances of the Government into this thing very far, but it would be effective to do what we want to do.

I propose that we set up a corporation known as the Federal farm and farm home loan corporation. That corporation is set up without any capital stock. Four directors are to be placed there by the President, with the consent of the Senate, and three other directors by the bondholders of this corporation. It is a holding company, and the only

thing it can do is, for instance, to say to a life-insurance company, "Now, you have a lot of slow mortgages among your assets. If you will bring those mortgages into this corporation we will give you a bond in exchange for each mortgage, for 20 years or 30 or 40 or 50 years, with a guaranteed rate of interest of 3 per cent semiannually, provided that the bond shall not be for more than is actually due on the mortgage, and provided further that it shall not be for more than 50 per cent of the value of the farm.

Now, how do you arrive at the value of the farm? Here is the situation that confronts you: Here is a man who has a farm that was worth $16,000 in 1919, and he put a 10-year mortgage on it for $6,000. That 160 acres has shrunk in value now so that the 160 acres of bare land, without improvements, is not worth over $3,000. He has on there improvements worth $1,000. That makes a total value of $4.000, and yet he owes $6,000. What kind of relief are you going to give him? If you say 50 per cent of the value, you could never extend his mortgage. But, gentleman, why not apply to the farmer the same rule that has prevailed in America for half a century in the merging of corporations? When you merge two corporations the lawyer always draws up the papers and provides that you shall value the land by itself, the factory by itself, and then the intangible value of that factory as a going factory must be put in there.

All right. Why is not a farm entitled to some consideration? And so if you will give to the farm some intangible value as a farm, then you can safely lend the farmer 50 per cent of that value. What is the value, then? I measure the intangible value of a farm at ten times the average annual income. In other words, if this 160 acres annually average an income of $800, then its intangible value as a farm is $8,000, and adding together the $8,000 and the $4,000 gives you $12,000 upon which he can get $6,000, or 50 per cent. That will take care of it.

Now, you may not think this is of great importance; but I say to you I can personally advise you that some of the men of this country, who stand at the head in industrial lines, say the farm-mortgage situation to-day is the most important matter before the American people.

Mr. COX. Will the gentleman yield for a question?

Mr. McKEOWN. I yield.

Mr. COX. It is apparent the gentleman has given considerable thought and effort to this question of readjustment, but has he given thought to the suggestion: That conceding the farm mortgage indebtedness of the country is around nine and one-half billions of dollars and conceding that seven billions of that is distress loans at the present time, that the security which is pledged for this $7,000,000,000 is not worth more than three or three and a half billions of dollars, what is the gentleman's thought? Is it to set up a fund similar to the reconstruction finance fund with that much money put at the disposal of a corporation for the purpose of cooperating with the debtors and creditors in the readjustment of the farm-mortgage indebtedness of the country?

Mr. McKEOWN. I will say to the gentleman that I have given it some thought, and here at the threshold is where we are met with the proposition that we in this Congress must do everything in our power possible to reduce appropriations, and to lower the taxes in every way.

I contend we have great values here. This shows the values of our farms running up around $29,000,000,000. It is not necessary for us to levy upon the taxpayers of this country any additional taxes to raise this money, but if we create a holding company which can issue its bonds the situation can be met. I just talked to a gentleman who was a former Member of this House, who to-day is at the head of one of our greatest insurance companies. I asked him what he thought about this thing, and he said he would be delighted to change his slow mortgages for bonds, even though the mortgages called for 5 and 6 per cent—that he would be glad to take a corporation's bond bearing 3 per cent semiannually, the interest guaranteed by the Government; and he said, "We shall be pleased to do it."

Under my plan you can get the mortgages from private individuals over this country. Mortgages are sold. They are sold to school teachers, they are sold to bankers, they are sold to people who have money. They buy these farm mortgages for the income they yield. Now, we say to every private owner of a mortgage, "You bring your mortgage in and we will give you a bond which bears 3 per cent semiannual interest over a period of 20 years, 30 years, 40 years, or 50 years"—50 years is the limit. Then we go to the farmer and we say to him: "Here, we will renew this mortgage for 50 years at 3 per cent interest, and 2 per cent on principal, and you can go along happily and not have these financial troubles." Then we will pay 3 per cent semiannual interest to the holder of the bond.

I would not limit it as it is limited in Canada. Canada limits the bond so it is not negotiable. I would not limit this bond. I would let the people of this country use the bonds wherever they could. I would make them negotiable bonds.

Mr. COX. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. COX. Keeping in mind the statement the gentleman makes that the land is overcapitalized and the loans already outstanding are in an amount in excess of the present value of the land, what hope would there be of a farmer ever working out of his despair, according to the gentleman's plan, if the debt at this time is not in some way to be readjusted, bringing the indebtedness on the land down to an amount comparable to its present value?

Mr. McKEOWN. The point I am trying to make is that the farm-land values to-day are not the true values of the farms of this country. Farm-land values are what they are to-day because of the foreclosures of farms and the putting of farms under the hammer. That is what makes farm values low. If you give to the farm the intangible value it is entitled to, you still are within the value required for this aid; we could give them 50 per cent in this way.

Mr. COX. I am sure the gentleman does not mean altogether just what he stated; that is, that the farm value at the present time is the result of insistence on payment upon the part of the lender.

Mr. McKEOWN. I do not say that. I say it is foreclosure, and that if the first farm-mortgage holder in this country had never foreclosed his mortgage, land value in this country would still be up above where it is now. Whenever you put a piece of land on the block and it brings nothing at all, you have destroyed general land values to some extent.

Mr. COX. Under present conditions, with commodities at prevailing prices, could a farmer make a living on land that cost him nothing?

Mr. McKEOWN. I do not think he could, sir; but you can not measure values in this country upon such a basis; and in all industry we grant long-time credit, and the thing I can not understand is why every administrative department of this Government refuses to give the farmer the same treatment it gives to the other man. They will lend money to the big railroads at 3 per cent, while they charge the farmers 7 per cent on the loan you have provided in the law, and the gentleman knows that they charge them as much as 7 per cent. Why is not a farmer entitled to receive his interest at as low a rate as any other man in this country?

Mr. KVALE. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. KVALE. In line with the thought of the gentleman from Oklahoma and the gentleman from Georgia, in considering values and the decline in the financial value of bonds and mortgages, is it not also true that as the percentage of tenancy increases and as tenants supplant and take the place of the landowner, you face also the tremendous decline in the actual intrinsic value of the soil itself that is not evident, yet increases as the percentage of tenancy increases? Therefore, is this not a vicious circle that is steadily growing as this condition spreads?

Mr. McKEOWN. Every time a farm goes out of the hands of an owner and into the hands of a tenant, it is going to depreciate enormously.



Mr. SCHAFER. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. SCHAFER. The gentleman has been against bureaucracy and has been a State rights man. How can the gentleman advocate the Federal Government abrogating solemn contracts entered into under the laws of the gentleman's State with reference to farm mortgages?

Mr. McKEOWN. Well, I will tell you where I stand. Whenever there is an emergency on and something has to be done, I do not care much for red tape. [Laughter and applause.]

Mr. COX. If the gentleman will permit the interruption, the gentleman is not advocating Federal legislation which would in any wise impair the obligations of a private contract, as I understand. The gentleman is simply advocating the setting up of machinery which would make it possible for some kind of relief to be extended to the man on the soil.

Mr. McKEOWN. Yes; that is exactly right.

I have taken up quite a lot of your time. You have been very patient with me and I do not want to tire you, but we all left home and we said when we left, "We are going up there and do something," and they said, "We are depending upon you to do something this time." You know how they feel about it. They are expecting us to do something. [Applause.]

[Here the gavel fell.]

Mr. SNELL. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GIFFORD.]

Mr. GIFFORD. Mr. Chairman, because there seems to be plenty of time for debate I should like to bring to the attention of the House a constitutional question, in view of the splendid debate of yesterday and the present interest of the country in the manner of ratifying amendments to the Constitution.

It seemed to me that the fact ought to be brought forward that many States hesitate to call a constitutional convention. Certain it is that they can refuse to do so even if we propose an amendment and insist that it shall be ratified by a constitutional convention. We ought to take into consideration the fact that many States fear that when a constitutional convention is brought into being in their State there may not be a limit to the powers of the members thereof to meddle with their own State constitution. It was therefore argued when the last proposed amendment was before the Congress there is this phase of the question involved: We can not limit the members of a State constitutional convention with respect to what they may do in their own convention as to their own State constitution, and many States are afraid of this proposition.

If a State convention had already been called by a State and was in the midst of its work, and during that time we passed a proposed constitutional amendment to be presented to it, the members thereof could, of course, without any further action or instruction, act upon that particular amendment presented to them while in session.

In the discussion that was brought about yesterday, and which will be continued in the future, I interject the thought that some one ought to direct his attention to this phase of the situation, well knowing that many States may well refuse to call such a convention.

Mr. MICHENER. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. MICHENER. Is there not a vast difference between a constitutional convention called by a State, under the constitution of the State, for the purpose of amending the State constitution and a constitutional convention called by the legislature of the State for the purpose of ratifying an amendment to the Constitution of the United States? It seems to me there is no relation between the two.

Mr. GIFFORD. Mr. Chairman, that question has been debated here in the last two or three years, and in the debates of 1803, when the twelfth amendment to the Constitution was proposed, it was also carefully debated. One of the answers is made that no amendment to the Constitution has been ratified except by the legislatures of the States, for the fear that when a constitutional convention is once called, whether to carry out a Federal function delegated to it or not, when it is in session it is all powerful and has more authority than the legislature that called it together. You can not limit it with respect to its power to meddle with its own State constitution. The State of Ohio, as was stated yesterday, and the State of Illinois, as has been previously suggested on the floor here, hesitate because of the mischief, as they regard it, that may be done to their own organic law, and have attempted to place limitations on the action of such conventions.

I suggest that this phase of the question is an important one and should be made clear. I doubt whether we are wise in asking the States to ratify a constitutional amendment in this manner.

Mr. MICHENER. The constitution of every State in the Union to-day provides how that particular instrument may be amended. The Constitution of the United States provides how the Constitution of the United States may be amended. These are two separate and distinct things. A convention called under the Constitution of the United States would not and could not propose amendments to the State constitution unless the convention was qualified to do so under the State constitution.

Mr. GIFFORD. Mr. Chairman, under the amendment which was presented last Monday it was clearly stated that the States could ratify by legislature or convention. If the convention was in being, they could act on the matter proposed to them.

[Here the gavel fell.]

Mr. SNELL. I yield the gentleman two minutes more.

Mr. GIFFORD. I trust I may make myself clear. I repeat that if a convention was in progress at the time, called into being by the State, and an amendment was proposed to it under the language of the Federal Constitution, such as the amendment proposed last Monday, it could be ratified by such convention.

Mr. MICHENER. Will the gentleman yield further?

Mr. GIFFORD. I yield.

Mr. MICHENER. Does the gentleman from Massachusetts contend that if the State constitution provides for calling of conventions to amend the State constitution and for no other purpose, that that convention could ratify a Federal amendment simply because it happens to be in session at the time?

Mr. GIFFORD. I am not a constitutional lawyer, but I have read the debates of 1803, and I know what has happened since that time. They have not dared to apply this proposition, and I still maintain that a constitutional convention once called into being has full power to amend its own State constitution without limitation or dictation from the legislative body of the State that called its session.

[Here the gavel fell.]

Mr. SNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. GOSS].

Mr. GOSS. Mr. Chairman and ladies and gentlemen, last spring when an appropriation bill was under discussion the question of continuing the President's Unemployment Commission came up for consideration in the House. At that time I tried to get it continued, but it was denied. At the same time I called the attention of the House to a plan that has worked out successfully in some of the smaller cities in my State. Recently a Member from Alabama and one or two others have called upon me to explain that system, and I thought I would take a few minutes in discussing it at this time.

It seems to have worked well in the smaller cities, especially where industry is employing people at the present time.

It works like this: We have a voluntary system of contribution where people employed contribute 1 per cent of their week's salary up to an amount including $50 per week. If a man receives $50 a week he contributes 50 cents. If he receives $20 a week, then he contributes 20 cents. Where wages are received from $50 to $75 they contribute 1½ per

cent, from $75 to $100 they contribute 2 per cent, and over $100 they contribute 3 per cent.

The industries and employers whose employees contribute to the fund match those contributions dollar for dollar.

On that plan in my home city, which has a population of about 100,000, we have raised within the last two years between a million and a half and two million dollars.

We have a committee of citizens who investigate the various requests of those out of work and who need help. We do not dole the money out. The committee investigates the various homes, and the contribution to them is in accordance with the size of the family. If we have a family out of employment that has 8 or 10 children, they would get a full week's work at the regular wage. On the other hand, if some one is out of work that has one child or no children, they might get two days' work out of a week.

We give them work on public improvements. We have built a municipal golf course, and we have fixed the streets and sewers, painted some public buildings inside and outside, and if there is a widow left at home to take care of herself and the children without work we have worked out a plan where the Salvation Army and other agencies take the clothing to that home and she mends the clothing and that is afterwards distributed.

When we get up against a very unfortunate case the committee provides a basket of food to see that the children are properly taken care of.

Now, this plan has worked out successfully in the city of Waterbury. It seems to me that while perhaps it is not the best method, it does in a measure relieve this distress in the home.

That plan extends to the banks, to the commercial houses, to the stores; and it is all voluntary. We have found that it paid to keep that up during the summer months, when the need was not quite as great as in the winter months. We have accumulated about $75,000 in a fund throughout the summer months to help start our work for the winter. It is our hope and purpose to continue that type of fund in the future, so that when these emergencies do crop up we will have something to go on with immediately. The fund is administered very carefully. All of the charitable institutions clear through one clearing house. The Salvation Army, the Young Men's Christian Association, the various private charitable institutions—all get together, and the committee on investigation of these families clear all that information through the one clearing house, so that the families do not get that type of aid through several different channels.

I have called this to the attention of the House because in my own city and district and in several of the towns of that district we have worked it out successfully. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. FITZPATRICK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the President's message and had come to no resolution thereon.

EXTENSION OF REMARKS—REPEAL OF EIGHTEENTH AMENDMENT

Mr. CLARKE of New York. Mr. Speaker, before the primary, as well as before the election, I made my position clear as "100 per cent behind the program of President Hoover regarding the eighteenth amendment and the platform he stood on."

That program and platform are practically embodied in the resolution indorsed by Senator GLASS, of Virginia, an outstanding Senator and a Democrat. Senator WALSH of Massachusetts made a speech in the Senate in July last—one of the ablest men in the Senate and a Democrat. Here is what Senator WALSH says:

> I am as sure as that I am standing here that 36 of the 48 States will never ratify a proposed amendment that does nothing more than provide for the repeal of the eighteenth amendment. Therefore, I think we have got to be practical about it, and that any other course than using some such words as those employed by the Senator from Virginia [Senator GLASS, author of the resolution for an amendment designed to prevent the return of the saloon] * * * would result in nothing but postponing, delaying endlessly the repeal of the eighteenth amendment. * * * Speakeasies may be bad, but saloons, open saloons, regulated and controlled, where liquor is sold publicly, drunk on the premises, where those who engage in the business participate in politics and sometimes join hands in corrupting American politics—do not forget for a moment that the American people have not lost that kind of a picture of the saloon. It is folly; it means no repeal of the eighteenth amendment if we attempt to go before the American people on a proposition merely of flat repeal.

In the New York Times of December 7 is a letter from Lillian D. Wald, chairman prohibition committee, National Federation of Settlements, whose entire life has been spent in settlement work, whose practical knowledge of conditions as they were and as they are is most comprehensive. Here is what Miss Wald says:

[From the New York Times, December 7, 1932]

SAFEGUARDS NEEDED—PROVISIONS FOR RETURN OF LIQUOR REQUIRES WISE HANDLING

To the EDITOR OF THE NEW YORK TIMES:

Settlement workers are naturally vitally concerned with the question of the modification or repeal of the eighteenth amendment. In the pre-Volstead days our experience afforded us tragic, first-hand evidence of the evils of the saloon and the liquor traffic, and to-day we can not be insensible to some of the unfortunate by-products of this well-intentioned effort to control a national menace. We feel it incumbent upon us to state our position with respect to such contemplated modification or repeal.

Though few settlement workers participated in the orthodox temperance movement and though we felt that the definition of intoxicating liquor in the Volstead Act was unscientific and potentially dangerous because of its extreme mandate, yet many of us have come to approve the eighteenth amendment because through it conditions among the people we know best in underprivileged neighborhoods have greatly improved. No longer do we see drunken women reeling on the streets, stoned by jeering boys—pitiable, repellant spectacles. No longer do we have McGuirk's, Suicide Hall, and their numberless kind which flourished brazenly along the Bowery and other streets throughout the city in the preprohibition days. The younger generation that has grown up since the amendment has never seen them.

Many of us recall the street scenes in New York the night the reform administration of Seth Low ended—the ribaldry in the streets, the cries of "To hell with reform!" and the unbelievable obscenity that was let loose in speech and often in act. Memory of this is stirred by the current newspaper accounts of preparation for the anticipated opening of bars in hotels, cafés, clubs, and restaurants, and the alleged arrangements that are being made for the huge sale of foreign liquor.

For this reason we believe that the new mandate from the people, as interpreted by the recent election, calls for the wisest statesmanship, the profoundest social study, before we risk a resumption of the practically uncontrolled sale of drink. Nobody advocates the return of the saloon; but, unless every preparation is made for the safeguarding of the sale of liquor, there is no hope but that the saloon, whether called so or not, will be upon us.

We know that there have been evils in the nonenforcement of prohibition, in the lawlessness of many people, and we are aware that among those who have protested against the amendment there were some whose objections were sincerely based upon principle. On the other hand, we also know that flagrant violations of the law have not occurred because of the desire for light wines and beer, and the bootlegger has not grown mighty from their sale and manufacture. And we have extensive knowledge that the content of the hip flask was not light wine or beer. For this reason, if there is any change in the present law, some plan must be devised which will make it impossible for private interests to profit from the sale of liquor.

We who are deeply integrated in neighborhoods where many face a tragic renewal of conditions destructive of home life and of respect and dignity—we have no panacea to offer. But we do believe that the greatest safeguards are inherent in the stern protection of the manufacture, sale, and distribution of liquor, and we urge the most careful consideration at this time of ways and means to prevent the return of the saloon in all its past horrors.

LILLIAN D. WALD,
Chairman Prohibition Committee,
National Federation of Settlements.

NEW YORK, *December 3, 1932.*

I could not vote for repeal, nor will I, because I believe every safeguard possible must be put in any step we take to prevent the return of the saloon and the recurrence of the conditions that existed when we did have the saloons. It was the saloon that made possible the eighteenth amendment and it may be the saloon that will prevent the changing of the eighteenth amendment.

This talk of "light wine" is political bunk, for the alcoholic content is too great to permit its manufacture under the eighteenth amendment.

As to beer, no one can prophesy what bill will eventuate from the Ways and Means Committee. If, in my judgment, it seems within the eighteenth amendment, and the saloon is banished, it will have my support. However, should the judgment of the President and his advisers be that it is prohibited by the eighteenth amendment I shall, as usual, support the President, if he vetoes such a bill if it passes.

There are plainly two roads to travel regarding the eighteenth amendment:

First. Repeal.

Second. Resubmission.

Under resubmission there are two plans:

First. The Democratic platform for repeal expresses a hope the saloon will not return and politically promises protection of dry territory.

Second. Under the Glass resolution plan is the certainty, incorporated into law, that the saloon will not return and that dry territory will be protected.

That the Glass resolution has stanch support may be learned from reading the comments of Senator WALSH, quoted above, and the following interview, taken from the Washington Star of December 7.

[From the Washington Star, December 7, 1932]

COMMITTEE BACKS VOTE ON REPEAL—MAJORITY OF SENATE JUDICIARY GROUP FAVORS PROTECTION FOR DRY STATES

The overwhelming sentiment of the Senate Judiciary Committee, where the fate of prohibition-repeal legislation at present rests, is for submission of a repeal amendment with protection for dry States.

A check of the members showed this to-day, revealing also a close division of opinion over whether to include some clause to prevent return of the saloon. This foreshadowed a conflict which may block the plans of Senate leaders for prompt disposal of the repeal problem.

Although some members of the committee were noncommittal on the form the resolution should take, and two have not yet returned, the sentiment of the others indicated the manner in which the question is likely to be submitted to the Senate.

ACTION DUE MONDAY

To the Judiciary Committee the Senate has assigned the task of studying and reporting on the various repeal resolutions now pending. Chairman NORRIS has announced it will take up the problem next Monday.

Not a single member said he would press for outright repeal in the form which the House rejected Monday, though several indicated they would not oppose it.

A majority, however, indicated they would vote for outright repeal if forced to a choice between this or nothing.

A brief synopsis of the views expressed follows:

Chairman NORRIS—Against submission; against a ban on the saloon; would favor broad protection for dry States.

BORAH, Republican, of Idaho—Same, except will demand strict protection for dry States.

SEEKS BAN ON SALOONS

ROBINSON, Republican, of Indiana: Against submission, but for both substitutes—ban on saloons and dry State protection—rather than outright repeal.

BLAINE, Republican, of Wisconsin: For repeal with provision for regulation of interstate liquor to protect dry States and yet allow wet States to get it.

HASTINGS, Republican, of Delaware: For submission, with the substitutes if possible.

HEBERT, Republican, of Rhode Island: For submission. Has stood on the Republican platform.

SCHALL, Republican, of Minnesota: For submission, with the substitutes.

AUSTIN, Republican, of Vermont: For submission as called for by his State platform.

FAVORS GLASS PLAN

ASHURST, Democrat, of Arizona: For submission; believes Glass resolution carrying substitutes in compliance with party platform.

WALSH, Democrat, of Montana: For submission; no comment on details.

KING, Democrat, of Utah: Favors straight repeal, but believes Glass resolution would have more chance of approval.

STEPHENS, Democrat, of Mississippi: Absent, but voted to consider Glass resolution at last session.

DILL, Democrat, of Washington: For submission, but mind not made up on details.

BRATTON, Democrat, of New Mexico: Absent, but recorded in favor of considering Glass resolution.

BLACK, Democrat, of Alabama: For submission, but no comment on details.

NEELY, Democrat, of West Virginia: For submission; no comment on details.

The resubmission plan fits in with my idea that the people have a right to say what shall or shall not be in their Constitution. It is the formula that Lincoln had in mind included within the "government of the people, by the people, and for the people."

CIVIL GOVERNMENT FOR PUERTO RICO

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith copies of the laws and resolutions enacted by the Twelfth Legislature of Puerto Rico during its third special session, from June 21 to July 4, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

BUREAU OF EFFICIENCY

The SPEAKER also laid before the House the following message from the President of the United States, which was read and referred to the Committee on Expenditures.

To the Congress of the United States:

As required by the act of March 4, 1915, and February 28, 1916, I transmit herewith the report of the United States Bureau of Efficiency for the period from November 1, 1931, to October 31, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

APPOINTMENT OF EMPLOYEES OF LOWER GRADE

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Appropriations and ordered printed.

To the Congress of the United States:

Pursuant to the provisions of section 202 of the act entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," approved June 30, 1932, there is inclosed herewith a statement showing the vacancies which have been filled by the appointment of employees of a lower grade.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

BOARD OF DIRECTORS, PANAMA RAILROAD CO.

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the eighty-third annual report of the board of directors of the Panama Railroad Co. for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ANNUAL REPORT, PERRY'S VICTORY MEMORIAL COMMISSION

The SPEAKER also laid before the House the following message of the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Library and ordered printed.

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the thirteenth annual report of the Perry's Victory Memorial Commission for the year ended December 1, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ANNUAL REPORT, GOVERNOR OF PANAMA CANAL

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ENACTMENT OF TWELFTH PUERTO RICAN LEGISLATURE

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith certified copies of each of eight acts and three joint resolutions enacted by the twelfth Puerto Rican Legislature during its fourth special session from October 18 to 21, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

FRANCHISES GRANTED BY PUBLIC SERVICE COMMISSION, PUERTO RICO

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 38 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith certified copies of each of nine franchises granted by the Public Service Commission of Puerto Rico. The franchises are described in the accompanying letter from the Secretary of War transmitting them to me.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ANNUAL REPORT, ALASKA RAILROAD

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Territories:

To the Congress of the United States:

I transmit herewith for the information of the Congress the annual report of the Alaska Railroad for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ARLINGTON MEMORIAL AMPHITHEATER

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Public Buildings and Grounds:

To the Congress of the United States:

In compliance with the requirements of the act of Congress of March 4, 1921, I transmit herewith the annual report of the Commission on the Erection of Memorials and Entombment of Bodies in the Arlington Memorial Amphitheater for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

REPORT OF GOVERNOR OF PUERTO RICO

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 12 of the act of Congress of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith for the information of the Congress the thirty-second annual report of the Governor of Puerto Rico for the fiscal year ended June 30, 1932.

This report contains valuable information which, it is believed, should be available in permanent form. It has heretofore been customary for the President to recommend to the Congress the printing of the annual report of the Governor of Puerto Rico, the cost of such printing being charged against War Department appropriations. In the present case, however, due to special conditions not ordinarily obtaining, the government of Puerto Rico has arranged to make available to the War Department a number of printed copies of the inclosed report, sufficient to meet the minimum needs of the Federal executive departments and also to supply a limited number of copies for the requirements of the Congress. In view of these facts, and of the urgent need of effecting exceptional economies at this time, the customary recommendation for the printing of the inclosed annual report is omitted.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ANNUAL REPORT, UNITED STATES CIVIL SERVICE COMMISSION

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Civil Service:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States, approved January 16, 1883, I transmit herewith the forty-ninth annual report of the United States Civil Service Commission for the fiscal year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ANNUAL REPORT, NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committees on Naval Affairs, on Military Affairs, and on Interstate and Foreign Commerce and ordered printed:

To the Congress of the United States:

In compliance with the act of March 3, 1915, which established the National Advisory Committee for Aeronautics, I submit herewith the eighteenth annual report of the committee for the fiscal year ended June 30, 1932.

It is noted that the committee reports material and gratifying improvements in aircraft performance and reliability, and that the steady advances in technical development have increased the relative importance of aviation as an arm of national defense and as an agency of transportation.

In the new phase of the industrial age upon which the country is entering substantial achievements will rest largely on the stimulation given to scientific research. The remarkable progress of aeronautics since the war is a demonstration of the value and necessity of research.

The National Advisory Committee for Aeronautics is the governmental agency for coordinating and conducting fundamental research in aeronautics. I concur in the committee's opinion that America should keep at least abreast of other nations in the development of aviation and believe that the best way to assure this is to provide for the continuous prosecution of organized scientific research.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

JUVENILE COURT, DISTRICT OF COLUMBIA

The SPEAKER also laid before the House the following message from the President of the United States, which was

read, and with the accompanying papers, referred to the Committee on the District of Columbia.

To the Congress of the United States:

I transmit herewith for the information of the Congress a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court during the year ended June 30, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *December 8, 1932.*

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, could the Chair inform the House as to whether or not the appropriation bill will be ready for to-morrow?

The SPEAKER. The Chair has no information on the subject, but spoke to the gentleman from Louisiana [Mr. SANDLIN] a moment ago and was informed by him that he doubted that the report would be ready to-morrow.

Mr. SNELL. Will there be any program for to-morrow?

The SPEAKER. We will continue general debate.

Mr. GREENWOOD. It is my understanding that debate upon the President's message will continue.

The SPEAKER. That is the understanding of the Chair.

ADJOURNMENT

Mr. GREENWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 21 minutes p. m.) the House adjourned until to-morrow, Friday, December 9, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, December 9, 1932, as reported to the floor leader:

WAYS AND MEANS

(10 a. m.)

Continue hearings on beer bill.

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on various subjects.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

759. A letter from the Secretary of War, transmitting a draft of a designed bill to remove the lands in the Bonnet Carre flood-way area from the flood control act, and to vest in the Secretary of War general authority to grant rights of way and other privileges covering the use and occupation of these lands; to the Committee on Flood Control.

760. A letter from the Attorney General, transmitting a statement of the expenditures under appropriations for the United States Court of Customs and Patent Appeals for the fiscal year ended June 30, 1932; to the Committee on Expenditures in the Executive Departments.

761. A letter from the chairman of Interstate Commerce Commission, transmitting the forty-sixth annual report of the Interstate Commerce Commission (H. Doc. No. 430); to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations.

762. A letter from the Secretary of War, transmitting a copy of a resolution of the Provincial Board of Negros Occidental, P. I., together with copy of resolution adopted by the municipal government of Kabankalan, Negros Occidental, Philippine Islands, relative to free entry of Philippine sugar produced at the time of the passage of the Philippine independence act; to the Committee on Insular Affairs.

763. A communication from the President of the United States, transmitting certified copies of each of nine franchises granted by the Public Service Commission of Puerto Rico; to the Committee on Insular Affairs.

764. A communication from the President of the United States, transmitting the annual report of the Alaska Railroad for the fiscal year ended June 30, 1932; to the Committee on the Territories.

765. A communication from the President of the United States, transmitting the annual report of the Alaska Railon the Erection of Memorials and Entombment of Bodies in the Arlington Memorial Amphitheater for the fiscal year ended June 30, 1932; to the Committee on Public Buildings and Grounds.

766. A communication from the President of the United States, transmitting the thirty-second annual report of the Governor of Puerto Rico for the fiscal year ended June 30, 1932; to the Committee on Insular Affairs.

767. A communication from the President of the United States, transmitting the Forty-ninth Annual Report of the United States Civil Service Commission for the fiscal year ended June 30, 1932; to the Committee on the Civil Service.

768. A communication from the President of the United States, transmitting the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1932; to the Committee on Interstate and Foreign Commerce.

769. A communication from the President of the United States, transmitting certified copies of each of eight acts and three joint resolutions enacted by the Twelfth Puerto Rican Legislature during its fourth special session, from October 18 to 21, 1932; to the Committee on Insular Affairs.

770. A communication from the President of the United States, transmitting the thirteenth annual report of the Perry's Victory Memorial Commission for the year ended December 1, 1932 (H. Doc. No. 491); to the Committee on the Library and ordered to be printed.

771. A communication from the President of the United States, transmitting the Eighty-third Annual Report of the board of directors of the Panama Railroad Co. for the fiscal year ended June 30, 1932; to the Committee on Interstate and Foreign Commerce.

772. A communication from the President of the United States, transmitting a statement showing the vacancies which have been filled by the appointment of employees of a lower grade (H. Doc. No. 492); to the Committee on Appropriations and ordered to be printed.

773. A communication from the President of the United States, transmitting the report of the United States Bureau of Efficiency for the period from November 1, 1931, to October 31, 1932; to the Committee on Expenditures in the Executive Departments.

774. A communication from the President of the United States, transmitting copies of the laws and resolutions enacted by the Twelfth Legislature of Puerto Rico during its third special session, from June 21 to July 4, 1932; to the Committee on Insular Affairs.

775. A communication from the President of the United States, transmitting a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court during the year ended June 30, 1932; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 310. A resolution providing for the payment of six months' compensation to the widow of Samuel T. Craig (Rept. No. 1786). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LOZIER: A bill (H. R. 13455) to repeal the tax on bank checks; to the Committee on Ways and Means.

Also, a bill (H. R. 13456) to repeal section 1001 (a) of the revenue act of 1932 which increased the rate of postage on

certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. SELVIG: A bill (H. R. 13457) to stabilize the price of wheat in the United States; to the Committee on Agriculture.

By Mr. DIES: A bill (H. R. 13458) to effect economies in the National Government; to the Committee on Expenditures in the Executive Departments.

By Mr. EVANS of Montana: A bill (H. R. 13459) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. McSWAIN: A bill (H. R. 13460) to amend the act of February 20, 1931 (46 Stat. 1191), entitled "An act to authorize the Secretary of War to resell the undisposed-of portion of Camp Taylor, Ky., approximately 328 acres, and to also authorize the appraisal of property disposed of under authority contained in the acts of Congress approved July 9, 1918, and July 11, 1919, and for other purposes"; to the Committee on Military Affairs.

By Mr. GAVAGAN: A bill (H. R. 13461) to repeal the act entitled "An act to incorporate the North River Bridge Co. and to authorize the construction of a bridge and approaches at New York City across the Hudson River to regulate commerce in and over such bridge between the States of New York and New Jersey, and to establish such bridge a military and post road," as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. O'CONNOR: A bill (H. R. 13462) to amend the act of June 18, 1929, entitled "An act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress"; to the Committee on the Census.

By Mr. CHRISTOPHERSON: Joint resolution (H. J. Res. 496) for the relief of farmers who made seed loans; to the Committee on Agriculture.

By Mrs. ROGERS: Joint resolution (H. J. Res. 497) authorizing the distribution of Government-owned cotton to the American National Red Cross and other organizations for the relief of distress; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTON: A bill (H. R. 13463) granting a pension to Ella Strutton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13464) granting a pension to Minerva Romine; to the Committee on Invalid Pensions.

By Mr. BOILEAU: A bill (H. R. 13465) granting a pension to Isabelle Stoddard; to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13466) granting a pension to Frieda Precht; to the Committee on Pensions.

Also, a bill (H. R. 13467) granting a pension to Martha Snyder; to the Committee on Pensions.

By Mr. CARDEN: A bill (H. R. 13468) for the relief of Ernest Carroll Cox; to the Committee on Military Affairs.

By Mr. COLTON: A bill (H. R. 13469) for the relief of the parents of the late William Lloyd Parker; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 13470) granting an increase of pension to Lucinda C. Spencer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13471) granting an increase of pension to Mary Ann Holland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13472) granting an increase of pension to Harriett Smith; to the Committee on Invalid Pensions.

By Mr. HORNOR: A bill (H. R. 13473) for the relief of John Albert Farne; to the Committee on Naval Affairs.

Also, a bill (H. R. 13474) granting a pension to Nathan O. Myer; to the Committee on Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 13475) to correct the naval record of James Francis Finnin; to the Committee on Naval Affairs.

By Mr. LAMNECK: A bill (H. R. 13476) granting an increase of pension to Elizabeth M. Rittenhouse; to the Committee on Invalid Pensions.

By Mr. McCLINTOCK of Ohio: A bill (H. R. 13477) for the relief of Darleah Albright; to the Committee on Claims.

By Mr. MOBLEY: A bill (H. R. 13478) for the relief of Curtis Pope; to the Committee on Naval Affairs.

By Mr. NELSON of Missouri: A bill (H. R. 13479) granting an increase of pension to Mary Schulte; to the Committee on Invalid Pensions.

By Mr. SEIBERLING: A bill (H. R. 13480) granting a pension to Mary Hanchett; to the Committee on Invalid Pensions.

By Mr. THATCHER: A bill (H. R. 13481) granting an increase of pension to William M. Davis; to the Committee on Pensions.

By Mr. WEST: A bill (H. R. 13482) granting an increase of pension to Eleanor W. Metzler; to the Committee on Invalid Pensions.

By Mr. WHITLEY: A bill (H. R. 13483) granting a pension to Cora J. Lowell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8741. By Mr. BACHMANN: Resolution of Rev. J. R. Bright and other citizens of Ohio County, W. Va., urging that bill No. 1079 on the Senate Calendar and Senate Resolution No. 170, now before the Interstate Commerce Committee, be enacted into law; to the Committee on Interstate and Foreign Commerce.

8742. By Mr. BOYLAN: Resolution unanimously adopted by the Ladies Auxiliary, No. 37, National Association of Letter Carriers, New York, N. Y., petitioning Congress to repeal the unjust and inequitable economy act; to the Committee on the Judiciary.

8743. By Mr. BLAND: Petition of 52 citizens of Newport News and Hampton, Va., urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens when making future apportionments for congressional districts; to the Committee on Election of President, Vice President, and Representatives in Congress.

8744. By Mr. BOYLAN: Statement issued by the board of directors of the Buffalo Corn Exchange, Buffalo, N. Y., opposing the Norbeck bill, S. 4985, and the Hope bill, H. R. 12918; to the Committee on Agriculture.

8745. Also, letter from the Upson Co., Lockport, N. Y., opposing a duty on imported wood pulp; to the Committee on Ways and Means.

8746. By Mr. CONDON: Petition of William V. Doty and 144 other citizens of Rhode Island, requesting that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on World War Veterans' Legislation.

8747. By Mr. HILL of Washington: Petition of Hays Park Woman's Home Missionary Society of Methodist Episcopal Church, Spokane, Wash., urging the passage of legislation for the regulation and censorship of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8748. By Mr. KELLY of Pennsylvania: Petition of members of Central Presbyterian Church of Tarentum, Pa., protesting against repeal of the eighteenth amendment; to the Committee on the Judiciary.

8749. Also, petition of citizens of McKeesport, Pa., favoring the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8750. Also, petition of members of First Reformed Sunday School of Pitcairn, Pa., protesting against repeal of the eighteenth amendment; to the Committee on the Judiciary.

8751. By Mr. LINDSAY: Petition of Italian Chamber of Commerce in New York, favoring immediate repeal of the eighteenth amendment; to the Committee on the Judiciary.

8752. Also, petition of the Corn Exchange, Buffalo, N. Y., opposing the Hope bill (H. R. 12918) and the Norbeck bill

(S. 4985), entitled "Voluntary domestic allotment plan"; to the Committee on Agriculture.

8753. Also, petition of the National Hardwood Lumber Association, Chicago, Ill., favoring appropriations for uninterrupted continuance of present Federal forest-research program; to the Committee on Agriculture.

8754. Also, petition of National Council of the Steuben Society of America, New York City, favoring the recommendations recently made by the committee for the consideration of intergovernmental debts; to the Committee on Ways and Means.

8755. Also, petition of Hunter, Walton & Co., New York City, favoring repeal of the agricultural marketing act; to the Committee on Agriculture.

8756. Also, petition of Gottfried & Marshall, New York City, favoring repeal of the agricultural marketing act; to the Committee on Agriculture.

8757. By Mr. NELSON of Maine: Petition of 69 citizens of Waterville, Me., urging the Seventy-second Congress not to change the present prohibition laws; to the Committee on the Judiciary.

8758. Also, petition of Mrs. F. P. Trafton and 209 other citizens of Maine, urging Congress to refuse to legalize beer and wine; to the Committee on Ways and Means.

8759. By Mr. O'CONNOR: Petition of the Latin-American Democratic League, 225 West Thirty-fourth Street, New York City, urging the present Congress to modify the Volstead Act to permit light wines and beer; to the Committee on Ways and Means.

8760. By Mr. PERSON: Petition of Florence Cole and 54 others, of Leonard, Mich., protesting against repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on the Judiciary.

8761. Also, petition of G. J. Collins and 13 others, of Wayne, Mich., urging support of House bill 9891; to the Committee on Interstate and Foreign Commerce.

8762. Mr. ROBINSON: Petition signed by Mrs. Christie Keister, Goldfield, Iowa, president of the Wright County (Iowa) Woman's Christian Temperance Union, and also about 150 other Wright County citizens, protesting against any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8763. Also, petition signed by Mrs. W. A. Trimblin and others, of Greene, Iowa, protesting against any beer bill or any repeal or weakening of the eighteenth amendment; to the Committee on the Judiciary.

8764. By Mr. RUDD: Petition of Gottfried & Marshall, New York City, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8765. Also, petition of Hunter, Walton & Co., New York City, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8766. Also, petition of the executive committee, Steuben Society of America, New York City, with reference to the cancellation of foreign debts; to the Committee on Ways and Means.

8767. Also, petition of the National Hardwood Lumber Association, Chicago, Ill., favoring appropriation for forestry investigations; to the Committee on Appropriations.

8768. By Mr. TARVER: Petition of J. N. Horne and others, of Tifton, Ga., protesting against any change in the Volstead Act; to the Committee on the Judiciary.

8769. Also, petition of Mrs. J. H. Paschall and others, members of the Calhoun (Ga.) Woman's Missionary Society, protesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8770. By Mr. TEMPLE: Petition of the Ladies' Aid Society of Clarksville Presbyterian Church, Clarksville; Parent-Teacher Association and the Frances Willard Woman's Christian Temperance Union, Waynesburg; and the presbytery of Washington, all of the State of Pennsylvania, supporting certain measures relating to the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8771. By Mr. TIERNEY: Petition of the Washington Park Annex of Woman's Home Missionary Society; to the Committee on Interstate and Foreign Commerce.

8772. By Mr. WATSON: Petition of the junior choir of the Methodist Episcopal Church of Quakertown, Pa., opposing the repeal of the eighteenth amendment or legalizing the sale of beer, wines, or other alcoholic liquors; to the Committee on the Judiciary.

8773. By Mr. WOODRUFF: Petition of residents of Isabella County, Mich., favoring retention of the eighteenth amendment; to the Committee on the Judiciary.

8774. By the SPEAKER. Petition of Brooklyn Elks, favoring the repeal of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

FRIDAY, DECEMBER 9, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 36) authorizing a joint committee to make the necessary arrangements for the inauguration of the President elect on March 4, 1933.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from New York [Mr. COPELAND] has the floor. Does he yield for that purpose?

Mr. COPELAND. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kendrick	Schuyler
Austin	Couzens	Keyes	Sheppard
Bailey	Cutting	King	Shipstead
Bankhead	Dale	La Follette	Shortridge
Barbour	Dickinson	Logan	Smith
Barkley	Dill	Long	Smoot
Bingham	Fess	McGill	Steiwer
Black	Fletcher	McKellar	Swanson
Blaine	Frazier	McNary	Thomas, Okla.
Borah	Glass	Metcalf	Townsend
Bratton	Glenn	Moses	Trammell
Broussard	Goldsborough	Neely	Tydings
Bulkley	Grammer	Norbeck	Vandenberg
Bulow	Hale	Nye	Wagner
Byrnes	Harrison	Oddie	Walsh, Mass.
Capper	Hastings	Patterson	Walsh, Mont.
Caraway	Hatfield	Pittman	Watson
Carey	Hawes	Reed	Wheeler
Cohen	Hayden	Reynolds	White
Connally	Hull	Robinson, Ark.	
Coolidge	Johnson	Robinson, Ind.	
Copeland	Kean	Schall	

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. COHEN. I desire to anounce that my colleague the senior Senator from Georgia [Mr. GEORGE] is detained at his residence by illness.

Mr. METCALF. I wish to announce that my colleague [Mr. HEBERT] is unavoidably detained.

Mr. SHEPPARD. I desire to announce that the junior Senator from Illinois [Mr. LEWIS] is still detained on account of illness.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is detained on business in his home State.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

JOINT COMMITTEE ON INAUGURAL ARRANGEMENTS

The VICE PRESIDENT. The Chair appoints the Senator from New Hampshire [Mr. MOSES], the Senator from Maine [Mr. HALE], and the Senator from Arkansas [Mr. ROBINSON] as the members on the part of the Senate of the joint committee on inaugural arrangements, provided by Senate Concurrent Resolution 36.

FARMERS' NATIONAL RELIEF CONFERENCE

The VICE PRESIDENT. The Chair lays before the Senate the petition of the Farmers' National Relief Conference. The committee presenting it has asked that it be read to the Senate. Is there objection? Without objection, the clerk will read the petition.

The Chief Clerk read as follows:

FARMERS' NATIONAL RELIEF CONFERENCE, WASHINGTON, D. C., DECEMBER 7–10, 1932—STATEMENT TO CONGRESS

We, farmers 250 strong, represent the struggling majority of the farm population in 26 States. For the first time in history we come ourselves, face to face with Congress, without high salaried "farm leaders or lobbyists" standing between to becloud and divert our purpose. And our purpose is to demand immediate action. We are determined to stop a ruthless pressure from creditors who threaten to sweep us from our land and homes.

For the last three years a world economic crisis has sharpened the effect of 10 years of postwar farm depression. Our last reserves have been taken from us. We are not responsible for the universal breakdown that forced 70,000,000 of Americans into economic distress, uncertainty, and want in the richest country in the world.

We know that the relief funds are largely squeezed from the worried balance of the population, who are themselves slipping toward the brink of joblessness. We know that fantastic costs of local, State, and Federal governments are also squeezed from them by sales taxes, while the big incomes and corporations escape. We know that actual starvation is more and more frequently admitted in spite of bulging banks and storehouses of food. We have seen food destroyed, and everywhere our crops rot on the ground in a marketless country because hungry millions have lost their purchasing power.

In the face of this social calamity "farm leaders" and politicians dare to talk of "surplus"; dare to base legislation on a theory of reduction of acreage that will fit the present starvation markets. Finally, this bankrupt leadership dares to advocate the abandonment of our scientific and technical advances in farming and recommends that we return to a primitive, self-sufficing form of peasant farming.

We declare that this country is in the throes of a permanent farm crisis, which threatens us with degradation and poverty unless we enforce abrupt changes in our economic set-ups. We declare that such an emergency can be met only by putting into effect the following demands, which must be considered as a whole. We ask Congress to suspend its rules and to permit the delegation from the Farmers' National Relief Conference to read these demands on the floor of Congress, and that Congress shall immediately proceed to the enactment of emergency legislation on the basis of these demands.

We demand:

I. Federal cash relief—
   A. To raise all rural families to a minimum health and decent standard of living a minimum fund of $500,000,000 must immediately be appropriated for the relief of that section of the distressed farm population in need of immediate relief, regardless of race, creed, or color.

II. Federal relief in kind—
   A. Food products and supplies needed for relief of city unemployed should be purchased by the Federal Government directly from the farmers at a price which will insure the cost of production plus a decent standard of living.
   B. The processing and transportation of these food products and other relief supplies shall be regulated by the Federal Government so as to prevent profits to the food monopolies and transportation companies during the period of the economic crisis.

III. Administration of relief for farmers—
   A. Federal cash relief and relief in kind to be administered by local committees of farmers in each township, precinct, or other local unit selected by a mass meeting of all farmers needing relief.

IV. Government price fixing—
   A. A price-regulating body controlled by actual consumers and producers must be immediately elected whose function shall be to reduce prices to consumers and raise prices for all farm products sold. This adjustment to be made by deduction from the swollen profits of the profiteers who stand between field and family.

V. The defeat of any legislation based on the theory of "surplus" production—
   While millions of our population are undernourished through loss of purchasing power, the acceptance of the surplus theory is a crime against farmers and workers.
   A. The enactment of legislation which will provide production credit for all farm families so as to insure a basis for national consumption at normal levels. This credit is to be administered as in Section III (above).
   B. The defeat of all proposals and the repeal of all legislation now in force which provides credit only for well-to-do farmers and corporations with collateral.

VII. Debt holiday—
   A. A moratorium on mortgages, interest, and rents for all farmers whose volume of production has until recently sustained the farm family at a decent standard of living.
   B. Cancellation of mortgages, interest, feed and seed loans, and debts for supplies and furnishing for farmers whose volume of production and economic unit has always been too small to carry the debt load and support the family at a minimum health standard (marginal farmers, share croppers, and others).
   C. Cancellation of back farm taxes and moratorium on future farm taxes during the crisis.

VIII. No evictions—
   During this national crisis Congress must declare all foreclosures, seizures of property, and evictions illegal.
   We farmers have no collateral, but we represent the majority of the farm population. We have at last been forced to organize and present to this Congress our final demands. If our duly elected national Representatives and Senators fail as did the the local, county, and State authorities, then we pledge ourselves to protect our fellow farmers from suffering and their families from social disintegration by our united action.

Adopted by the Farmers National Relief Conference in session at Washington, D. C., December 8, 1932.

Certified as correct copy.

LEM HARRIS,
Executive Secretary.

The VICE PRESIDENT. The petition will be referred to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

Mr. WHEELER presented the petition of the Farmers National Relief Conference, assembled at Washington, D. C., December 7–10, 1932, praying for certain agricultural relief, which was referred to the Committee on Agriculture and Forestry. (See petition printed in full when laid before the Senate to-day by the Vice President.)

Mr. SHIPSTEAD presented the petition of the Farmers National Relief Conference, assembled at Washington, D. C., December 7–10, 1932, praying for certain agricultural relief, which was referred to the Committee on Agriculture and Forestry. (See petition printed in full when laid before the Senate to-day by the Vice President.)

Mr. SHIPSTEAD also presented a resolution adopted by the Kiwanis Club of Morris, Minn., favoring the prompt ratification of the treaty known as the St. Lawrence seaway treaty, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Albert Lea, Austin, Clarks Grove, Emmons, and Glenville, all in the State of Minnesota, praying for the passage of legislation known as the Frazier farm relief bill, which was referred to the Committee on Agriculture and Forestry.

Mr. VANDENBERG presented a petition of sundry citizens of Greenville and vicinity, in the State of Michigan, praying for retention on the statute books of all legislation regarding benefits to veterans of the several wars and their widows, which was referred to the Committee on Finance.

Mr. ROBINSON of Indiana presented a petition signed by 1,037 citizens of Delaware County, Ind., praying for the retention of the eighteenth amendment of the Constitution and protesting against the modification or repeal of the so-called Volstead law, which was referred to the Committee on the Judiciary.

Mrs. CARAWAY presented numerously signed memorials of sundry citizens of Helena, Stuttgart, Salem, Stamps, Conway, Buckville, North Little Rock, Okolona, Cabot, Lonoke, Prairie Grove, and Gravette, all in the State of Arkansas, remonstrating against the repeal of the eighteenth amendment of the Constitution and also against repeal or modification of the Volstead Act so as to permit increase of the alcoholic content of permissible alcoholic beverage, which were referred to the Committee on the Judiciary.

Mr. DILL presented the petition of the Missionary Society, Methodist Episcopal Church of Puyallup, Wash., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented the petition of the Missionary Society, Methodist Episcopal Church of Puyallup, Wash., praying for the passage of legislation providing for supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

Mr. GRAMMER presented the petition of the District Woman's Home Missionary Society, of Seattle, Wash., praying for the passage of legislation providing for supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented petitions of the District Woman's Home Missionary Society, of Seattle, and the Missionary Society, Methodist Episcopal Church of Puyallup, in the State of Washington, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. CAPPER presented the petition of the Woman's Home Missionary Society of Mayetta, and the Woman's Home Missionary Society of Peru, both in the State of Kansas, praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented a memorial numerously signed by sundry citizens of Abilene and Dickinson County, Kans., remonstrating against the repeal of the eighteenth amendment of the Constitution or modification of the national prohibition law, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by various church Sunday schools of Erie in the State of Kansas, protesting against the repeal of the eighteenth amendment of the Constitution or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also presented memorials, numerously signed, of sundry citizens of Kingman County, Liberal, Ogallah, Burdick, Wichita, and members of the Church and Home Builders Club of the Calvary Presbyterian Church of Wichita, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment of the Constitution or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

TAX ON BANK CHECKS

Mr. CAPPER. Mr. President, I send to the desk petitions from some 400 depositors in Kansas banks, including the St. George State Bank, of St. George; the Havensville State Bank, of Havensville; the First National Bank of St. Marys; the St. Marys Bank, of St. Marys; the Olsburg State Bank, of Olsburg; and the First National Bank of Havensville, urging repeal of the tax on bank checks, and ask that they be appropriately referred. Let me add that I am very much in sympathy with the request made by these petitioners and hope the Congress will favor such action.

The VICE PRESIDENT. The petitions will be referred to the Committee on Finance.

VETERANS' RELIEF (S. DOC. NO. 148)

Mr. WALSH of Massachusetts. Mr. President, in view of the interest throughout the country and the desire for information concerning the scope and extent of veterans' legislation, I am going to ask that A Statement on Veterans' Relief Looking to the Adoption of a National Policy, by Gen. Frank T. Hines, be made a Senate document. The statement contains a review of all legislation relating to veterans of all wars since the beginning of the Republic. It is concise and very illuminating, and I am sure will be read with much interest not only by Members of Congress and veterans but by the public at large. Aside from the recommendations made therein, which committees of the Senate are now studying, the statement itself will be very useful as a Senate document, and I submit the request that it may be printed as such.

The PRESIDING OFFICER (Mr. DICKINSON in the chair). Without objection, it is so ordered.

REPORT OF THE MILITARY AFFAIRS COMMITTEE

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (H. R. 4039) for the relief of Herman H. Bradford, reported it with amendments and submitted a report (No. 1003) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REED:

A bill (S. 5126) to extend the provisions of the Reconstruction Finance Corporation act and the emergency relief and construction act of 1932 to the Virgin Islands; to the Committee on Banking and Currency.

By Mr. HULL:

A bill (S. 5127) for the relief of Elmer E. Mynatt; to the Committee on Claims.

A bill (S. 5128) granting a pension to Thomas A. Yadon; to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 5129) for the relief of Gladding, McBean & Co.; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 5130) for the relief of Burk W. Burns; to the Committee on Claims.

By Mr. WATSON:

A bill (S. 5131) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Commerce.

By Mr. SHIPSTEAD:

A bill (S. 5132) granting an increase of pension to Mary H. Fetzer (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A bill (S. 5133) to amend the naturalization laws of the United States; to the Committee on Immigration.

REORGANIZATION AND CONSOLIDATION OF EXECUTIVE FUNCTIONS

Mr. McNARY. Mr. President, will the Senator from New York be kind enough to yield in order that we may have read a message from the President?

The VICE PRESIDENT. Does the Senator from New York yield?

Mr. COPELAND. I yield for that purpose.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read the message, as follows:

To the Senate and House of Representatives:

The Congress, on June 30, 1932, enacted provisions for the reorganization of the executive departments, which subject I have from time to time laid before the Congress.

The declared policy of the Congress, as set out in section 401 of title 4, part 2, of this act, follows:

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;
(c) To eliminate overlapping and duplication of effort; and
(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

To accomplish these purposes, the President was authorized by Executive order to transfer executive agencies to and from departments and independent executive agencies and to designate titles and duties of the officials connected therewith.

The act provides that such Executive orders must be transmitted to the Congress while in session and that they shall not become effective until the expiration of 60 calendar days, unless the Congress shall in the meantime approve them. In accordance with this authorization, I am transmitting herewith to the Congress Executive orders which have been issued to-day, transferring and grouping a large number of executive agencies.

A further limitation was placed upon Executive action in the provision that statutory functions may not be abolished by Executive orders, the effect of which renders it necessary to retain many commissions, but, under the orders issued, their administrative functions are placed under various departments, the commissions retaining their advisory functions only. A total of 58 executive agencies and parts of agencies have been grouped or consolidated. One effect is to reduce by about 15 the number of independent agencies and commissions.

I have made no estimate of the extent of the economies which will eventually result from this reorganization program. The total appropriations for the present fiscal year to these agencies is approximately $700,000,000.

These orders constitute the necessary initial action required in carrying out the policy which the Congress has proclaimed in connection with reorganization of the executive branch of the Federal Government. They undertake to group certain executive agencies and activities in logical and orderly relation to each other as determined by their major functions and purposes, and to vest in the head of each department, subject to Executive approval, the authority and responsibility to develop and put into effect the ultimate details of better organization, elimination of overlap, duplication, and unnecessary expenditure. These results can only be worked out progressively by the executive officers placed in charge of the different divisions.

An example of the value of such grouping and consolidation is well shown in the increased efficiency and administrative economies brought about through the consolidation of agencies relating to veterans' service and likewise of enforcement activities which were authorized some time ago.

I have under consideration further consolidations and grouping in the different departments, including certain functions of the Army and Navy, which I hope to be able to transmit to the Congress at a later date.

PUBLIC WORKS

I have established a Division of Public Works in the Department of the Interior and designated that the title of one of the present assistant secretaries shall be changed to "Assistant Secretary of Interior for Public Works," under whose direction I have grouped the following organizations and functions:

1. The Bureau of Reclamation, now in the Department of the Interior.

2. The Geological Survey, now in the Department of the Interior.

3. The Office of the Supervising Architect, which is transferred from the Treasury Department to the Department of the Interior.

4. The nonmilitary activities (except the Survey of Northern and Northwestern Lakes and the Supervisor of New York Harbor) administered under the direction or supervision of the Chief of Engineers, United States Army, including rivers and harbors and flood-control work, and the duties, powers, and functions of the Mississippi River Commission, the California Débris Commission, the Joint Board of Engineers for the St. Lawrence River Waterway, the Board of Engineers for Rivers and Harbors, and the Interoceanic Canal Board, which are transferred from the War Department to the Department of the Interior, and the said commissions and boards shall serve in an advisory capacity to the Secretary of the Interior.

5. The activities and duties relating to the construction, repair, and maintenance of roads, tramways, ferries, bridges, and trails in the Territory of Alaska, now in the Department of the Interior.

6. The Bureau of Public Roads, which is transferred from the Department of Agriculture to the Department of the Interior.

7. The Office of Public Buildings and Public Parks, which is transferred from its status as an independent establishment to the Department of the Interior.

8. The administrative duties, powers, and functions of the National Capital Park and Planning Commission, which are transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

9. The administrative duties, powers, and functions of the Rock Creek and Potomac Parkway Commission, which are transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

10. The administrative duties, powers, and functions of the Arlington Memorial Bridge Commission, which are transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

11. The administrative duties, powers, and functions of the Commission of Fine Arts, which are transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

12. The administrative duties, powers, and functions of the George Rogers Clark Sesquicentennial Commission, which are transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

13. The administrative duties, powers, and functions of the Mount Rushmore National Memorial Commission, which are transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

14. The administrative duties, powers, and functions of the general supply committee, Treasury Department, which are transferred to the Department of the Interior, and the committee shall serve in an advisory capacity to the Secretary of the Interior.

15. The Government fuel yards, which are transferred from the Bureau of Mines, Department of Commerce, to the Department of the Interior.

EDUCATION, HEALTH, AND RECREATION

I have established a Division of Education, Health, and Recreation in the Department of the Interior and have designated that one of the assistant secretaries shall be called "Assistant Secretary of Interior for Education, Health, and Recreation," and have transferred to that division the following organizations and functions:

1. The Office of Education, now in the Department of the Interior.

2. Howard University, now in the Department of the Interior.

3. The Columbia Institution for the Deaf, now in the Department of the Interior.

4. The American Printing House for the Blind, which is transferred from the Treasury Department to the Office of Education.

5. The administrative duties, powers, and functions of the Federal Board for Vocational Education which are transferred to the Office of Education, and the board shall serve in an advisory capacity to the Secretary of the Interior.

6. The Bureau of Indian Affairs, now in the Department of the Interior.

7. The Public Health Service, which is transferred from the Treasury Department to the Department of the Interior.

8. The division of vital statistics, which is transferred from the Bureau of the Census, Department of Commerce, to the Public Health Service in the Department of the Interior.

9. St. Elizabeths Hospital, now in the Department of the Interior.

10. Freedmen's Hospital, now in the Department of the Interior.

11. The National Park Service, now in the Department of the Interior.

12. The national parks, monuments, and cemeteries, which are transferred from the War Department to the Department of the Interior.

LAND UTILIZATION

I have established a Division of Land Utilization in the Department of Agriculture to include functions whose major purpose relates to the protection and utilization of land and its inherent natural resources, and have designated a change in the title of the Assistant Secretary to "Assistant Secretary of Agriculture for Land Utilization," and have transferred to that division the following organizations and functions:

1. The Forest Service, now in the Department of Agriculture.

2. The General Land Office, which is transferred from the Department of the Interior to the Department of Agriculture.

3. The administrative duties, powers, and functions of the committee on the conservation and administration of the public domain, which are transferred to the Department of Agriculture, and the committee shall serve in an advisory capacity to the Secretary of Agriculture.

4. The Advisory Council of the National Arboretum, now in the Department of Agriculture.

5. The Bureau of Biological Survey, now in the Department of Agriculture.

6. The Bureau of Chemistry and Soils, now in the Department of Agriculture.

7. Various fractions of bureaus already in the Department of Agriculture dealing with this major purpose will be subsequently added to this general division.

THE MERCHANT MARINE

I have established a Merchant Marine Division in the Department of Commerce and an Assistant Secretary of Commerce for Merchant Marine, and have transferred to that division the following organizations and functions:

1. The Coast and Geodetic Survey, now in the Department of Commerce.

2. The Hydrographic Office of the Bureau of Navigation of the Navy Department to the Coast and Geodetic Survey.

3. The Survey of Northern and Northwestern Lakes of the Office of the Chief of Engineers of the War Department to the Coast and Geodetic Survey.

4. The Bureau of Navigation and Steamboat Inspection, now in the Department of Commerce.

5. The supervisor of New York Harbor of the office of the Chief of Engineers of the War Department and the powers and duties of said supervisor to the Bureau of Navigation and Steamboat Inspection.

6. The Naval Observatory of the Bureau of Navigation of the Navy Department, with the exception of those activities that have to do with the development, maintenance, and repair of instruments for the Navy, to the Department of Commerce.

7. The United States Shipping Board Merchant Fleet Corporation to the Department of Commerce.

8. The Inland Waterways Corporation of the War Department to the Department of Commerce.

9. The Bureau of Lighthouses, now in the Department of Commerce.

COMMERCE AND INDUSTRY

I have transferred to the Department of Commerce or the bureaus thereof, as indicated, the following organizations and functions which involve services in the interest of commerce and industry:

1. The powers and duties of the Federal Oil Conservation Board to the Bureau of Mines, and the said board is abolished.

2. The administrative duties, powers, and authority of the National Screw Thread Commission to the Bureau of Standards, and the commission shall serve in an advisory capacity to the Secretary of Commerce.

3. The administrative duties, powers, and functions of the National Advisory Committee for Aeronautics to the Bureau of Standards, and the committee shall serve in an advisory capacity to the Secretary of Commerce.

4. The Weather Bureau of the Department of Agriculture to the Department of Commerce.

DEPARTMENT OF JUSTICE

I have transferred to and consolidated with the Department of Justice the powers, duties, and functions of the Alien Property Custodian, and the powers and duties now exercised by the Veterans' Administration which relate to the defense in court of cases involving litigation arising under section 19 of the World War veterans' act of 1924, as amended.

DEPARTMENT OF LABOR

I have transferred to and consolidated with the Department of Labor the powers and duties now exercised by the Employees' Compensation Commission which relate to the administration of the longshoremen's and harbor workers' act of March 4, 1927, and the act of May 17, 1928, extending the provisions of the 1927 act to private employers and their employees in the District of Columbia.

CIVIL SERVICE COMMISSION

I have transferred to and consolidated with the Civil Service Commission the powers and duties of the Employees' Compensation Commission which relate to the administration of the act of September 7, 1916, and amendments thereto, providing compensation on account of injuries sustained by civilian employees of the Federal Government and the municipal government of the District of Columbia, leaving the Employees' Compensation Commission to serve in an advisory capacity to the Civil Service Commission pending its abolition by legislative action.

BORDER PATROL

I have transferred to and consolidated with the Coast Guard in the Treasury Department the following services:

1. The border patrol from the Immigration Service in the Department of Labor; and

2. The border patrol from the Customs Service in the Treasury Department.

BUREAU OF THE BUDGET

I have transferred and consolidated the following activities in the Bureau of the Budget:

1. The powers and duties now exercised by the General Accounting Office which relate to the designing, prescribing, and installation of accounting forms, systems, and procedure in the several executive departments and independent establishments, except that the Comptroller General shall retain the power and duty to prescribe the form and manner in which accounts shall be submitted to his office for audit.

2. The powers and duties now exercised by the General Accounting Office which relate to the administrative examination of fiscal officers' accounts and claims against the United States, and the adequacy and effectiveness of the administrative examination of accounts and claims in the respective departments and establishments and the adequacy and effectiveness of departmental inspection of the officers and accounts of fiscal officers.

3. The powers and duties of the Bureau of Efficiency.

RECOMMENDATIONS REQUIRING LEGISLATION

I recommend that legislation be enacted to accomplish the following additional changes in organization which the law does not confer upon me authority to make:

1. Abolish the Rock Creek and Potomac Parkway Commission, whose powers and duties are transferred to the Department of the Interior. This commission has accom-

plished the purpose for which it was created and need no longer be retained as a separate entity.

2. Transfer jurisdiction over the operation, protection, and maintenance of the parks, parkways, playgrounds, and recreational activities of the District of Columbia, from the Office of Public Buildings and Public Parks to the Commissioners of the District of Columbia, making it possible to consolidate and coordinate these activities with similar functions now performed by the municipal government of the District, and relieving the Federal Government of the control of activities which are purely local in character and which are paid for out of District of Columbia funds.

3. Abolish the Employees' Compensation Commission. I have transferred those duties and activities of the commission which involve relations between private employers and their employees to the Department of Labor, and the remainder of its duties and activities, involving relations of the Federal Government and the municipal government of the District of Columbia, with their own employees, to the Civil Service Commission. This leaves no justification for the retention of the Employees' Compensation Commission.

4. Abolish the board of trustees of the National Training School for Boys, and transfer the powers, duties, and functions of that board to the Board of Public Welfare of the District of Columbia. The practice of committing delinquent boys to this institution from jurisdictions outside of the District of Columbia has been generally discontinued. This will automatically convert it into a local reform school, the management of which should be entrusted to local authorities. A similar change in jurisdiction over the National Training School for Girls was made by an act approved March 16, 1926.

I am submitting herewith not only Executive orders, but also a brief discussion prepared by the Bureau of the Budget of the proposed transfers and the basis on which they are predicated.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

CONSOLIDATION AND GROUPING OF PUBLIC WORKS ACTIVITIES IN THE DEPARTMENT OF THE INTERIOR

It is proposed in the Executive order on the Department of the Interior dealing with public works and related activities to consolidate and group those activities in the Department of the Interior and to place the immediate responsibility for their proper administration on one of the Assistant Secretaries of the Interior whose title will be changed to Assistant Secretary of the Interior for Public Works and who will be responsible to the Secretary of the Interior for the work placed under his jurisdiction. At the present time Federal activities relating to the planning and prosecution of public works, the maintenance and operation of buildings, and the purchase and supply of materials used by the Federal Government are scattered among a number of departments and independent boards or commissions. These activities are all closely related and should be grouped under a single control to achieve coordinated effort.

The activities of the Department of the Interior pertaining to public works and related functions now consist for the most part of the duties performed by the Bureau of Reclamation, the Geological Survey, and the exercise of the duties and authority formerly performed by the Board of Road Commissioners for Alaska. It is proposed to transfer the following organizations, bureaus, offices, and activities to the Department of the Interior:

1. The Office of the Supervising Architect from the Treasury Department.

2. The nonmilitary activities (with the exception of the supervisor of New York Harbor and the Survey of Northern and Northwestern Lakes) administered under the direction or supervision of the Chief of Engineers, United States Army, including rivers and harbors and flood-control work and the duties, powers, and functions of the Mississippi River Commission, the California Débris Commission, the Joint Board of Engineers for the St. Lawrence River Waterway, the Board of Engineers for Rivers and Harbors, and the Interoceanic Canal Board, from the War Department. The said boards and commissions will be retained to serve in an advisory capacity to the Secretary of the Interior.

3. The Bureau of Public Roads from the Department of Agriculture.

4. The Office of Public Buildings and Public Parks from its status as an independent establishment.

5. The administrative duties, powers, and functions of the National Capital Park and Planning Commission which is now an independent establishment. The commission will be continued solely as an advisory body.

6. The administrative duties, powers, and functions of the Rock Creek and Potomac Parkway Commission which is now an independent agency, and the retention of the commission solely as an advisory body.

7. The administrative duties, powers, and functions of the Arlington Memorial Bridge Commission which is now an independent establishment, and the continuance of the commission to serve in an advisory capacity.

8. The administrative duties, powers, and functions of the Commission of Fine Arts which is now an independent agency, and the continuance of the commission to serve in an advisory capacity.

9. The administrative duties, powers, and functions of the George Rogers Clark Sesquicentennial Commission, and the continuance of the commission as an advisory body.

10. The administrative duties, powers, and functions of the Mount Rushmore National Memorial Commission, and the continuance of the commission as an advisory body.

11. The administrative duties, powers, and functions of the General Supply Committee, Treasury Department, and the continuance of the committee solely as an advisory body.

12. The Government fuel yards from the Bureau of Mines, Department of Commerce.

There follows a statement of the origin, duties, and reasons for the transfer of each organization, bureau, office, or activity named above.

Office of the Supervising Architect: The Secretary of the Treasury has, from an early period in our history, been charged with the duty of constructing public buildings. Later the Office of Supervising Architect was developed in the department to supervise the construction of public buildings, and to maintain and operate Government buildings outside of the District of Columbia.

The Office of the Supervising Architect advises the departments on such construction matters as architectural designs, general layout, structural features, and mechanical equipment; it makes surveys of public-building requirements, prepares reports showing estimated costs, evaluations, etc., for submission to Congress; and it prepares plans and specifications for Government buildings, awards contracts therefor, and supervises their construction.

The work of this office is essentially connected with public works so far as design and construction are concerned and with service activities so far as care and maintenance are concerned, and therefore logically belongs in the department having jurisdiction over public works and service activities. It is proposed therefore to transfer the Office of the Supervising Architect from the Treasury Department to the Interior Department.

Rivers and harbors and flood control: The office of the Chief of Engineers is in control of all river and harbor improvements and flood control, as well as all military activities of the Corps of Engineers. For many years the service of Army engineers has been used in making, planning, and passing upon the internal improvements in which the Federal Government has been interested. In 1824 the President of the United States was authorized by an act of Congress (4 Stat. L. 22; approved April 30, 1824) to cause the necessary surveys, plans, and estimates to be made of the routes of such roads and canals as he might deem of national importance, and was given authority to employ civil engineers and officers of the Corps of Engineers of the United States Army to prosecute such work. The impor-

tant tasks of improving the navigation of rivers and harbors were soon added to the road and canal work. Since that time the Corps of Engineers, under the War Department, has been assigned a considerable volume of duties relating to internal improvements and to-day the principal nonmilitary work of the Corps of Engineers consists of river and harbor improvement and flood control.

The primary duties pertaining to river and harbor improvements which are now performed by the office of the Chief of Engineers, under the direction of the Secretary of War, involve the execution of work ordered by Congress for the improvement of rivers and harbors and other navigable waters of the United States. This includes the making of examinations and surveys; administration and enforcement of laws for the protection and preservation of such waters; establishment of harbor lines and anchorage grounds; promulgation of all regulations for the use, administration, and navigation of such grounds and for the operation of drawbridges; removal of wrecks and other obstructions to navigation; approval of plans of bridges and dams; issuance of permits for structures, or for dredging, dumping, or other work in navigable waters; and related tasks.

Certain branches of the rivers and harbors and flood-contol work are operated under the control of the Mississippi River Commission, the California Débris Commission, the Joint Board of Engineers for St. Lawrence River Waterway, special boards for the establishment and modification of harbor lines, and certain other boards. A Board of Engineers for Rivers and Harbors has been established by statute under the office of the Chief of Engineers for the purpose of conducting certain investigations and passing upon plans pertaining to river and harbor improvements and the promotion of water transportation.

The river and harbor and flood-control work now performed by the office of the Chief of Engineers and the various commissions and boards reporting or responsible to the Chief of Engineers is primarily nonmilitary in character. It is related to national defense in only the most indirect manner and then largely because it pertains to the general transportation capacity and economic strength of the country in time of war. It was originally placed under the control of the War Department because at the time river and harbor improvements were first undertaken by the United States Government the War Department was the only Government establishment which possessed a group of engineers of sufficient size and training to prosecute the work satisfactorily.

The prosecution of river and harbor improvements and flood-control work under the Corps of Engineers has necessarily resulted in the expansion of the officer personnel of that corps beyond the point to which it would normally have grown if its field of operations had been confined to strictly military activities. It is proposed that the services of Engineer officers should continue to be available by detail in the performance of this work.

This river and harbor improvement and flood-control work is similar to and should be grouped with other public works and construction activities. It is recommended, therefore, that these activities now performed under the direction and supervision of the office of the Chief of Engineers, War Department, be transferred to the Department of the Interior where they will be closely coordinated with other Federal public-works functions.

Bureau of Public Roads: The Bureau of Public Roads came into existence as the Office of Road Inquiry in 1893. In 1906 the designation of this office was changed to the Office of Public Roads. In 1919 the organization was given the status of a bureau and became the Bureau of Public Roads.

The work of this bureau was purely educational in character for many years, but by 1912 the organization was engaged in construction work. In 1916 the Federal aid road act was passed, and its administration was placed in the hands of the Office of Public Roads. At this time the office was given control of all engineering work and the supervision of construction and maintenance of the roads in the national forests. Under an agreement entered into between the Secretary of the Interior and the Secretary of Agriculture in 1926, the Bureau of Public Roads does the engineering work in connection with the survey, design, and construction of roads in the national parks. The bureau also has supervision over main roads through unappropriated or unreserved public lands.

In addition to its control over construction projects, the bureau engages in research in highway construction, finance, safety, transportation, road material, and structural design of road materials.

Formerly this bureau maintained some connection with agriculture through the promotion of better agricultural engineering work. However, this work has been taken away from the Bureau of Public Roads, and the Bureau of Agricultural Engineering has been created for this purpose. Therefore, the Bureau of Public Roads is now a bureau entirely for the supervision, construction, and maintenance of roads.

The mere description of its work is sufficient to indicate the proper department into which the Bureau of Public Roads should go. It has no longer any real connection with the Department of Agriculture and should be placed with the public-works group. It is proposed, therefore, to transfer the Bureau of Public Roads from the Department of Agriculture to the Interior Department.

Office of Public Buildings and Public Parks of the National Capital: The Office of Public Buildings and Public Parks of the National Capital was established as an independent establishment by the act approved February 26, 1925. It succeeded to the duties of the Office of Superintendent, State, War, and Navy Building and the Office of Public Buildings and Grounds.

The general duties of this establishment are the maintenance and operation of buildings, grounds, parks, monuments, and memorials in the District of Columbia.

Some of the specific duties of this establishment are the operation and maintenance of public buildings in the District of Columbia, the policing of the park system, the operation and maintenance of the Lincoln Memorial and the Washington Monument, the construction of roads in the Mall adjacent to Federal buildings, the construction of a warehouse, the maintenance of the Executive Mansion and grounds, and the construction of the Arlington Memorial Bridge.

This establishment is principally a service unit for the Federal buildings and grounds in the District of Columbia. It also has supervised some construction projects. It is manifest from the enumeration of its duties that it should be placed in the department in charge of public works and service agencies. Therefore it is proposed to transfer the Office of Public Buildings and Public Parks of the National Capital from an independent establishment to the Interior Department.

National Capital Park and Planning Commission: The National Capital Park Commission was created by the act of Congress approved June 6, 1924. The name was changed to National Capital Park and Planning Commission by the act approved April 30, 1926.

The duties of this commission were to prevent the pollution of Rock Creek and the Potomac and Anacostia Rivers, preserve the forests and natural scenery, to provide for the systematic and continuous development of the park, parkway, and playground system of the National Capital. It has wide advisory duties in relation to planning in the National Capital. The Director of Public Buildings and Public Parks of the National Capital is the executive and disbursing officer of the commission.

Some of the specific duties of this commission are the purchase of land for parks, parkways, and playgrounds, control of changes in street plans of the District of Columbia, city planning relative to drainage, sewage, and water supply, public and private buildings, bridges, and water fronts, etc. These duties are similar to other engineering and service

activities assigned to the public-works group. It is proposed, therefore, to transfer this commission from an independent establishment to the Interior Department.

Rock Creek and Potomac Parkway Commission: The Rock Creek and Potomac Parkway Commission was created by section 22 of the public buildings act approved March 4, 1913, for the purpose of preventing the pollution and obstruction of Rock Creek and of connecting Potomac Park with the Zoological Park and Rock Creek Park, and was authorized and directed to acquire certain land necessary for this purpose. Many of the activities performed by the commission are similar to those performed by the National Capital Park and Planning Commission.

It is proposed to transfer the administrative powers and duties of this commission to the public-works group in the Department of the Interior, leaving the commission to act in an advisory capacity to the Secretary of the Interior until such time as it may be abolished by legislative action.

The Arlington Memorial Bridge Commission: The Arlington Memorial Bridge Commission was created by section 23 of the public buildings act approved March 4, 1913, for the purpose of investigating and reporting to Congress a suitable design for a memorial bridge across the Potomac River from the city of Washington to a point at or near the Arlington estate.

The act approved February 24, 1925, authorized the commission to proceed with the construction of the bridge, including the approaches, roads, streets, walks, etc., on both sides of the river.

It is proposed to transfer the powers and duties of the commission to the public-works group in the Department of the Interior, leaving the commission to serve in an advisory capacity to the Secretary of the Interior.

Commission of Fine Arts: The Commission of Fine Arts was created by the act approved May 17, 1910, which provided for a commission of seven well-qualified judges of the fine arts. These commissioners are appointed by the President and serve for a period of four years each.

The duties of the commission were prescribed as follows:

> • • • To advise upon the location of statues, fountains, and monuments in the public squares, streets, and parks in the District of Columbia, and upon the selection of models for statues, fountains, and monuments erected under the authority of the United States and upon the selection of the artists for the execution of same.

The commission is further required to advise generally upon questions of art when required to do so by the President or by any committee of either House of Congress. By Executive order all plans for public buildings to be erected in the District of Columbia for the General Government must be submitted to the Commission of Fine Arts for its comment and advice.

The members of this commission serve without salary from the Government. There are three salaried employees who handle the clerical and administrative duties of the commission.

In view of the fact that the work of the commission is concerned with the plans for construction of public buildings, statues, monuments, etc., and that the full-time personnel is very small, I believe that the functions and authority of the commission should be placed in the department having the duty of construction of public works. It is, therefore, proposed that the administrative duties and powers of the Commission of Fine Arts be transferred to the Department of the Interior, leaving the commission to serve in an advisory capacity to the Secretary of the Interior.

The George Rogers Clark Sesquicentennial Commission: The George Rogers Clark Sesquicentennial Commission was created by joint resolution approved May 23, 1928, for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark. The commission is composed of 15 commissioners, as follows: Three persons to be appointed by the President of the United States, three Senators by the President of the Senate, three Representatives by the Speaker, and six members of the George Rogers Clark Memorial Commission of Indiana to be selected by such commission.

The life of the commission was originally to continue only to June 30, 1931, but the time was extended to June 30, 1935, by the act of Congress approved February 28, 1931. The work of the commission consists in improving and embellishing the site of and grounds adjacent to Fort Sackville, the erection of a monumental memorial structure and its ornamentation, the ornamentation of a bridge across the Wabash River, and the protection of the grounds by a river wall.

It is proposed to transfer the powers and duties of the commission to the public-works group in the Department of the Interior, leaving the commission to serve in an advisory capacity to the Secretary of the Interior.

Mount Rushmore National Memorial Commission: The Mount Rushmore National Memorial Commission was created by act of Congress approved February 25, 1929, and consists of 12 members appointed by the President. The purpose of the commission is to complete the carving of the Mount Rushmore National Memorial, to consist of the heroic figures of Washington, Jefferson, Lincoln, and Roosevelt; to landscape the contiguous grounds; and to construct the entrances thereto.

It is proposed to transfer the powers and duties of the commission to the public-works group in the Department of the Interior, leaving the commission to serve in an advisory capacity to the Secretary of the Interior.

The General Supply Committee: The General Supply Committee was organized under the provisions of section 4 of the act approved June 17, 1910. Its duties were increased by the act approved February 27, 1929.

The committee is composed of one member from each department, designated by the head of the department, and a representative of the municipal government of the District of Columbia and a representative of the Office of Public Buildings and Public Parks of the National Capital.

The duties of the General Supply Committee are to purchase or procure and distribute supplies to meet the consolidated requirements of the executive departments and independent establishments of the Federal Government in Washington and of the municipal government of the District of Columbia. It is also authorized, upon the request of the head of any department, to render similar services for field activities. The committee also records transfers of all surplus Government property from one department or establishment to another and disposes of all surplus property not transferred to another establishment.

The purchase of all supplies for the Government in the District of Columbia, and, so far as practicable, in the field should be consolidated and the control of purchase and supply placed in one bureau with single-headed responsibility. The committee should have only advisory powers relative to this service. The logical place for an organization concerned entirely with service of supply is in the department that is largely a service department. Therefore, it is proposed to transfer the administrative powers and duties of the General Supply Committee to the Department of the Interior, leaving the committee to serve in an advisory capacity to the Secretary of the Interior.

Government fuel yards: The Government fuel yards were established by the Secretary of the Interior under authority granted by the act approved July 1, 1918. This activity was placed under the control of the Bureau of Mines, and, when that bureau was transferred from the Department of the Interior to the Department of Commerce, the Government fuel yards also came under the jurisdiction and control of the Department of Commerce.

The Government fuel yards are operated entirely for the purchase and supply of fuel for Government use. In order to consolidate the purchase and supply units of the Government, the control and operation of the fuel yards should be consolidated with the work of the General Supply Committee. It is therefore proposed that the control and operation

of the Government fuel yards be transferred from the Bureau of Mines, Department of Commerce, to the Department of the Interior.

EXECUTIVE ORDER

Consolidation and grouping of public-works activities in the Department of the Interior

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, the title of one of the Assistant Secretaries of the Interior is hereby changed to Assistant Secretary of the Interior for Public Works. The Assistant Secretary of the Interior for Public Works shall be responsible to the Secretary of the Interior for the activities of the Department of the Interior relating to public works which shall include the following organizations, bureaus, offices, or activities which are now in the Department of the Interior or which are hereby transferred to that department, or to the bureaus or offices of that department, as indicated:

1. The Bureau of Reclamation, now in the Department of the Interior.

2. The Geological Survey, now in the Department of the Interior.

3. The Office of the Supervising Architect, which is hereby transferred from the Treasury Department to the Department of the Interior.

4. The nonmilitary activities (except the Survey of Northern and Northwestern Lakes, and the supervisor of New York Harbor) administered under the direction or supervision of the Chief of Engineers, United States Army, including rivers and harbors and flood-control work, and the duties, powers, and functions of the Mississippi River Commission, the California Débris Commission, the Joint Board of Engineers for the St. Lawrence River Waterway, the Board of Engineers for Rivers and Harbors, and the Interoceanic Canal Board, which are hereby transferred from the War Department to the Department of the Interior, and the said commissions and boards shall serve in an advisory capacity to the Secretary of the Interior.

5. The activities relating to the construction, repair, and maintenance of roads, tramways, ferries, bridges, and trails in the Territory of Alaska, now in the Department of the Interior.

6. The Bureau of Public Roads, which is hereby transferred from the Department of Agriculture to the Department of the Interior.

7. The Office of Public Buildings and Public Parks, which is hereby transferred from its status as an independent establishment to the Department of the Interior.

8. The administrative duties, powers, and functions of the National Capital Park and Planning Commission, which are hereby transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

9. The administrative duties, powers, and functions of the Rock Creek and Potomac Parkway Commission, which are hereby transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

10. The administrative duties, powers, and functions of the Arlington Memorial Bridge Commission, which are hereby transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

11. The administrative duties, powers, and functions of the Commission of Fine Arts, which are hereby transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

12. The administrative duties, powers, and functions of the George Rogers Clark Sesquicentennial Commission, which are hereby transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

13. The administrative duties, powers, and functions of the Mount Rushmore National Memorial Commission, which are hereby transferred to the Department of the Interior, and the commission shall serve in an advisory capacity to the Secretary of the Interior.

14. The administrative duties, powers, and functions of the General Supply Committee, Treasury Department, which are hereby transferred to the Department of the Interior, and the committee shall serve in an advisory capacity to the Secretary of the Interior.

15. The Government fuel yards, which are hereby transferred from the Bureau of Mines, Department of Commerce, to the Department of the Interior.

The agencies and activities that are transferred, in whole or in part, shall carry with them all their powers and duties, personnel, books, records, and papers pertaining to the work thereof; all public property, including office equipment and laboratory facilities, both in Washington and in the field, appertaining thereto; and the unexpended balances of their appropriations (whether annual or permanent) or allotments or other funds, as of the date this order becomes effective.

All power and authority conferred by law, both supervisory and appellate, upon the department or establishment from which transfer is made, or the Secretary or other head or heads thereof, in relation to the office, bureau, division, or other branch of the public service or the part thereof so transferred shall immediately when such transfer is effected be fully conferred upon and vested in the Department of the Interior or the Secretary thereof, as the case may be, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred.

With the approval of the President, the Secretary of the Interior shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Department of the Interior in so far as such action may be required to carry out the purposes of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

Commissioned officers of the Corps of Engineers, United States Army, shall continue to be detailed by the Secretary of War upon request of the Secretary of the Interior for work on rivers and harbors projects; but while so detailed they shall be under the direction of the Secretary of the Interior, and their pay and allowances shall be charged against the appropriations for the projects to which they are assigned.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

CONSOLIDATION AND GROUPING OF EDUCATION, HEALTH, AND RECREATION ACTIVITIES IN THE DEPARTMENT OF THE INTERIOR

The function of the Federal Government in respect to education is principally that of research and the dissemination of the results thereof to assist the State and local governments to a better and more uniform performance of their duties in the administration of educational systems. Research and cooperation with State and local health authorities and coordination of their activities are likewise the major functions of the Federal Government in the field of public health. These activities are closely related to each other, deal in large measure with the same State and local governmental units, and may be performed more effectively if subject to the same general direction and control. The recreational activities of the Federal Government involve both the education of the public to a knowledge and appreciation of the natural phenomena and beauties of the country and the possibilities for the development of health in outdoor life and recreation.

It is, therefore, intended by the Executive order on the Department of the Interior relating to education, health, and recreation to consolidate and group the work of the Federal Government dealing with education, health, and recreation in the Department of the Interior, and to place such activities under the direction of an Assistant Secretary of the Interior for Education, Health and Recreation, who will be responsible to the Secretary of the Interior for the proper administration of the organizations whose duties and functions directly relate to education, health, and recreation.

There are now in the Department of the Interior the following organizations, bureaus, or offices which are performing work of an educational, health, or recreational character:

1. The Office of Education.
2. Howard University.
3. Columbia Institution for the Deaf.
4. The Bureau of Indian Affairs.
5. St. Elizabeths Hospital.
6. Freedmen's Hospital.
7. The National Park Service.

It is proposed to extend and consolidate the education, health, and recreation activities of the Department of the Interior by transferring to that department the following services, activities, or offices:

1. The American Printing House for the Blind from the Treasury Department.

2. The administrative duties, powers, and functions of the Federal Board for Vocational Education (which is now an independent establishment) and the continuance of the board to serve only in an advisory capacity to the Secretary of the Interior.

3. The Public Health Service from the Treasury Department.

4. The Division of Vital Statistics from the Bureau of the Census, Department of Commerce.

5. The national parks, monuments, and cemeteries, from the War Department.

There follows a statement of the origin, duties, and reasons for the transfer of each bureau, office, service, or activity named above.

American Printing House for the Blind: By the act of March 3, 1879 (20 S. 467), Congress established a permanent trust fund of $250,000 for the purpose of educating the blind in the United States, and authorized a permanent annual appropriation of $10,000, equivalent to 4 per cent on the principal of the trust fund, to be paid by the Secretary of the Treasury to the American Printing House for the Blind. This organization is a private corporation which was incorporated by a special act of the Kentucky Legislature in 1858 for the purpose of printing books and making apparatus for the instruction of the blind of the United States. The act of August 4, 1919 (41 S. 272), authorized an appropriation of $40,000 to provide additional aid, and the act of February 8, 1927 (44 S. 1060), authorized an increase in the supplemental annual appropriation to $65,000.

The total amount of books and apparatus manufactured and furnished by the income of $75,000 each year is distributed among all the public institutions for the education of the blind in the States and Territories, based upon the number of pupils in such institutions. The trustees of the American Printing House for the Blind are required to make annually to the Secretary of the Treasury a report of their expenditures of the appropriation with supporting vouchers from each institution showing that the amount of books and apparatus due has been received.

Obviously there is no connection between the fiscal function of the Treasury Department and the promotion of the education of the blind. It is therefore proposed that the funds for this purpose be administered by the Commissioner of Education in the Department of the Interior and that the annual report of the American Printing House for the Blind be submitted to the same individual.

Federal Board for Vocational Education: The Federal Board for Vocational Education was created by the act approved February 23, 1917 (39 S. 929). It consists of the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the United States Commissioner of Education, and three citizens of the United States, appointed by the President, by and with the advice and consent of the Senate, one representing the manufacturing and commercial interests, one the agricultural interests, and one the interests of labor. The executive officer of the board is a director appointed by the board.

The board is charged with responsibility of administering the Federal funds provided for vocational education and civilian vocational rehabilitation in the several States and in Hawaii and Puerto Rico. It is charged also with the responsibility of promoting vocational education and civilian vocational rehabilitation and conducting studies and researches in these fields.

The money appropriated under the act of February 23, 1917, is allotted to the States for the promotion of vocational education in agriculture, trades and industries, and home economics, and for the preparation of teachers of vocational subjects. The money appropriated under the act of June 22, 1920 (41 S. 735), is allotted to the States for the promotion of vocational rehabilitation of persons disabled in industry and their return to civil employment. Utilization of allotments is authorized upon condition that for each dollar of Federal money expended the State or local community, or both, shall expend at least an equal amount.

By the act of February 23, 1929 (45 S. 1260), the program for rehabilitating disabled persons was extended to the District of Columbia, and the board was made the agency responsible for its administration. Except for rehabilitation in the District of Columbia, the board operates no schools or direct services to individuals.

The Federal Board for Vocational Education now operates as an independent establishment. However, through the membership of the commissioner of education on the board, its activities are correlated with those of the office of education, of which he is the head. The board's organic act also gives the commissioner of education the power to make such recommendations to the board relative to the administration of the act as he may from time to time deem advisable. Although there is no actual duplication between the activities of the board and the office of education, they have the same general purpose. Both of them dispense Federal aid to the States for the promotion of education and both engage in educational research. Closer cooperation and improved administration would undoubtedly result by bringing them together in one department.

It is proposed to transfer the powers and duties of the Federal Board for Vocational Education to the Department of the Interior, and it is recommended that legislation be enacted abolishing the board. Pending such legislation, the board will serve in an advisory capacity to the Secretary of the Interior.

Public Health Service: The Public Health Service had its beginning in the marine hospital which was created for the relief of sick and disabled seamen by the act of July 16,



1798 (1 S. 605). The act of June 29, 1870 (16 S. 169), which provided a central administrative agency for the marine hospital service under the direction of the Secretary of the Treasury, is the foundation on which the hospital work of the present Public Health Service has been built. During the following 30 years the duties of the service were gradually increased to include the supervision of quarantine, the medical inspection of immigrants, the prevention of the interstate spread of diseases, and general investigations in the field of public health. These increases in duty resulted in a change of the name of the service to the Public Health and Marine Hospital Service and in an enlargement of its specific statutory powers, which was accomplished by the act of July 1, 1902 (32 S. 712). By the act of August 14, 1912 (37 S. 309), the name of the service was again changed to the Public Health Service, and it was given definite statutory authority to make extensive investigations in the field of public health. The World War resulted in a considerable expansion of the activities of the service. In 1929 the service was authorized to extend its researches to include drug addiction and mental and nervous diseases and was charged with the responsibility of administering the two narcotic farms of the Federal Government.

At the present time the Public Health Service is a bureau in the Treasury Department under the supervision of the Surgeon General, who is appointed by the President, by and with the advice and consent of the Senate. The service comprises seven technical divisions as follows: Division of scientific research, division of foreign and insular quarantine and immigration, division of domestic (interstate) quarantine, division of sanitary reports and statistics, division of marine hospitals and relief, division of venereal diseases, and division of mental hygiene (formerly the narcotics division).

These divisions of the Public Health Service are engaged in the following activities: The operation of hospitals and narcotic farms and the furnishing of medical and psychiatric service to specified beneficiaries, the medical inspection of immigrants, the administration of maritime and border quarantine, the prevention of the interstate spread of diseases, the examination of biological products to determine purity and potency, the collection of morbidity and other statistics pertaining to health, the dissemination of health information, and the study and investigation of the diseases of man and conditions influencing the propagation and spread of diseases, including sanitation and sewage and the pollution of the navigable streams and lakes of the United States. Its functions, therefore, fall into three classes: (1) Medical relief for designated persons, (2) prevention of the spread of disease by virtue of the powers exercised by the Federal Government over interstate and foreign commerce, and (3) making studies for the control of disease and furnishing a central agency for assisting State and municipal health officials in their work.

There is general agreement that the Public Health Service finds no legitimate place in the Treasury Department. It is also obvious that the Public Health Service should constitute the central organization around which the other health services of the Government should be grouped. Under the proposed plan this service is transferred to the Department of the Interior, where it will form the nucleus of a health group.

In view of the proposal to associate the Public Health Service with the educational services of the Government, it should be pointed out that the activities of this service are to a considerable extent educational in character. Its duties include the education of the public and of local authorities with respect to such matters as hygiene, the maintenance of health records, and the methods of controlling contagious and infectious diseases. Its effectiveness in certain fields will be increased by its contact, and the coordination of its work with that of the educational agencies which are to be located in the same department.

Division of vital statistics, Bureau of the Census: The division of vital statistics is a subordinate unit of the Bureau of the Census, having for its function the collection, compilation, and publication of elaborate statistics of births and deaths in the United States. An important feature of its work has been to promote the organization by the States and cities of the country of efficient systems of registration of births and deaths, and to secure uniformity in reporting of deaths by causes. A national system of registration of births and deaths is thus being built up under its direction with the cooperation of State and local health authorities.

The primary purpose of gathering vital statistics is to assist in the solution of health problems. This purpose will be facilitated if the studies are planned and the results are analyzed and interpreted by the service having to do with the public health. The gathering of facts relating to births and deaths involves many technical questions of classification which direct themselves to persons of medical training. Only such persons can interpret the returns to the best advantage.

The work of the division of vital statistics has little or no relation to the other work of the Bureau of the Census, which would in no way be interfered with by separating it from that bureau. Moreover, the division of sanitary reports and statistics of the Public Health Service now has the responsibility for gathering data regarding births and deaths in other countries and regarding morbidity in this and other countries. This division of responsibility is unfortunate and will be corrected by the proposed transfer of the division of vital statistics from the Bureau of the Census to the Public Health Service.

National cemeteries, parks, and monuments of the War Department: At present the Quartermaster Corps of the War Department has jurisdiction over the national cemeteries, national military parks, and certain national monuments and battle sites. The duties of the War Department (Quartermaster Corps) relative to those cemeteries, parks, etc., deal entirely with their management, care, and maintenance. Their military origin is the only basis upon which the jurisdiction of the War Department rests. These cemeteries, parks, monuments, etc., are a part of the public domain and their control should be in the service primarily concerned with the management and operation of parks and monuments. This is the National Park Service.

It is proposed, therefore, that all jurisdiction over the national cemeteries, national military parks, monuments, and battle sites now vested in the War Department be transferred to the Department of the Interior and associated with the National Park Service.

EXECUTIVE ORDER

Consolidation and grouping of education, health, and recreation activities in the Department of the Interior

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, the title of one of the Assistant Secretaries of the Interior is hereby changed to Assistant Secretary of the Interior for Education, Health, and Recreation. The Assistant Secretary of the Interior for Education, Health, and Recreation shall be responsible to the Secretary of the Interior for activities of the Department of the Interior relating to education, health, and recreation, which shall include the following organizations, bureaus, offices, or activities which are now in the Department of the Interior or which are hereby transferred to that department or to the bureaus or offices of that department, as indicated:

1. The Office of Education, now in the Department of the Interior.

2. Howard University, now in the Department of the Interior.

3. The Columbia Institution for the Deaf, now in the Department of the Interior.

4. The American Printing House for the Blind, which is hereby transferred from the Treasury Department to the Office of Education.

5. The administrative duties, powers, and functions of the Federal Board for Vocational Education, which are hereby transferred to the Office of Education, and the board shall serve in an advisory capacity to the Secretary of the Interior.

6. The Bureau of Indian Affairs, now in the Department of the Interior.

7. The Public Health Service, which is hereby transferred from the Treasury Department to the Department of the Interior.

8. The Division of Vital Statistics, which is hereby transferred from the Bureau of the Census, Department of Commerce, to the Public Health Service in the Department of the Interior.

9. St. Elizabeths Hospital, now in the Department of the Interior.

10. Freedmen's Hospital, now in the Department of the Interior.

11. The National Park Service, now in the Department of the Interior.

12. The national cemeteries, parks, and monuments, which are hereby transferred from the War Department to the Department of the Interior.

The agencies and activities that are transferred, in whole or in part, shall carry with them all their powers and duties, personnel, books, records, and papers pertaining to the work thereof; all public property, including office equipment and laboratory facilities, both in Washington and in the field, appertaining thereto; and the unexpended balances of their appropriations or allotments or other funds, as of the date this order becomes effective.

All power and authority conferred by law, both supervisory and appellate, upon the department or establishment from which transfer is made, or the Secretary or other head or heads thereof, in relation to the office, bureau, division, or other branch of the public service, or the part thereof so transferred shall immediately when such transfer is effected be fully conferred upon and vested in the Department of the Interior or the Secretary thereof, as the case may be, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred.

With the approval of the President, the Secretary of the Interior shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities, and/or their functions, in the Department of the Interior in so far as such action may be required to carry out the purposes of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

CONSOLIDATION AND GROUPING OF LAND UTILIZATION AGENCIES IN THE DEPARTMENT OF AGRICULTURE

It is intended by the Executive order on the Department of Agriculture to make of that organization a department of agriculture, land utilization, and conservation. In addition to activities which are directly and strictly of an agricultural nature, the Department of Agriculture has been charged with tasks which pertain to land utilization and conservation and which historically have been intimately associated with the work of the department and are now closely related to many problems characteristic of agriculture. These activities are performed for the most part by the Forest Service, the Bureau of Biological Survey, the Bureau of Chemistry and Soils, and the Advisory Council of the National Arboretum.

It is proposed that the consolidated activities of the Federal Government which deal with land utilization and conservation problems be placed under the direction of an Assistant Secretary of Agriculture for Land Utilization, who will be responsible to the Secretary of Agriculture for the proper administration of the organizations performing work directly relating to land utilization and conservation. The activities and organizations, in addition to the Forest Service, the Bureau of Biological Survey, the Bureau of Chemistry and Soils, and the Advisory Council of the National Arboretum, which it is proposed should be placed under the immediate direction of the Assistant Secretary of Agriculture for Land Utilization are:

1. The General Land Office of the Department of the Interior.

2. The administrative duties, powers, and functions of the Committee on the Conservation and Administration of the Public Domain.

Accordingly, it is proposed to transfer to the Department of Agriculture the foregoing organizations or activities which are now under the direction of other departments. There follows a statement of the origin, duties, and reasons for the transfer of each bureau and office named above.

General Land Office: The General Land Office was established in the Department of the Treasury by an act of Congress approved April 25, 1812 (2 Stat. L. 717), and, after passing through various stages of reorganization, was later placed under the jurisdiction of the Department of the Interior by the act of March 3, 1849 (9 Stat. L. 395).

The General Land Office is charged with the adjudication of applications and claims involving the disposition of public lands under the public land laws and the recording of all matters affecting the public lands and their disposition and status; the adjudication of applications for oil and gas leases, prospecting permits, coal-mining permits, leases, and licenses, and potash, phosphate, sodium, and sulphur permits and leases; the adjudication of applications to lease the public lands for fur farming, grazing, the free use of timber, and for various other purposes; the granting of rights of way over the public lands; the execution of surveys and resurveys of the public lands; the preparation and maintenance of plats and field notes thereof; the making of investigations to determine compliance with law by claimants under the public land laws; the determination of the mineral or nonmineral character of public lands and the feasibility of irrigation projects in connection with individual claims or entries; and the investigation of trespass on the public domain and adjudication of trespass cases.

The work of the General Land Office deals directly with problems concerning the public domain and the conservation of the natural resources of the public lands. It also relates to many agricultural problems. This work should be

intimately associated with the other activities of the Federal Government pertaining to the public domain and conservation and agricultural matters. It is, therefore, proposed to transfer the General Land Office to the Department of Agriculture.

Committee on the Conservation and Administration of the Public Domain: The act of Congress approved April 10, 1930 (46 Stat. 153) appropriated the sum of $50,000, or so much thereof as might be necessary, to cover any expenses which might be incurred by the President, through such methods as he might employ, in making a study and report on the conservation and administration of the public domain. Under the authority of this act the President appointed the Committee on the Conservation and Administration of the Public Domain. The committee's findings and recommendations were embodied in a report submitted to the President on January 16, 1931.

The duties and functions of the Committee on the Conservation and Administration of the Public Domain are clearly related to the conservation and public domain activities of the Federal Government and should be grouped with other Federal activities pertaining to those matters. It is, therefore, proposed to transfer the administrative duties, powers, and functions of the committee to the Department of Agriculture and to continue the committee to serve only in an advisory capacity to the Secretary of Agriculture.

EXECUTIVE ORDER

Consolidation and grouping of land utilization agencies in the Department of Agriculture

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

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SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me the title of the Assistant Secretary of Agriculture is hereby changed to Assistant Secretary of Agriculture for Land Utilization. The Assistant Secretary of Agriculture for Land Utilization shall be responsible to the Secretary of Agriculture for the activities of the Department of Agriculture relating to land utilization and conservation, which shall include the following organizations, bureaus, or offices which are now in the Department of Agriculture or which are hereby transferred to that department as indicated:

1. The Forest Service, now in the Department of Agriculture.

2. The General Land Office, which is hereby transferred from the Department of the Interior to the Department of Agriculture.

3. The administrative duties, powers, and functions of the Committee on the Conservation and Administration of the Public Domain, which are hereby transferred to the Department of Agriculture, and the committee shall serve in an advisory capacity to the Secretary of Agriculture.

4. The Advisory Council of the National Arboretum, now in the Department of Agriculture.

5. The Bureau of Biological Survey in the Department of Agriculture.

6. The Bureau of Chemistry and Soils, now in the Department of Agriculture.

The agencies that are transferred, in whole or in part, shall carry with them all their powers and duties, personnel, books, records, and papers pertaining to the work thereof; all public property, including office equipment and laboratory facilities, both in Washington and in the field appertaining thereto; and the unexpended balances of their appropriations or allotments or other funds, as of the date this order becomes effective.

All power and authority conferred by law, both supervisory and appellate, upon the department from which transfer is made, or the Secretary thereof, in relation to the office, bureau, division, or other branch of the public service or the part thereof so transferred shall immediately when such transfer is effected be fully conferred upon and vested in the Department of Agriculture or the Secretary thereof, as the case may be, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred.

With the approval of the President, the Secretary of Agriculture shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Department of Agriculture in so far as such action may be required to carry out the purposes of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

DEPARTMENT OF COMMERCE

The purpose of the reorganization program with respect to the Department of Commerce is to bring together, so far as practicable, in major groups all activities of the Federal Government that have to do with the protection and advancement of commerce. These major groups and their subdivisions are listed below.

INDUSTRIAL AND TRADE GROUP

Bureau of Foreign and Domestic Commerce.
Bureau of Mines:
  Federal Oil Conservation Board (independent).
Patent Office.
Federal Employment Stabilization Board.

SERVICE GROUP

Bureau of Standards:
  National Screw Thread Commission (independent).
  National Advisory Committee for Aeronautics (independent).
Weather Bureau (Agriculture).
Bureau of the Census.
Aeronautics Branch.

MERCHANT-MARINE GROUP

Coast and Geodetic Survey:
  Hydrographic Office (Navy).
  Great Lakes Survey (War).
Naval Observatory (Navy).
United States Shipping Board Emergency Fleet Corporation (independent).
Inland Waterways Corporation (War).
Bureau of Navigation and Steamboat Inspection:
  Supervisor of New York Harbor (War).
Bureau of Lighthouses.

One Executive order on the Department of Commerce provides for the transfer to that department, or to the bureaus of that department, certain agencies and activities which are now outside the department but which logically should be associated with the acivities of either the industrial and trade group or the service group of the department. Another Executive order provides for the consolidation and grouping of merchant-marine activities now in the Department of Commerce or to be transferred to that department and placed in the merchant-marine group under the immediate direction of an Assistant Secretary of Commerce for Merchant Marine who will be directly responsible to the Secretary of Commerce. There follows a discussion of the changes which are effected in the two Executive orders covering the Department of Commerce.

INDUSTRIAL AND TRADE GROUP

The only change proposed in this group is the absorption of the powers and duties of the Federal Oil Conservation Board, now an independent establishment, by the Bureau of Mines.

Federal Oil Conservation Board: The Federal Oil Conservation Board was established by the President, December 19, 1924.

The board consists of—

The Secretary of the Interior, chairman;

The Secretary of War;

The Secretary of the Navy; and

The Secretary of Commerce.

The actual work of the board is conducted under the direction of an advisory committee consisting of representatives of the board members.

The powers and duties of the board are as follows: Comprehensive inquiries into national and international petroleum conditions as they relate to production, refining, distribution, future supply, etc., and the study of the Government's responsibilities, with a view to providing ways and means for safeguarding our national security, and promotion of sound economies, through equitable conservation of the country's natural petroleum resources, and submission of findings to the President for such action as may be deemed proper.

The duties of the board as above stated are primarily of an economic character, although the purpose of its activities is conservation, with a view to national security. The Bureau of Mines is a scientific organization and covers the general field of mining, including economic as well as technologic features of the industry. It has extensive activities dealing with petroleum and natural gas. In the technologic branch, the bureau has a division of petroleum and natural gas, which deals with all the technical phases of the industry, and, in the economics branch, there is a petroleum economics division which deals with economic problems as related to conservation, the problems of supply and demand, and so forth. In this division studies are also made of oil production and refining in foreign countries through cooperation of the United States consular officers.

A considerable part of the information now considered by the Federal Oil Conservation Board is furnished by the Bureau of Mines. It appears that the Bureau of Mines is well qualified and equipped to conduct the activities of the board. Under the proposed plan the President would not be deprived of the direct contact and advice of the board members since they are members of his Cabinet. There seems no logical reason to retain the board as an independent establishment.

It is proposed to abolish the board as such and to transfer its powers and duties to the Bureau of Mines.

SERVICE GROUP

The changes proposed in this group are—

1. The transfer of the administrative duties, powers, and functions of the National Screw Thread Commission, now an independent establishment, to the Bureau of Standards, and the continuance of the commission solely as an advisory body.

2. The transfer of the administrative duties, powers, and functions of the National Advisory Committee for Aeronautics, now an independent establishment, to the Bureau of Standards, and the continuance of the committee in an advisory capacity only; and

3. The transfer of the Weather Bureau, now in the Department of Agriculture, to the Department of Commerce.

National Screw Thread Commission: The National Screw Thread Commission was created by act of July 18, 1918 (40 Stat. 912), and was made a permanent body by the act of April 16, 1926 (44 Stat. 297). The duties of the commission are to ascertain and establish standards for screw threads, which shall be submitted to the Secretaries of War, Navy, and Commerce for their acceptance and approval, and upon such approval these standards shall be adopted and used in the several manufacturing plants of the War and Navy Departments and, so far as practicable, in all specifications for screw threads in proposals for manufactured articles, parts, or material to be used under the direction of these departments.

The Director of the Bureau of Standards is ex officio chairman of the commission, and an employee of the same bureau is designated as its secretary. The activity of standardizing screw threads seems to be clearly a function of the Bureau of Standards, and there no longer appears to be any reason for continuing the independent status of the commission.

It is proposed to transfer the administrative duties and functions of the National Screw Thread Commission to the Bureau of Standards, Department of Commerce, and to retain the commission to serve in an advisory capacity to the Secretary of Commerce.

National Advisory Committee for Aeronautics: The National Advisory Committee for Aeronautics was created by the act of March 3, 1915 (38 Stat. 930), which was an act making appropriations for the naval service for the fiscal year 1916, and for other purposes. The committee consists of 15 members, who serve without compensation. Its functions are as follows:

First. Under the law the committee holds itself at the service of any department or agency of the Government interested in aeronautics for the furnishing of information or assistance in regard to scientific or technical matters relating to aeronautics, and in particular for the investigation and study of fundamental problems submitted by the War and Navy Departments with a view to their practical solution.

Second. The committee may also exercise its functions for any individual, firm, association, or corporation within the United States, provided that such individual, firm, association, or corporation defray the actual cost involved.

Third. The committee institutes research, investigation, and study of problems which, in the judgment of its members or of the members of its various subcommittees, are needful and timely for the advance of the science and art of aeronautics in its various branches.

Fourth. The committee keeps itself advised of the progress made in research and experimental work in aeronautics in all parts of the world, particularly in England, France, Italy, Germany, and Canada.

Fifth. The information thus gathered is brought to the attention of the various subcommittees for consideration in connection with the preparation of programs for research and experimental work in this country. This information is also made available promptly to the military and naval air organizations and other branches of the Government and such as is not confidential is immediately released to university laboratories and aircraft manufacturers interested in the study of specific problems, and also to the public.

Sixth. The committee holds itself at the service of the President, the Congress, and the executive departments of the Government for the consideration of special problems which may be referred to it.

It is clear that the National Advisory Committee for Aeronautics is primarily a service organization engaged in scientific research in aviation for the benefit of all Federal

departments and establishments interested in aviation problems, as well as of outside firms or corporations, provided that such outside agencies defray the cost of the service requested. The functions of this committee are closely related to and coincide with those of the Bureau of Standards. The Bureau of Standards is fundamentally a service organization which conducts extensive scientific research in a comprehensive list of subjects related to commerce and industry for the benefit of all Federal departments and establishments, State governments, and, subject to reasonable fees, the general public. These researches include among others the subject of aviation. The bureau is represented on the National Advisory Committee for Aeronautics. In cooperation with that committee, the Aeronautics Branch of the Department of Commerce, and other Federal departments, it conducts scientific research in aviation problems. During the fiscal year 1931 it had several projects in aviation such as the following:

Air navigation facilities—radio.
Aviation lighting.
Control surfaces of airplanes.
Measurement of turbulence.
Reduction of noise in airplanes.
Crash-resistant tanks.
Type testing of commercial airplane engines.
Effect of humidity on engine performance.
Aircraft-instrument developments.

From the standpoint of major purpose or function, the subject of civil aviation falls in the field of promotion of commerce and industry, and the major purpose of both the National Advisory Committee for Aeronautics and the Bureau of Standards is to conduct scientific research projects, having as their objective the protection and development of commerce and industry. The activities of the National Advisory Committee for Aeronautics are confined to the general subject of aviation, whereas in the case of the Bureau of Standards, aviation is only one among many other subjects for research. Since the activities and major purposes of the two organizations are so closely related, and fall within the same broad field, it is believed they should be more closely coordinated. It is therefore proposed that the administrative duties, powers, and functions of the National Advisory Committee for Aeronautics be transferred to the Bureau of Standards of the Department of Commerce. It is believed that the committee itself should be retained to serve in an advisory capacity to the Secretary of Commerce.

Weather Bureau: The Weather Bureau was created as a separate bureau in the Department of Agriculture by the act of October 1, 1890, which transferred the meteorological work of the Signal Corps of the Army to the newly created bureau.

The functions of the Weather Bureau, as originally established, involve: Forecasting the weather, issuance of storm warnings, display of weather and flood signals, gaging and reporting of rivers, maintenance and operation of seacoast telegraph lines, collection and transmission of marine intelligence, the reporting of temperature and rainfall conditions, display of frost, cold-wave and other signals, distribution of meteorological information, taking of meteorological observations, for the benefit of agriculture, commerce, and navigation. The air commerce act of 1926 further enlarged the functions of the Weather Bureau by requiring that bureau to furnish such weather reports, forecasts, warnings, and advices as may be required to promote the safety and efficiency of air navigation in the United States and above the high seas, particularly upon civil airways designated by the Secretary of Commerce under authority of law as routes suitable for air commerce, and for such purposes to observe, measure, and investigate atmospheric phenomena, and establish meteorological offices and stations.

The work of the Weather Bureau is done for the benefit of agriculture, commerce, and navigation—both marine and air. Regardless of the department in which the bureau is located, service must be rendered to all these interests. The Weather Bureau has no real connection with the other bureaus of the Department of Agriculture except that it utilizes the field stations of other bureaus to obtain observations and reports which are essential to its service. But it also utilizes the field stations of other departments for the same purpose. No change is proposed in this plan of utilizing all Government field stations for purposes essential to the functions of the bureau. There is, however, a direct relation between the functions of the Weather Bureau and those of the merchant-marine and aviation groups of the Department of Commerce. In view of this relationship, it is proposed to transfer the Weather Bureau to the Department of Commerce. Because the bureau renders direct service to two of the major groupings of activities in the Department of Commerce, besides its service to the agricultural interests and the public generally, it is included in the service group of activities.

MERCHANT-MARINE GROUP

In the merchant-marine group, it is proposed to bring together all activities of the Federal Government that have to do with the protection and development of the American merchant marine. There are now in the Department of Commerce the following units which deal with merchant-marine matters:

Coast and Geodetic Survey.
Bureau of Navigation and Steamboat Inspection.
Bureau of Lighthouses.

It is proposed to transfer the following activities to the Department of Commerce for inclusion in the merchant marine group:

From the Navy Department—
The Hydrographic Office.
Naval Observatory.
From the War Department—
Great Lakes Survey.
Inland Waterways Corporation.
Supervisor of New York Harbor.
Independent establishments—
United States Shipping Board Emergency Fleet Corporation.

Hydrographic Office: The Hydrographic Office of the Navy Department was established by the act of June 21, 1866. Its functions comprise topographic and hydrographic surveys in foreign waters and on the high seas; the collection and dissemination of hydrographic and navigational information and data; preparation and printing by its own personnel and with its own equipment, of maps and charts relating to and required in navigation, including confidential, strategical, and tactical charts required for naval operations and maneuvers; the preparation and issue of sailing directions (pilots), light lists, pilot charts, navigational manuals, periodicals, and radio broadcasts for the use of all vessels of the United States and for the benefit and use of navigation generally; the furnishing of the foregoing to the Navy and other public services, and the sale to the mercantile marine of all nations and to the general public, at the cost of printing and paper.

It maintains intimate relations with the hydrographic offices of all foreign countries and with the International Hydrographic Bureau, Monaco, and (through branch hydrographic offices and sales agents) with mariners and the general public.

The Hydrographic Office prepares special charts for the use of aviators, covering the coastal areas of the United States and foreign countries; disseminates through notices to aviators, information relative to aids to aerial navigation and aviation facilities; prepares and publishes plotting sheets, plotting instruments, and navigational tables especially designed for aviation use; and carries out research into the science of aerial navigation.

The Hydrographic Office cooperates with the National Academy of Sciences by conducting research work in oceanography, especially in soundings and in the collection of the temperatures of the surface of the sea.

The functions of the Coast and Geodetic Survey in the Department of Commerce are similar, if not identical, to those of the Hydrographic Office of the Navy, except that

the activities of the Coast and Geodetic Survey are confined to the coasts of the United States and its insular possessions whereas the work of the Hydrographic Office is largely confined to foreign waters and on the high seas. A large portion of the data used by the Hydrographic Office is obtained from foreign countries in exchange for similar information with respect to United States possessions.

The Navy Hydrographic Office and the Coast and Geodetic Survey each maintains separate printing and lithographic plants for the production of their charts. There seems to be no logical reason for the maintenance of these separate plants in two different Federal establishments which perform the same major functions although in a different field of operation.

The Hydrographic Office should continue to render the same service to the Navy that it does under the present arrangement, and the Navy should continue to gather and furnish the same data to the Department of Commerce for use in the preparation and correction of charts and other nautical information as it now furnishes to the Hydrographic Office.

It is proposed to transfer the Hydrographic Office from the Navy Department to the Coast and Geodetic Survey in the Department of Commerce, and it is recommended that legislation be enacted to abolish the Hydrographic Office and vest its powers and duties in the Coast and Geodetic Survey.

Great Lakes survey: The survey of northern and northwestern lakes is conducted by the United States Lake Survey Office, Detroit, Mich. The work is under the direction of the office of the Chief of Engineers of the War Department, and the appropriation is carried under the heading of Rivers and Harbors. For the fiscal year 1933 the wording in the appropriation act is as follows:

> For survey of northern and northwestern lakes and other boundary and connecting waters as heretofore authorized, including the preparation, correction, printing, and issuing of charts and bulletins and the investigation of lake levels.

The survey of northern and northwestern lakes covers the American waters of the Great Lakes and their connecting and outflow rivers from St. Regis, on the St. Lawrence River, to the heads of Lakes Michigan and Superior; the natural navigable waters of the New York State canals; Lake Champlain; and Lake of the Woods and other boundary and connecting waters between said lake and Lake Superior. The operations have also been extended to waters to include main-traveled courses for American commerce, and boundary rivers where surveys were essential to the integrity of navigation charts.

The work consists of ascertainment and charting of depths in all significant regions; triangulation and precise leveling needed to control the areas under survey; river-discharge measurements; investigations of lake levels; magnetic surveys in and near main vessel courses; prompt examination of areas where obstructions to navigation have been reported; hydrographic and topographic surveys required for the publication of navigation charts; the preparation and publication of charts and bulletins, supplements, and notices to mariners required for continuous and safe navigation, including revision and reissue of old charts.

A review of the foregoing functions clearly indicates that these activities conducted by the Corps of Engineers of the War Department are practically identical to the activities of the Hydrographic Office of the Navy Department and those of the Coast and Geodetic Survey of the Department of Commerce, except that the field of activity lies in a different area. There appears no logical reason for maintaining three separate establishments in as many different major departments, all of which contribute to the same major purpose—that of safeguarding navigation in order to protect and promote maritime commerce. It is therefore proposed to transfer the functions of the survey of northern and northwestern lakes from the War Department Corps of Engineers to the Coast and Geodetic Survey in the Department of Commerce in order to consolidate and coordinate the work of the three similar services.

The work of the survey of northern and northwestern lakes is conducted under an allotment of funds made from the principal appropriation for rivers and harbors, Corps of Engineers, War Department. The transfer of the work would therefore involve a transfer of funds represented by the allotment set aside for this work.

Naval Observatory: The work of the Naval Observatory was first started in 1845 as a division of the then Depot of Charts and Instruments. At the present time it is a division of the Bureau of Navigation of the Navy Department.

The functions of the observatory are to broadcast daily the time signals which establish the standard time for the country and for the benefit of mariners; to maintain continuous observations for absolute positions of the fundamental stars, and the independent determination by observations of the sun, of the position of the ecliptic and of the equator among the stars, and of the positions of the stars, moon, and planets with reference to the equator and equinoxes, in order to furnish data to assist in preparing the American Ephemeris and Nautical Almanac and improving the tables of the planets, moon, and stars; to compute and prepare for publication the American Ephemeris and its supplements; to conduct essential research work to derive improved values of the fundamental astronomical elements and embody them in new tables of the celestial motions.

It is also the function of the Naval Observatory to develop, supply, maintain, repair, and inspect the navigational, aeronautical, and aerological instruments for the ships and aircraft of the Navy.

A review of the foregoing functions of the Naval Observatory indicates that it is a scientific organization in the field of astronomy, producing and furnishing to the ships of the Navy and the merchant marine data that is essential to accurate navigation as well as the standard time for the entire country. It is also a scientific laboratory for the development and dissemination of knowledge in the science of astronomy.

It is proposed that the Naval Observatory, with the exception of those activities which relate to the development, maintenance, and repair of instruments for the Navy, be transferred to the Department of Commerce.

United States Shipping Board Merchant Fleet Corporation: The United States Shipping Board Merchant Fleet Corporation is a corporation organized April 16, 1917, under the laws of the District of Columbia and under the authority contained in section 11 of the shipping act of 1916 (39 Stat. 728).

The purpose of the corporation "is the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States and in general to do and to perform every lawful act and thing necessary or expedient to be done or performed for the efficient and profitable conducting of said business, as authorized by the laws of Congress, and to have and to exercise all the powers conferred by the laws of the District of Columbia upon corporations under said subchapter 4 of the corporation laws of the District of Columbia."

The functions of the United States Shipping Board Merchant Fleet Corporation are clearly a part of the major purpose of developing the United States merchant marine, and therefore should be transferred to the merchant marine group in the Department of Commerce.

Inland Waterways Corporation: The Inland Waterways Corporation was created by the act of Congress approved June 3, 1924 (43 Stat. 360). It was operated primarily for the purpose of demonstrating to private capital that our streams may be utilized to furnish, in coordination with other forms of transportation, cheap transportation, with a reasonable return on the money invested.

The policy of Congress in this respect was declared in the act of February 28, 1920 (U. S. C., title 49, sec. 142), as follows:

> It is declared to be the policy of Congress to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation.

In pursuance of this policy the Inland Waterways Corporation was created by the following provision in the act of June 3, 1924:

For the purpose of carrying on the operations of the Government-owned inland, canal, and coastwise waterways system to the point where the system can be transferred to private operation to the best advantage of the Government, of carrying out the mandate of Congress prescribed in section 201 of the transportation act of 1920, as amended, and of carrying out the policy enunciated by Congress in the first paragraph of section 500 of such act, there is hereby created a corporation in the District of Columbia to be known as the Inland Waterways Corporation. The Secretary of War shall be deemed to be the incorporator, and the incorporation shall be held effected upon the enactment of this act. The Secretary of War shall govern and direct the corporation in the exercise of the functions vested in it by this act.

It will be noted from a review of the above provisions of law that the major purpose of the Inland Waterways Corporation is to promote, develop, and encourage commerce on the inland waterways of the United States. Clearly this is a civil rather than a military function and should be transferred to a civil department. Since it has to do with the promotion of water-borne commerce, it is proposed that it be transferred to the merchant-marine group of activities in the Department of Commerce.

EXECUTIVE ORDER

Consolidation and grouping of merchant-marine activities in the Department of Commerce

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in Government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby establish a position of Assistant Secretary of Commerce for Merchant Marine who shall be responsible to the Secretary of Commerce for the work of the Department of Commerce relating to merchant-marine activities which shall include the following organizations, bureaus, or offices which are now in the Department of Commerce or which are hereby transferred to that department, or to the bureaus of that department, as indicated:

1. The Coast and Geodetic Survey, now in the Department of Commerce.

2. The Hydrographic Office of the Bureau of Navigation of the Navy Department to the Coast and Geodetic Survey.

3. The survey of northern and northwestern lakes of the Office of the Chief of Engineers of the War Department to the Coast and Geodetic Survey.

4. The Bureau of Navigation and Steamboat Inspection, now in the Department of Commerce.

5. The Supervisor of New York Harbor of the Office of the Chief of Engineers of the War Department and the powers and duties of said supervisor to the Bureau of Navigation and Steamboat Inspection.

6. The Naval Observatory of the Bureau of Navigation of the Navy Department with the exception of those activities that have to do with the development, maintenance, and repair of instruments for the Navy, to the Department of Commerce.

7. The United States Shipping Board Merchant Fleet Corporation to the Department of Commerce.

8. The Inland Waterways Corporation of the War Department to the Department of Commerce.

9. The Bureau of Lighthouses, now in the Department of Commerce.

The agencies that are transferred, in whole or in part, shall carry with them all their powers and duties, personnel, books, records, and papers pertaining to the work thereof; all public property, including office equipment and laboratory facilities, both in Washington and in the field, appertaining thereto; and the unexpended balances of their appropriations or allotments or other funds, as of the date this order becomes effective.

All power and authority conferred by law, both supervisory and appellate, upon the department or establishment from which transfer is made, or the Secretary or other head or heads thereof, in relation to the office, bureau, division, or other branch of the public service or the part thereof so transferred shall immediately when such transfer is effected be fully conferred upon and vested in the Department of Commerce or the Secretary thereof, as the case may be, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred.

With the approval of the President, the Secretary of Commerce shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Department of Commerce in so far as such action may be required to carry out the purposes of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

EXECUTIVE ORDER

Consolidation and coordination of governmental activities affecting United States commerce

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide:

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby order that the following transfers be made to the Department of Commerce or to the bureaus of the Department of Commerce, as indicated:

1. The powers and duties of the Federal Oil Conservation Board to the Bureau of Mines, and the said board is abolished.

2. The administrative duties, powers, and authority of the National Screw Thread Commission to the Bureau of Standards, and the commission shall serve in an advisory capacity to the Secretary of Commerce.

3. The administrative duties, powers, and functions of the National Advisory Committee for Aeronautics to the Bureau of Standards, and the committee shall serve in an advisory capacity to the Secretary of Commerce.

4. The Weather Bureau of the Department of Agriculture to the Department of Commerce.

The agencies and activities that are transferred, in whole or in part, shall carry with them all their powers and duties, personnel, books, records, and papers pertaining to the work thereof; all public property including office equipment and laboratory facilities, both in Washington and in the field, appertaining thereto; and the unexpended balances of their appropriations or allotments or other funds, as of the date this order becomes effective.

All power and authority conferred by law, both supervisory and appellate, upon the department or establishment from which transfer is made, or the Secretary or other head or heads thereof, in relation to the office, bureau, division, or other branch of the public service or the part thereof so transferred shall immediately when such transfer is effected be fully conferred upon and vested in the Department of Commerce or the Secretary thereof, as the case may be, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred.

With the approval of the President, the Secretary of Commerce shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Department of Commerce in so far as such action may be required to carry out the purposes of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

TRIAL WORK OF THE VETERANS' ADMINISTRATION

The purpose of one of the Executive orders on the Department of Justice is to transfer to that department the work of the Veterans' Administration relating to the defense of suits against the United States under section 19 of the World War veterans' act, 1924, as amended. At the present time the Veterans' Administration maintains a staff of investigators and lawyers whose duty it is to obtain facts, interview witnesses, and prepare evidence relating to war-risk-insurance claims filed with the Veterans' Administration for the purpose of making administrative decisions and defending such decisions if and when the claims are taken into court. The defense in court of cases arising under section 19 of the World War veterans' act, 1924, as amended, is now made in some cases by lawyers in the Veterans' Administration, in other instances by United States attorneys or their assistants, and in some cases jointly by the United States attorneys or their assistants and the lawyers of the Veterans' Administration. This inevitably results in some confusion and fails to place responsibility for the trial of such cases in a single organization.

The Department of Justice now has the power and authority under law to represent the United States Government in the courts and this is one of the major activities of the department. The consolidation of the trial work, which it is herein proposed to be transferred from the Veterans' Administration, with the trial work of the Department of Justice will make possible the more complete utilization of the organization which has been set up by the Department of Justice and will center responsibility for the conduct of such trial work in the Department of Justice.

Accordingly, it is proposed that the defense in court of cases involving litigation arising under section 19 of the World War veterans' act, 1924, as amended, be transferred to the Department of Justice. However, the obtaining of facts, the interviewing of witnesses, the preparation of evidence, and the procuring of all material which the Government needs in the trial of such cases should be retained in the Veterans' Administration because such activities are intimately related to the other work of the administration and to the proper making of administrative decisions in the cases before they have reached the stage of litigation.

EXECUTIVE ORDER

Transfer to the Department of Justice of certain functions now performed by the Veterans' Administration

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency and/or the functions thereof to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency and/or the functions thereof from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby transfer to the Department of Justice the powers and duties now exercised by the Veterans' Administration which relate to the defense in court of cases involving litigation arising under section 19 of the World War veterans' act, 1924, as amended, except that the Veterans' Administration shall retain the powers and duties it now exercises pertaining to the obtaining of facts, the interviewing of witnesses, the preparation of evidence, and the procuring of all material which the Government needs in such cases.

Such officers and employees of the Veterans' Administration who are now engaged in the work herein transferred as, in the judgment of the Attorney General, are available for the efficient performance of the work are hereby transferred to the Department of Justice, and all other such officers and employees shall be dismissed. All books, records, papers, public property, including office equipment, and the unexpended balance of the appropriations or allotments or other funds pertaining to the powers and duties herein transferred shall be transferred to the Department of Justice as of the date this order becomes effective.

This order shall take effect upon the sixty-first calendar day after its transmission to the Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

ALIEN PROPERTY CUSTODIAN

Under the provisions of the "trading with the enemy act" approved October 6, 1917, the President was authorized to appoint an official to be known as the Alien Property Custodian, who was empowered to receive all moneys and property in the United States due or belonging to an enemy or ally of an enemy. Under this authority the office of the

Alien Property Custodian was created by Executive order dated October 12, 1917.

The settlement of war claims act of 1928, approved March 10, 1928, authorized the custodian to return 80 per cent of the funds to German nationals and 100 per cent to Austrian and Hungarian nationals under certain conditions.

The work of this office is diminishing as the claims are allowed and paid. The final disposition of a number of claims has been withheld because of intervening suits that have been instituted which affect these claims.

The Department of Justice defends or prosecutes all suits in which the property held by the Alien Property Custodian is involved. As the principal duties of the latter office in the future are the settlement of litigation and the payment of claims to the nationals of foreign countries, it is clear that the office of the Alien Property Custodian should be transferred to the Department of Justice.

EXECUTIVE ORDER

Transfer of the duties, powers, and functions of the Alien Property Custodian to the Department of Justice

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby order that the activities, powers, and duties of the Alien Property Custodian be transferred to the Department of Justice. All personnel, books, records, and papers pertaining to the work herein transferred; all public property, including office equipment, appertaining thereto; and the unexpended balances of the appropriations or allotments or other funds thereof, as of the date this order becomes effective, are transferred to the administrative jurisdiction of the Department of Justice.

All power and authority conferred by law, both supervisory and appellate, upon the Alien Property Custodian shall immediately be fully conferred upon and vested in the Attorney General when the transfer herein ordered is effected.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

TRANSFERRING CERTAIN POWERS AND DUTIES OF THE EMPLOYEES' COMPENSATION COMMISSION TO THE DEPARTMENT OF LABOR

The Employees' Compensation Commission is an independent establishment composed of three commissioners appointed by the President, by and with the advice and consent of the Senate. It was created by the act approved September 7, 1916 (39 St. 742), providing compensation for civil employees of the United States injured in the performance of their official duties. For more than 10 years the administration of this law constituted the sole function of the commission. Added duties were placed upon the commission by the longshoremen's and harbor workers' act approved March 4, 1927 (44 St. 1424), extending workmen's compensation benefits to employees in certain maritime employments, and by the act approved May 17, 1928 (45 St. 600), providing compensation for employees of private industry in the District of Columbia.

The act of September 7, 1916, applies primarily to the civil employees of the United States. By the act of July 11, 1919 (41 St. 104), the benefits of the original act were extended to the civil employees of the District of Columbia, except members of the police and fire departments pensionable under other provisions of law. The act of February 26, 1925 (43 St. 1084), extended the benefits of the act of 1916 to officers and enlisted men of the Naval Reserve.

The longshoremen's and harbor workers' act of March 4, 1927, covers employees in private industries. The act does not cover the master or members of the crew of a vessel nor does it cover any employee while working on land. It was intended to protect those employees who, because they were working on board vessels, did not have rights under the workmen's compensation laws of the States and whose only redress in cases of injury was dependent upon the rules of admiralty and maritime jurisdiction.

The act of May 17, 1928, made applicable to employers and employees in the District of Columbia the provisions of the longshoremen's and harbor workers' compensation act, thus extending the principles of compensation to private employment in the District of Columbia. Compensation under both of these acts is paid by the employer through an insurance carrier authorized by the commission or direct as a self-insurer under conditions prescribed by the commission. The cost of administration in both cases is paid by the United States.

Section 41 of the act of March 4, 1927, requires the commission to make studies and investigations with respect to safety provisions and the causes of injuries in employments covered by the act and from time to time to make to Congress and employers recommendations as to the best means of preventing injuries. To comply with this requirement the commission has established a safety division in charge of a safety engineer who has been engaged for several years in the study of marine accident-prevention problems, and the development of a national safety code.

The laws administered by the Employees' Compensation Commission naturally divide themselves into two classes, namely, (1) the original law covering benefits to be paid by the Federal Government to its civilian employees, and (2) the longshoremen's and harbor workers' act (later extended to cover private employees in the District of Columbia) which covers benefits to be paid by certain private employers (or their insurers) to their employees. The administration of these laws is singularly different and distinct, there being few functions bearing any similarity. In the case of the law covering Federal employees, there is broad discretion resting in the commission in determining the measure, extent, and service connection of disabilities alleged by claimants, and the commission's authority to determine the rights of the claimants is absolute and final. On the other hand, the functions of the commission under the longshoremen's act are primarily those of regulating the acts of certain private concerns in the administration of the provisions of the law with respect to benefits they are required to provide for their employees who suffer injury. This law specifies in great detail the kind and extent of the benefits required under all conditions and while the commission is given general authority over the administration of the law such as the appointment and assignment of personnel, the location and provision for field offices, the furnishing of appropriate forms, and the promulgation of rules and regulations, the authority to adjudicate contested claims is specifically delegated to deputy commissioners located in the several field offices whose decisions are reviewable not by the commission but by the Federal district courts.

The functions of the commission in the administration of this law are closely related to the functions of the department charged with the welfare of labor. Such important industrial States as Illinois, New Jersey, New York, Ohio, and Pennsylvania have recognized this close relationship by extending the jurisdiction of their centralized labor departments to include the administration of workmen's compensation laws. A similar organization is proposed for the Federal Government by the transfer to the Department of Labor of the activities, powers, and duties of the Employees' Compensation Commission relating to the administration of the longshoremen's and harbor workers' act approved March 4, 1927, and the act approved May 17, 1928, providing compensation for employees in private industry in the District of Columbia.

I have pointed out elsewhere that the administrative duties, powers, and functions of the Employees' Compensation Commission relating to the administration of the laws providing compensation on account of injuries sustained by civilian employees of the Federal Government and the municipal government of the District of Columbia should be transferred to the Civil Service Commission and that the Employees' Compensation Commission should serve in an advisory capacity to the Civil Service Commission.

EXECUTIVE ORDER

Consolidation and coordination of governmental activities affecting labor

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby order that the activities, powers, and duties of the Employees' Compensation Commission which relate to the administration of the longshoremen's and harbor workers' compensation act approved March 4, 1927 (44 Stat. 1424–1446), and the act approved May 17, 1928 (45 Stat. 600), be transferred to the Department of Labor. All personnel, books, records, and papers pertaining to the work herein transferred; all public property, including office equipment and laboratory facilities, both in Washington and in the field, appertaining thereto; and the unexpended balances of the appropriations or allotments or other funds thereof, as of the date this order becomes effective, are transferred to the administrative jurisdiction of the Department of Labor.

All power and authority conferred by law, both supervisory and appellate, upon the establishment from which transfer is made, or the head or heads thereof, in relation to the office, bureau, division, or other branch of the public service or the part thereof so transferred shall immediately when such transfer is effected be fully conferred upon and vested in the Department of Labor or the Secretary thereof, as the case may be, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred.

With the approval of the President, the Secretary of Labor shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Department of Labor in so far as such action may be required to carry out the purposes of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

TRANSFERRING CERTAIN POWERS AND DUTIES OF THE EMPLOYEES' COMPENSATION COMMISSION TO THE CIVIL SERVICE COMMISSION

In discussing the proposal to transfer to the Department of Labor certain duties and powers now exercised by the Employees' Compensation Commission, pertaining to the administration of the longshoremen's and harbor workers' act and the act approved May 17, 1928, providing compensation for employees in private industry in the District of Columbia, I indicated that some of the present activities of the commission now relate to compensation granted Federal employees on account of injuries.

The Federal employees' compensation law of 1916, and amendments thereto, provide benefits exclusively for civilian employees of the Federal Government and the municipal government of the District of Columbia. Their administration involves a direct service by the Government to its own employees in all departments and establishments and does not in any way involve a contact with private employers or employees.

The Civil Service Commission is the recognized agency of the Federal Government for administering all interdepartmental personnel functions. It now administers the laws governing the admission of employees to the Federal service, their advancement from one class of service to another, their allocation to the several grades which limit compensation ranges, their transfer, separation and reinstatement, and their retirement for age or disability. It seems entirely logical and natural, therefore, that it should be also assigned the duty of administering the law which provides compensation for members of the same group of employees who sustain injuries in the course of their employment. In addition to the theoretical justification for this change, the transfer would make available the several field offices of the Civil Service Commission as a claim development and investigating agency. The need for a field agency which could obtain at first-hand without loss of time or undue expense the facts with respect to claims submitted by employees in the field service has been long apparent to the Employees' Compensation Commission. The Civil Service Commission's field offices are located with a view to availability to the majority of Federal employees in the field services and would, therefore, be in the most advantageous locations to obtain first-hand information with respect to the claims of all employees within the respective districts.

It is proposed therefore to transfer the administrative duties, powers, and functions of the Employees' Compensation Commission relating to the administration of the act of September 7, 1916 (39 Stat. 742), and amendments thereto providing compensation for civilian employees of the Federal Government and the municipal government of the District of Columbia to the Civil Service Commission. This transfer, together with the transfer to the Department of Labor of the duties and powers of the Employees' Compensation Commission pertaining to the administration of the longshoremen's and harbor workers' act and the act approved May 17, 1928, providing compensation for employees in private industry in the District of Columbia make unnecessary the continuance of the commission. Accord-

ingly, I recommend that the commission be abolished by legislative action. Pending such action, the Employees' Compensation Commission will continue to serve in an advisory capacity to the Civil Service Commission.

EXECUTIVE ORDER

Transfer to the Civil Service Commission of certain functions now performed by the Employees' Compensation Commission

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in Government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby order the administrative duties, powers, and authority of the Employees' Compensation Commission which relate to the administration of the act of September 7, 1916 (39 Stat. 742–750), and the amendments thereto providing compensation on account of injuries sustained by civilian employees of the Federal Government and the municipal government of the District of Columbia be transferred to the Civil Service Commission, and that the Employees' Compensation Commission shall serve in an advisory capacity to the Civil Service Commission. All personnel, books, records, and papers pertaining to the work herein transferred; all public property, including office equipment and laboratory facilities, both in Washington and in the field, appertaining thereto; and the unexpended balances of the appropriations or allotments or other funds thereof, as of the date this order becomes effective, are transferred to the administrative jurisdiction of the Civil Service Commission.

All power and authority conferred by law, both supervisory and appellate, upon the establishment from which transfer is made, or the head or heads thereof, in relation to the office, bureau, division, or other branch of the public service or the part thereof so transferred shall immediately, when such transfer is effected, be fully conferred upon and vested in the Civil Service Commission, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred.

With the approval of the President, the Civil Service Commission shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Civil Service Commission in so far as such action may be required to carry out the purpose of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

THE UNITED STATES BORDER PATROL

At present the land borders of the United States are patrolled by two different units—the immigration border patrol and the customs patrol. The immigration border patrol was organized to patrol the Canadian and the Mexican, Florida, and Gulf borders to prevent the illegal entry of aliens into this country. The Canadian patrol constitutes one district and the Mexican and Florida-Gulf patrol constitutes one district, with the united control of the entire border patrol in the Commissioner General of Immigration. The immigration border patrol has about 973 employees with a total annual pay roll of about $1,900,000.

The customs patrol is not unified in the field. Each customs collection district has its own customs patrol, which is under the control and supervision of the Collector of Customs. The customs patrol has about 718 employees with an annual pay roll of approximately $1,500,000.

The two services are responsible for the protection of the same areas. In some cases the two services are operating out of the same or near-by towns. The Immigration Patrol is charged with the prevention of illegal entry of persons, while the customs patrol is charged with the prevention of illegal entry of merchandise and the protection of the customs revenues.

The unification of the border patrols has been before the Congress for at least three years. A bill providing for their unification was passed by the House of Representatives during the Seventy-first session but failed to pass the Senate. The consolidation of the two border patrols into one organization charged with the enforcement of all laws of the United States relative to entry of persons or property is admitted by all to be desirable. It would simplify the procedure in handling violations of the law and would work toward a more effective enforcement.

In what department should a single border patrol be located? The enforcement of the immigration laws and the enforcement of the customs laws are each important, so there can be no selection on the basis of the most important laws. However, the Government now has an organization that is charged with the enforcement of these same laws—the United States Coast Guard. The consolidation of the border patrol with the Coast Guard would place in one organization the duty of patrolling the entire border of the United States, on land and on sea.

EXECUTIVE ORDER

Establishing a unified border patrol in the Coast Guard Service, Treasury Department

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide—

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby order that the following transfers be made to the Coast Guard Service of the Treasury Department:

The Immigration Border Patrol from the Bureau of Immigration, Department of Labor.

The Customs Patrol from the Bureau of Customs, Treasury Department.

The Commandant of the Coast Guard shall take action toward the establishment of a unified border patrol, which shall become effective upon order of the Secretary of the Treasury with the approval of the President.

The agencies that are transferred shall carry with them all their powers and duties, personnel, books, records, and papers pertaining to the work thereof; all public property including office equipment and laboratory facilities, both in Washington and in the field, appertaining thereto; and the unexpended balances of their appropriations or allotments or other funds as to the date this order becomes effective.

All power and authority conferred by law upon the Secretary of Labor or other officers of that department in relation to the border patrol of the Bureau of Immigration and/or the Commissioner of Customs or other officer of the Customs Service with respect to the border patrol of the Customs Service shall, when such transfer is effected, be fully conferred upon and vested in the Coast Guard Service or the commandant thereof, as the case may be.

With the approval of the President, the Secretary of the Treasury shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Treasury Department in so far as such action may be required to carry out the purposes of the consolidation herein ordered and by rules and regulations, not inconsistent with law, to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

GENERAL ACCOUNTING OFFICE

The General Accounting Office was created by the Budget and Accounting Act of June 10, 1921. (42 Stat. 23.) The primary purpose of creating the General Accounting Office was to establish an independent agency to take over the powers and duties formerly imposed by law upon the Comptroller of the Treasury and the six auditors of the Treasury Department. It was believed by the Congress that the function of auditing the receipt and expenditure accounts of the Government should be separate and independent of any of the executive departments. The separation of this audit function from the executive departments and placing the responsibility for auditing all receipt and expenditure accounts in an establishment that is independent of all others is believed to follow a sound principle and one that should be strictly adhered to. The Budget and Accounting Act, however, went further than to centralize the audit function in a separate independent establishment. It conferred upon the General Accounting Office duties of an administrative or executive character. The wording of the act has been interpreted to permit the General Accounting Office to extend its powers and duties into the field of administration in the several departments and establishments of the Government to an extent that is far beyond its primary function.

It is proposed to transfer from the General Accounting Office to the Bureau of the Budget those duties and functions which are administrative or executive in character, except those relating to the primary function of auditing the Government accounts. Particularly it is proposed to transfer—

(1) Those activities that relate to the designing, prescribing, and installing of accounting forms, systems, and procedure to be used in the several executive departments and establishments, except that the Comptroller General shall retain the power and duty to prescribe the form and manner in which accounts shall be submitted to his office for audit;

(2) Those activities which relate to the administrative examination of fiscal officers' accounts and claims against the United States, and the adequacy and effectiveness of the administrative examination of accounts and claims in the respective departments and establishments and the adequacy and effectiveness of departmental inspection of the offices and accounts of fiscal officers.

Section 309 of the Budget and Accounting Act gives the Comptroller General, as head of the General Accounting Office, the power and duty to "prescribe the forms, systems, and procedure for administrative appropriation and fund accounting in the several departments and establishments and for the administrative examination of fiscal officers' accounts and claims against the United States."

Section 312 (d) provides that—

> He [the Comptroller General] shall submit to Congress reports upon the adequacy and effectiveness of the administrative examination of accounts and claims in the respective departments and establishments and upon the adequacy and effectiveness of departmental inspection of the offices and accounts of fiscal officers.

The Comptroller General should have the power and duty of prescribing the form and manner in which accounts are submitted to the General Accounting Office for the purpose of auditing and to require all information necessary for such audit. It is not, however, a proper function of an establishment created primarily for the purpose of auditing Government accounts to make the necessary studies and to develop and prescribe accounting systems involving the entire field of Government accounting. Neither is it a proper function of such an establishment to prescribe the procedure for nor to determine the effectiveness of the administrative examination of accounts. Accounting is an essential element of effective administration, and it should be developed with the primary objective of serving this purpose. It should be so standardized as to facilitate the preparation of financial data and reports for the Government as a whole, as well as to provide the proper basis for audit. The accounting forms, systems, and procedure prescribed for the Government establishments become the most effective means available for the use of the department head in administering the activities under his jurisdiction, and they also furnish the information upon which future requirements must be predicated.

The administrative examination of accounts is, as its name implies, an administrative function. It is the final essential link in the administrative control of the fiscal activities of a department. It is not restricted to the checking of the accuracy of computation, although this may be a necessary incident of the examination. Its real purpose is the complete and detailed analysis of the actual expenditures which enables the department head to control the activities for which he is responsible. It provides him information as to the actual cost of the various objects for which he has authorized the expenditure of appropriated funds, enables him to furnish the President, through the Bureau of the Budget, with justification for estimates of future requirements, and thus forms the basis of the whole estimating system of the Government.

The duty of developing the forms, systems, and procedure of accounting, and the administrative examination of accounts should, therefore, be under the general direction of the Bureau of the Budget, which is vitally concerned with these purposes.

BUREAU OF EFFICIENCY

The Bureau of Efficiency was created as a division of the Civil Service Commission in pursuance of a provision of the legislative, executive, and judicial appropriation act approved March 4, 1913. It was made an independent establishment by the deficiency appropriation act, approved February 28, 1916. The chief of the bureau is appointed by the President, with the advice and consent of the Senate. The functions of the bureau now include the making of investigations pertaining to the duplication and overlapping of statistical services and other activities of the Federal Government, business methods and procedures in the Government service, and the personnel needs of the executive departments

and independent establishments. The duties and powers of the bureau with respect to investigations in the executive departments and independent establishments were extended, by an act of Congress approved May 16, 1928, to include the municipal government of the District of Columbia. The bureau also conducts investigations, at the request of the heads of the departments or independent establishments or committees or individual Members of Congress.

A large part of the regular duties now performed by the Bureau of Efficiency relate to the efficient and economical operation of the Government service. The sole responsibility for this work should be vested in the Bureau of the Budget, which is directly interested in the proper coordination and the economical performance of Federal activities. The Budget and Accounting Act of 1921 specifically charges the Bureau of the Budget, when directed by the President, to "make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes (with a view of securing greater economy and efficiency in the conduct of the public service) should be made in (1) the existing organization, activities, and methods of business of such departments or establishments; (2) the appropriations therefor; (3) the assignment of particular activities to particular services; or (4) the regrouping of services."

In accordance with the declared policy of Congress "to group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose," and to provide a single agency to which the President may turn for information and advice in matters of administration, it is therefore proposed to transfer the Bureau of Efficiency and its duties, powers, and functions to the Bureau of the Budget.

EXECUTIVE ORDER

Consolidation and coordination of governmental activities affecting administrative accounting, audit, and business methods

Whereas sections 401 and 403 of Title IV of Part II of the act approved June 30, 1932, provide:

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

* * * * * * *

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head.

Now, therefore, by virtue of the authority so vested in me, I hereby order that the following transfers be made to the Bureau of the Budget:

1. The powers and duties now exercised by the General Accounting Office which relate to the designing, prescribing, and installation of accounting forms, systems, and procedure in the several executive departments and independent establishments, except that the Comptroller General shall retain the power and duty to prescribe the form and manner in which accounts shall be submitted to his office for audit.

2. The powers and duties now exercised by the General Accounting Office which relate to the administrative examination of fiscal officers' accounts and claims against the United States, and the adequacy and effectiveness of the administrative examination of accounts and claims in the respective departments and establishments, and the adequacy and effectiveness of departmental inspection of the offices and accounts of fiscal officers.

3. The Bureau of Efficiency.

In each of the foregoing transfers, the agencies and activities that are transferred shall carry with them all their powers and duties, personnel, books, records, and papers pertaining thereto; and the unexpended balances of their appropriations or allotments or other funds as of the date this order becomes effective.

All power and authority conferred by law, both supervisory and appellate, upon the General Accounting Office or the head thereof, and/or upon the Bureau of Efficiency or the head thereof, in relation to activities hereby transferred, shall immediately, when such transfer is effected, be fully conferred upon and vested in the Bureau of the Budget or the head thereof, as the case may be, as to the activities so transferred.

With the approval of the President, the Director of the Bureau of the Budget shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the bureaus, agencies, offices, or activities and/or their functions, in the Bureau of the Budget in so far as such action may be required to carry out the purposes of the consolidation herein ordered, and by rules and regulations not inconsistent with law to fix the functions thereof and the duties, powers, and titles of their respective executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above.

HERBERT HOOVER.

THE WHITE HOUSE, *December 9, 1932.*

RECOMMENDATIONS TO THE CONGRESS IN ACCORDANCE WITH SECTION 406 OF THE ECONOMY ACT

ABOLITION OF THE ROCK CREEK AND POTOMAC PARKWAY COMMISSION

It is recommended that the Rock Creek and Potomac Parkway Commission be abolished. I pointed out in my memorandum on the Department of the Interior relating to public works that the National Capital Park and Planning Commission is performing similar functions. There is no necessity for the continuance of both commissions. In the Executive order dealing with the consolidation and grouping of public-works activities I have provided for the transfer of the administrative duties, powers, and functions of the Rock Creek and Potomac Parkway Commission to the Department of the Interior and the temporary retention of the commission as an advisory body until such time as it is abolished as herein recommended.

TRANSFER OF THE OPERATION, PROTECTION, AND MAINTENANCE OF THE PARKS, PARKWAYS, PLAYGROUNDS, AND RECREATIONAL ACTIVITIES OF THE DISTRICT OF COLUMBIA FROM THE OFFICE OF PUBLIC BUILDINGS AND PUBLIC PARKS TO THE MUNICIPAL GOVERNMENT OF THE DISTRICT OF COLUMBIA

At present the operation, protection, and maintenance of the parks, parkways, and certain of the recreational activities in the District of Columbia are placed under the jurisdiction of the Office of Public Buildings and Public Parks. The appropriations are made from the revenues of the District of Columbia.

The Office of Public Buildings and Public Parks also serves as a service agency to the various departments and establishments in the District of Columbia in that it has charge of the maintenance, protection, and operation of the Government buildings.

In the Executive order on the Department of the Interior I have transferred this office to the Interior Department in accordance with the plan to consolidate and group all service agencies in that department.

The function of managing, protecting, and operating the local parks, parkways, and recreational activities is purely municipal in character. The municipal government of the District of Columbia now operates certain playgrounds and

recreational activities. The transfer of these activities of the Office of Public Buildings and Public Parks to the municipal government of the District of Columbia would serve a two-fold purpose—(1) it would consolidate the control of all parks and playground activities in one place, and (2) it would relieve the Federal Government of the control of activities that are purely local in character and which are paid for out of District of Columbia funds. I recommend that legislation be enacted transferring these activities to the jurisdiction of the Commissioners of the District of Columbia.

ABOLITION OF THE EMPLOYEES' COMPENSATION COMMISSION

As previously indicated, one of the functions of the Department of Labor is the protection of the interests of labor, and the functions of the Employees' Compensation Commission in the administration of the longshoremen's and harbor workers' act, which requires certain private employers to provide compensation for the injury of their employees, and the act of May 17, 1928, providing compensation for employees of private industry in the District of Columbia, fall clearly within this category. Accordingly I have provided by Executive order for the transfer of these duties to the Department of Labor.

It has also been indicated that the powers and duties of the Employees' Compensation Commission which have to do exclusively with relationships between the Federal Government and its own employees properly fall within the jurisdiction of the Civil Service Commission. I have, therefore, provided in an Executive order for the transfer of these powers and duties to the Civil Service Commission and the temporary continuance of the Employees' Compensation Commission to serve in an advisory capacity to the Civil Service Commission until it can be abolished by legislation.

When the foregoing transfers have been effected there will remain no real occasion for the continuance of the Employees' Compensation Commission. I therefore recommend that it be abolished.

NATIONAL TRAINING SCHOOL FOR BOYS

The Reform School of the District of Columbia was organized by the act of May 3, 1876. The name was changed to the National Training School for Boys by the act of May 27, 1908. It is controlled by a board of seven trustees, appointed by the President. There are also two consulting trustees; one, a Senator, appointed by the Presiding Officer of the Senate, and the other, a Member of the House of Representatives, appointed by the Speaker.

Delinquent boys under the age of 17 may be committed to the institution by the judges of the criminal or juvenile courts of the District of Columbia and by Federal judges in other jurisdictions.

The Department of Justice has made agreements with the various State authorities to provide for the care of delinquent boys in their respective State institutions. During the past year the number of boys in the institution from places outside of the District of Columbia has been reduced almost 50 per cent and it is expected that there will be a further reduction as the boys now committed to that institution become 21 years of age and are released.

The National Training School for Boys will, in the future, become a reform school for the District of Columbia. This institution should be placed under the control of the Board of Public Welfare, District of Columbia, in the same manner that the National Training School for Girls was so placed by the act of March 16, 1926.

I therefore recommend the enactment of legislation which will abolish the board of trustees of the National Training School for Boys, and which will transfer the duties, powers, and functions of that board to the Board of Public Welfare of the District of Columbia.

The PRESIDING OFFICER (Mr. FESS in the chair). The message will be printed, including the Executive orders, and so forth, and referred to the Committee on Appropriations.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and, Mr. GRAMMER being then in the chair, they were subsequently signed by the Vice President:

H. R. 1778. An act for the relief of John S. Shaw; and

H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. CUTTING. Mr. President, will the Senator from New York yield to me for the purpose of offering an amendment which I think will require no discussion?

Mr. COPELAND. I yield to the Senator.

Mr. CUTTING. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator desire that the amendment be read?

Mr. CUTTING. Yes; I should like to have it read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. The Senator from New Mexico offers the following amendment to the amendment of the committee: On page 34, lines 23 and 24, strike out "after the date of the inauguration of the government of the Commonwealth of the Philippine Islands" and insert in lieu thereof:

Effective upon the acceptance of this act by concurrent resolution of the Philippine Legislature, or by a convention called for that purpose, as provided in section 14.

Mr. CUTTING. Mr. President, this amendment is slightly modified from one which was proposed by the senior Senator from California [Mr. JOHNSON]. The object of it is to introduce the quota system from the Philippine Islands immediately upon the approval of the act by the Philippine Legislature, which would antedate the inauguration of the new government as the bill reads at the present time.

I do not think there should be any objection to this amendment, as it brings this clause into line with the present bill; and I therefore ask for the adoption of the amendment.

Mr. SMOOT. Mr. President, I will ask the Senator to defer that request until I can examine the amendment.

Mr. CUTTING. If there is any objection to it, of course, I will not ask to have the amendment acted upon at this time.

Mr. SMOOT. I may have no objection to it, but after hearing it read I should like to look the whole bill over to see what effect it is going to have on any part of the bill.

Mr. CUTTING. I have no objection. I do not desire to interfere with the speech of the Senator from New York.

Mr. ROBINSON of Arkansas. Mr. President, it was difficult to hear the reading of the amendment. Does it so modify the provisions of the bill that unlimited immigration from the Philippines to Hawaii will be restricted and prevented?

Mr. CUTTING. No, Mr. President; it has nothing to do with the immigration to Hawaii. It deals with the immigration from the Philippine Islands to this country.

Mr. ROBINSON of Arkansas. To the United States?

Mr. CUTTING. The quota system, under the bill as it came from the committee, will go into effect on the date of the inauguration of the government of the Philippine Islands. The object of this amendment is to make the quota system go into effect at once after the approval of this bill by the Philippine Legislature. It may expedite the process by a year or so.

Mr. ROBINSON of Arkansas. May I ask the Senator from New Mexico if, within his knowledge, any amendment is contemplated relating to Hawaii and the admission of persons from the Philippines to Hawaii as contemplated in the bill?

Mr. CUTTING. I have no knowledge on that subject, Mr. President.

Mr. ROBINSON of Arkansas. Is it true that under the terms of the bill there is no limitation on the admission of persons from the Philippines to Hawaii?

Mr. CUTTING. Yes; that is true.

Mr. ROBINSON of Arkansas. Has the Senator, as a member of the committee, made a study of the effect of that provision on labor conditions in Hawaii?

Mr. CUTTING. Mr. President, I have not made any profound study of the matter. We had some evidence before the committee that it would be detrimental to the interests of Hawaii to put that clause into effect. My knowledge of the situation is not sufficiently great to enable me to say whether or not that evidence was correct. It was to the effect that the Philippine immigration to Hawaii was, on the whole, necessary for their economic processes.

Mr. ROBINSON of Arkansas. May I conclude the interruption of the Senator from New York with the statement that a number of persons have suggested to me the desirability of modifying the bill in the particular referred to so as to make the limitations applicable under the bill to the United States apply also to Hawaii. I think it will be necessary to consider and pass upon an amendment of that nature before the bill is finally disposed of.

Mr. SMOOT. Mr. President, I will say that I have just made an examination of the amendment suggested by the Senator from New Mexico, and, as far as I am personally concerned, I have no objection to it.

Mr. ROBINSON of Arkansas. Mr. President, I do not know of any objection to the amendment; but it occurs to me that it is rather a bad plan of procedure to adopt amendments while a Senator is debating the bill. I am not going to object to the request of the Senator from New Mexico, because I know he has given very careful consideration to the subject; but I do ask the liberty of stating to the Senate that hereafter I shall object to amending the bill while a Senator is on the floor discussing it. I believe it is bad practice; and while in this instance I do not believe any harm can result, I think hereafter we had better follow the normal procedure.

Mr. JOHNSON. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. JOHNSON. May I have the attention of the Senator from Arkansas for an instant? I desire to submit an amendment that is in reality a part of the amendment which has been submitted by the Senator from New Mexico. Then, ultimately, both may be considered.

I desire to say, too, that the Senator from Arkansas has touched upon a most important problem. Some of us who were members of the committee were doubtful about dealing with the immigration problem of Filipinos to Hawaii; and, in the fear that injury might be done, the problem probably was not considered by the committee ultimately. But it would not be amiss at all, as the Senator suggests, if the question were taken up some time during the progress of this bill and thrashed out upon the floor of the Senate.

The immigration provisions now in the bill with which immediately I am concerned are those relating to immigration to the mainland of the United States, as we presume to call it. They do not relate, as the Senator from Arkansas has indicated and the Senator from New Mexico has said, to immigration to Hawaii. My understanding is that Hawaii has received some considerable sums from the Reconstruction Finance Corporation—I may be in error in this, and I hope I shall be corrected if I am—because of conditions of unemployment now existing in Hawaii.

Mr. ROBINSON of Arkansas. The Senator is not in error. He is entirely correct in the statement. A very large sum has been so received by Hawaii.

Mr. JOHNSON. We leave, then, an unrestricted immigration, may I submit to my colleagues, into Hawaii at a time when conditions are such as to call for relief from the Treasury of the United States.

Mr. ROBINSON of Arkansas. And in all probability the burden upon the Territory of Hawaii incident to the admission of an unlimited number of immigrants from the Philippines will be greatly increased, making necessary additional advances from the Federal Government to provide funds for the relief of destitution there.

Mr. JOHNSON. These problems are real problems which during the course of the argument should be considered upon the floor. The amendments which have been presented now, and which are pending, deal with the mainland alone; and the language of the amendment I have just presented is in order to bring in line with exclusion laws which now exist the particular amendment that was suggested originally by the Senator from New Mexico [Mr. CUTTING].

The PRESIDING OFFICER. Does the Senator desire to have the amendment read?

Mr. JOHNSON. The amendment may be printed and lie on the table, because I assume it will not be acted upon immediately, or possibly not to-day; I do not know. If it is appropriate, I shall ask to have it taken up during the day.

Mr. ROBINSON of Arkansas. The Senator from New Mexico asked unanimous consent for the present consideration of his amendment. I myself did not object. I stated reasons which apply generally to the bad practice of amending a bill while it is being debated.

Mr. CUTTING. Mr. President, I think there is some force in what the Senator from Arkansas has said as to this method of proceeding, and I am perfectly willing to let the amendment go over and be the pending amendment. I understand it is the pending amendment at the present time.

The PRESIDING OFFICER. Without objection, the amendment will be regarded as pending.

Mr. BINGHAM. Mr. President, may I ask the Senator from New York whether he intends to offer an amendment at the close of his remarks?

Mr. COPELAND. I have not decided as yet, Mr. President.

Mr. BORAH. Mr. President, may I interrupt the Senator who has the floor long enough to ask the Senators in charge of this bill, the Senator from Missouri [Mr. HAWES] and the Senator from New Mexico [Mr. CUTTING], if there has been any reconsideration of the proposition of limiting the time within which the Filipinos may have their independence? I think the time provided for in the bill is entirely too long, and I had understood, when we adjourned last summer, that there was to be consideration of the matter, and I wondered whether there had been any conclusion reached in regard to shortening the time.

Mr. HAWES. Mr. President, our committee gave very great consideration to the question of time, as a matter of detail. We voted on different periods and went into the matter exhaustively. That is one of the most difficult of all the problems involved in this question, and it arose in this way: Our Congress legislated free trade for the Philippines, notwithstanding the Philippine people opposed free trade by act of their legislature and through the utterances of all their public men. But, by the act of the Congress of the United States they were induced to go into the sugar business and other kinds of business, and investments were made in the islands by our people. Not only that, but the Filipinos were diverted from their other occupations and put into the sugar and cocoa business, and the production of things of that kind, because those articles were on the free list.

When we separated the Philippines from Spain the United States allowed a period of 10 years for the adjustment of trade relations between Spain and the Philippine Islands. It is the opinion of all members of our committee, with the exception, I believe, of two, and of all the Members of the House of Representatives, that to break off quickly our relationship with the Philippines would be very injurious to them and be very injurious also to the American capital invested in the islands.

Mr. BORAH. May I say that if we do not break off within a reasonable time it is going to be very injurious to the agricultural interests of the United States.

Mr. HAWES. We have attempted to provide for that by a limitation.

Mr. BORAH. I will not discuss that now, but I shall discuss it later.

Mr. KING. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. KING. In view of the interrogatory of the Senator from Idaho, may I say to him that I have prepared an amendment, which, at the appropriate time, I shall offer. It relates to page 37, and proposes to strike out all of section 9 and substitute the following:

> On the 4th of July immediately following the expiration of a period of eight years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States—

And so forth.

In other words, under this amendment, if adopted, our control over the Philippine Islands will terminate within eight years after the period indicated.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER (Mr. DICKINSON in the chair). Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. BROUSSARD. I desire to make a statement with reference to the inducements offered to the Filipinos to go into the sugar business, and that is made necessary, in my view, because of the statement made by one of the sponsors of the pending bill.

In 1909, when free-trade relations were established between the United States Government and the Philippine Islands, there was adopted in the House of Representatives a limitation of 300,000 tons of sugar. That measure was offered by my brother when he was in the House, and it was debated. A similar limitation was put on rice and other commodities coming from the Philippine Islands.

In 1913, when the Underwood bill was passed; it provided that three years thereafter sugar should go on the free list. In order not to have to recur to this limitation, the Underwood bill repealed the limitation.

At that time there were imported from the Philippine Islands into the United States 52,000 tons of sugar. In 1914 the Congress repealed the provisions of the Underwood bill placing sugar on the free list three years after its adoption, which would have been in 1916. In view of the fact that only 52,000 tons of sugar were imported from the Philippines into the United States it was not deemed necessary to restore the limitation of 300,000. The sugar interests in the Philippines began to increase production thereafter.

In 1929, when another tariff bill was pending, Representative TIMBERLAKE offered a limitation, and I did the same thing in this body. We proposed a limitation of 500,000 tons. Scarcely 500,000 long tons of sugar had been imported during the last year preceding that action, and the average for the three years preceding was, of course, much below that. My amendment to tax the sugar imported from the Philippines was debated for five or six days. Everybody had notice.

It is not the Filipinos who have increased production; it is the American capital that has gone there since we have agitated this question. While they produced 598,000 tons in 1929, we understand that they propose to put on the American market this year 1,100,000 tons of sugar. We have not induced the Filipinos to invest in sugar production. We have been trying to prevent them from increasing their production. As I said before, I lived in the Philippine Islands two years; I was born on a sugar plantation; I know the possibilities of sugar production, and I suggested then, and I say now, that the Philippine Islands can produce 6,000,000 tons of sugar.

The result will be that if we continue this policy we will establish a source of supply for this Nation in the Philippine Islands, 8,000 miles from San Francisco, and it will destroy the Cuban industry, of which I am no friend, as everybody knows. But Cuba is a place where we can get sugar in case of emergency. We can not permit the Filipinos to increase their production—and all of that is with American capital—and to reach this market, and to take 2 cents less than the Cubans will take, without putting the Cuban production out of business.

If this 800,000 tons is exempt from payment of duty, they can throw 800,000 tons of sugar into the ocean and undersell Cuba after that. We know that Cuba last year sold sugar here, where she did not get one-half of a cent a pound for it after she paid the duty and after she paid the transportation and the insurance charges, and the effort made here should not be permitted to be represented to the Senate as resulting in an increase on account of encouragement given by this Government, but it is done in defiance of that. There has been resort to an appeal to the liberty-loving people of the Philippine Islands. Those interested want to get an exemption of 1,050,000 tons for 20 years, and we know what a new generation will do. They will turn it down. But in the meantime they will have thrown all the ports of this Nation open to the free importation of that many tons of sugar, to the detriment of the sugar-producing people of this country, and it will likewise be to the detriment of the oil-producing people of this country and all the other agricultural elements which have to compete with the products of the Philippine Islands.

I wanted to make this statement because nobody has encouraged the Filipinos to increase their sugar production, but it has been in defiance of the bills offered here in the last eight years granting independence, none of which was acted upon favorably by either House. There has been constant agitation there to stop the importation of products which are crushing the farmers of this country.

I have several amendments to propose. I do not see why we permit a people to adopt a constitution and have it acted upon and ratified by the President of the United States, and then permit a new generation 20 years hence to vote as to whether or not they will accept that constitution. I propose to eliminate that feature of the bill which would permit a referendum after 20 years. In fact, Mr. President, when we started the consideration of these very two measures, the Hare bill and the Hawes bill, we reached this conclusion—that the first year after the establishment of the Government they would pay 25 per cent of the tariff duties of this country on all their commodities, the second year 50 per cent, the third year 75 per cent, the fourth year 100 per cent, and thereafter a hundred per cent until they had achieved their independence.

Members on a committee wishing to pass a bill have conceded to the Secretary of War and to the Secretary of State every objection they made to the bill, until to-day I myself, who have been favorably inclined to vote for a bill granting independence to the Philippine Islands, would hesitate to vote for the pending bill; and I have a number of amendments to propose, which I hope will be adopted, because if we permit the Philippines to be intimidated by the capital that has invaded the Philippine Islands and to submit themselves to the whims and caprices of wealth and the financial influences that will grow up under these exemptions, the Philippine Islands will never be free.

Mr. HAWES. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. Mr. President, I want to call attention to the fact that I can hardly be accused of filibustering. It is now 1 o'clock and I have not yet said a word to-day on the pending question. I yield to the Senator from Missouri at 1 o'clock.

Mr. HAWES. In due time amendments will be offered to the bill relating to the transitional period and to the limitation of exports, but I can not meanwhile permit a statement of the Senator from Louisiana to go unanswered. Some persons believe the limitation on sugar should be 650,000 tons. Others believe that it should be 1,000,000 tons. In between



these two figures the committee of the House and the committee of the Senate tried to reach a fair determination of what should be the reasonable amount permitted to come into the United States on the basis of the status quo. We shall get to that and discuss it later, but meantime it seems to me that the liberty of these people should not be measured in terms of sugar. A controversy between Americans as to what the limitation should be is preventing the fulfillment of a great national promise given by Congress more than 16 years ago. In my opinion it would be disgraceful if the express declarations of great Americans on all occasions, the promise of Congress itself, and the welfare of 13,000,000 people of the Philippines were to be determined on the low level of a selfish interest, whether it be sugar or something else. The American people have put their duty to the Filipino nation on a plane of altruism, and it should be fully discharged in that spirit.

Mr. BROUSSARD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield further to the Senator from Louisiana?

Mr. COPELAND. Of course, I am willing to give all the time my colleagues want, but I do not want to be accused under the circumstances of filibustering.

Mr. BROUSSARD. I only ask a moment for reply to the Senator from Missouri.

Mr. COPELAND. I will yield to the Senator from Louisiana.

Mr. BROUSSARD. I want to say, first of all, that the claim that a million tons of sugar should be exempt from tax was never made until this week in the present session. The amount established in the bill was based upon an estimate made for the crop of 1932, which had not yet been harvested. The statement that we made a compromise between 600,000 tons and 1,000,000 tons is not a fact. The secretary of agriculture of the Philippines made an estimate of this year's crop and upon it the committee fixed the amount, but that has nothing to do with the question. If sugar is in the debate, it has nothing to do with promises made by the Democratic Party and by the American people. Sugar was never mentioned, but was taxed until 1909. Then there was a limitation put upon it at six times the amount they have been producing. If sugar is here, it is not because of the Filipinos but because of American capital that will not get out of the Philippine Islands.

Mr. COPELAND. Mr. President, I said yesterday it is a matter of astonishment to me that so little public sentiment has been aroused regarding this bill. Our country has not alone the great obligation to the Philippine people to preserve intact a government which gives them the degree of liberty which they now possess, but we have a world obligation. I can quite understand the possibility that if we were to alienate sovereignty over the Philippines it might not be long before they would fall into the lap of some other strong power. Whether that would be a detriment to the Filipinos would be a matter for them to determine. But if they were to resent the fact that another power had taken possession, there would rest upon us a moral obligation to support the Filipinos in resisting the encroachment and invasion of that power and to help retain possession of the Philippines for the Filipino people. In such a contest world peace might be threatened.

I said I was amazed at the lack of public sentiment and interest regarding the matter. But I find this morning that the New York Herald Tribune has an editorial on the subject. I have a letter from the Merchants' Association of New York on the subject. I ask that both be read at the desk by the clerk.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

[From the New York Herald Tribune, Friday, December 9, 1932]

RESERVED TO THE PEOPLE

Everyone who has the least knowledge of the Philippine-independence question or of the motives behind the Hawes-Cutting bill, which the Senate discussed yesterday, understands that that discussion is in itself a discredit to American institutions. Because there has been no great demonstration of public sentiment against the alienation of these properties of the American people in the Pacific, it is reported from Washington that no more than 14 Senators find it worth their while to defend the national interest against the frankly selfish appeals of a few powerful lobbyists.

The fact that the passage of this or any similar bill will destroy this country's prestige in the East and put ruinous limitations upon America's trade expansion in the potentially great markets of the Orient means nothing to these men. The fact that the passage of such a bill would be a repudiation of this country's obligations to the Filipinos and would consign millions of those who trust in our altruism to hopeless ruin and anarchy, with Oriental exploitation to follow, means still less. These questions were not even raised. The only points that interest the majority now are whether the Filipino sugar interests can get the bill amended to give them a bigger free import quota than the bill provides and whether the Cuban and domestic sugar lobbyists can get it amended to reduce that quota and give Cuba a bigger price-fixing monopoly on the United States market.

If the political, commercial, and humanitarian arguments against the sacrifice of the islands to such interests carry no weight with an overwhelming majority in the Senate, it is scarcely to be expected that the one all-sufficient objection to congressional action, which Senator ROYAL S. COPELAND brought up in his lonely but honest opposition yesterday, can put any damper upon the senatorial enthusiasm for a betrayal of the Nation's trust. The plea to which Senator COPELAND confined himself was simply that the right to alienate territory is one which the Constitution reserves to the American people and, therefore, one which the Congress would illegally usurp if it were to pass this independence bill.

This is a point which a Senate that is prepared to toss America's prospects in the Pacific into the discard at the behest of the lobbies can afford to take lightly when the people do not seem to be looking; but it is one which neither this administration nor any that succeeds it is likely to overlook, since Secretary Hurley has raised it on the authority of the late Chief Justice White. If the lobbying system is making an unpleasant farce of the tradition of a legislator's responsibility to the people who elect him, the Nation has still to be grateful to its founders for the executive and judicial checks which experience prompted them to put upon just such betrayals of trust and usurpations of power as the upper House now cynically contemplates.

Mr. COPELAND. Mr. President, before the clerk reads the letter which I have sent to the desk, let me tell why I have had this editorial read. It is because I want the RECORD to show that for some reason or other the Senate of the United States is not interested in this question of the alienation of sovereignty over the Philippines. At the present moment, 11 minutes past 1 o'clock p. m., there are eight Senators in the Chamber. Had I been talking for an hour and 10 minutes I could quite understand why the seats are vacant. It would be easily understandable. But while I have had the floor technically for an hour and 11 minutes, I said absolutely nothing until just a moment ago. It can not be my fault that Senators are not here.

Of course there is one reason, a very sound reason. Senators are hungry and many of them are now eating lunch. I hope they will not eat too much, because my observation is that the average man lives on one-third of what he eats and the doctors live on the other two-thirds. That is a professional suggestion, which I hope may reach the dining room.

But, Mr. President, it is indecent—and I use that word deliberately—it is indecent that there should be so little serious thought given to a question so far-reaching as the one under consideration here to-day. If there were back of this movement an honest desire to give freedom to the Filipinos because of those aspirations and impulses which we possess as Americans, the desire for liberty and the desire that all peoples of the earth should have liberty—if that were the spirit, if that were the reason why we have the bill here, if that were the reason why the bill will pass when it comes to the final vote, I would say "amen." While I should be disappointed because I think it proposes an unlawful assumption of power on the part of the Congress, nevertheless if the spirit here were one of the United States desiring to free a people and to give them liberty, I would say, "God bless the men who vote that way."

But, Mr. President, that is not the reason why the bill will be passed. The true reason is because the beet-sugar interests of America do not want the Philippines to continue sending into the United States free raw sugar. We

have already saddled upon the sugar bowls of this country at least $250,000,000 by reason of the tariff on sugar coming to us from Cuba and other countries against which a tariff is levied. But now the beet-sugar interests are aroused. They are unwilling that sugar should continue to come from the Philippine Islands, and so the sugar interests are in favor of this bill.

Then, Mr. President, over in the Philippines they raise coconuts, and coconut oil is made from the coconut meat.

Mr. TYDINGS. Mr. President, will the Senator from New York yield?

Mr. COPELAND. And, of course, the cotton farmers want no coconut oil to come in, because they want a greater sale for cottonseed oil, and they are for the bill. Now I yield to my friend from Maryland.

Mr. TYDINGS. I should like to say, merely humorously, that if granting independence to the Philippines is going to keep out coconuts, I am in favor of it, because we have got enough coconuts in this country already. [Laughter.]

Mr. COPELAND. I am inclined to think the Senator is right. His attitude toward this bill up to now I have thought has been a wrong one, but I begin to think that he is right. However, I do hope that in the remarks he has just made he does not include all the Senators among the coconuts.

Mr. TYDINGS. Not all of them.

Mr. COPELAND. Not all of them, but I suppose all who are against this measure are coconuts. However, whether they are or not, I want the country to know what the sordid interests are which are back of this bill.

Then there is the competition of Filipino labor with our labor. I sympathize with that. We have not sufficient work for our own people; but yet, after all, that is a selfish interest.

Mr. President, let it be recorded—and I am sure I speak the truth—let it be recorded that selfishness and sordidness are the real interests back of the great lobby attempting to secure the passage of this bill. I concede to every Senator the right to decide for himself on the merits of the bill, and what I have said is no reflection upon my colleagues who will vote for the measure; but if it were not for the tremendous sentiment created throughout the country for the bill, it would not have a chance in the world to pass.

Mr. President, legislation rarely originates in the legislative body; legislation rarely originates in the Congress; legislation comes from outside. It comes from persons who become excited over this, that, or the other thing; it comes from persons who have selfish interests to serve; it comes from persons who have noble instincts to follow. The legislation originates from outside the Capitol. Not an hour of time would be taken by this body if this particular legislation had originated here. There are those here who have given deep thought to the question involved, but the sentiment back of the bill is a sentiment of interested parties who pull the strings and determine what legislation shall be passed.

I would not wish to have any Senator when he records his vote in favor of the bill believe that I think he is selfish and sordid, but I know enough of human nature to realize that we are unconsciously influenced by the contacts we have. I know that, whether we are conscious of it or not, pressure from without shapes our thoughts and determines our actions. Sordidness, selfishness, the interests of different groups are involved here; and I have no question that every intelligent, honest Filipino—and, so far as I have met them, they are all that—I have no doubt that every Filipino knows in his heart what it is that is back of this measure.

I want liberty and freedom—absolute freedom—to come to the Filipinos when they are ready for it; but when they have it, I want it to be by an act which is lawful, legal, and constitutional. This proposal does not meet those requirements; this proposal is violative of the Constitution which we have taken an oath to support. No Senator will intentionally vote against the Constitution; but, no matter whether he votes with the highest desire to do right, it is my conviction, from long study of the question, that a vote for the pending bill will be in violation of the Constitution of the United States.

Now, Mr. President, I ask that the letter from the Merchants' Association, which I have sent to the desk, may be read.

The PRESIDING OFFICER. The clerk will read, as requested.

The legislative clerk read as follows:

NEW YORK, *December 8, 1932.*

Hon. ROYAL S. COPELAND,
United States Senate, Washington, D. C.

DEAR MR. SENATOR: The Merchants' Association of New York is writing to restate to you its position, placed before you in our letter of March 7, 1932, in opposition to S. 3377, now before the Senate, which proposes to grant independence to the Philippine Islands and to limit and assess duties on importations of commodities from the Philippine Islands.

This association firmly believes that the United States has not fulfilled the obligation it voluntarily assumed when it took possession and control of the Philippine Islands to render them ample protection and to assist them to reach a sound and enduring position in their political, economic, and social development.

At that time the United States assumed an obligation to the nations of the world to prevent these islands, which are of great strategic value, from becoming a point of contention and strife between nations. Recent international developments in the Far East emphasize strongly the desirability and the need for continuing the protection the islands now have, and for the United States to maintain its present status in the Philippines, to prevent encroachments by other nations.

This association has consistently opposed legislation to establish tariff duties on products of the Philippine Islands exported to the United States, or to limit the amount of such products permitted free entry into the United States. Legislation of the character proposed is contrary to the provision of law governing trade with the Philippine Islands, originally enacted in 1909 and reaffirmed in each tariff act since that time. We believe that to modify in any way the principle of the free exchange of commodities between the Philippines and this country would be contrary to the moral obligation which the United States owes to the people of the Philippine Islands.

Furthermore, there is no doubt in our minds that the enactment of any legislation granting independence to the Philippine Islands will result in a marked reduction in the consuming power of the Philippines with a corresponding loss to manufacturers and shippers of American products.

We, therefore, urge that you do everything in your power to prevent the enactment of S. 3377.

Yours sincerely,

THE MERCHANTS' ASSOCIATION OF NEW YORK,
By S. C. MEAD, *Secretary.*

Mr. COPELAND. Mr. President, until I read the RECORD this morning it had not occurred to me how I might give expression to my views on the pending question without taking the time of the Senate. But I have read the speech of the Senator from Missouri [Mr. HAWES], together with the supporting documents, and I find that the procedure of extending remarks, very unusual in the Senate, though quite common in the other House, has been followed by the Senator. I have known it to happen only once or twice before that a Senator should insert a speech of his own writing in the body of the RECORD. I find here in the RECORD this morning in the finest type, single spaced, nine pages, representing in the ordinary type of the RECORD 12½ pages, the speech of the Senator from Missouri, which he inserted in the RECORD.

No doubt, Mr. President, his purpose was to save the time of the Senate, but, of course, he expected Senators to read the speech; and so, while he saved the time of the Senate, he exhausted the time and energy of the Senators who had to read the speech.

Mr. President, I took pains to compare the 12½-page speech inserted by the Senator from Missouri with the two hours which I occupied on this floor yesterday, one-half of which I spent in replying to questions of Senators and listening to speeches made in my time, and I find that in combination with those speaking with me and in my time I occupied 12 pages of the RECORD, while the Senator from Missouri had 12½ pages. I do not want to be accused of filibustering or of taking unduly the time of the Senate or of using dilatory tactics, but the pot must not call the kettle black. I am no blacker and no worse than is the Senator from Missouri, and of course we are both honest men, trying to do our duty as Members of this body.

Mr. President, there is an old saying, "Oh, that mine enemy would write a book." Well, the Senator from Missouri has written a book which he put in the RECORD last night, and in it he calls attention to the reasons why the arguments I am making against this bill are not well founded. He disposes of all the constitutional argument which I have attempted to make. I quote from the book which the Senator put in the RECORD last night as his speech one brief paragraph, the purpose of which is to annihilate and to dispose of and to quiet any arguments against the unconstitutionality in the pending measure. This is the language:

The power of Congress to alienate territory or to give the Philippines their independence may be supported on any one of six grounds.

That is pretty good. He has six reasons why my argument is wrong; and any one of these, he says, is sufficient. What are they?—

The power of Congress to alienate territory or to give the Philippines their independence may be supported on any one of six grounds: First, because such power is expressly granted to Congress under the Constitution; second, because the power may be implied from powers expressly granted to Congress; third, because the power resides in Congress by virtue of its resultant powers; fourth, because it is inherent in sovereignty; fifth, because the power exists in the President and in the Senate of the United States by virtue of the treaty-making power; and, sixth, because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

I remember one time, Mr. President, that in a court case in Michigan, where I then lived, the defendant failed to report at the time of the trial. The presiding judge was very much incensed. He said, "This is an outrageous thing. I want to know why this man should not be sent to jail for contempt of court. I ask the lawyer of the defendant now, why is he not in court?" His attorney said, "Your honor, I can give you 36 reasons why he is not here." "What are they?" "In the first place," the lawyer said, "my client is dead." The judge exclaimed, "Well, you need not give the other 35 reasons why he is not here." [Laughter.]

If any one of the reasons alleged by the Senator from Missouri is correct, we do not need to have the other five; but before I am willing to accept any one of these reasons, I want to consider all of them and see just what there is that is worth while in the contention of the Senator from Missouri.

He says that we can alienate territory and give the Philippines their independence—

First, because such power is expressly granted to Congress under the Constitution.

That statement is perfectly absurd. I am not a lawyer, but I am enough of a lawyer to know that there is not a lawyer in existence who will say that express power is given to the Congress to alienate sovereignty. It is ridiculous. It is too trivial to talk about. No power to alienate sovereignty is expressly granted to Congress under the Constitution. I do not need to argue that point, because, on the face of it, it is absurd and ridiculous.

I am not satisfied, however, to leave that point quite there. If this RECORD is ever read in the future, I want the student of this historic event, the alienation of sovereignty of the Philippines, to know that those of us who are in opposition to it on constitutional grounds have not sought to belittle or to despise the arguments which have been set forth by the proponents of the measure; and, of course, it is from posterity alone that we may hope for vindication. It is only posterity who will be interested, because certainly, so far as our immediate contemporaries are concerned, the emptiness of the Chamber indicates that there is no indication here of any desire to know about the facts involved in this controversy.

The Senator from Missouri [Mr. HAWES] has said that the power to alienate territory is expressly granted to Congress under the Constitution. In this connection I wish to refer once more to the Virginia convention.

It is known to everybody, of course, that after the convention of 1787, and the determination on the part of the delegates there as to what should be their final conclusion, the instrument signed in the convention was to be submitted to the 13 States. Of course, among others it was submitted to a convention in Virginia.

It must be recalled to mind that Virginia was then in every respect the most important State in the Union. Now, of course, New York is! My colleague [Mr. WAGNER], I think, will agree with me about that. But, seriously speaking, certainly at the time of the Constitutional Convention Virginia was the great State; and it was the great State, too, in the formulating of the Constitution.

It numbered among its delegates George Washington, who was the presiding officer of the convention; it numbered Mr. Madison, known as the Father of the Constitution; it numbered George Mason, and no one can read the record of the convention without being impressed by the great contribution made to the settlement of questions by Colonel Mason. It numbered among its delegates Edmund Randolph, afterwards Attorney General in Mr. Washington's Cabinet. All these men were in the Virginia convention. Of course, Patrick Henry, and other patriots and founders, in a sense, of our country, were there.

It is fortunate that we have a stenographic report of the transactions of that convention. We know exactly what took place there. There is a very interesting book known as the Debates and Other Proceedings of the Convention of Virginia—a book founded on a shorthand report made by David Robertson, of Petersburg, Va. We find here, according to this record, that many amendments to the Federal Constitution were proposed. Of course, the purpose of these State conventions was to study the proposed Federal Constitution, the Constitution which had been formulated in Philadelphia, and to determine whether the given States would indorse everything adopted by the convention, or whether amendments should be offered, to be voted on by the other States.

As a matter of fact, among such amendments proposed in the Virginia State convention was one which reads as follows:

No treaty ceding, contracting, restraining, or suspending the territorial rights or claims of the United States, or any of them, * * * shall be made but in cases of the most urgent and extreme necessity, nor shall any such treaty be ratified without the concurrence of three-fourths of the whole number of Members of both Houses, respectively.

That was the proposed amendment—that any plan of cession of the territorial rights or claims of the United States, or any of them, would have to be supported by three-fourths of the whole number of Members of both Houses; and note that it speaks about a treaty, and provides that a treaty of the sovereign power would have to have the votes of three-fourths of the Members of each House.

What happened to that proposed amendment? Governor Randolph, who had been the head of the Virginia delegation in the Federal convention, in the presence of George Washington, Madison, and Mason—his colleagues in the Federal convention of 1787—said this, and it disposed of the whole matter.

Governor Randolph said:

Of all the amendments—

Speaking about all the amendments which had been brought up in the Virginia convention—

Of all the amendments, this is the most destructive, which requires the consent of three-fourths of both Houses to treaties ceding or restraining territorial rights. * * * There is no power in the Constitution to cede any part of the United States. The whole number of Congress, being unanimous, have no power to suspend or cede territorial rights. But this amendment admits in the fullest latitude that Congress have a right to dismember the Empire.

Mr. President, how in the world can anybody, whether he is a Member of the Senate or of any other body, or a student of the question, say that the power of Congress to alienate territory is expressly granted to Congress under the Constitution? It was not granted to Congress; and when, in the

Virginia convention, an effort was made to amend the Constitution as proposed, and to give to Congress the right to cede territorial rights by a three-fourths vote of each House, it was voted down, a meeting the scorn of those men who had been members of the Constitutional Convention of 1787. So I say that there is absolutely no foundation of fact or of law for contending that Congress has been given expressly the power to alienate sovereignty.

I am not going to stop with that. I want to call attention to an event in the administration of George Washington, first in war, first in peace, first in the hearts of his countrymen. In his administration he had many problems to meet and to solve, and among them was the question of the cession of territory. Because the language is better than any I could choose, I shall read the dissenting opinion of Mr. Justice White in the much quoted case of Downes against Bidwell. I am quoting it, but not because of any value the decision has in determining the question at issue. In my opinion, as I stated last evening, the case of Downes against Bidwell is of very little use to us in this debate, because on no one point did five of the justices concur. Probably there was never another case like it. It is a very interesting one, as I said yesterday. To get a certain historical fact before us, I want to quote from it.

Really, constitutional law is nothing more than history. I do not see how any student of history could fail to be a student of constitutional law, and certainly no student of constitutional law could fail to be a student of history. In these reports of the United States Supreme Court we find recorded the events and the motives, the aspirations and the disappointments, of men—a solemn record and history of American life.

President Washington had to deal with the very problem which we are facing here to-day. I read from One hundred and eighty-second United States Reports, page 315, the last paragraph on the page:

> Undoubtedly the thought that under the Constitution power existed to dispose of people and territory and thus annihilate the rights of American citizens was contrary to the conceptions of the Constitution entertained by Washington and Jefferson. In the written suggestions of Mr. Jefferson, when Secretary of State, reported to President Washington in March, 1792, on the subject of proposed negotiations between the United States and Spain, which were intended to be communicated by way of instruction to the commissioners of the United States appointed to manage such negotiations, it was observed, in discussing the possibility as to compensation being demanded by Spain "for the ascertainment of our right" to navigate the lower part of the Mississippi, as follows:
>
> "We have nothing else" (than a relinquishment of certain claims on Spain) "to give in exchange. For as to territory we have neither the right nor the disposition to alienate an inch of what belongs to any member of our Union. Such a proposition therefore is totally inadmissible and not to be treated for a moment."

That is plain. That was the view of Mr. Jefferson, and he presented that view to Mr. Hamilton, the Secretary of the Treasury, before sending it to the President. I will give the exact language from Mr. Justice White:

> The rough draft of these observations was submitted to Mr. Hamilton, then Secretary of the Treasury, for suggestions, previously to sending it to the President, some time before March 5, and Hamilton made the following, among other, notes upon it.

Now, Mr. President, I read the statement of Mr. Hamilton, as quoted by Mr. Justice White:

> Is it true that the United States have no right to alienate an inch of the territory in question, except in the case of necessity intimated in another place? Or will it be useful to avow the denial of such a right? It is apprehended that the doctrine which restricts the alienation of territory to cases of extreme necessity is applicable rather to peopled territory than to waste and uninhabited districts. Positions restraining the right of the United States to accommodate to exigencies which may arise ought ever to be advanced with great caution.

Mr. Hamilton did not reject Jefferson's conclusion that there could not be a cession of territory, but, as will be observed, he raised the question whether or not unpeopled and waste territory, a barren island, for instance, might not be disposed of. So, having asked that question, "Could not an unpeopled territory be disposed of," Mr. Hamilton returned the note to Mr. Jefferson, who commented as follows:

> The power to alienate the unpeopled territories of any State is not among the enumerated powers given by the Constitution to the General Government, and if we may go out of that instrument and accommodate to exigencies which may arise by alienating the unpeopled territory of a State, we may accommodate ourselves a little more by alienating that which is peopled, and still a little more by selling the people themselves. A shade or two more in the degree of exigency is all that will be requisite, and of that degree we shall ourselves be the judges. However, may it not be hoped that these questions are forever laid to rest by the twelfth amendment, once made a part of the Constitution, declaring expressly that "the powers not delegated to the United States by the Constitution are reserved to the States respectively"? And, if the General Government has no power to alienate the territory of a State, it is too irresistible an argument to deny ourselves the use of it on the present occasion.

The opinions of Mr. Jefferson, however, met the approval of President Washington. On March 18, 1792, in inclosing to the commissioners to Spain their commission, he said, among other things:

> You will herewith receive your commission; as also observations on the several subjects reported to the President and approved by him, which will therefore serve as instructions for you. These expressing minutely the sense of our Government and what they wish to have done, it is unnecessary for me to do more here than desire you to pursue these objects unremittingly.

So, Mr. President, I am confident that when my friend the Senator from Missouri says that power to alienate territory is expressly granted to Congress under the Constitution he is mistaken.

Yesterday I went into the matter more fully, and before I have entirely concluded such argument as I hope to present I want to complete my quotation of the words of Chief Justice Taney in connection with the disposing clause of the Constitution.

In the argument contained in the printed speech of the Senator from Missouri I find the second reason why we may alienate territory is this, "because the power may be implied to powers expressly granted to Congress," and, third, "because the power resides in Congress by virtue of its resultant power." Those two are so closely associated that I shall venture to consider them together.

The first man in American history, as far as I know, who talked about "resulting powers," was Mr. Hamilton. In his efforts to convince the people of the State of New York to accept the Constitution as written in Philadelphia there appeared the various Federalist papers. There were other writers, of course, but the Federalist paper relating to the Bank of the United States was written by Hamilton, and is found in Ford's edition of the Federalist.

Of course, Mr. President, I would think that any American was on dangerous ground if he attempted some extreme legislative act and attempted to justify it upon the so-called resulting powers. I have thought about that a lot, and what vigorous protests would come from certain men in the Senate and in public life to-day. I do not have to call the roll of the dead. There are living men who would cry out against such efforts.

I can imagine how men of action like the Senator from Idaho [Mr. BORAH], the Senator from Nebraska [Mr. NORRIS], the Senator from Montana [Mr. WALSH], President-elect Roosevelt, Al Smith, and Governor Pinchot would rise in their might, as men have in times past, against any encroachment upon the rights and possessions of the public. We have had the debates here over Teapot Dome. We have heard them declaim about Muscle Shoals, Boulder Dam, the conservation of our forests and coal mines, the conservation of our water powers, the preservation of the rights of the people in the natural resources. Would such men be willing to have these wrested from the people and given over to the exploitation of some one for no better reason than the "resulting powers" of the Constitution? I think not.

I quote from page 657 of the Federalist, where, referring to the constitutionality of the Bank of the United States, Hamilton said:

> The first of these arguments is that the foundation of the Constitution is laid on this ground: "That all powers not dele-

gated to the United States by the Constitution, nor prohibited to it by the States, are reserved for the States or to the people." Whence it is meant to be inferred that Congress can in no case exercise any power not included in those not enumerated in the Constitution. And it is affirmed that the power of erecting a corporation is not included in any of the enumerated powers.

The main proposition here laid down in its true signincation is not to be questioned. It is nothing more than a consequence of this republican maxim that all government is a delegation of power. But how much is delegated in each case is a question of fact to be made out by fair reasoning and construction upon the particular provisions of the Constitution, taking as guides the general principles and general ends of governments.

It is not denied that there are implied as well as express powers, and that the former are as effectually delegated as the latter. And for the sake of accuracy it shall be mentioned that there is another class of powers which may be properly denominated resulting powers. It will not be doubted that if the United States should make a conquest of any of the territories of its neighbors, they would possess sovereign jurisdiction over the conquered territory. This would be rather a result, from the whole mass of the powers of the government, and from the nature of political society, than a consequence of either of the powers specially enumerated.

It is interesting to note that in making an application of his theory regarding resulting powers, Mr. Hamilton referred to the cession of territory, because that is the question now engaging the attention of the Senate. He said:

It will not be doubted that if the United States should make a conquest of any of the territories of its neighbors they would possess sovereign jurisdiction over the conquered territory. This would be rather a result from the whole mass of the powers of the Government and upon the nature of political society than a consequence of either of the powers specially enumerated.

I find myself in full agreement with that doctrine. If I were seeking to find a constitutional reason for the alienation of sovereignty, I would not found that argument upon the disposing clause. There is no possible justification for that. So far as the disposing clause is concerned I am confident it does not justify the passage of the pending bill. If I were approaching the problem from the point of view of those who advocate the measure, I should stress the point that the right to acquire possession must of necessity imply the right to surrender. Of course, I think either is untenable, but this argument has in it far greater comfort than can be derived from the disposing clause of the Constitution.

The Constitution expressly gives the right to make treaties. I can see how, by implication, if we had the right to take territory by force, by conquest, or by treaty, we would have the right to govern that territory. There is no doubt about that. I do not think anyone will dispute that. It could be only by implication or by an exercise of the resulting power that we could possibly say that the converse of that proposition were true, that we have the correlative power to surrender territory if we have the right to acquire it.

I have no doubt that under certain circumstances we could surrender territory. I have no doubt in case of a calamitous war that Congress would be fully justified in making a treaty with the sovereign nation which had been fortunate enough to put us on our knees.

I can imagine even that an army might land on Long Island and take possession of Long Island, that great, rich territory occupied by millionaires and potato farmers. It might be seized by this attacking power, and the Congress or the President and the Congress, learning that we had been defeated and that the price of the departure of the foe was the cession of Long Island, I have no doubt at all, could make a treaty with that power to alienate sovereignty over Long Island. That is an extreme case, yet that might happen. There is no doubt in my mind that there are conditions, hinted at in what Mr. Hamilton said in the Federalist, in which there might be cession of territory by treaty.

But, Mr. President, we have to strain the Constitution to justify the acquisition of territory. It will be remembered that when it was proposed that we take over Louisiana, Mr. Jefferson said in effect that it "cracked the bones" of the Constitution to agree to the acquisition of Louisiana. As I said yesterday, it took a good deal of argument finally to get him into the frame of mind where he was willing, without a constitutional amendment, to take possession of that territory.

I have a reference here to Mr. Jefferson, showing how he expressed his great anxiety over the idea of accepting Louisiana. What I have in mind is found in Story on the Constitution. It is in the second volume, in a footnote to page 174.

I may say in passing that Mr. Justice Story here is discussing the incidental powers, the resulting and implied powers of the Constitution. He refers to Mr. Jefferson's reluctance to accept possession of Louisiana. I wish to read this footnote. It is taken from the debates of 1803 on the Louisiana treaty, printed by T. & G. Palmer in Philadelphia in 1804, and is found also in Fourth Elliot's Debates, pages 257–260. I quote:

The objections were not taken merely by persons who at that time were in opposition to the national administration. Mr. Jefferson himself (under whose auspices the treaty was made) was of opinion that the measure was unconstitutional, and required an amendment to the Constitution to justify it. He accordingly urged his friends strenuously to that course; at the same time he added—

And I quote him—

that it will be desirable for Congress to do what is necessary in silence.

Then he goes on:

Whatever Congress shall think necessary to do should be done with as little debate as possible, and particularly so far as respects the constitutional difficulty.

It is rather interesting to note that they played politics even in those times. I have no doubt that the proponents of the pending measure would be glad if this question could be passed over quietly. Last night the Senator from Missouri [Mr. HAWES], in charge of the bill, urged upon me the thought that I should introduce a resolution and sit down. That is what he meant, in effect. We want to have silence imposed upon those proposals which are doubtful in their constitutionality. So I do not blame the Senator from Missouri [Mr. HAWES]. He feels as did Mr. Jefferson in his day.

This is what Jefferson said:

I confess, then, I think it important, in the present case, to set an example against broad construction, by appealing for new power to the people. If, however, our friends shall think differently, certainly I shall acquiesce with satisfaction; confiding that the good sense of our country will correct the evil of construction when it shall produce ill effects.

That is the end of the quotation from Mr. Jefferson. Judge Story then says:

What a latitude of interpretation is this. The Constitution may be overleaped, and broad construction adopted for favorite measures, and resistance is to be made to such a construction only when it shall produce ill effects. His letter to Doctor Sibley (in June, 1803), recently published, is decisive, that he thought an amendment to the Constitution necessary. Yet he did not hesitate without such amendment to give effect to every measure to carry the treaty into effect during his administration.

Jefferson acted as he did because he was convinced that by the implied power of Congress, by the resulting power, he was justified in leaning upon the treaty-making power to accept sovereignty over Louisiana.

Mr. President, in my opinion the only lawful, legal, constitutional way to alienate sovereignty over the Philippines is by treaty. It can not be done by act of Congress; it can not be done by the passing of a joint resolution. If it ever shall be done, it must be done by treaty. The difficulty in this case arises from the fact that there is no sovereign power in the Philippines; there is nobody with whom we can make a treaty. We can not make a treaty with ourselves; we can not make a treaty with the Filipinos any more than we could make a treaty with the citizens of California or of Louisiana or of Florida, because we would be making a treaty with ourselves, which, of course, is an absurdity and unthinkable. But, even under the resulting or implied powers of Congress, it has been held by very few men who have studied the question that we could strain the timbers of the Constitution to the degree of granting sovereignty under those powers.

While I have Story before me I think I shall give the Senate the benefit of his views upon this subject. They are

found in chapter 27 of the third book, beginning with section 1282. He says:

But the most remarkable powers which have been exercised by the Government as auxiliary to implied powers, and which, if any, go to the utmost verge of liberal construction, are the laying of an unlimited embargo in 1807 and the purchase of Louisiana in 1803 and its subsequent admission into the Union as a State. These measures were brought forward and supported and carried by the known and avowed friends of a strict construction of the Constitution; and they were justified at the time, and can now be justified, only upon the doctrines of those who support a liberal construction of the Constitution. The subject has been already hinted at, but it deserves a more deliberate review.

1283. In regard to the acquisition of Louisiana: The treaty of 1803 contains a cession of the whole of that vast territory by France to the United States for a sum exceeding $11,000,000. There is a stipulation in the treaty on the part of the United States that the inhabitants of the ceded territory shall be incorporated into the Union and admitted as soon as possible according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities of citizens of the United States.

I have said, Mr. President, and I repeat, that in the treaty made with Spain there was no provision that the citizens of the Philippines should be immediately incorporated into the Union and that the question of when that should be done was left to Congress. As I tried to make clear yesterday, that was, it seems to me, a wise provision, because Spanish institutions, which were familiar to the Filipinos, are very different from ours, and it would have been a great mistake to impose upon them at once all the requirements of our Constitution. I assume that when the time comes there will be an incorporation of the Filipinos and that the Constitution then will cover them with its shield.

To quote further from Story, beginning with section 1284:

1284. It is obvious that the treaty—

That is the treaty regarding Louisiana—

embraced several very important questions, each of them, upon the grounds of a strict construction, full of difficulty and delicacy. In the first place, had the United States a constitutional authority to accept the cession and pay for it? In the next place, if they had, was the stipulation for the admission of the inhabitants into the Union, as a State, constitutional, or within the power of Congress to give it effect?

1285. There is no pretense that the purchase or cession of any foreign territory is within any of the powers expressly enumerated in the Constitution.

I give emphasis to that because it is the testimony of another witness that the Senator from Missouri is absolutely wrong. The first reason, which the Senator said would be entirely sufficient for the alienation of territory, is "the power expressly given by the Constitution," whereas, of course, as Story says—

There is no pretense that the purchase or cession of any foreign territory is within any of the powers expressly enumerated in the Constitution.

And it would follow as a matter of course that the cession of the Philippines would be outside the power conferred by the Constitution.

I continue the quotation from Story—

It is nowhere in that instrument said that Congress, or any other department of the National Government, shall have a right to purchase or accept of any cession of any foreign territory. The power itself, it has been said, could scarcely have been in the contemplation of the framers of it. It is, in its own nature, as dangerous to liberty, as susceptible of abuse, in its actual application, and as likely as any which could be imagined to lead to a dissolution of the Union. If Congress have the power, it may unite any foreign territory whatsoever to our own, however distant, however populous, however powerful. Under the form of a cession we may become united to a more powerful neighbor or rival and be involved in European or other foreign interests and contests to an interminable extent.

Mr. LONG. Mr. President, will the Senator permit me to interrupt him?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. LONG. There is a question I should like to ask in connection with what the Senator said yesterday that no territory that America has taken has ever been ceded. What would the Senator say about this case: Under our law American territory covers all the water within 3 miles of the shore. Suppose we passed a law that the limit should be 2 miles, would the Senator say that we would still own the third mile of water?

Mr. COPELAND. As I said yesterday, the trouble with our debate is that the audience is so ephemeral. I discussed that matter with the Senator from Maryland [Mr. TYDINGS]. I have no doubt that by treaty, as was done when we changed the limit to 12 miles, we could change it to 2 miles. There is a good deal we can do by treaty.

Mr. LONG. Then suppose in order to make our proposed action absolutely legal that we just signed a treaty with Liberia saying that we were going to give the Philippines their independence, would the Senator say that would be all right? I think we can get the Liberians to sign a treaty.

Mr. COPELAND. If the Senator is going to do that, let me suggest to him that he make the treaty with Japan. There would not be any trouble about that. That is the way to do it.

Let me go on now with my quotation from Story.

Mr. KING. Mr. President, will the Senator permit an interruption?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I do.

Mr. KING. In the last statement made by the Senator in reply to the Senator from Louisiana, I do not think he meant to indicate that Japan was ready to make a treaty for the acquisition of the Philippine Islands, or that she desired by any means, peaceful or otherwise, to attain sovereignty over the archipelago.

Mr. COPELAND. No; I think I should say that my reply was intended to be facetious. I was not serious in it, and I do not think the Senator from Louisiana was serious.

Mr. LONG. No.

Mr. KING. I did not want anything to appear in the RECORD to indicate that our neighbor, a nation with whom we are friendly and have diplomatic relations, contemplated the acquisition of any part of the Philippine Archipelago, or desired to obtain possession of the Philippine Islands by conquest, by treaty, or by any means whatever.

Mr. COPELAND. Mr. President, in order that it may be the express declaration of the speaker, and not merely implied from anything I may say, I indorse thoroughly what the Senator from Utah says. Of course, the Senator from Louisiana was facetious in his suggestion about Liberia, and I continued in the joking spirit and said that if we are going to make a treaty with anybody we might select an immediate neighbor. Of course I realize that Japan would not be anxious to have possession of the Philippines.

Mr. KING. I think I understood the position of the Senator; but I was afraid that some person reading the RECORD might draw an erroneous conclusion therefrom with respect to the views of the Senator.

Mr. COPELAND. I thank the Senator.

Mr. KING. May I ask the Senator another question in view of the statement he read just as I was coming into the Chamber that there is no provision of the Constitution which expressly authorizes the acquisition of territory? Does the Senator contend—and I apologize for interrupting him, because he may have covered this ground, and if so, I shall not ask him to retrace his steps—that there are no implied powers, no resulting powers under which and by which territory may be acquired?

Mr. COPELAND. I may say to my friend that I was just at the end of a discussion of the resulting powers. I had traced the subject back to Alexander Hamilton as the one who first spoke about the resulting powers in connection with the United States Bank, as reported in one of the Federalist papers. I had given some consideration to that phase of the question. We must admit, of course, that there are such things as implied and resulting powers. We would be barren of reasons for many things we have done as a Congress if we could not fall back upon the power which we have through implication, or by reason of considering

together the resulting effect of various constitutional provisions.

Mr. President, I ask that, without reading, another page of Story be included in the RECORD, down to section 1289.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

And if there may be a stipulation for the admission of foreign States into the Union, the whole balance of the Constitution may be destroyed and the old States sunk into utter insignificance. It is incredible that it should have been contemplated that any such overwhelming authority should be confided to the National Government with the consent of the people of the old States. If it exists at all, it is unforeseen and the result of a sovereignty intended to be limited and yet not sufficiently guarded. The very case of the cession of Louisiana is a striking illustration of the doctrine. It admits by consequence into the Union an immense territory, equal to if not greater than that of all the United States under the peace of 1783. In the natural progress of events it must within a short period change the whole balance of power in the Union and transfer to the West all the important attributes of the sovereignty of the whole. If, as is well known, one of the strong objections urged against the Constitution was that the original territory of the United States was too large for a national government, it is inconceivable that it could have been within the intention of the people that any additions of foreign territory should be made, which should thus double every danger from this source. The treaty-making power must be construed as confined to objects within the scope of the Constitution. And, although Congress have authority to admit new States into the firm, yet it is demonstrable that this clause had sole reference to the territory then belonging to the United States and was designed for the admission of the States which, under the ordinance of 1787, were contemplated to be formed within its old boundaries. In regard to the appropriation of money for the purposes of the cession, the case is still stronger.

If no appropriation of money can be made, except for cases within the enumerated powers (and this clearly is not one), how can the enormous sum of eleven millions be justified for this object? If it be said that it will be "for the common defense and general welfare" to purchase the territory, how is this reconcilable with the strict construction of the Constitution? If Congress can appropriate money for one object, because it is deemed for the common defense and general welfare, why may they not appropriate it for all objects of the same sort? If the Territory can be purchased, it must be governed; and a territorial government must be created. But where can Congress find authority in the Constitution to erect a territorial government, since it does not possess the power to erect corporations?

SEC. 1286. Such were the objections which have been and in fact may be urged against the cession, and the appropriations made to carry the treaty into effect. The friends of the measure were driven to the adoption of the doctrine that the right to acquire territory was incident to national sovereignty; that it was a resulting power, growing necessarily out of the aggregate powers confided by the Federal Constitution; that the appropriation might justly be vindicated upon this ground, and also upon the ground that it was for the common defense and general welfare. In short, there is no possibility of defending the constitutionality of this measure but upon the principles of the liberal construction which has been, upon other occasions, so earnestly resisted.

SEC. 1287. As an incidental power the constitutional right of the United States to acquire territory would seem so naturally to flow from the sovereignty confided to it as not to admit of very serious question. The Constitution confers on the Government of the Union the power of making war and of making treaties; and it seems, consequently, to possess the power of acquiring territory, either by conquest or treaty. If the cession be by treaty, the terms of that treaty must be obligatory, for it is the law of the land. And if it stipulates for the enjoyment by the inhabitants of the rights, privileges, and immunities of citizens of the United States, and for the admission of the territory into the Union, as a State, these stipulations must be equally obligatory. They are within the scope of the constitutional authority of the Government, which has the right to acquire territory, to make treaties, and to admit new States into the Union.

SEC. 1288. The more recent acquisition of Florida, which has been universally approved, or acquiesced in, by all the States, can be maintained only on the same principles, and furnishes a striking illustration of the truth that constitutions of government require a liberal construction to effect their objects, and that a narrow interpretation of their powers, however it may suit the views of speculative philosophers or the accidental interests of political parties, is incompatible with the permanent interests of the State, and subversive of the great ends of all government, the safety and independence of the people.

Mr. COPELAND. Mr. President, I ought now to say the first thing about the question of resulting powers. Aside from one or two writers upon law, including Doctor Willoughby, the author of the excellent work on the Constitution, there are few persons who rely upon the resulting powers of the Constitution to justify the alienation of sovereignty. Almost invariably reliance has been placed upon the sinking sand of the disposing clause of the Constitution.

The Senator from Missouri says, in his speech printed in the RECORD this morning, that—

The power of Congress to alienate territory or to give the Philippines their independence may be supported on any one of six grounds.

I have considered four of them, and I come now to the fifth.

Because the power exists in the President and in the Senate of the United States by virtue of the treaty-making power.

Mr. President, I agree to that. We could dispose of sovereignty by treaty. In that event the treaty would be prepared in conjunction with another sovereign power by commissioners appointed by the President. When it was formulated it would be sent by the President to the Senate, considered here by the Foreign Relations Committee, and then placed upon its passage in the Senate. If it received the votes of two-thirds of the Senators, it would become effective. By treaty sovereignty might be transferred. With consent of the people, that is true; but I inquire of the Senator from Missouri and others who favor this bill, with what power would that treaty be made?

We can not make a treaty with the people of California to alienate sovereignty over California and give it independence. We could not make such a treaty with Florida. It could not be made with Louisiana. How could it be made with the Philippines? There is no sovereignty in the Filipino people. A treaty involves a transaction between coordinate powers. The Senator from Missouri [Mr. HAWES] is right. By treaty we could alienate sovereignty; but we can not alienate sovereignty of the Filipinos by treaty. As I see it, there is nothing to that argument.

Sixth. We can alienate sovereignty, according to the Senator from Missouri—

Because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

I do not know just what the Senator means by this. I will read it again:

Sixth. Because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

Oh! Because we have the power to pass legislation, I suppose this means that the Congress might pass legislation to free the Philippines. I suppose that is what it means.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I do.

Mr. KING. I have not read the language, and I must rely upon my perhaps imperfect recollection of the statement made by the Senator; but does it not mean that if the Government of the United States has the power to alienate territory by treaty, then there must be power in Congress to alienate territory? In other words, if the executive and one division of the legislative branch of the Government—to wit, the Senate—may alienate territory, why may not the conjunction power, the composite power of the two branches of the Government, the executive and the legislative, be equally potential?

Mr. COPELAND. Perhaps that is what is meant. It certainly is not clear; but let us assume that that is it. We would certainly strain the timbers of the Constitution if we took the view that what we received by treaty in the way of territory could be disposed of by an act of Congress. I should like very much to have the Senator from Utah, when he has opportunity to do it, discuss that question, because I know his honest desire to have the Philippines given their independence. I should like to hear that question discussed, because, so far as I am concerned, I am convinced that there is no such power in the Government.

To back up my belief I should first continue the statement of Mr. Justice Taney in the Dred Scott case; and that I desire to do. I said yesterday that I wished to

continue that quotation, and it is so pertinent to the present discussion that I think it should be put into the RECORD.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I do.

Mr. VANDENBERG. I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from New York yield for that purpose?

Mr. COPELAND. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kendrick	Schuyler
Austin	Couzens	Keyes	Sheppard
Bailey	Cutting	King	Shipstead
Bankhead	Dale	La Follette	Shortridge
Barbour	Dickinson	Logan	Smith
Barkley	Dill	Long	Smoot
Bingham	Fess	McGill	Steiwer
Black	Fletcher	McKellar	Swanson
Blaine	Frazier	McNary	Thomas, Okla.
Borah	Glass	Metcalf	Townsend
Bratton	Glenn	Moses	Trammell
Broussard	Goldsborough	Neely	Tydings
Bulkley	Grammer	Norbeck	Vandenberg
Bulow	Hale	Nye	Wagner
Byrnes	Harrison	Oddie	Walsh, Mass.
Capper	Hastings	Patterson	Walsh, Mont.
Caraway	Hatfield	Pittman	Watson
Carey	Hawes	Reed	Wheeler
Cohen	Hayden	Reynolds	White
Connally	Hull	Robinson, Ark.	
Coolidge	Johnson	Robinson, Ind.	
Copeland	Kean	Schall	

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

Mr. DICKINSON. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. DICKINSON. I offer several amendments to the pending bill, to be printed and lie on the table.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. COPELAND. Mr. President, there are other Senators who wish to be heard. I think that I will not speak longer to-day. I have more to say, but I yield the floor.

The VICE PRESIDENT. The pending amendment will be stated.

The LEGISLATIVE CLERK. The Senator from New Mexico [Mr. CUTTING] proposes, on page 34, lines 23 and 24, to strike out the words "After the date of the inauguration of the government of the Commonwealth of the Philippine Islands" and to insert in lieu thereof the words "Effective upon the acceptance of this act by concurrent resolution of the Philippine Legislature, or by a convention called for that purpose, as provided in section 14."

Mr. CUTTING obtained the floor.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. CUTTING. I yield.

Mr. BINGHAM. I should like to ask the Senator from New Mexico exactly what change in the length of time before this measure shall go into effect will be the result of the adoption of this amendment?

Mr. CUTTING. Mr. President, I think the Senator from Connecticut understands that, as the bill was reported from committee, the quota system would go into effect on the date of the inauguration of the government of the Commonwealth. That means the temporary government which will be in effect during the interim period.

Mr. BINGHAM. That probably would be in about three years?

Mr. CUTTING. Yes; not to exceed that. The amendment as proposed would bring the quota into effect immediately on approval of the act by the Philippine Legislature, which is the first step to be taken under the measure.

Mr. BINGHAM. Which might be in about a year?

Mr. CUTTING. A year or less.

Mr. BINGHAM. That is all the difference, then. It is the difference between going into effect within a year or so, when they take the first step, or not having it go into effect until they have taken the second step?

Mr. CUTTING. That is the difference. The American Federation of Labor is very anxious to have this change made, and it is agreeable to the representatives of the Philippine Islands.

Mr. BINGHAM. It is agreeable to them?

Mr. CUTTING. Yes.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. REED. Mr. President, I send to the desk and propose the following amendment.

Mr. JOHNSON. Mr. President, may I ask the Senator from Pennsylvania whether the amendment refers to the same section we have been considering?

Mr. REED. No; this is for the addition of a new section.

Mr. JOHNSON. Would the Senator permit me to have taken up an amendment relating to the subject matter which was just dealt with, which is pending here, or does he wish to have his amendment considered first?

Mr. REED. I do not think there will be any objection to this amendment. I am offering it at the request of the Senator from Missouri [Mr. HAWES].

The VICE PRESIDENT. The amendment to the amendment will be reported.

The LEGISLATIVE CLERK. The Senator from Pennsylvania proposes, on page 40, after line 9, to insert the following new section:

NEUTRALIZATION OF PHILIPPINE ISLANDS

SEC. 10. The President is requested, at the earliest practicable date, to enter into negotiations with foreign powers with a view to the conclusion of a treaty for the perpetual neutralization of the Philippine Islands, if and when Philippine independence shall have been achieved.

Mr. REED. Mr. President, the amendment as I had first offered it provided that independence should not become a fact until such a treaty had been negotiated. Obviously that would have the effect of giving the veto power to any foreign country which might not want to see the Philippines free. Therefore I have amended it by striking out that condition precedent clause, and it remains now simply as a request to the Executive to endeavor to negotiate such a treaty. As it stands, I understand that it is acceptable to the Senator from Missouri [Mr. HAWES] and the other Senators who are pressing this bill.

Mr. BINGHAM. Mr. President, will the Senator tell us whether this matter has been considered in the Committee on Foreign Relations, of which the Senator is a member?

Mr. REED. So far as I know, it has not been.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. LONG. Mr. President, the Senator from California [Mr. JOHNSON] has an amendment dealing with the section to which the amendment of the Senator from New Mexico [Mr. CUTTING] applied, and I will wait until that is disposed of before offering an amendment I hope to have agreed to.

Mr. JOHNSON. Mr. President, this morning I presented an amendment endeavoring to have the phraseology of section 8, concerning immigration, conform to the phraseology of various exclusion acts which have been passed by the Congress of the United States. That amendment I can read if the clerk has not a copy before him.

The VICE PRESIDENT. The clerk has a copy, and the amendment will be stated.

The LEGISLATIVE CLERK. On page 35, line 9, after the word "hundred," the Senator from California proposes to strike out the period, to insert a comma and the following: "but no person ineligible to become a citizen of the United States shall be admitted under such quota of 100."

Mr. JOHNSON. Mr. President, this amendment simply uses the language that has been used in various acts concerning exclusion heretofore, and to make them all conform.

Mr. BINGHAM. Mr. President, may I ask the Senator from Missouri [Mr. HAWES] whether or not that language was not deliberately left out in the preparation of the bill?

Mr. HAWES. My recollection is that it was.

Mr. BINGHAM. Does the Senator remember why it was left out?

Mr. HAWES. Because we thought it would be very offensive to the Filipino people, who have been coming for 30 years; that it would draw the race line against them and be objectionable to them, and just at a period when we are about to do a gracious act by giving them their independence.

Mr. BINGHAM. Is my understanding correct that the way in which the Senator drafted the bill would permit 100 Filipinos each year to come to the United States as a quota, notwithstanding the fact that they are Asiatics?

Mr. HAWES. That is correct.

Mr. BINGHAM. And the amendment offered by the Senator from California would do away with that privilege and put them on the same basis with other Asiatics?

Mr. HAWES. It would put them on the same basis with the Chinese and Japanese.

Mr. BINGHAM. In view of the very small number involved, I hope the Senator from California will not press the amendment.

Mr. JOHNSON. I have no desire at all to discuss this amendment at length, but there already exist acts of the Congress of the United States making the distinction between those eligible to citizenship and those ineligible to citizenship in the matter of our immigration laws. Of course, there is no offense intended toward any race in thus doing. We follow the precedent that is more than a hundred years old in this country. We have used the language that we used more than a century ago in the statutes of the United States, and we seek here, inasmuch as we are dealing with the subject of the immigration of Filipinos to the mainland, to use in respect to them the language that has been used in respect to other races that were ineligible to citizenship.

There is no distinction that is invidious that is made thus, there is no offense that is intended, and none that can be justly or logically inferred from the language. But it is that we may prevent some other peoples, perhaps, who say that in this bill a distinction is made, from insisting that our exclusion laws already in operation shall be in some fashion changed, modified, or eliminated, that we seek to use in this measure the language that has been employed in other measures of like sort. That is the whole theory upon which the amendment is presented.

Mr. HAWES. Mr. President, I think I understand the position of the Senator from California. There is only one other matter to which I would like to invite the attention of the Senate. It is inevitable that a limitation will be placed on immigration from the Philippines, and that a time will be set for the granting of independence to the islands. This amendment will make the inhibition apply practically at once to all Filipinos coming to this country. We believe it would be very much better if that question were left open and the limitation kept at 100, for then in dealing with the subject after independence is granted we would deal with a new republic on the basis of statehood.

Mr. CUTTING. Mr. President, I desire to say but a word on the proposal of the Senator from California. It is no matter of vital importance, because it applies only to the quota during the interim period of some 15 years under the so-called commonwealth government. During that period a quota of 100 is allowed to come into the United States from the Philippines. The amendment proposed by the Senator from California is in effect a total exclusion of Philippine immigration during that period. As I understand it, the Filipinos have no objection to being treated on the same basis as other Asiatics after they have ceased to be under the American flag; but so long as they are under the flag they feel that no discrimination should be made against them on account of race. I must say I think the objection is well founded, and therefore hope the amendment of the Senator from California will not prevail.

Mr. JOHNSON. Mr. President, it is not a question of discrimination. We are now dealing with the subject. We ought to deal with it with finality. There ought to be a determination now in relation to that subject so that it will not plague us in the future. If we leave the language as the language is in the bill without the amendment, we have offered an invitation to those who are seeking to break down the exclusion laws at the present time to come to Congress and present their case for breaking down those exclusion laws.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Louisiana?

Mr. JOHNSON. I yield.

Mr. LONG. Does the bill provide that after the 15 years they shall be excluded the same as other Asiatics?

Mr. JOHNSON. Those are the objections with which we are dealing now.

Mr. LONG. I understand; but does the bill provide that after the 15 years they shall be excluded the same as other Asiatics, leaving that question open for the future?

Mr. JOHNSON. Yes.

Mr. LONG. Then we ought to adopt the Senator's amendment or one like it.

Mr. JOHNSON. That is my position, that we ought to deal with the subject definitely at the present time.

Mr. CUTTING. If the Senator's amendment dealt with the future period after the Filipinos obtain their final freedom, I, for one, should have no objection at all.

Mr. JOHNSON. Then I submit there can be no objection to it at the present time when we are dealing with the very subject.

Mr. CUTTING. May I invite the Senator's attention to the fact that the bill has a section 12, in which, on page 42, it is stated—

> Upon the final and complete withdrawal of American sovereignty over the Philippine Islands the immigration laws of the United States shall apply to persons who were born in the Philippine Islands to the same extent as in the case of other foreign countries, except that in the case of the Philippine Islands the quota for each fiscal year in the case of persons eligible to citizenship shall be 100.

I should imagine that language would exclude the provisions against Asiatics; but if it does exclude them, it seems to me that is the case in which the Senator's amendment would be appropriate.

Mr. JOHNSON. The provision referred to by the Senator from New Mexico does not deal with the subject in the fashion in which we now seek to deal with it. It does not deal with the subject, so far as we are concerned, in the fashion in which we think it ought to be dealt with. I have not a desire to talk concerning the question of exclusion of Filipinos from the mainland. If it be necessary to enter into a discussion as to the necessity for our restrictive measures applying to them, exactly as they apply to others of like races, I am ready to indulge in that discussion. I prefer not. It is unnecessary. But I do insist that we deal in this bill with the question of immigration. We ought to deal with it as a finality as we are dealing as a finality with the entire question. Dealing with it thus we leave no room for difficulties in the future, for ambiguous constructions and the like, if we utilize the language which has been employed in other exclusion bills.

Mr. ROBINSON of Indiana. Mr. President, I want to ask either the Senator from New Mexico [Mr. CUTTING] or the Senator from Missouri [Mr. HAWES] what reason is given why the Filipinos should be treated any differently from other Asiatics during the next 15 years?

Mr. CUTTING. My only thought is that during the next 15 years they are still under the American flag and still have the option of remaining indefinitely under the American flag if they so choose by plebiscite. I can not reconcile this amendment with my belief of what constitutes the principles of American Government to authorize and raise a racial discrimination against any people who still remain under our flag. I have no objection to that restriction after final independence.

Mr. ROBINSON of Indiana. I wish merely to observe that my own experience with these people has been that they are the most ungrateful people in the world. They insist that Uncle Sam get out of the Philippines bag and baggage. They are apparently oblivious to all that we have undertaken to do for them in the past.

I desire only to mention further in that connection that the situation in the Hawaiian Islands is especially in point. Over there, in a population of some 350,000 in the nine inhabited islands, there are some 60,000 Filipinos at the present time, about 145,000 Japanese, and 40,000 Chinese. More than 70 per cent of the entire population there is Asiatic. It means a terrific problem that we have to solve in the comparatively near future. I do not see any reason in the world why we should not treat the Filipinos, who are so anxious to get out from under the yoke of the United States, precisely in the same manner that we treat other Asiatics.

Mr. BINGHAM. Mr. President, may I draw the attention of the Senator from Indiana to the fact which the Senator from New Mexico [Mr. CUTTING] has mentioned, that section 12 provides that as soon as they get their independence, for which they are clamoring, they then go on exactly the same basis as any other Asiatic country. It is only during the period while the American flag is flying over those islands that under the bill a limited number of them are permitted to come to this country each year. It seems to me the position taken by the authors of the bill, that there should be a distinction made between the time when the flag comes down and the time before it comes down, is a reasonable one.

Mr. ROBINSON of Indiana. My point is, I will say to the Senator from Connecticut, that they are not entitled to any special consideration from the United States as I view it, not the slightest in the world. Election after election has been held there where they have almost unanimously gone on record for immediate independence. Their legislature practically unanimously at almost every session—I think every session in recent years—has insisted on immediate independence. Furthermore, they apparently go out of their way to insist that they have no special regard for the United States. Their leaders are anxious that we assume responsibility for them during the next 10 years—I think that is the shortest length of time proposed—and give them all the economic advantages which they enjoy at the present time, but we should give them complete authority. Some of us feel if we get out of the Philippines and surrender that we should immediately be relieved of all responsibility.

Because of their attitude throughout this controversy, Mr. President, and because of the oriental feeling, as the Senator from California [Mr. JOHNSON] has good reason well to know, I do not think they are entitled to any special treatment from the Congress of the United States on the score of immigration. I think they should be excluded, beginning immediately, on exactly the same basis that all other Asiatics are excluded.

Mr. ROBINSON of Arkansas. Mr. President, as I am compelled to leave the Chamber to fill some engagements, I ask leave to present by request an amendment and to have it printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table. The question is on agreeing to the amendment proposed by the Senator from California [Mr. JOHNSON] to the amendment.

On a division, the amendment to the amendment was agreed to.

Mr. LONG. Mr. President, I send to the desk an amendment, which I ask to have considered at this time.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 27, line 22, strike out the numerals "50,000" and insert "30,000," and in line 23, strike out the numerals "800,000" and insert "585,000," so as to read:

> There shall be levied, collected, and paid on all refined sugar in excess of 30,000 long tons, and on unrefined sugars in excess of 585,000 long tons, coming into the United States from the Philippine Islands in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

Mr. LONG. Mr. President, before I proceed I should like to ask that the senior Senator from Utah [Mr. SMOOT] be called, because he is much interested in the amendment.

The amendment would restrict the amount of imports into this country to 585,000 long tons of raw sugar instead of 800,000 long tons of raw sugar. It would restrict the number of tons of refined sugar to 30,000 long tons, instead of 50,000, making a total of 615,000 long tons per year.

I am informed that it was perfectly satisfactory and practically agreed that the maximum amount of sugar the Filipinos insisted on bringing in here the first year should be fixed at 585,000 tons. They have been perfectly willing to make the maximum 585,000 tons, covering both raw sugar and refined sugar. In my amendment I have left the raw sugar at 585,000 tons, which is as much as they requested for both the raw and the refined sugar.

There is another matter relating to this which we are not considering here. The 850,000 tons of sugar the first year and then another 850,000 tons at 2½ cents does not mean we are just excluding all but 850,000 tons. It means we are letting 1,750,000 tons come in here at 1¼ cents a pound. It is impossible for the domestic trade of the United States to compete with Philippine sugar coming in here at 1¼ cents a pound. That is what this means for at least 1,500,000 tons of sugar.

Mr. WATSON. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. Yes, sir.

Mr. WATSON. Not being familiar with the figures, I ask for information how much raw and how much refined sugar is now coming in from the Philippines?

Mr. LONG. I can not give the figures exactly. I will ask the Senator from Missouri [Mr. HAWES] to answer the question. Probably he can give the exact figures.

Mr. HAWES. I think 850,000 tons came in last year.

Mr. WATSON. Of raw and refined sugar?

Mr. LONG. No.

Mr. HAWES. Of raw sugar; and some 35,000 tons of refined sugar. However, production has increased very rapidly. As will be found in yesterday's RECORD, the Philippines are now prepared to send here 1,023,000 tons of sugar.

Mr. WATSON. At the present time?

Mr. HAWES. Yes.

Mr. LONG. I understand they are prepared to send even more than that. As a matter of fact, ever since Philippine independence has become practically a settled proposition, and it has been understood we were going to free them, sugar production in those islands has been increasing. At first we heard that the very maximum they ever could produce would be 300,000 tons; that if they were allowed to bring it in here, the Philippines would never flood this country with more than 300,000 tons of sugar at the outside.

The next thing we heard was that the production would reach 500,000 tons. Then came the proposal to free the Philippine Islands, and the imports of Philippine sugar increased last year, as the Senator from Missouri has said, to 856,000 tons. It is reported that they are now prepared to ship 1,023,000 tons, and, as a matter of fact, I understand, they are probably prepared to ship as much as 1,200,000 tons this year.

Mr. HAWES. That is right.

Mr. LONG. That is the information we get.

With the free sugar that is coming here from the Philippines as fast as it is, there is no need of our having protection against Cuban sugar; there is no need of having any tariff against the sugar of other foreign countries. Probably by the time the present crop is harvested the present estimate of 1,200,000 tons will be increased to 1,500,000 tons.

If we are going to get all the bitter out of this bill, if we are going to give the Philippine Islands independence and spend 15 years and much additional money in freeing them, certainly we ought not to break up the independent sugar

industry in the United States in the meantime. The quantity of sugar that is being shipped to our country is too great already and the bill as it now reads does not mean that merely 856,000 tons but a minimum of 1,700,000 tons will come in. The Philippines will still have a distinct advantage over every other country on the earth, and, with a crop of 1,700,000 tons, they will be able to send it in here at one and one-fourth cents a pound.

Mr. WATSON. Mr. President, will the Senator permit an interruption?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield further to the Senator from Indiana?

Mr. LONG. Yes, sir.

Mr. WATSON. I have not read this bill since the last session and I am not familiar with it. I should like to ask the Senator for how long this 800,000-ton limitation is to be imposed?

Mr. LONG. I read the bill carefully yesterday, and I think that for 10 years it is proposed to let that limitation apply, which means that for 10 years they will send 1,700,000 tons of sugar from the Philippines to America each year and probably 2,000,000 tons.

Mr. WATSON. What will happen after that?

Mr. LONG. After that they can chisel it off gradually, provided there is anybody left in this country raising sugar at that time. In other words, a man is to be sent to jail for 10 years and he is asked to be a good citizen when he comes out. That is what the pending proposition means.

Mr. WATSON. My understanding is that this bill provides that all sugar in excess of 800,000 tons shall pay the regular tariff rate.

Mr. LONG. Around 2½ cents. However, what they will do will be this: They will strike an average, and instead of paying a tariff of 1.76 they will pay a tariff of 1.25 on 1,700,000 tons of Philippine sugar. That is the quantity which will be sent here. It is not alone my opinion, but the opinion even of the President elect, that the quantity will probably be that much or more.

Mr. WATSON. Why does the Senator limit it to 1,700,000? What are the possibilities of sugar production in the Philippines?

Mr. LONG. The possibilities are unlimited. The Philippines can supply all the sugar that can possibly be consumed in the United States of America. Because of productive capacity of the Philippine Islands there will not be anybody else raising sugar and sending it to the United States. I agree with the Senator from Indiana, and I agree with the Senator from California, that the Philippines want their independence immediately. They are not asking for anything but immediate, unqualified independence; but they are asking for that, and certainly we ought not to let the independent sugar industry of America, the beet-sugar and the cane-sugar people, be put practically in a vacuum waiting to see whether the Philippine producers can destroy them in 10 years. That is what the bill means for 10 more years.

If the Filipinos want their independence, I am willing to give it to them to-morrow, so far as I am concerned, or in 2 years or in 3 years or 5 years or 6 years or any other number of years; but I do not want to permit the Philippine Islands to send into this country in the neighborhood of 2,000,000 tons of sugar each year. It never was intended in the beginning. President Roosevelt never intended and never thought that they were going to send more than 300,000 tons of Philippine sugar into the United States. It never was thought the shipments of Philippine sugar were going to reach any such proportions as they have.

Mr. President, I think it is a very gracious act to allow the Philippines to ship 585,000 tons of raw sugar and 30,000 tons of refined sugar to this country each year during the time specified.

The PRESIDENT pro tempore. May the Chair say to the Senator from Louisiana that the Senator from Utah [Mr. SMOOT], whose presence the Senator from Louisiana desires, can not be reached by telephone. Does the Senator from Louisiana, under those circumstances, wish to press his amendment?

Mr. LONG. I may say that it was on the authority of the Senator from Utah that I made the statement that the maximum was fixed at 585,000 tons, that being the highest amount stated during some of the negotiations which he was conducting on which they could ask exemption.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Louisiana to the amendment reported by the committee.

Mr. HAWES. Mr. President, two committees, one of the House and one of the Senate, considered this matter at great length, and Senators will find in the hearings very elaborate tables. The first thing which will be discovered is that it was not the act of the Philippines that brought about this great increase in the production of sugar; it was the act of the Congress of the United States in establishing a free-trade relationship between the islands and the United States over the protest of the Filipino people. Both these great committees sought to ascertain what was the status quo; that is, what was the extent of sugar imports to this country in the year 1931. The best ascertainable figures at that time showed the quantity to be 850,000 tons of raw sugar and 50,000 tons of refined sugar; and here, Mr. President, we are confronted with a demand to cut immediately 350,000 tons from the commerce of the Philippines. That is one extreme. The other extreme is to say that they are entitled next year to send in a million tons. Both committees, unless I am mistaken, agreed upon what is called a status quo quota. It is possible that the Senator from Louisiana did not agree to that. That is the philosophy, however, back of this bill; it is also the philosophy back of the bill in the House.

When we terminated our relationship with Spain as the result of the war we allowed Spain 10 years in which to adjust her trade relationships with the Philippines. I assure the Senate that it is my opinion—and, I think, the opinion of the committees of both Houses—that to reduce the quota below that fixed in the bill will ruin the Philippine Islands; it will crush them; they can not exist without a period of reconstruction. The committees did not go to the extreme of a million tons, nor to the low figure of 500,000 tons. It is the first time I have ever heard the latter figure mentioned. The lowest figure presented to either one of the committees was 650,000 tons. I repeat, I do not believe the Filipinos can live with the limitation now sought to be imposed.

Senators say that the Philippines are asking for immediate independence; but there is always a qualification to that request, and that qualification is a very important one, namely, that their trade relationship with the United States should not be interfered with for a period of 10 years. It might be advisable to give them immediate independence, but certainly they are entitled to the same consideration that Spain received from our country immediately following the Spanish-American War. Nowhere in the testimony taken by the House and Senate committees can anybody find justification for the limitation now proposed. It would, as I have said, crucify the Filipino people.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HAWES. Yes.

Mr. LONG. How many tons of sugar did the Philippines ship here five years ago?

Mr. HAWES. I do not know.

Mr. LONG. It was less than 600,000 tons, was it not?

Mr. HAWES. If the Senator from Louisiana wants me to say that the Filipinos are increasing their production of sugar by leaps and bounds, of course, that is entirely correct.

Mr. LONG. The point I was making is that they lived pretty well five years ago before they increased their production. They were producing, say, four or five years ago less than 600,000 tons, and they were then living pretty well.

Mr. HAWES. There were only about seven or eight million Filipinos when we took possession of the islands.

Mr. LONG. I am not talking about when we took possession of them.

Mr. HAWES. They are now a nation of 13,000,000 people, and, of course, the production of sugar is increasing all the time.

Mr. LONG. What I am talking about, Mr. President is——

Mr. HAWES resumed his seat.

Mr. LONG. I do not ask the Senator from Missouri to yield the floor.

Mr. HAWES. I am through.

Mr. LONG. What I am talking about, Mr. President, is this: I have not the table here, but practically all the Filipinos were living pretty well three or four years ago, when they were producing from five hundred to five hundred and fifty thousand tons of sugar. What has happened has been without any appreciable increase in the population, for in three years I assume it would not be very much increased. Yet in three or four years they have prostrated the sugar refineries in the State of Louisiana and in the West. Thousands of acres of farms in this country have been absolutely depopulated during the last two or three years to make way for the enormous and abnormal increase in the quantity of sugar imported from the Philippine Islands.

I have as great sympathy for the Filipinos as I have for any other race of people, but I think we have done enough for the Philippine Islands in bringing them to the condition which they reached three or four years ago. When, however, our service to the Philippine Islands has become an absolute poison to thousands of farmers in this country by reason of the fact that within the last few years, approximately, there has been this enormous increase in the imports of sugar from the Philippine Islands, certainly we ought not to extend the limit beyond what is reasonable. I say frankly that when we raised the limit up to 300,000 tons we ought to have stopped right there; it ought never to have gone beyond the maximum amount that President Roosevelt intended. So with provision for 615,000 tons, which the amendment I have proposed allows, we certainly have gone far enough for the Philippine Islands.

I have every sympathy for the humane purpose the distinguished Senator from Missouri wishes to accomplish; but we have just as many people down in our country and out beyond Missouri, in the western country, in the beet-sugar territory, who are suffering to-day as a result of this abnormal increase in imports of sugar from the Philippine Islands.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. VANDENBERG. May I say to the Senator that all through the previous consideration of this bill I have held the view submitted by the Senator from Missouri. I have felt that the imports permitted by the status quo should be continued; but we now confront a totally different situation in respect to our own agriculture. None of our own agriculture to-day enjoys the status quo, as it were. None of our own agriculture at the present time can live up to the opportunities of production that are normal and average. All of our agriculture is threatened with limitation of production as the sole answer to its problem and its salvation.

Mr. LONG. Yes, sir.

Mr. VANDENBERG. Mr. President, it seems to me that under this altered circumstance, which is calculated to persist for years, there is justification in asking all of those who are under our flag to participate reasonably in the limitations. I do not know that the Senator's figures are fair, but I think his principle can be supported under present and prospective conditions.

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. LONG. Yes, sir.

Mr. SMITH. What per cent of the sugar consumed in America is produced in America? I have not had the time to look up the figures so that I might be informed as to the real merits of this controversy.

Mr. LONG. Practically all the sugar that is produced in America, I think, is consumed in America.

Mr. SMITH. I say, what per cent of the sugar consumed in America is produced in America?

Mr. LONG. I could not give the Senator the exact percentage. I could get those figures. There is a great importation of sugar into America; yes. I should say, perhaps, considerably over half, probably 5,000,000 tons, is consumed in America at the outside. I should say the amount is not over 5,000,000 tons. I can get the figures for the Senator; but we admit there is a large amount of sugar imported which is consumed in America. We admit that.

Mr. SMITH. Mr. President, ever since I have been a Member of the Senate—I hate to say that I have now been here perhaps longer than any other Member of the Senate save one—I have heard this question discussed. We fought around the sugar schedule and the wool schedule; and I want the figures as to how much sugar is produced in America under our various protective tariffs and what per cent is imported under the duty. Then, in addition to that, I want the figures as to what amounts of American products the Philippines consume.

I take it that the Filipinos, in trading with us, pay more or less in kind, pay in sugar; but they consume a proportionate amount of American products, and those are the figures that I want in order to guide me in this vote. I want to know whether or not I am going to cut off a source of consumption of American goods, paid for by these people in the form of their products, and react upon the already existing surplus in this country; or whether, by actual facts laid before the Senate, it can be demonstrated that it is profitable for us to keep up the importation proposed by the Senator from Missouri.

The Senator and I are supposed to be legislating here for the entire country. I have an interest in any industry, especially one of an agricultural nature; but I should prefer to legislate for all those that are engaged in agriculture rather than for some specific class if, in legislating for that specific class, I do harm to all the other agricultural interests.

Mr. LONG. Mr. President, will the Senator yield back to me for a moment?

Mr. SMITH. To be sure.

Mr. LONG. Does the Senator see any reason why we ought to grant any greater protection to the importations of sugar from the Philippine Islands than we do to those from Cuba?

Mr. SMITH. I am not discussing the merits or the demerits of the status quo. I want to know if the action we are about to take is going to impair the exportation of goods to the Philippines which may be satisfactory to them, satisfactory to us, and profitable to us in the form of the consumption of goods that are the direct product of our farms.

I have not had a chance to verify the figures on this subject, but I will do so if the Senate will grant an extension of time until I can get them. I will inform myself as to whether or not the importation of Philippine sugar, in exchange for the goods we produce and send to the Philippine Islands, is beneficial. If it is, I do not think I would be justified in shutting off a source of purchasing power from the Philippine Islands by virtue of shutting off their importation of sugar, and therefore shutting off the exportation of American products.

Mr. LONG. I am now ready to answer the question, if the Senator is through asking me the question.

Mr. SMITH. Yes.

Mr. LONG. My Filipino associates, who are in a conspiracy with me to limit this production, give me these figures:

Cuba furnishes the United States around 50 per cent of the sugar we consume. I understand that the amount is exactly 44 per cent.

Hawaii furnishes 13 per cent.

Puerto Rico furnishes 7 per cent.

The Filipinos furnish 10 per cent.

On all the sugar that we are furnished from Cuba there is a tariff. The 10 per cent that the Philippines are sending in here is breaking down the entire industry in America. We have erected a barricade, if you want to call it a barricade, to protect the agricultural industry here against the 50 per cent that comes from Cuba; but the 10 per cent that comes from the Philippines is destroying to-day one of our biggest agricultural industries.

While the Senator from South Carolina is on his feet, let me say that the Senator is opposed to anything that looks like a governmental subsidy; but the Senator has no objection to a cotton subsidy, which I am going to support.

Mr. SMITH. I beg the Senator's pardon; I have no cotton subsidy.

Mr. LONG. All right. The Senator has no objection to any kind of protection or Government subsidy. One is the same as the other. I do not care whether you call it a tariff, or a debenture, or what it is called; it is simply a help by the grace and lawful process of the Government.

The Senator has no compunctions about our using the strong arm of the Government to raise the price of cotton. Here, however, we have a situation involving a certain country that has been receiving the money of this country that the farmers and other taxpayers of South Carolina and Louisiana shoveled out, amounting to millions and millions of dollars. Just as the Senator from Michigan says, to-day the agriculture of the United States is on its knees, not asking for the abnormal but asking for anything within the reach of normalcy; yet we are letting the Philippine Islands come in here with sugar to-day to an amount away above anything that ever was talked about heretofore, and breaking down the agriculture of the United States.

If we are going to put a tariff against the sugar coming from Cuba, what reason can anybody give for not having a tariff against the sugar coming in here from the Philippine Islands, if we are going to free the Philippines? None whatever.

Mr. HAWES. Mr. President, may I call the Senator's attention to the figures?

Mr. LONG. Yes, sir.

Mr. HAWES. The Senator from South Carolina is naturally interested in the chief product of his State, cotton. The Philippines buy $16,000,000 and over of cotton goods every year. Our business with the Philippines in 1931 was $103,972,000, and for the first half of this year it is already $34,000,000. Now, we proposed, while we hold the islands, not only to limit but to curtail their shipments to this country; and we are going to try at the same time to keep open the market for $109,000,000 of goods that we send to those people. How, in common justice, can we expect to do a thing like that, Mr. President?

Mr. LONG. I have no doubt that there may be a little business with the Philippine Islands that we will lose. It will not amount to a great deal, because their business does not amount to a great deal in the aggregate. One hundred and nine million dollars' worth of business is not a very big thing; and even though we did lose a little bit of it, the loss would not be a very serious matter.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. VANDENBERG. I should like to call the Senator's attention, in the same connection, to the fact that although there is a substantial and profitable American import business in the Philippine Islands, yet, taken as a whole we find that from 1900 to 1931 Philippine trade with the United States netted a favorable balance to the Philippines of $396,000,000, and the relative tariff advantage in gross ran about 4 to 1 in favor of the Philippines.

Mr. LONG. I wonder if the Senator from Missouri got those figures.

Mr. HAWES. I got them. The difference is this——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir; I yield.

Mr. HAWES. The difference is that we are holding these people as subjects. They obey the will of Congress and the issue is whether the American people, through the voice of Congress, will take away from them something they now have and not give them fair play at the same time. It is different from our relations with other countries. There is a moral question involved, Mr. President.

Mr. LONG. I do not understand that there is.

Mr. President, I know that my friend the senior Senator from Missouri [Mr. HAWES] has been fighting for Philippine independence for at least three years. I know that before I came to the Senate he was undertaking to secure freedom for the Filipinos. That is correct, is it not?

Mr. HAWES. That is correct.

Mr. LONG. In the year the Senator began to wage his fight for Philippine independence, in 1929, there were imported from the Philippines 634,000 long tons of sugar, about what I propose to allow them. That was in 1929. But when disaster came on American agriculture that was increased by 230,000 tons, to a point where they have thrown out of employment the employees of a refinery right over in Baltimore, I am told by the Senator from Michigan. It has resulted in devastating the farm lands of the State of Louisiana.

To show what has happened to the beet-sugar industry of the West I read a letter written to Mr. Fred Cummings, Continental Hotel, Washington, D. C.

DEAR MR. CUMMINGS: You will kindly find inclosed check No. 76 in the sum of $300, payable to you as advanced expenses for trip to Washington on the Philippine question.

We had a light snow last night, which is about the first of the season. I notice the lobby of the courthouse contains a lot of persons, looking to me like they were seeking some relief. The relief committee for the county is on the upper floor here, and they tell me that there are now close to 1,200 families in this county receiving aid through this committee. I am wondering what the outcome will be before another crop year rolls around.

With personal regards, I remain, sincerely yours,

J. D. PANCAKE, *Secretary*.

That was from Greeley, Colo., dated December 6, 1932.

I propose in my amendment to allow the importation of an amount equal to what those people were importing into this country in 1929, probably after the Senator from Missouri had begun his crusade for the passage of a bill similar to that now pending. I am only undertaking to stop them from saddling us down with an abnormal importation for the next 10 or 15 years, as it has increased by about 235,000 tons from what it was in 1929.

I do not see how we are going to justify the attitude we are taking towards Cuba. We fought a war for Cuba, but we are charging their sugar producers 2 cents a pound to ship sugar into this country. America has just as much money invested in Cuba as it has invested in the Philippine Islands, I venture to say. I know it is reported there is $700,000,000 of American money invested there. We have just as much right to talk about building up trade relations with Cuba as with the Philippine Islands. Cuba sends into the United States about four times as much sugar now as do the Philippine Islands, and they pay 2 cents a pound on every bit of it.

Are we going to bankrupt Cuba? In order to get this thing down to an understandable basis we have to talk in foreign terms. We have to talk, not in American terms, not about the American farmer, not about the beet farmer of the West, or about the cane farmer of Louisiana, but in order that this thing may be understandable to such men as the Senator from South Carolina I have to talk in foreign terms. You have to get a spyglass that looks beyond the farmer who has lost out in the United States so that it can be understandable. Therefore we found the language as to Cuba. Four times as much business is being done by the United States with Cuba as is being done with the Philippines, and we are not spending the money of the taxpayers of the United States to keep Cuba alive, as we are to keep the Philippine Islands alive. Yet we have given the Philippine Islands a club with which they are breaking down the commerce and the industry of the Republic of Cuba by

allowing them an advantage of 2 cents a pound on every pound of sugar shipped here, though we are doing four times the business with Cuba that we are doing with the Philippine Islands. So I submit there is not a logical excuse or reason for not adopting at least the pending amendment.

I hope later to see amendments adopted which will do a great deal more justice by the farmers of this country than this amendment would do. But at this time I ask the Senate to adopt the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the amendment.

The amendment to the amendment was agreed to.

PRIVILEGED QUESTION—PRESS GALLERY INCIDENT

Mr. BLAINE. Mr. President, word has just come to me from the press gallery that an employee of the Senate had proceeded to the press gallery armed with a weapon, a revolver, and had threatened to kill a member of the press gallery who had written some article that involved the name of a Senate employee.

I do not know about the truth of the matter, but three members of the press gallery have asserted to be a fact what I have stated.

Mr. President, in these times of stress, with the "hunger marchers" here, with representatives of the farmers in the city of Washington, the Capitol is surrounded by a veritable army of police armed with revolvers and batons, and it has come to my attention that public authority—the authority presumed to preserve the peace within the District of Columbia, namely, the police department and members of the police force of this District—exhibited on last Sunday night toward those men and women an attitude that in my opinion was disgraceful and outrageous.

I am informed by a responsible Member of the Congress, and by a responsible citizen of my State, that language was used by members of the police department that was insulting and obscene, language that could not be used by anyone who had any sense of decency, language spoken to women marchers who were on New York Avenue, forced there by the police to spend the night, referring to them in terms which no honorable gentleman would use in speaking to any women. The women were called names which could be uttered only by those who frequent the brothel. It was said that liquor flowed freely among the police on that night.

This citizen from my State, an honorable young man, was not a member of the organization which came to the city of Washington on the question of unemployment relief. By accident he was drawn not into the march but into a caravan of automobiles and trucks in which were transported the representatives of the unemployed, and this young man and his party, who were here on a lawful business, who were farmers following the peaceful pursuits of agriculture in their State, coming to the city of Washington to present in a lawful manner their petition, were detained on New York Avenue during Sunday night. He and his party were not permitted to leave on that occasion, they were not permitted to seek even a source of drinking water, and they were subjected to insults.

Mr. President, have we come to the day in America when the Police Department of the District of Columbia can with such arrogance and such violence and such abusive language insult decent citizens of my State here on a lawful mission, coming here singly or as members of a committee to present their petition to Congress?

I am not surprised, in view of the conduct of the Police Department of the District of Columbia, that a Senate employee should be encouraged to proceed to the press gallery and there draw a pistol, and threaten the life of one of the members of the press gallery. That sort of conduct on the part of public officials charged with the duty of protecting and guarding the public peace is bound to bring upon this country disaster, for citizens with red blood in their veins, with patriotic fervor, will not submit for one moment to the abuses and the insults of any police department.

Of course, Mr. President, that sort of conduct by the police department is bound to generate and to stimulate a spirit such as was demonstrated, or as is alleged to have been demonstrated, by this employee in his action in proceeding to the press gallery and there pulling a gun and pointing it at a member of the press gallery.

Mr. President, this situation is of the highest privilege, and the Senate of the United States, in order to save the honor and integrity of our Government and to insure proper conduct on the part of public officials, should at once resolve itself toward an examination into this situation to which I have referred.

Mr. MOSES. Mr. President, in discussing the question of privilege which has been raised by the Senator from Wisconsin, I can not follow him in all his conclusions; but his statement of the facts as they are alleged to apply to the employee of the Senate, and the action which that employee took in the press gallery this morning, is correct in all its essentials.

The matter was brought to my attention immediately, in my capacity as chairman of the Committee on Rules. I caused an investigation to be made by the secret-service operative who is stationed in the Capitol, who elicited the evidence to show that the allegations were correct; and I have called a meeting of the Committee on Rules to take up the matter and deal with it, I hope, effectively.

Mr. BLAINE. Mr. President, may I direct an inquiry to the Senator from New Hampshire? Will that investigation be instituted immediately and proceed with due expedition?

Mr. MOSES. I can assure the Senator that it will be.

Mr. BLAINE. I accept the assurance of the Senator from New Hampshire.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. COPELAND obtained the floor.

Mr. PITTMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I yield.

Mr. PITTMAN. I desire to enter a motion to reconsider the vote by which the amendment of the Senator from Louisiana [Mr. LONG] was agreed to. Senators thought there was going to be further discussion of it.

Mr. LONG. There was discussion.

Mr. PITTMAN. I understand, but I desire to discuss it, and I think others do, too.

The PRESIDING OFFICER. The notice given by the Senator from Nevada will be entered.

Mr. COPELAND. Mr. President, I should like to ask the Senator from Missouri [Mr. HAWES], who was not here when I was discussing the sixth reason why it is possible to alienate sovereignty. In the material inserted in the RECORD at his request yesterday there were enumerated certain conditions under which sovereignty might be alienated. I am not sure what he meant by No. 6, which reads:

> Because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

I am not clear as to what the Senator meant by that.

Mr. HAWES. Mr. President, I do not propose to occupy any time of the Senate in discussing a constitutional question which has been passed upon so often, and especially since I have not been able to find a single Senator who agrees with the position taken by the Senator from New York. I shall not be drawn into a discussion which will merely consume time.

Mr. COPELAND. I should like to ask the Senator, however, though I do not ask him to enter into any discussion, to explain the phraseology I have just read, because the language does not convey anything to me.

Mr. HAWES. I am not at all surprised that it does not.

Mr. COPELAND. I do not know what the language means and I will leave it to anybody else to understand what it means. The Senator said:

The power of Congress to alienate territory or to give the Philippines their independence may be supported on any one of six grounds: * * * Sixth, because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

If that means anything to any other Member of the Senate I would like to have it explained. I can not get at what is meant.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Indiana?

Mr. COPELAND. Certainly.

Mr. WATSON. From whom is the Senator quoting?

Mr. COPELAND. I am quoting from the Senator from Missouri [Mr. HAWES], the same Senator whom I just asked to explain in as brief terms as he likes what the language means. I do not understand it. I understand the Senator from Missouri declines to explain. I assume, of course, that there is no explanation.

Mr. BORAH. Mr. President, I wonder if we could have some degree of order in the Senate. I did not understand the question of the Senator from Indiana or the answer of the Senator from New York.

The PRESIDING OFFICER. Let the Senate be in order.

Mr. COPELAND. If the Senator will turn to the RECORD, page 197, he will find there inserted by the Senator from Missouri [Mr. HAWES] a 9-page argument supported by documentary evidence, that the Congress has power to alienate territory.

Mr. BORAH. I have read it.

Mr. COPELAND. If the Senator will find the paragraph which is in the first column on page 197 he will see that it reads:

The power of Congress to alienate territory or to give the Philippines their independence may be supported on any one of six grounds.

The sixth ground stated by the Senator from Missouri is this:

Because it resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

I do not know what it means. I asked the Senator from Missouri to explain, and he has declined to do so. I assume that it means there is a power in Congress beyond the treaty-making power, which of course would involve the President and the Senate only. I assume that he means there is an implied power in Congress which would make it possible for the Congress to enact legislation necessary to alienate sovereignty. I do not know what else it could mean. It is too deep for me, but the Senator from Missouri says he does not care to explain it.

Mr. BORAH. Mr. President, if the Senator from New York will turn to the second column on page 197 he will find a statement which I should like to bring to his attention. It reads:

The essentially temporary nature of the control of the United States over the Philippine Islands has repeatedly been affirmed by our Presidents and by the national legislative bodies. The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended by approval of the cession of the Philippines by Spain to "incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor * * * to permanently annex said islands as an integral part of the United States; but * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

It seems to me that the power of Congress to dispose of the Philippine Islands turns upon that declaration which was made at the time the treaty was ratified. If there is any power in Congress to dispose of those islands it arises out of the fact, it seems to me, that there was a declaration at the time we purported to take them over that we were taking them really as a trustee, that in due time we would terminate the trusteeship, and that they never in fact became an integral part of the United States. That seems to me to be the key to the argument, if a sound argument can be made, in favor of the power to transfer the islands.

Mr. COPELAND. I am glad the Senator asked me. If the situation were as stated in Professor Fisher's article, I would say the matter is disposed of; but, unfortunately, this is not the fact. This is what really happened: When the treaty was before the Senate for confirmation an effort was made to change the language as to the Philippines and to Puerto Rico so that it would read as it does in relation to Cuba—merely, that sovereignty was relinquished, with no mention of cession. But the Senate by an overwhelming vote—56 to 30, as I recall it—determined that it would not make the change.

An amazing thing happened. The treaty was confirmed without any such limitation as that to which the Senator from Idaho refers. A week later the then Senator from Illinois, Mr. Mason, introduced a resolution which reads—and I wish the Senator from Idaho would follow the quotation he has made from Doctor Fisher:

That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands.

Is that the same language?

Mr. BORAH. That is the same language, except that some portion of it was left out here in the quotation.

Mr. COPELAND. That resolution was offered a week after the Senate had ratified the treaty. Does the Senator get the point I make? After the deed had been given and delivered and the money paid then it was sought to change the conditions of the deed.

What happened to the resolution? The matter was passed on by the Senate—48 votes cast, 26 in the affirmative and 22 in the negative. I want the record to be correct, because I think it is important.

In the Fourteen Diamond Rings case the court commented upon it at some length. The resolution of Senator Mason was considered by the Supreme Court, and the contention was disposed of by the court in this language:

We need not consider the force and effect of a resolution of this sort, if adopted by Congress, not like that of April 20, 1898, in respect of Cuba, preliminary to the declaration of war, but after title had passed by ratified cession. It is enough that this was a joint resolution; that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum; and that it is absolutely without legal significance on the question before us. The meaning of the treaty can not be controlled by subsequent explanations of some of those who may have voted to ratify it. What view the House might have taken as to the intention of the Senate in ratifying the treaty we are not informed, nor is it material—

The point being that it never did go to the House and no action was taken there—

and if any implication from the action referred to could properly be indulged, it would seem to be that two-thirds of a quorum of the Senate did not consent to the ratification on the grounds indicated.

That is my authority for the statement I made regarding Judge Fisher's contention that at the time of the session this matter was being dealt with. So it is very conclusive, I judge, that no such action was taken at the time the treaty was pending and before final action was taken upon it. Therefore, the statement referred to by the Senator from Idaho, the quotation from Judge Fisher's article, is a mistaken one on his part.

There has been circulated very widely the article by Judge Fisher on the constitutional power of Congress to withdraw the sovereignty of the United States over the Philippine Islands. This was reprinted—even though it has been printed several times before—in the RECORD in the speech inserted by the Senator from Missouri last night. The opening statement of Mr. Justice Fisher is the matter quoted by the Senator from Idaho. Of course it is incorrect, doubtless an honest mistake. But, nevertheless, it is a mistake; it is not the fact.

Mr. WATSON. Mr. President, will the Senator permit a question?

Mr. COPELAND. Yes.

Mr. WATSON. Do I understand the Senator to take the position that the Philippine Islands sustain the same relation to the United States Government that a State does?

Mr. COPELAND. Yes; so far as any power to alienate territory is concerned.

Mr. WATSON. That is to say, there is no way in the world in which we can alienate the territory of the State of New York; but does the Senator maintain that there is no possible way for us to dissociate ourselves from the Philippine Islands if we so desire?

Mr. COPELAND. No; I do not maintain that; for there is a way, and that is by the adoption of a constitutional amendment granting authority to Congress to deal as it pleases with the Philippines.

Mr. WATSON. Does the Senator contend that a constitutional amendment might be adopted that would enable Congress to sever the State of New York from the Union and cast it out to one side?

Mr. COPELAND. No, I do not think so. I do think that the question of incorporation into the Union has something to do with it. The Congress has chosen not to pass any resolution of incorporation as to the Philippines. As I have explained, there was very ample reason for that, because the Spanish institutions of the Philippines were so different from the American institutions that it would have been unwise and improper to do otherwise than we did, to leave the matter in the hands of Congress until such time as it should deem it wise to incorporate and make final disposition of the Philippines, by statehood or otherwise; but, in my judgment—and that is what I have been contending for—it is necessary to have a constitutional amendment in order to enable us to take action. I hope I answer fully the question of the Senator from Indiana.

Now I want to take up this language, doubtful as it is in its meaning, but used by the Senator from Missouri in his speech of yesterday where he says the power—

> Resides in Congress as a power implied from the power to pass legislation necessary to carry out treaty commitments.

Of course, that is pretty complicated; perhaps Senators will forgive me if I do not quite understand it. The Senator from Missouri may think that I am too obtuse to understand plain language, but I do not understand that. However, I assume it to be the position of the Senator from Missouri that, if we do not dispose of the Philippines by treaty between sovereign powers, which would have to be done by the President and the Senate, we could dispose of them by an act of Congress, as the Senator is attempting to do in the pending bill.

I call the attention of Senators to a debate in the Congress in 1820. It will be remembered that when we entered into the treaty relating to Florida we ceded territory which we acquired by the treaty with Spain in 1819. Afterwards it was desired to straighten out the boundaries. But there was much dissatisfaction regarding the treaty, because we gave up Texas. There were many who thought that we were paying too much; that the price was too high. In consequence, there was a difficulty over the treaty, and particularly by reason of the fact that Spain had delayed its ratification. Because it did so delay the ratification it was thought that no longer did any obligation rest upon the United States to complete the transaction.

As I said, this matter was discussed at considerable length in the House of Representatives. Henry Clay was one of the chief opponents of the treaty. He was very bitterly opposed to it, and on April 3, 1820, called up for debate in the House, which was then in Committee of the Whole, various resolutions which he had prepared relative to this question.

I recite these resolutions, as they have an important bearing upon the question at issue here. They read as follows:

> 1. *Resolved*, That the Constitution of the United States vests in Congress the power to dispose of territory belonging to them, and that no treaty purporting to alienate any part thereof is valid without the concurrence of Congress.
>
> 2. *Resolved*, That the equivalent proposed to be given by Spain to the United States in the treaty concluded between them on the 22d day of February, 1819, for that part of Louisiana lying west of the Sabine was inadequate; and that it would be inexpedient to make a transfer thereof to any foreign power or renew the aforesaid treaty.

It is interesting to note that the House of Representatives sought to defeat a treaty which had been ratified by the Senate, and, of course, there was a very considerable debate on the subject. Mr. Clay said:

> In the Florida treaty it was not pretended the object was simply a declaration of where the western limit of Louisiana was; on the contrary, the case of an avowed cession of territory from the United States to Spain. The whole of the correspondence manifested that the respective parties to the negotiation were not engaged so much in an inquiry where the limit of Louisiana was as that they were exchanging overtures as to where it should be.

Mr. Clay, with his usual vigor, tried to break down this treaty. He maintained that the United States had a valid title to Texas under the terms of the Louisiana Purchase. He contended also that Texas was very much more valuable than Florida. If the Senators from those States were here to-day, we could have another debate on that subject.

No such cession of territory could be made, Clay contended, without the consent of Congress; and he referred to that much-quoted section 3 of Article IV, the disposing clause of the Constitution, as authority for his statement.

This debate was a prolonged one. Whenever you throw the bone of the Constitution into the Congress, it is gnawed upon for days. At the time Mr. Clay raised the question it was debated for two days, but so far as the record indicates, no vote was taken. As a matter of fact, however, at a later date—the argument I have been talking about occurred on the 3d of April—President Monroe presented for a second time the treaty with Spain.

Senators will recall that, as I said, it had not been promptly confirmed by the Spanish authorities. The six months' period which was designated had passed; but after that the treaty was signed by the Spanish and was sent to the Senate by President Monroe, who suggested, the treaty having gone past the time designated in it, that it was necessary to have reaffirmation. So this treaty was acted upon. In spite of the opposition by Mr. Clay, the Senate, by a vote of 30 yeas and 4 nays, reaffirmed its approval of the treaty.

So the effort of Mr. Clay to overthrow the usual procedure of transfer of sovereignty by treaty was defeated. I hope this will not be discouraging to the Senator from Missouri [Mr. HAWES], because he, with greater energy than Mr. Clay used, will no doubt have greater success. Anyhow, it was quite apparent in 1821, while many persons were yet alive who had had a part in the making of the Constitution, that the view held by Mr. Clay that under the disposing clause of the Constitution this territory might be disposed of, and sovereignty alienated, had no standing before the Congress.

The question comes up all the time, and it is a very pertinent one, Where does sovereignty lie?

That is an extremely interesting question. It received the attention of our ancestors. We have a famous case known as the Dartmouth College case, found in Fourth Wheaton. On page 651 in the opinion of the court, we find this language:

> By the Revolution, the duties, as well as the powers, of government devolved on the people of New Hampshire. It is admitted that among the latter was comprehended the transcendent power of Parliament, as well as that of the executive department.

There is another decision of the same nature found in One hundred and thirty-sixth United States, page 57. This is the case of the Mormon Church against the United States; and here we have quoted the language I have just used from Mr. Chief Justice Marshall in the Dartmouth College case, which I repeat:

> By the Revolution, the duties, as well as the powers, of government developed on the people * * *. It is admitted that among the latter was comprehended the transcendent power of Parliament, as well as that of the executive department.

In the case which I have before me reference is made to the decision of Mr. Justice Baldwin in McGill *v.* Brown (Brightly, 346, 373). That was a case arising on Sarah Zane's



will, and in that case, referring to this declaration of Chief Justice Marshall, Mr. Justice Baldwin said:

The Revolution devolved on the State all the transcendent power of Parliament, and the prerogative of the Crown, and gave their acts the same force and effect.

Mr. President, when the colonists won the Revolution each State took over all the sovereignty which had been exercised by the English Parliament. Parliament had sovereignty. Parliament could do what the Senator from Missouri [Mr. HAWES] wants to do. When the Revolutionary War ended, however, those powers which had resided in Parliament and in the Crown did not go to the United States collectively. Those powers went to each State; and the people of the State won the powers which formerly had been held by the Crown and Parliament of England.

In our country sovereignty has always been in the people. That is where sovereignty lies. It is in the people. Congress has no more power than the people have delegated to us to exercise. We have never had delegated to us sovereignty and the exercise of sovereignty which would warrant us in alienating our authority over the Philippines. Therefore, I say, Mr. President, that it naturally follows that the only way we can lawfully, legally, constitutionally alienate sovereignty is by the consent which might be given by the people through a constitutional amendment.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Would the Senator yield to permit me to move a recess?

Mr. COPELAND. I yield the floor to the Senator now.

Mr. VANDENBERG. Very well, then; in my own right I would like to give notice that I shall claim the floor on Monday to discuss my substitute to the bill which is now pending.

I now move that the Senate take a recess until Monday at 12 o'clock.

RECESS

The motion was agreed to; and the Senate (at 4 o'clock and 45 minutes p. m.) took a recess until Monday, December 12, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Just now, our Heavenly Father, we would thank Thee for the divine footsteps which give us trust and patience. Truly they are ministers of mercy on our pathway which leads to Thee. In some little way unfold to us the same power that makes the rose sweet, the dewdrop pure, and the rainbow beautiful. Never were opportunities so many nor rewards so great. Keep us faithful, O Lord, to the dictates of justice and truth, that we may serve our country and redeem it from drudgery and want, and help the world along. We thank Thee for the gift of life. Do Thou help us each day to make it a magnificent privilege. Bless us with maintenance of courage and strengthen in us the sense of victory. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1778. An act for the relief of John S. Shaw; and

H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

The message also announced that the Vice President had appointed Mr. MOSES, Mr. HALE, and Mr. ROBINSON of Arkansas, as the members on the part of the Senate of the Joint Committee on Inaugural Arrangements provided by Senate Concurrent Resolution 36.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4910. An act for the relief of Gust J. Schweitzer.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 2839. An act for the relief of the heirs of C. K. Bowen, deceased;

S. 4553. An act for the relief of Elizabeth Millicent Trammell;

S. 4767. An act for the relief of Mucia Alger;

S. J. Res. 195. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; and

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co.

FARMERS' PETITION

Mr. HOWARD. Mr. Speaker, in Washington at this moment are 250 delegates representing more than 1,000,000 mortgaged farmers in America. They have prepared a petition to the Congress. I ask unanimous consent that their petition may be read to the House by the Clerk.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, I do not know why any minority groups or majority groups should have special privileges from this body. We start these things and we do not know where they will stop, and I would prophesy that if we establish this precedent, we will have petition after petition read from the desk. Mr. Speaker, I object.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska may proceed to address the House for five minutes.

Mr. UNDERHILL. Well, Mr. Speaker, reserving the right to object, that is just a subterfuge to get over my previous objection. It is not any feeling that I have against the legislation proposed or those proposing it; it is to protect the Congress and to protect the taxpayers of the United States. If the gentleman from New York [Mr. LAGUARDIA] wants to take the responsibility—he is always looking after the poor man—it is up to him, but I am going to object.

Mr. LAGUARDIA. God knows they need somebody to look after them.

Mr. UNDERHILL. Well, the gentleman from New York does not do it.

Mr. LAGUARDIA. I press my request, Mr. Speaker.

Mr. UNDERHILL. I object, Mr. Speaker.

PRESIDENT'S MESSAGE

Mr. RAINEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the President's message.

Mr. SNELL. Will the gentleman yield for a question?

Mr. RAINEY. I yield.

Mr. SNELL. Does the gentleman know what the program will be for to-morrow? Has he made arrangements yet?

Mr. RAINEY. The Appropriations Committee hopes to have ready the Treasury and Post Office Departments appropriation bill to-morrow and we will go ahead with that. It

may be possible to take up some District of Columbia business. I am going to take that up with the lady from New Jersey [Mrs. NORTON] now, and will make an announcement concerning it later in the afternoon.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. LaGUARDIA. May I ask the gentleman, in the course of the next few days, when the Appropriations Committee is reporting in accordance with the rules, if there will be any attempt made to report such bills by surprise, if I may say so, so that Members may not reserve all points of order? Will the Members be protected to that extent?

Mr. BLANTON. They have always been protected.

Mr. LaGUARDIA. Oh, once or twice we have been caught.

Mr. BLANTON. I do not remember any such instance since I have been here when all points of order were not reserved.

Mr. LaGUARDIA. Oh, yes; we have been caught once or twice.

Mr. BLANTON. Some one always is here to reserve points of order if the chairman does not.

LEAVE OF ABSENCE

Mr. JOHNSON of Texas. Mr. Speaker, the gentleman from Illinois has allowed me to interrupt before his motion is put, in order that I may make a unanimous-consent request.

The SPEAKER. Does the gentleman from Illinois withhold his motion for that purpose?

Mr. RAINEY. I withhold the motion to allow the gentleman from Texas to make his request.

Mr. JOHNSON of Texas. Mr. Speaker, my colleague from Texas [Mr. SANDERS] has been absent four days this week on account of the death of his wife, and I ask unanimous consent that his absence be excused by reason of that fact.

The SPEAKER. Without objection it is so ordered.

There was no objection.

PRESIDENT'S MESSAGE

The SPEAKER. The question is on agreeing to the motion by the gentleman from Illinois.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the President's message, with Mr. HANCOCK of North Carolina in the chair.

Mr. GREENWOOD. Mr. Chairman, I yield to my colleague from Nebraska [Mr. HOWARD] such time as he may desire.

The CHAIRMAN. The gentleman from Nebraska is recognized.

Mr. HOWARD. Mr. Chairman, I regret very much that my friend the gentleman from Massachusetts [Mr. UNDERHILL] saw fit to object to the reading of the petition of these mortgaged farmers, who came to the House to present their petition to the American Congress in behalf of action to lift them out of the ditch of depression into which they have been thrust by unhallowed hands. I very much regret that the resolution might not have been read by the Clerk in order that it might have appeared in the RECORD.

The gentleman well knows that, under the rules of the House, if we drop a petition into the basket it is not reproduced in the RECORD.

The right of petition, it seems to me, is a very sacred right, and those of us who are acquainted with the situation here well know that when a petition is simply presented and dropped into the basket, and is not published in the RECORD, very few of the Members ever have an opportunity to read it or to understand its contents, even by interpretation from another. That was my thought in asking that the resolution might be read in order that all Members of the House, and of the Congress as a whole, might be informed with reference to the desire of these delegates from the mortgaged farms of America, and I earnestly hope that I may not be regarded as violating the rules, even inferentially, if, before I shall have concluded my remarks, I shall read this resolution to the House, or ask the Clerk to do so.

Mr. BLANTON. Will the gentleman yield?

Mr. HOWARD. I yield.

Mr. BLANTON. The gentleman has the privilege now of reading that petition in his own time.

Mr. HOWARD. Oh, yes.

Mr. BLANTON. And the gentleman is a good reader.

Mr. HOWARD. Yes, I know; but I am asking that none will think harshly of me for doing it, and I can think of no better time than right now to call to the attention of the House the petition which these farmers have prepared for presentation to us.

Perhaps it will be noticed in the reading of the petition that it has not been drawn in manner as an attorney would draw it. It was drawn by bona fide, sure-enough farmers, not representatives of the farmers, but by the farmers themselves. If the petition does not conform strictly with our own interpretation of our rules here, it would seem to me only fair that we overlook the fact because of the paucity of knowledge of our petitioners regarding our rules and regulations in the Congress.

The petition reads as follows:

FARMERS NATIONAL RELIEF CONFERENCE, WASHINGTON, D. C., DECEMBER 7–10, 1932—STATEMENT TO CONGRESS

We, farmers 250 strong, represent the struggling majority of the farm population in 26 States. For the first time in history we come ourselves, face to face with Congress, without high-salaried "farm leaders or lobbyists" standing between to becloud and divert our purpose. And our purpose is to demand immediate action. We are determined to stop a ruthless pressure from creditors who threaten to sweep us from our land and homes.

For the last three years a world economic crisis has sharpened the effect of 10 years of postwar farm depression. Our last reserves have been taken from us. We are not responsible for the universal breakdown that forced 70,000,000 Americans into economic distress, uncertainty, and want in the richest country in the world.

We know that the relief funds are largely squeezed from the worried balance of the population, who are themselves slipping toward the brink of joblessness. We know that fantastic costs of local, State, and Federal Governments are also squeezed from them by sales taxes, while the big incomes and corporations escape. We know that actual starvation is more and more frequently admitted in spite of bulging banks and storehouses of food. We have seen food destroyed, and everywhere our crops rot on the ground in a marketless country because hungry millions have lost their purchasing power.

In the face of this social calamity "farm leaders" and politicians dare to talk of "surplus," dare to base legislation on a theory of reduction of acreage that will fit the present starvation markets. Finally, this bankrupt leadership dares to advocate the abandonment of our scientific and technical advances in farming and recommends that we return to a primitive, self-sufficing form of peasant farming.

We demand:

I. Federal cash relief—

A. To raise all rural families to a minimum health and decent standard of living a minimum fund of $500,000,000 must immediately be appropriated for the relief of that section of the distressed farm population in need of immediate relief, regardless of race, creed, or color.

II. Federal relief in kind—

A. Food products and supplies needed for relief of city unemployed should be purchased by the Federal Government directly from the farmers at a price which will insure the cost of production plus a decent standard of living.

B. The processing and transportation of these food products and other relief supplies shall be regulated by the Federal Government so as to prevent profits to the food monopolies and transportation companies during the period of the economic crisis.

III. Administration of relief for farmers—

A. Federal cash relief and relief in kind to be administered by local committees of farmers in each township, precinct, or other local unit selected by a mass meeting of all farmers needing relief.

IV. Government price fixing—

A. A price-regulating body controlled by actual consumers and producers must be immediately elected whose function shall be to reduce prices to consumers and raise prices for all farm products sold. This adjustment to be made by deduction from the swollen profits of the profiteers who stand between field and family.

V. The defeat of any legislation based on the theory of "surplus" production—
While millions of our population are undernourished through loss of purchasing power, the acceptance of the surplus theory is a crime against farmers and workers.
VI. Credit—
A. The enactment of legislation which will provide production credit for all farm families so as to insure a basis for national consumption at normal levels. This credit is to be administered as in Section III (above).
B. The defeat of all proposals and the repeal of all legislation now in force which provides credit only for well-to-do farmers and corporations with collateral.
VII. Debt holiday—
A. A moratorium on mortgages, interest, and rents for all farmers whose volume of production has until recently sustained the farm family at a decent standard of living.
B. Cancellation of mortgages, interest, feed and seed loans and debts for supplies and furnishing for farmers whose volume of production and economic unit has always been too small to carry the debt load and support the family at a minimum health standard (marginal farmers, share croppers, and others).
C. Cancellation of back farm taxes and moratorium on future farm taxes during the crisis.
VIII. No evictions—
During this national crisis Congress must declare all foreclosures, seizures of property, and evictions illegal.
We farmers have no collateral, but we represent the majority of the farm population. We have at last been forced to organize and present to this Congress our final demands. If our duly elected national Representatives and Senators fail, as did the local, county, and State authorities, then we pledge ourselves to protect our fellow farmers from suffering and their families from social disintegration by our united action.

Adopted by the Farmers National Relief Conference in session at Washington, D. C., December 8, 1932.

Certified as correct copy.

LEM HARRIS,
Executive Secretary.

Mr. Chairman, at the present time I do not desire to interfere with the program of the House for the day by discussing further the petition presented to us by the representatives of the mortgaged farmers of America.

Some of you may ask me upon what basis this delegation comes to us. I do not understand clearly, but my understanding, such as I have, is that practically every one of the 250 delegates here present represents at least 25 mortgaged farmers in the community which sent him here.

I trust the Members of the House may kindly receive the petition our friends have presented. I know it is not couched in the language of the legal profession, but in the plain language of the plain-speaking farm people, and I particularly ask that no Member on the floor shall be in any wise prejudiced against the petition because of the fact it may contain here and there a request or a demand that is not compatible with our general understanding of the situation. On the whole, I commend the petition to my colleagues, to their very earnest consideration.

I have heard practically every man on this floor say there can be no such thing as permanent prosperity in this land of ours until the farm producing men and women of our country shall be guaranteed in some way or be privileged in some way to receive the cost of production on their farms, with a reasonable profit added thereto, to enable them to enjoy that high standard of living which we all desire them to enjoy. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. PARKS].

Mr. PARKS. Mr. Chairman, I am not an alarmist, not a calamity howler, but I can recognize a calamity that is as vast as the one that has fallen upon us when I see it.

There is but one subject uppermost in the minds of the American people to-day, and that is our economic situation. Every man, every woman, and every child in the United States to-day have their eyes turned toward this Capitol with a prayer on their lips.

Nearly four years ago the present occupant of the White House called this Congress into extra session for two purposes. He pledged to the country two things: A revision of the farm tariffs and farm relief. The tariff revision he gave to us on agriculture was the Grundy bill, and, although men on both sides of this Capitol had said that 60 days from the passage of the bill we would have prosperity, we find after three years the effect of it has been to slay agriculture, to stifle commerce, and to strangle industry.

The relief to agriculture was the Farm Board, and the Farm Board then, it seemed, went about the land seeking something the tariff had not killed, and wherever it found some helpless industry, somebody who was in need, by some hook or crook it placed the final touch on them and left a mangled corpse wherever they found them.

Then came the campaign, the election, and instead of getting relief we have gone from bad to worse. From the Atlantic to the Pacific the two candidates for President traveled and pled their cause before the greatest jury on earth, the American people. It was almost a unanimous verdict against the party in power.

Then Congress met, with people by the millions suffering and in distress. Every man in this House is receiving hundreds and hundreds of letters pleading for a job with the Federal Government. Congress met after a ray of light had come in the election of Mr. Roosevelt. The people expected something and, lo and behold, the first hour of the first day we were offered liquor.

Then in the offing we have one more thing to give to the starving people of the United States, and that is beer—nonintoxicating. Well, you have nonintoxicating beer now; what is it you want? However, that is not all. Let us pass on.

Recently the Great Engineer sent to this Congress a message to relieve suffering in the United States. How? By adding others to the already starving millions by a cut in salary. There is not a 10-year-old boy in the United States but who could tell you that you could make a 50 per cent cut in appropriations and save expenses, but I challenge the world to show me where you have ever taken the bread from the mouths of toiling people and brought prosperity. Yes, we were bludgeoned at the last session of Congress into making a cut in salaries because you tied onto it the salary of the Congressmen of the United States who were willing, at the rate they were being paid, to have something taken away. You said this would bring prosperity and would balance the Budget. I never got so tired of hearing anything in my life as balancing the Budget. Mr. Mills came down here three or four times and said, "Now, do this and you will balance the Budget and then everything will go up in value and we will have peace, prosperity, and happiness." A day or two later he came back and said, "I missed that by an enormous amount, but I have it all figured out now. I have had my expert go over it again." We did what he said would balance the Budget and he came back the third time and said he had made a mistake and the Budget was not balanced, and the fourth time he came back and said that if we would do certain things the Budget would be balanced and we went home thinking the Budget was balanced. Now, we come back after election and they tell us it is $1,000,000,000 out of balance.

What would be the effect of cutting the salaries of the people who are gathered here, as well as elsewhere, in the United States, working for the Federal Government? What would be the effect to the men and women in this city who are trying to pay for homes out of a small salary? One after another they have made the announcement that if this proposal goes through they can not meet their payments.

You have turned the farms back to the mortgage holders. You have driven the farmers out of their homes, and now you are going to strike the last crumb from the mouths of these people. I challenge you to bring in a salary cut, not tied with the salaries of Congress, but affecting the other workers of the Government, and we will defeat it.

Is this the way we are going to bring back prosperity? By adding to human misery? From every State in the Union comes a wail that sounds louder than the roar of the sea from the destitute people of this land. What have you got left after these three years? The only things you have left in the land are the United States Government and Wall Street.

Let me make a suggestion. Listen to this statement, if you please. Cut the salaries? I heard the head of a bureau not three days ago testify that he could cut expenses, without cutting salaries, one million and a half dollars out of one appropriation bill, if we would let him do what? He said, "I can reduce this appropriation to-day $1,500,000." They asked him, "How will you do it?" "I will do it by discarding some old machinery that we have and I will supplant it with modern machinery. We have trucks to-day that take four and a half gallons of gasoline to run a mile, and I can get trucks that will run a great many more miles with less gasoline; and if you will change the law, as I suggest, I will guarantee a saving of $1,500,000 in this item alone to the Government."

I know of one arm of one branch of the Government that has 10,000 horses that they are maintaining and feeding at great expense. For every 12 horses they have one caretaker at $75 a month. I asked them, "What is the age of these horses?" and I was told that the average age is 18 years. I said, "Why in the name of Heaven do you not kill them or give them away?" He said, "The law will not let me kill them and I can not find anybody who would take them if we were permitted to give them away."

Why not do something along this line? If we had a scientific handling of the departments here, we could balance the Budget and not touch the salary of a single man or woman in the United States. It is waste in Government, not by employees, but just such antiquated things as I have related to you that adds to the expense of government.

You may ask me what to do about it. I will tell you what to do about it. You may say, "You have not the power to do it." I have not, but let me tell you something. Out yonder on the highway entering the city of London, for centuries there has stood a signboard, a board that has correctly pointed the way to untold millions to the city of London, and yet that old signboard still stands after having performed a valuable function, but it has gone nowhere itself. There is no way you can relieve the situation until you cheapen the dollar, and that is the only way you can do it. You can not pay debts contracted five years ago with a dollar that does not benefit anybody on earth except the gang on Wall Street. How would you do it? There are many ways you could do it. If it were left to me, the first thing would be to revalue gold. I would go to the statute where you wrote in the value of gold and make that dollar so cheap that a man's commodities would be worth something. I would make it so he could pay his debts that he contracted when money was cheap. For instance, a man made a contract to buy a farm for $1,000. At that time he could get $50 a bale for his cotton. He could have paid that debt with 20 bales of cotton. To-day he can not pay the debt with 50 bales of cotton. It is inevitable that he must lose his property if this condition continues, and you can not cure it by legislation such as we have had in the past.

You may say that this means bimetallism. Well, why not? No prosperity ever hung about any land with a high dollar. Read the pages of history and you can not find where any people prospered when the dollar was high. You will find that when commodities were high and the dollar was low they were the most prosperous people that ever lived.

The only way is to put the money in the hands of the people. I would issue 5, 10, and 20 dollar silver certificates and buy every ounce of silver produced in the United States. [Applause.]

I never voted to cancel the debt of any nation that owed us anything. Europe says they received from us goods, not money, but they can not pay in goods now, as it would require four times more, but we could say to Europe, "Give us silver in payment and we will coin it so that you can settle your large indebtedness inside of 10 years."

Why not do what India did when she went off the gold standard. She took all the silver plate and spoons and everything of that kind and molded it into a mass. Announce to our debtors, "We will take all the silver you have and coin it."

Gentlemen, we have got it to do. Read the statement in last month's Cosmopolitan, in which Mr. Roosevelt describes our new leadership. I do not know whether he can do it or not, but I believe at last we have a man in the White House who is going to relieve the poor and the suffering, and that will cover about the entire United States.

How in the world it will be possible to go away from here and leave the people in despair, misery, and suffering I am unable to say.

I turn my attention now to the Committee on Banking and Currency, of which my distinguished friend on my right [Mr. STEVENSON] is a member. Ask it to bring in a bill to revise the monetary system and give the poor man one more chance before he dies. Gentlemen, if every man in the House who believes that we ought to cheapen money would line up, stand firm, we can give Wall Street the greatest fight it has had since 1873, when they struck down silver.

A man said to me the other day that Wall Street is trembling because they are afraid that Congress is going to remonetize silver. They tell us that there was a mandate that came from the people on November 8. There was a mandate, but it was for bread for the poor people and not for the brewers of the land. [Applause.]

We must not let our fellow men perish; they are expecting us to save them.

If we stand together upon the question of currency, we will show Wall Street the greatest fight this Congress has made in half a century. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 30 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, on December 4, 1930, I made in this chamber my first plea for those who are in distress for want of food and clothing. My effort was toward getting the Federal Government to recognize its responsibility to those who are in need.

I had become convinced that we were confronted by a depression such as this country had not known before—that it would be a long depression, and of unprecedented severity. I felt that it was a proper subject for national attention, that only the power and strength of the Federal Government could suffice to deal with it. During the past two years I have given much of my energy, if not most of it, to the task of awakening the Nation and our Government to its duty. It has been a difficult task, a discouraging task. It has been labor against the currents of public opinion and against the views of those who are in authority in both the political and the economic world. The few Members of Congress who have labored in that cause have been confronted by every prejudice and by every specious argument. The gains which they have been able to make have been small, although, looking upon the present situation as compared with that two years ago, it is obvious that some headway has been made.

We were confronted at the outset with prejudice against the "dole." Those in authority were fearful of any assumption of responsibility. They insisted that the relief of distress was a matter for private charity with which governmental units had no proper concern. They stood like a wall of adamant against any and all proposals for relief which might extend beyond a certain limited work program. In that situation we went on for a year.

Some 12 months ago some progress became apparent. It finally began to leak into the minds of those in positions of influence that this was, indeed, an unprecedented depression, and that there were instances in which private charity was inadequate. And then they made what was for them a remarkable concession of admitting that the relief of distress was properly a matter for local civic au-

thority—for cities and counties—and they conceded that in an extreme case even the States might take notice of starvation. Time went on and developments occurred until at the close of the last session of Congress a relief measure was finally exacted from the economic and political leaders which made the concession that States might concern themselves with the relief of distress, even if the Federal Government could not properly do so. The proposal as adopted made available to the States certain Federal funds which the States might obtain upon their own credit and at their own expense to give relief and relief work. That is the law as it now stands.

Mr. Chairman, I have no desire to criticize the administration. "Brave spirits war not with the dead." After all, I realize that our Government is merely the creature of public sentiment, meaning thereby the sentiment of the influential classes, and that any indictment drawn against political authority should also include the financial and economic leaders of the country. If there be a fault, and there has been a most grievous fault upon the part of the leadership of America during the past three years, that most grievous and costly fault has been the lack of vision. It is a fundamental fault, and has been in their inability, their unwillingness to look the facts in the face, and to recognize the truth as it was presented.

Always they have shut their eyes; always they have stuck their heads in the sand; always they have regarded existing conditions as merely a temporary phase. Always they have sought to hold on to previous conditions, to the previous way of doing business, to the previous method of organization of our economic life, and to previous standards of profits and of living. They were both unable and unwilling to recognize that we are confronted by an epochal situation, that "the good old days of 1926 and 1927" have passed away forever, and that perhaps never again in this country will we experience that which we chose to call in that time a period of "prosperity."

They were unwilling to recognize that we must go back to earlier ideals and to earlier standards. And in their unwillingness they temporized with existing conditions, they shut their eyes to them, they would not face the facts or recognize the truth. They were unwilling to do the things which were essential to recovery. And as the result, in such measures as they have taken they have not only failed to aid in bringing us out but they have contributed to our difficulties—what they have done has had effect to retard recovery and to perpetuate the suffering to which our people are being subjected. It would seem to me that there are certain conclusions which are plain and obvious. They may be stated in the briefest way by saying that our way out of this situation lies not through temporizing, not through aid by governmental favor or subsidies or appropriations to classes or groups of any kind whatsoever, not by moratoriums or the making of loans, but by something of a much more fundamental nature. In short, the trouble with our economic situation is due to maladjustment.

The fundamental cause of existing conditions is maladjustment, and there is and can be but one remedy. There may be palliatives, there may be "shots" that may be given, but there is only one remedy for maladjustment and that is readjustment. What boots it that you lend a man money if you require him to repay it with interest at a future time when he will be less able to pay it than when he borrowed it? What boots it to aid an industry which is not self-sustaining and can not be self-sustaining with its present management and its present methods? What boots it to postpone until next year a debt which the debtor can not hope to pay next year?

A man came into my office who had been a man of large fortune. He owed perhaps 50 per cent of the value which his assets had three or four years ago. He said, "I am going to give up everything I have to my creditors and am going to start anew from scratch." I was one of his proposed victims and I replied, "I do not want my share of your property." He said, "Yes; I know you do not, because the joke is on you"; and I realized that it was, but I could not resist telling him that he was acting wisely.

The thing to do for a man who owes money which amounts to 50 to 60 per cent of the value of his assets three or four years ago is to give up his assets, take a receipt from his creditor or from the bankrupt court, and start out new to build his future. Face the future. The past is dead. Only the future lives. The only way out of our situation is toward the front. It lies forward, not backward.

The remedy for our situation is fundamental. It lies in liquidation. It means pay our debts. It means liquidate our business methods. It means liquidate our personal habits and standards of living.

Let me say that the crying need of this country to-day is that we shall balance the Budget. The crying need of every civic unit—State, city, and county—is that they shall balance their budgets. The crying need of every business concern and every individual is that he shall balance his budget; and do it now. [Applause.]

Liquidate, readjust, face the future, then the slow and painful processes of rebuilding and reconstruction—therein lies the road to recovery, not only in the United States but throughout the whole world. We have had our dance; now then it is "pay the fiddler." And the awful pity of it is that so many of the innocent, and those least responsible, have the heaviest price to pay.

I hear gentlemen bewail the woes of the farmers. I would like to say to them that the farmers are better off than any class in this country. I wish the farmers only knew what sufferings are being endured in the industrial sections. I represent a typical industrial district. In my county there is 431,000 population. More than 100,000 of those people are living on public charity, and there are many more who are in need of it, though they are too proud to ask for it.

A farmer in debt is in a bad situation, but his situation is no worse than that of anybody else who is in debt. For every farm mortgage there is a city home mortgage, and for every mortgage on the farmer's business there is a mortgage on the plant of the business man, and it is just as hard, yes, harder, to pay those mortgages on city and industrial property than it is to pay the mortgages on the farm property. There are farmers who are out of debt. Very few city people are out of debt. But the farmers can eat, and they have homes to live in, when they are out of debt and own their farms. But the city man can not eat, and he has no home in which to live.

I can think of some things that ought to be done. I do not expect them to be done. I have no doubt that the leadership of the future will be the same kind of leadership we have had in the past. I am not referring to political leadership particularly. I am referring to all kinds of leadership. The leadership of the future will be unwilling to drink the bitter draught which I have pointed out as necessary.

But I can think of some things that ought to be done. We need to balance these budgets. That is the first thing. Instead of frittering away our time talking about the liquor question, had I had the deciding voice I would have insisted that the first measure to come before us should have been one which would have balanced the Federal Budget. [Applause.]

We need to correct our banking system so as to restore confidence in the banks and to make them worthy of confidence. That is one essential.

We need to deal with the foreign debts situation, not from a demagogic standpoint but from the standpoint of sound economics and willingness to do our duty, although it may make us unpopular at home.

We need to tear down the barriers of trade between our people and the people of other countries. [Applause.] We need to restore freedom of trade among our own people. What can you say when you point to the farmer's price index of 26 on cotton, 34 on wheat, and 42 on agricultural products generally, and then see the index on nonagricultural products standing at 66. On steel it is 71. So you go

on up through clothing and other things that have to be bought with cheap cotton and cheap wheat until you come to transportation, and we find that the cost of transportation is 105. It has gone up instead of down.

How can you have sound business when conditions prevail which make situations of that kind possible? It is not deflation that is hurting this country half as much as the inequality of deflation. The thing that is hurting us is that certain of our enterprises have gained a protected position. They are able, through our tariff systems or through monopolies or trade practices or governmental favors of one kind or another or vast corporate wealth or powers or other advantages, to resist deflation, whereas the producer of raw material is unable to resist. If to-morrow you could bring about a price situation in which the price index of all commodities should stand at a level of 50, we could at once go forward to recovery.

It is not the price that the farmer is receiving that is hurting him so much, it is the price which he is paying for that which he has to buy. What the farmer needs and what he is entitled to is an open market in which to buy even as he must sell in an open market. All he has the right to ask for is the free play of the laws of supply and demand—the free play of competition and of individualism.

Of course, this does not apply to the farmer who is in debt. I have told you what is going to happen to the man who owes money, and nothing which it is proper to do can help him.

I rose, in particular, to say this: We have not begun to recover. I would like to hope that we had. My heart hopes that we have, but my brain tells me that we have not. I know we have not. We have not brought about conditions which make recovery possible. We can not recover until those conditions are produced, and we have not got the courage to produce them. That is the trouble with us. I mean with public opinion—with the country.

We are in for a long siege of it. Let nobody think this depression is going to be over next year, or the year after that. I would be the happiest man alive if I felt that five years from to-day this country would be on a fairly even keel such as we were, say, in 1910. I would be happy if I could think that. I would even be happy if I felt that during my lifetime we would have fairly easy conditions in this country for business and for industrious, frugal, and sensible men.

Let us not continue this fatal policy of temporizing. Let us not try to hold on to the past and to make it live again. It will never live again. Let us face the facts. Let us look to the future.

When it comes to the matter of the relief of cold and hunger, let the Federal Government recognize frankly its responsibility and create orderly processes and a well-conducted machine to administer Federal relief to those who may be in need, so as to insure that no honest and industrious man shall suffer for the necessaries of life.

I would have the Federal Government create a commission to study the question of relief and to propose legislation so that we might have a fairly regular system of administering Federal funds appropriated for that purpose. It can not be defended that we should turn over Federal funds to the politicians of the various States and local communities to use for the relief of distress or for other purposes as it may occur to them.

It can not be defended that we shall turn over Federal means to a private organization such as the Red Cross for administration by it according to its discretion. We should have a Federal body with Federal authority acting under Federal responsibility to handle these Federal funds and to see to it that they are administered as they should be. And in whatever we do or say, let us not for a moment forget that in whatever else we may fail we must keep our people alive.

In closing let me say: It is easy to be radical, it is easy to propose new and untried things, it is easy to indulge in language appealing to the unthinking and to those of the least information; that is very easy. But let me say that this is not for a time like this. It is very well to try experiments and to indulge in new ideas when things are going smoothly and not much harm can follow from a mistake, but a time like the present is no time for rash experiments. [Applause.]

The highest proof of patriotism and of statesmanship in a time like this is that the public servant shall be able to keep his feet on the ground, keep his head up, and keep his brain clear. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, while I rejoice over the great victory we won on November 8, I hope we all appreciate that the unprecedented victory carries with it unprecedented responsibility. No party ever assumed a greater responsibility than that which will be imposed upon the Democratic Party after March 4. We have got to sober up from our splendid victory, get our feet back on the ground, and keep them there for the next four years.

As I interpret our victory it is not a license to continue to fiddle while Rome burns but a mandate to put out the fire. We won not alone on the ground that the Republicans are poor fire fighters, but because we promised to extinguish the conflagration.

One of the greatest governmental fires to-day is the tax fire that is consuming the substance of the taxpayers, large and small alike.

The Democratic platform contains a promise to reduce the expenses of government at least 25 per cent. The American taxpayers are expecting us to fulfill that promise 100 per cent, and they are demanding immediate fulfillment. As a humble member of the Democratic Party that promise is my promise—it is the promise of every Democrat in this land—and I for one intend to make an honest effort to see that it is fulfilled to the letter.

With this end in view on November 25 I addressed the following letter to the chairmen of the Democratic Party in the counties of my district:

NOVEMBER 25, 1932.

Mr. ———,

Chairman Democratic Party of ——— County, ———, Va.

MY DEAR MR. CHAIRMAN: The Democratic platform contains this promise:

"We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government, and we call upon the Democratic Party in the States to make zealous effort to achieve a proportionate result."

As Federal taxes are crippling business, clogging the wheels of industry, and weighing down the taxpayers with tax burdens they are unable to carry, this pledge made by the Democratic Party should be carried out at once; and as I believe you can be of inestimable service in the fulfillment of this pledge I am writing to solicit your active aid and support.

While the situation in Washington is intolerable and should be corrected at once, I do not believe that all of the trouble is in Washington. The trouble permeates our governmental fabric from top to bottom. There are offices outside of Washington that should be abolished and there are consolidations outside of Washington that should be made. In fact, there are, in my opinion, many useless offices in every congressional district that should be abolished, and there are consolidations in every such district that should be made.

I, therefore, request that you, along with the other leading Democrats and business men of your country, make a complete survey of the situation in your county in order to determine—

First. What Federal offices in your county can be abolished. In order to do this you should check up on every Federal employee, high and low, from janitor up. In connection with this work if you need a list of the Federal employees in your county kindly advise and I shall take pleasure in furnishing you with such a list.

Second. What salary reductions can and should be made?

Third. What consolidations can be made? In this connection I believe particular attention should be given to the consolidation of mail routes, many of which have not been changed since the days of the horse and buggy.

Fourth. If rents paid for public buildings are fair and just and in keeping with the prevailing rents in the community.

Fifth. Any other matters you may know of or which may be called to your attention that will effect a saving to the taxpayers.

As much as we may dislike to abolish offices, thus throwing out of employment men and women sorely in need of work, we should ever remember that it is not the function of government to create Federal offices in order to give employment. Taxes

are not paid for the purpose of taking care of one another, but for the purpose of maintaining our Government, and the Government should be maintained not only in a competent but in a frugal manner.

For obvious reasons now is the time to make the needed changes and corrections. Among the reasons may I state that it is much easier to refuse to employ than it is to discharge after employment has been given.

I am going to urge the other Congressmen to have similar surveys made of their districts. If these surveys are honestly and intelligently made, I believe we can aid materially in reducing the cost of government.

Probably it would be well to call a meeting of the leading business men in your county for the purpose of discussing these matters and assisting in making the survey.

I hope you will give these matters your immediate attention and furnish me with a complete report at the earliest day possible.

With every good wish, I am, sincerely yours,

JNO. W. FLANNAGAN, JR.

I sent a copy of the letter to the leading business men of my district, asking them to cooperate in every possible way, and the responses I have received from the chairmen and business men are indeed encouraging. I hope to report the result of the survey of my district in a short while, and I believe it will show that thousands of dollars can be saved annually.

If the result of the survey of my district shows that the effort has been worth while and that a substantial saving can be effected, I hope the other Congressmen will have like surveys made of their districts.

While I may be mistaken, I firmly believe that if we obtain an honest and intelligent survey of each county and city in this country the results will open our eyes.

This method of getting at waste and extravagance will bring the matter in a forcible way to the attention of the people. There is nothing so impressive and convincing as to bring a matter home. You know we are prone to criticise waste and extravagance found in other places, closing our eyes ofttimes to the conditions at home. Let us bring this matter home to our people and get them to assist in working it out. If local waste and extravagance are discovered by the local people, we will have their sympathy and support in making the needed corrections. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, this country is staggering under a public and private indebtedness in excess of $230,000,000,000. These debts, with interest and with taxes and other fixed charges, have to be paid in dollars which have suddenly increased in value—in a dollar which now requires 6 bushels of corn instead of 1, 3 bushels of wheat instead of 1, 5 pounds of cotton instead of 1, and 10 shares of United States Steel stock instead of 1. The dollar under these conditions has increased in terms of wholesale commodities 56 per cent above the normal purchasing power of the dollar for the years 1921–1929, as ascertained by the United States Department of Labor. On account of the increased purchasing power of the dollar this indebtedness, in terms of present commodity prices, is in excess of $460,000,000,000; and farm mortgages, fixed at 9,000,000,000, have in the same manner increased in excess of 18,000,000,000. The purchasing power of the dollar, in terms of standard stocks, has increased 400 per cent, and in terms of special stocks, 1,000 per cent.

The products of the farm can not pay taxes and interest on mortgages, and millions of honest and deserving citizens are losing, or threatened with the loss of, their homes, their means of livelihood, and the necessities of life; merchants are bankrupt; 12,000,000 people are unemployed; and distress and want have become acute.

The cause for the increased purchasing power of the dollar is the contraction of credit and currency. About 90 per cent of our business is transacted with checks, which take the place of money, and act as the medium of exchange. The demand for dollars exhibited by checks cashed in 1929 has fallen from about 1,200,000,000,000 to 600,000,000,000 last year. Our bank loans have contracted over $14,000,000,000; our bank deposits over $13,000,000,000; and our bank deposits upon which checks are usually drawn have contracted over $8,000,000,000.

Of $5,500,000,000 in circulation, so-called, about $500,000,000 is abroad or lost; $1,600,000,000 is in hoarding; about $850,000,000 is in the banks to cash checks; about $1,150,000,000 is estimated to be in 1,350,000 shops and stores—leaving about $1,400,000,000 in the pockets of the people, or about $12 per capita.

Mr. Chairman, we are not the only country that has been confronted with the serious problem of debt. In discussing the important part that debt played in the destruction of Rome, one great author said:

> Credit is the great weapon of the aristocracy against the lower class. The nobility was thereby enabled to place in its power the small farmers, whose labor and lives it controlled until the day when they realized that they were oppressed and formed alliances strong enough to break for the time being their serfdom. The concentration of land reposed to a great extent on the workings of the credit system, the property of the rich increasing almost automatically by the addition of that of the poor, and the seizure of the mortgaged property being the main reason for this expropriation.

The problem of debt was so serious in Rome that the Government adopted the most drastic measures in dealing with it. In 342 B. C. Rome abolished interest altogether. In 352 B. C. a state commission of five bankers was appointed to adjust the strained relations between debtors and creditors, and their efforts seem to have met with some success. Pliny states that during the first Punic War the Roman dollar was diminished in weight from 1 pound to 2 ounces, and the power of money fell to such a point that he says:

> Thus a profit of five-sixths was made and debts were canceled to that extent.

The remission of debts was often the slogan of the peasants and workers, and at one time they forced the passage of a law that reduced all debts and decreed that interest payments in the past would be applied on the principal. But the ablest historians agree that through the power of money and credit exercised by a select few and manipulated to suit their interests the sources of wealth were concentrated in their hands and the majority was reduced to enforced idleness and poverty.

After the World War France was burdened with a crushing debt, but she proceeded to liquidate the indebtedness of her citizenship by the Government increasing the quantity of money, and thereby increasing the price of her farm and other commodities. France increased the quantity of her money five times, and her wholesale prices increased seven times, while her farm commodity prices increased six times. According to researches conducted by Columbia University—

> Prices rose with the volume of money in 1919 and 1920, fell with it in 1921 and 1922, and rose again from 1923 to 1926.

Of course, there was a great depreciation in the purchasing power of the franc, as measured in the terms of the gold dollar. In 1913 the value of the franc in terms of dollars was 100, but it steadily decreased year by year until in 1926 it was 17. The value of the franc in terms of its wholesale purchasing power fell from 100 in 1913 to 14 in 1926. According to the conclusions reached by the council conducting this research, certain advantages resulted from the inflation as well as certain disadvantages. The advantages were: First, the debts, with interest and other fixed charges, were greatly reduced. The French farmers profited from the inflation, in the words of the council, as follows:

> On the whole, it appears that changes in the costs of farm production did not keep pace with changes in the price of farm products, so that in all probability the French peasant and farmer found a certain advantage in inflation. Their labor costs, their expenditures for fertilizers, their mortgage charges, were all reduced.

French industry profited from the inflation, as follows, in the words of the council:

> The low gold values of French manufactured products brought about a certain expansion of markets abroad. The diminution in costs of production stimulated industrial activity, while the flight from the franc on the domestic market opened a sufficient home outlet for the increased flow of goods. It was mainly through its effects on the costs of production that inflation exerted a direct influence on industrial output. This is fairly obvious in the case of that element of cost which consists of

interest paid on capital charges. An industrial firm which had issued a million francs' worth of bonds before the war at the current rate of 3½ per cent was still paying 35,000 francs per year in 1926 as interest. In that year, however, these 35,000 francs were worth only 5,000 francs in terms of 1913 purchasing power. From the point of view of prevailing prices in 1926, therefore, the rate of interest on this loan fell from 3½ per cent to one-half of 1 per cent. Such economies enabled businesses to sell at lower prices and stimulated production and sales. The general opinion seems to be, for example, that the farm laborer and the small peasant were better off in the postwar period than before the war. They are said to be better fed, to eat more frequently, to be better clothed, and housed, than ever before.

The disadvantages of inflation to French agriculture on account of inflation are summed up by the council as follows:

On the other hand, machinery cost them dearly and they had difficulty in obtaining sufficient labor and credit. These difficulties were so serious that they often resulted in the abandonment of farm lands.

However, this research council found that the French Government immediately did away with the difficulty of securing credit by placing at the disposal of the rural credit associations vast sums of money and allowed these associations to loan to the farmers on easy conditions. The rate of interest on long-term loans made by the above associations to the farmers was invariably 2 per cent up to the middle of 1927, when it was raised to 3 per cent.

In regard to the disadvantages to industry the council concluded as follows:

In the later years of inflation French industry suffered, however, from the scarcity of capital.

The reason that inflation produced a scarcity of capital is because those who had money were afraid to make long-term loans on account of the falling value of the franc and the uncertainty of collecting in francs whose value was the same as when they were loaned.

This council, as the result of its exhaustive investigation, reached the following general conclusion:

The evidence pointing to the favorable effects of the depreciation of the franc on industry is not presented as a general defense of the policy of money inflation. From the point of view of the State budget and public finance, inflation is probably as disastrous as specialists in those fields point it out to be. It undoubtedly ruined certain economic classes in France and caused others to suffer heavy losses. It upset values. Although industry and trade were profited by inflation, yet it seemed reasonable at that time to anticipate a ruinous aftermath as soon as inflation should cease. If, indeed, no calamity has actually attended the de facto stabilization of 1927 and the legal stabilization of 1928, it is because the expanding economic life of France and her increasing industrial activity are more independent of monetary conditions than is generally believed to be the case.

Of course, Mr. Chairman, no one is advocating that the American dollar should be depreciated below its normal purchasing power for the years 1921–1929, as ascertained by the United States Department of Labor. Such a depreciation would cause tremendous loss to everyone who owns insurance policies, mortgages, stock, bonds, and other evidences of credit. But, on the other hand, it is equally unjust and unfair for the debtor to return to the creditor a dollar which is worth 56 per cent as an average, and in some instances 400 per cent, more than it was at the time he borrowed it. To require him to do so would mean wholesale bankruptcy.

It must, therefore, be evident to every thoughtful man that the normal purchasing power of the dollar must be restored. There are two ways of doing this—one by expanding credit, and the other by expanding currency. Since 90 per cent of business is transacted with credit and bank checks, and since it is manifestly impossible to substitute for the $600,000,000,000 of bank checks that have ceased to be used since 1929 an equal amount of currency, it is obvious that the most important task is to restore credit and confidence.

The Government can do much to restore credit; industry, finance, and business can do much more. As a progressive program of immediate relief, I suggest the following:

First. A drastic reduction in unnecessary Federal, State, and municipal expenditures, with a corresponding reduction in taxation. The return of credit and prosperity is seriously hampered by the crushing tax burdens and the perpetual fear of new tax levies. It is amazing to contemplate the mounting cost of government in the United States. In 1913, less than 20 years ago, the combined income and earnings of the American people were $34,000,000,000, and of this amount the governmental expenditures took less than $3,000,000,000, or less than 9 per cent. In 1931 the combined income and earnings were $70,000,000,000, of which amount governmental expenditures took $14,000,000,000, or 20 per cent. The income and earnings have fallen to $42,000,000,000 in 1932.

In other words, during this period of less than two decades the cost of Government increased, roughly, 450 per cent, and the earnings of the people who support the Government have increased from $34,000,000,000 to $42,000,000,000. To-day out of every $5 the American people earn more than $1 goes to pay the expenses of Government. Of the tax dollar, only 30 per cent represents Federal taxation; the remainder represents State, municipal, and local taxes. It is easy to advocate economy in general terms, but when one becomes specific, he incurs the opposition of every selfish group profiting from unnecessary expenditures.

On December 8, 1932, I introduced in the House of Representatives a drastic economy bill, which applied to every department of the Government, and provided for the elimination of many unnecessary bureaus, boards, and commissions, and the consolidation of others. It will not only save money but will restore this country to a Democracy, and put an end to the tyranny, inefficiency, and extravagances of the present bureaucracy.

Second. A fair and equitable distribution of the tax burdens based upon the ability to pay. In many States, land and homes carry the greatest tax burden, until to-day it is cheaper to rent than to own. The farmer is compelled to increase his production in the desperate effort to pay taxes. An interesting movement is now on foot in many States to substitute a State sales tax in place of a land tax. If the tax on farms and homes is greatly reduced, this will encourage ownership of one's home, which is indispensable to Democracy.

Third. The enactment of the bill which passed the last House, only to die in the Senate, for the purpose of guaranteeing bank deposits. More than 5,000 banks have failed in the last two years. This has weakened the confidence of the people in our banking structure, encouraged hoarding, and contracted credit. If the depositors are assured that their funds are guaranteed against loss, it would have a stimulating effect upon all business.

Fourth. A sound and helpful revision of our banking laws to prevent speculation and to supply the credit needs of legitimate business and agriculture. If the French farmer can secure long-term loans for 2 per cent interest, the American farmer is entitled to the same privilege. If necessary, we can set up the same machinery which worked so successfully in France in order to provide cheap credit to enable the American farmer to carry his debts, pay them off, and operate his farm on a profitable basis.

Fifth. In my judgment, we must immediately expand our currency. There are various methods proposed to do this. The most effective way of doing it is to broaden the base of our metallic money. At present our entire monetary system rests on a foundation of gold. We have about four and a half billions of dollars of gold and over $150,000,000,000 debts are payable in gold of the present weight and fineness. Most of the schemes for the expansion of paper money do not contemplate the strengthening of the foundation and the widening of the base. No structure, however elaborate, complicated, and ingenious, can possibly be stronger than its foundation. To increase the height and size of the superstructure without corresponding increase in the firmness and strength of the foundation is to incur the risk that sooner or later the superstructure will crumble. It seems to me that one of the soundest ways to expand our currency and at the same time to broaden the base of our metallic money is to authorize the Secretary of the Treasury

to issue Treasury notes against deposits of silver bullion at the market price of silver when deposited payable on demand in such quantities of silver bullion as will equal in value at the date of presentation the number of dollars expressed on the face of the notes at the market price of silver or in gold at the option of the Government, or in silver dollars at the option of the holder, and to make these notes receivable for all public duties. This was proposed by Secretary of the Treasury Windom in 1889. He urged that this would give the country a—

> Paper currency not subject to undue or arbitrary inflation or contraction nor to fluctuating values, as good as gold, an absolutely sound and perfectly convenient currency to meet the wants of those who desire a larger volume of circulation and not encounter the opposition of those who deprecate inflation.

The United States produces fourteen times more silver than gold. The United States, Canada, and Mexico produce 75 per cent of the silver of the world. This plan, therefore, will not only broaden the base, but will broaden it with a commodity that we can largely control. There is another great advantage—1,500,000,000 people of the world use silver as a medium of exchange. At present they are unable to do business with us because in order to purchase our commodities they are compelled to purchase the valuable gold dollar with the cheap silver dollar, which in some instances means that they have to give $4 of silver for $1 of gold.

The expansion of our currency by a more enlarged use of silver in the manner above indicated will likewise expand credit. At present our banks have available only about $1 in cash and reserves against about $14 in deposits. The fear on the part of many banks that a panic may cause a run on them causes them to keep on deposit as much cash as possible. This produces contraction of the currency, hoarding, and contraction of credit. An expansion of sound currency will, therefore, inspire confidence and increase the amount of dollars in cash and reserve against the amount of dollars in deposits.

This plan will not only take the place of the currency sent abroad or lost and in hoarding and in the banks to cash checks, but it will likewise tend to cause the 1,600,000,000 now hoarded to come back in circulation. It will supply the great scarcity of money which is now being felt in many parts of the country. Many communities are using wood currency and other devices in order to transact business.

Another method of expansion that is being proposed is to cut the gold dollar in half. At present the gold dollar consists of 25.8 grains of gold, which includes the alloy. It is proposed to enact a law which will declare that the gold dollar, instead of consisting of 25.8 grains, will consist of one-half, or a little over 12½ grains of gold. It is argued that since the purchasing power of the present gold dollar has increased tremendously and that since debts have doubled or more, this plan will restore the normal purchasing power of the dollar and reduce indebtedness to the value which existed at the time the debts were contracted. Since many debts are payable in gold of the present weight and fineness and since the Supreme Court has held such contracts valid and enforceable, it is proposed to levy a tax of 50 per cent on all such bonds, contracts, and mortgages, payable in gold of the present weight and fineness, where the holders attempt to enforce collection in accordance with the contract. Advocates of this measure say that such a tax will compel creditors to accept payment in the new gold dollars of 12½ grains, and that this will not only restore the normal purchasing power of the dollar and enable debtors to return to their creditors dollars whose purchasing power is the same as the dollars they borrowed, but that it will also double the volume of money and commodity prices.

These methods of expansion as well as all others proposed should be carefully studied and considered by Congress, and some practical and workable plan should be agreed upon and enacted into law at the earliest possible moment.

Sixth. We must take immediate steps to shorten the hours and days of work. The introduction of labor-saving devices and the widespread use of machinery are displacing human labor and producing enforced idleness. It has been said that in 1904, the beginning of the automobile industry, one man needed 1,291 hours to fabricate an automobile; by 1914, he needed 400 hours; in 1929, 92 hours; and to-day only 73 hours; that in 1830 a man could make 45 bricks in 60 minutes, and to-day, if he followed the best practice, he could make 40,000 bricks in the same time; and it has even been recently stated that between 12,000,000 and 15,000,000 people could do everything required to run the Nation. This is no doubt an extreme statement and is probably not supported by the facts. Nevertheless, it is certainly true that the constant invention of labor-saving devices and their use by industry is taking the place of man labor, and that we must offset this by shortening the hours and days of work, and thereby spread employment among everyone. If wealth is to be distributed properly, the economies of the machine must be distributed in fair proportion to capital, labor, and the consuming public. If either one of these groups derives unfair advantages from the economies produced by the machine, the present maldistribution of wealth will continue to grow worse until the machine will become a curse. Labor must have its fair share in shorter hours and decent living conditions and wages; capital must have its fair share in the reasonable returns on investment; and the consuming public must have its share in the form of better and cheaper commodities. At present neither the consuming public nor labor is receiving 'ts fair share of the savings and economies brought about by our machine and scientific civilization. Since the depression, labor has lost in excess of $20,000,000,000 and agriculture has sustained a loss of more than $50,000,000,000. The wages of labor barely held their own from 1926 to 1929, with drops in the years between, while the wages of capital for the same time rose 73 per cent. From 1929 to 1932, wages of labor had dropped 62 per cent, while wages of capital dropped 7.2 per cent, and are still 60 per cent above the 1926 level which is taken as the standard. At the peak of prosperity capital received as interest and dividend payments $7,588,000,000. In 1932, this shrunk to $7,000,000,000, or a loss of $588,000,000. The farmers' annual income, on the other hand, tumbled from a peak of $16,000,000,000 to about $5,000,000,000.

Not only must we restore a fair distribution of wealth and the profits of industry between labor and capital but we must establish a parity between agricultural and nonagricultural products. On account of the 1,267 mergers formed in the past 10 years and the consequent disappearance of 8,003 independent businesses, with a narrowing in all directions of the field of competition, and on account of tacit understandings and trade agreements, protective tariffs, discriminatory laws, and governmental subsidies, many industries have been able to fix the price of their commodities. Agriculture, composed of a multitude of individual and competitive citizens, has been unable to fix the price of its commodities. Consequently, the farmer is subject to the laws of competition, whereas favored and special interests are not. By paying too much for the things he has to buy and getting too little for the things he has to sell, the farmer has not shared in the national wealth, and has been reduced to poverty. Therefore, equality in the price level between agricultural and nonagricultural commodities must be restored, either by pulling nonagricultural commodities down to the level of agricultural commodities or by lifting agricultural commodities to the plane of nonagricultural commodities. Unless this is done a rise in commodity prices by the restoration of world trade, by expansion, or by any other means, though it will help the farmer in paying off his debts and fixed charges, will not solve his problems. As long as the price of nonagricultural commodities is fixed, it will always rise higher than agricultural commodities, and the farmer will be bled until he will soon be in debt again. Already 40 per cent of the improved farms are cultivated by tenants.

Seventh. The United States must take the initiative in inducing the world to agree to a general lowering of tariff walls, trade barriers, and armament costs. We must also take the lead in undertaking to get the nations of the earth to agree on a definite ratio between gold and silver, so as to

give to the world an international currency with which to do business.

Eighth. There must be a scaling down of many debts; interest on farm and home mortgages must be lowered. In many instances the amount of the mortgages and fixed charges on farms and homes are greater than the reasonable market value of the property. These mortgage debts must be revised downward, and the farm and home owner must be refinanced on liberal terms and at a reasonable rate of interest so that he can pay off his debt and save his property.

Mr. Chairman, this is a far-reaching, constructive, and progressive program that is necessary for the salvation of our present civilization. The Government must take the lead in this program, but its success will largely depend upon the intelligence, patriotism, and unselfish cooperation of business and finance. What this country needs is to center upon a definite program and to carry it out. In the past four years Congress and the Nation have been wandering like a ship without a rudder on the sea of doubt, conflict, and uncertainty. In the meantime conditions have steadily grown worse. Not only do we need a definite and intelligent plan of attack upon the destructive forces that are undermining the foundation of this Republic, but we need a leadership inspired by high ideals, noble aspirations, and a fixed and unalterable purpose to solve the problems of the day. The wisest laws fail unless they are enforced and administered by intelligent, patriotic, and courageous men. Without such men the most perfect, constructive, and helpful program will fail; with such men a faulty and imperfect program will succeed. I have an abiding faith and firm conviction that this Nation will be blessed with such leadership during the next four years, and that under the progressive and intelligent leadership of President-elect Roosevelt we will yet belie the dismal experience of all Republics that have flourished and then decayed in the days that are gone.

Mr. GREENWOOD. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman and members of the committee, in these days, when we are trying to reduce Government expenditures and balance the Budget, information relative to our appropriations is always interesting and sometimes welcome. My purpose in rising to-day is to call attention of the membership of the House, especially the members of the Appropriations Committee and the members of the Committee on Ways and Means, to the situation that confronts the Congress by reason of the act of March 3, 1919, which provides for the sinking fund for the retirement of our public debt.

Whenever one attempts to discuss the financial affairs of the Government he is approaching a most complicated subject. In this instance, however, it appears that I can make myself clearly understood in a few words.

The act creating the sinking fund, in part, provides: First, that 2½ per cent of the aggregate amount of outstanding bonds and notes as of July 1, 1920, less an amount equal to the par amount of any obligations of foreign countries held by the United States on that day, is appropriated for the sinking fund, and, second, the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years.

It is the second condition which I desire to refer to.

As to the first appropriation, the Budget statement to be found on page 203–A of the message of the President received yesterday shows that for the fiscal year 1934, $439,658,200 is appropriated. The first proviso of the act provides for the appropriation of $253,404,864.87. I do not see how the Congress could appropriate a dollar less than this amount without jeopardizing the sinking fund.

The second proviso of the act, however, requires an appropriation for the fiscal year 1934 of $179,447,735.13. The amount under the second proviso increases from year to year, but the Budget statements show that the amount under the first proviso remains the same.

In the Treasury appropriation bill which we will have before us in a few days we are going to be asked to appropriate $179,447,735.13 to comply with the second proviso in the sinking fund act.

Everyone will agree that when times are normal and we are not running a deficit it would be advisable to reduce the public debt as quickly as possible, in order to save the interest on outstanding obligations, provided that it was not a hardship upon the taxpayers of the country.

To-day the taxpayers of the country are clamoring for relief, and are demanding a reduction in taxes as well as a reduction in Federal expenditures. Here is a chance for some relief.

The question arises in my mind as to whether or not it would be advisable for the Congress to consider at this time an amendment to the sinking fund act which would make the second proviso inoperative for, say, three years. There may be good and sufficient reasons why this should not be done; but if there are, no argument has as yet been presented to me that would warrant my saying that it should not be done.

Let me now repeat the situation: Here we are asked to appropriate $179,447,735.13. What for? To add to the sinking fund the amount that would have been required to pay the interest on Government obligations which have been purchased, redeemed, and canceled.

Of course, when we appropriate this money we add the amount to the sinking fund, and it is used to redeem additional outstanding Government securities.

What will happen if we fail to appropriate this $179,447,735.13 for the fiscal year 1934? As I understand it, the Treasury Department will not be able to redeem that amount of Government obligations during the fiscal year 1934. The sinking fund will be limited to $253,404,864.87 plus the unexpended balance.

During the fiscal year 1934, and probably before the start of the fiscal year 1934, the Treasury Department will no doubt call the 1933–1944 Liberty loan, which is now paying an interest of 4½ per cent. Money, of course, will immediately be borrowed to finance this transaction. The purpose in calling the loan will be to issue new obligations which will bear a lower rate of interest. The Government is borrowing money now at less than 3 per cent interest on 4-year notes, so it is evident that we can refinance the 1933–1944 loan at a much lower rate of interest than is now being paid.

This is another reason why I feel that it might be advisable to discontinue for the time being the appropriation now required under the sinking fund act. The retirement of the 1933–1944 bond issue might—I do not know positively—increase the appropriation under proviso 2. In order to properly bring the matter to the attention of the Ways and Means Committee, I am to-day introducing a bill making the provision referred to inoperative for three years.

Mr. GREENWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HANCOCK of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the President's message and had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT—CONSOLIDATION AND ABOLISHMENT OF BUREAUS AND COMMISSIONS (H. DOC. NO. 493)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed.

(For message see Senate proceedings of to-day.)

ORDER OF BUSINESS

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent that District of Columbia business, in order on Monday, be in order to-morrow.

Mr. MICHENER. Mr. Speaker, reserving the right to object, do I understand District business will take about

two hours, and then it is proposed to bring in an appropriation bill?

Mr. GREENWOOD. That is the purpose of the request. It is hoped the appropriation bill will at least be ready by Monday and that we will conserve time to-morrow by considering District business then instead of Monday. This meets with the approval of the chairman of the Committee on the District of Columbia.

Mr. STAFFORD. Mr. Speaker, I have no objection if the request is limited to public bills reported by the District of Columbia Committee.

Mr. GREENWOOD. I am not informed what bills will be taken up. The request is merely to substitute to-morrow for Monday.

Mr. STAFFORD. This is the only committee under the rules of the House that has a day with a special order and the privilege of calling up private as well as public bills reported by the committee. I do not think the committee should have preferential treatment for the consideration of private bills. The bills to be considered should be public bills; and if the gentleman from Indiana will modify his request to this extent, I shall not press my objection.

Mr. GREENWOOD. We are seeking a way to use to-morrow in order to conserve the time of the House. There is no limitation of the kind the gentleman asks with respect to Monday.

Mr. STAFFORD. There are one or two private bills I do not think should be considered that have been reported from the District of Columbia Committee. There are public bills that should be considered. It seems to me the request I make is a reasonable one.

Mr. BANKHEAD. Has the gentleman any information that it is the purpose of the committee to call up bills other than public bills?

Mr. STAFFORD. There are one or two private bills that are in order to be considered, and I do not think they should be considered on a day when there is public business to be considered.

Mr. BANKHEAD. It is unfortunate the chairman of the committee is not present to give the gentleman from Wisconsin some assurance upon the matter, but, as stated, this request is made for the purpose of expediting the business of the House.

Mr. STAFFORD. I do not wish to do anything to interfere with the expedition of the public business of the House.

Mr. KVALE. Mr. Speaker, reserving the right to object, does the gentleman who propounds the request know whether it is the intention of the committee to bring up the small loans bill to-morrow?

Mr. GREENWOOD. I have no knowledge as to what bills will be brought up. I am merely seeking this consent in order to change the time of the committee from Monday to to-morrow.

Mr. KVALE. Mr. Speaker, I think if it is the intention to call up the small loans bill to-morrow, the House should have notice of such intention. I do not wish to press my objection.

Mr. MICHENER. Mr. Speaker, the majority leader, Mr. RAINEY, advised me there would be just about two hours' business for the District Committee to-morrow. It can not be they intend to call up a lot of private bills.

Mr. GREENWOOD. It is my information that they are not intending to call up private bills, but I do not have it from the chairman of the committee and I dislike to put any limitation on the committee that would not be upon it on Monday in merely asking for an exchange of days. I think the gentleman from Wisconsin might well withdraw his objection.

Mr. STAFFORD. The gentleman from Indiana well recognizes that appropriation bills have equal precedence and privilege in their consideration with District business. They are of like character. Everyone in the House wishes to dispatch the appropriation bills. I have been assured that the Post Office-Treasury appropriation bill will be ready for consideration to-morrow.

Mr. GREENWOOD. Oh, no.

Mr. STAFFORD. Well, whether it is or not, it is a reasonable request to have District business limited to public bills, and there are 10 or 12 such bills on the calendar. I am not in any way seeking to interfere with the change from Monday to Saturday.

Mr. GREENWOOD. This request is made in order to give the appropriation bill right of way on Monday and conserve time.

Mr. STAFFORD. It has that right of way, anyway.

Mr. GREENWOOD. And also to take no advantage away from the Committee on the District of Columbia.

Mr. MICHENER. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object unless the committee is limited to the consideration of public bills.

Mr. GREENWOOD. Then, Mr. Speaker, I ask unanimous consent that public bills reported by the District of Columbia Committee in order on Monday may be in order to-morrow.

The SPEAKER. The gentleman from Indiana asks unanimous consent that public bills reported by the District of Columbia Committee in order on Monday may be in order on to-morrow exclusive, as I understand it, of recognition by the Chair of the Appropriations Committee, which would take precedence. In other words, the request is to give the District of Columbia Committee to-morrow as though it were Monday, for the consideration of public bills. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1778. An act for the relief of John S. Shaw; and

H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1778. An act for the relief of John S. Shaw; and

H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

ADJOURNMENT

Mr. GREENWOOD. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 12 minutes p. m.) the House adjourned until to-morrow, Saturday, December 10, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, December 10, 1932, as reported to the floor leader:

WAYS AND MEANS

(10 a. m.)

Continue hearings on beer bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

776. A communication from the President of the United States, transmitting the Eighteenth Annual Report of the National Advisory Committee for Aeronautics for the fiscal year ended June 30, 1932; to the Committees on Military Affairs, Naval Affairs, and Interstate and Foreign Commerce and ordered to be printed.

777. A letter from the national legislative committee of the Veterans of Foreign Wars of the United States, transmitting the proceedings of the Thirty-third National Encampment of the Veterans of Foreign Wars of the United

States, held at Sacramento, Calif., August 28 to September 2, 1932 (H. Doc. No. 449), to be printed under authority of Public Resolution 126, of the Seventy-first Congress; to the Committee on Military Affairs.

778. A letter from the Secretary of War, transmitting a report dated November 7, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Calumet Harbor and River, Illinois and Indiana (H. Doc. No. 494); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

779. A letter from the Secretary of Navy, transmitting a draft of a bill for the relief of Capt. George W. Steele, jr., United States Navy; to the Committee on Claims.

780. A letter from the Secretary of the Navy, transmitting a draft of a bill for the relief of Lieut. Col. Russel B. Putnam, United States Marine Corps; to the Committee on Claims.

781. A letter from the President of the United States, transmitting a letter for the consideration of Congress of deficiency and supplemental estimates of appropriations for the fiscal years 1932 and 1933 for the legislative establishment, certain executive departments and independent establishments, and the District of Columbia (H. Doc. No. 495); to the Committee on Appropriations and ordered to be printed.

782. A letter from the Secretary of War, transmitting a copy of the annual report of the American National Red Cross, as provided by the act of Congress approved January 5, 1905 (33 Stat. p. 599), entitled "An act to incorporate the American National Red Cross," as amended by the act approved February 27, 1917 (39 Stat. p. 946); to the Committee on Military Affairs.

783. A letter from the United States Employees' Compensation Commission, transmitting a report of the operations of the United States Employees' Compensation Commission for the fiscal year ending June 30, 1932; to the Committee on the Judiciary.

784. A letter from the Secretary of the Interior, transmitting a copy of a report from the Commissioner of the General Land Office of the withdrawals and restoration contemplated by the statute dated December 7, 1932; to the Committee on Expenditures in the Executive Departments.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 13237) granting an increase of pension to Maria Jefferson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13257) granting a pension to Honora E. Dempsey; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13443) granting a pension to Tom B. Jimmerfield; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HESS: A bill (H. R. 13484) to authorize the attendance of the Marine Band at the national convention of the Disabled American Veterans of the World War to be held at Cincinnati, Ohio; to the Committee on Naval Affairs.

By Mr. McLEOD: A bill (H. R. 13485) to amend section 9 of the act of July 15, 1932, entitled "An act to establish a board of indeterminate sentence and parole for the District of Columbia, and to determine its functions, and for other purposes"; to the Committee on the District of Columbia.

Also, a bill (H. R. 13486) to amend the revenue act of 1932 by repeal of the manufacturers' excise taxes, and substituting in lieu thereof a general manufacturers' sales excise tax; to the Committee on Ways and Means.

By Mr. MEAD: A bill (H. R. 13487) to amend the national prohibition act, as amended and supplemented, and for other purposes; to the Committee on Ways and Means.

By Mr. FRENCH: A bill (H. R. 13488) providing for the establishment of joint through rates and rates between rail and water carriers on the Columbia and Snake Rivers and their tributaries; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Missouri: A bill (H. R. 13489) authorizing farmers who have secured loans for crop production from the Secretary of Agriculture to sell free from the lien of the United States a sufficient quantity of said crops to pay the expenses of harvesting and disposing of said crops; to the Committee on Agriculture.

By Mr. ANDREW of Massachusetts: A bill (H. R. 13490) for preliminary examination and survey of Plum Island and Parker Rivers, Mass.; to the Committee on Rivers and Harbors.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 13491) to provide for increasing import taxes on crude petroleum and certain derivatives of petroleum; to the Committee on Ways and Means.

By Mr. FULMER: A bill (H. R. 13492) to provide for loans to farmers for crop production and harvesting during the year 1933; to the Committee on Agriculture.

By Mr. BRUNNER: A bill (H. R. 13493) to regulate certain employment on public work; to the Committee on Labor.

By Mr. BOLAND: Joint resolution (H. J. Res. 498) authorizing the President of the United States to issue a proclamation designating October 11 of each year a day to display the United States flag with appropriate ceremonies; to the Committee on the Judiciary.

By Mr. COCHRAN of Missouri: Joint resolution (H. J. Res. 499) to reduce the appropriations made to the public-debt sinking fund for a period of three years; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW of Massachusetts: A bill (H. R. 13494) for the relief of Cyril Ambrose Deery; to the Committee on Naval Affairs.

By Mr. ANDREWS of New York: A bill (H. R. 13495) granting an increase of pension to Margaret E. Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13496) for the relief of Harry Schrader; to the Committee on Naval Affairs.

Also, a bill (H. R. 13497) for the relief of William Arthur Cluchey; to the Committee on Naval Affairs.

Also, a bill (H. R. 13498) granting a pension to Caroline M. Nebrich; to the Committee on Pensions.

Also, a bill (H. R. 13499) for the relief of Charles E. Strouse; to the Committee on Naval Affairs.

By Mr. BARTON: A bill (H. R. 13500) granting a pension to Artley McKinney; to the Committee on Pensions.

By Mr. Biddle: A bill (H. R. 13501) granting an increase of pension to Liberty Derr; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 13502) for the relief of Bartholomew Shea; to the Committee on Claims.

By Mr. GASQUE: A bill (H. R. 13503) granting a pension to Jerusha C. Howell; to the Committee on Pensions.

By Mr. GRISWOLD: A bill (H. R. 13504) granting an increase of pension to Sophia Long; to the Committee on Invalid Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 13505) granting an increase of pension to Lottie Tucker; to the Committee on Invalid Pensions.

By Mr. HARDY: A bill (H. R. 13506) granting an increase of pension to Clara Elenor Courtney; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 13507) for the relief of the heirs of the late Hugh McGlincey; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 13508) granting a pension to Lether Hendrix; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 13509) for the relief of Oscar Thompson; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 13510) for the relief of Joe P. Jamison; to the Committee on Military Affairs.

Also, a bill (H. R. 13511) for the relief of J. Furman Richardson; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 13512) for the relief of Edward Henry Condon; to the Committee on Naval Affairs.

By Mr. NELSON of Wisconsin: A bill (H. R. 13513) granting an increase of pension to Mary A. Smith; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 13514) granting an increase of pension to Barbara M. Hepinstall; to the Committee on Invalid Pensions.

By Mr. PESQUERA: A bill (H. R. 13515) for the relief of Carlota Ballesteros; to the Committee on Claims.

By Mr. RAMSPECK: A bill (H. R. 13516) granting a pension to Berta Herbert; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 13517) for the relief of William Joseph Klauck; to the Committee on Naval Affairs.

By Mr. SHREVE: A bill (H. R. 13518) granting an increase of pension to Margaret Damon; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 13519) granting a pension to Eunice A. Moon; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8775. By Mr. BOYLAN: Letter from the Steuben Society of America, 369 Lexington Avenue, New York City, N. Y., opposing the cancellation of war debts; to the Committee on Foreign Affairs.

8776. By Mr. BURDICK: Petition of Alvord N. Dolliff and 613 other residents of Newport and Providence, R. I., protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on the Judiciary.

8777. Also, petition of Patrick M. Fogarty, Ellen Lyne, Ellen Fogarty, and 52 other residents of Newport, R. I., protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on the Judiciary.

8778. By Mr. CONDON: Petition of Adelbert B. Matterson and 204 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

8779. By Mr. CONNOLLY: Petition of sundry citizens of Philadelphia, Pa., praying for an investigation of the motion-picture industry and the enactment of legislation for Federal supervision of the production of motion pictures; to the Committee on Interstate and Foreign Commerce.

8780. By Mr. DE PRIEST: Petition of Otto Gresham, a member of the Chicago bar, Chicago, Ill., to amend civil rights act, etc.; to the Committee on the Judiciary.

8781. By Mr. GARBER: Petition of members and attendants of the Methodist Episcopal Church and the Cross Roads Union Sunday School of Beaver, Okla., urging opposition to any repeal or modification of the Volstead Act or the eighteenth amendment; and petition of the Methodist and Baptist Churches, of Goodwell, Okla., representing 330 members, urging opposition to any change of our national prohibition laws; to the Committee on the Judiciary.

8782. Also, petition urging support of Senate bill 4646 and House bill 9891, the railway employees pension bills; to the Committee on Interstate and Foreign Commerce.

8783. By Mr. LAMNECK: Petition of Mrs. E. E. Trotter, Mrs. F. E. Wilson, and others, petitioning for the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8784. By Mr. LINDSAY: Petition of National Association of Wooden Box Manufacturers, Chicago, Ill., urging the use of wooden containers for beer; to the Committee on Ways and Means.

8785. Also, petition of Henry Lockhart, jr., Longwoods, Md., outlining suggested plan for funding and liquidation of intergovernmental debts arising from the World War; to the Committee on Ways and Means.

8786. By Mr. LONERGAN: Petition of Farmers National Relief Conference, Connecticut division, submitting eight proposals for relief to the farmers; to the Committee on Agriculture.

8787. By Mr. McFADDEN: Petition of Farmers National Relief Conference, in session in Washington, D. C., December 7 and 8, 1932, comprising 250 farmers from various sections of the United States, certified to by Lem Harris, executive secretary; to the Committee on Agriculture.

8788. By Mr. MEAD: Petition of United Irish-American Societies of New York, opposing debt cancellation or further revision; to the Committee on Foreign Affairs.

8789. Also, petition of Buffalo Chamber of Commerce, Buffalo, N. Y., indorsing resolutions adopted by the United States Chamber of Commerce; to the Committee on World War Veterans' Legislation.

8790. Also, petition of the board of directors of the Buffalo Corn Exchange, Buffalo, N. Y., opposing Norbeck bill, S. 4985, and Hope bill, H. R. 12918; to the Committee on Agriculture.

8791. Also, petition of the National Employment Commission of the American Legion, New York, N. Y., outlining recommendations adopted at the American Legion National Convention in Portland, Oreg., on September 15, 1932; to the Committee on Labor.

8792. By Mr. MURPHY: Petition of 524 citizens of Salem and vicinity, protesting against any measures intended to weaken or nullify the eighteenth amendment, or any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8793. Also, petition of 186 voters of East Palestine, Columbiana County, Ohio, opposing any measures intended to weaken or nullify any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8794. Also, petition of 190 citizens of Wellsville, Columbiana County, Ohio, protesting against any measures seeking to weaken or nullify the eighteenth amendment, or any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8795. Also, petition of 100 citizens of Winona, Columbiana County, Ohio, and vicinity, protesting against any measures intended to weaken or nullify the eighteenth amendment, or any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8796. By Mr. REID of Illinois: Petition of 41 residents of Joliet, Ill., protesting against any beer bill or any repeal or weakening of the eighteenth amendment; to the Committee on the Judiciary.

8797. By Mr. RICH: Petition of First Methodist Episcopal Church of Emporium, Pa., protesting against any change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8798. By Mr. ROBINSON: Petition signed by Mrs. S. O. Hanson and about 25 other citizens of Vinton, Iowa, urging the maintenance of the prohibition law and its enforcement and protesting against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

8799. By Mr. RUDD: Petition of National Association of Wooden Box Manufacturers, Chicago, Ill., favoring the modification of the Volstead Act to legalize beer of an alcoholic content of approximately 3.2 per cent by weight; to the Committee on Ways and Means.

8800. By Mr. SWICK: Petition of Plain Grove Presbyterian Church, Rev. A. I. Dickenson, pastor, and Plain Grove United Presbyterian Church, H. D. Rose, pastor, of Lawrence County, Pa., opposing repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on the Judiciary.

8801. Also, petition of Middlesex Presbyterian Church, R. F. D. 6, Butler, Pa., and Eliza Thompson Woman's Christian Temperance Union, Mrs. I. J. Maharg, president, opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8802. By the SPEAKER: Resolution adopted by the League of Municipalities of the South San Joaquin Valley; to the Committee on Expenditures in the Executive Departments.

8803. Also, petition of Farmers National Relief Conference; to the Committee on Agriculture.

8804. Also, petition of International Engineer of Joy, 673 West Fayette Street, Baltimore, Md.; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

SATURDAY, DECEMBER 10, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, Blessed Lord, the silver cord which binds us to Thy feet has not been broken. It is as immovable as the outlines of the earth itself. As we are crowned with the divinity of mind and heart, may our intellects hunger for knowledge and wisdom and our hearts for righteousness and let not the gloom of discouragement hang over us. Our Father, impress us that there is a singular dignity and purity that lie on the brow of a good man. May we show forth in our careers the fruits of these fine achievements. Ever lead us toward the wealth of Christian character, stimulating us always by the vision of the highest forms of service to the Republic. Grant this, our Heavenly Father, for Thy glory and for our sakes and unto Thee be eternal praises. Amen.

The Journal of the proceedings of yesterday was read and approved.

CLOSING OF UNNECESSARY STREETS IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8995) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes, and ask unanimous consent that the bill (S. 3532), a similar Senate bill, may be considered in lieu of the House bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the bill (S. 3532) may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent that the bill may be considered in the House as in Committee of the Whole. Is there objection?

Mr. STAFFORD. Mr. Speaker, a bill of this importance, taking away legislative jurisdiction of Congress over the closing of streets in the District of Columbia, is too important, in my judgment, to be rushed through the House, and therefore I am constrained to object.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3532), with Mr. BROWNING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mrs. NORTON. Mr. Chairman, the importance of this bill is obvious. Every time the Commissioners of the District of Columbia find it necessary to close a street permission must be granted by the Congress. Very often this happens when Congress is not in session and delays important work in the District.

The bill, as drawn, safeguards the property owners as described on page 2 of the bill.

The bill also has the unanimous support of the Committee on the District of Columbia and has the approval of all the public officials of the District; in fact, we found no opposition to the bill.

This question has been before the House on various occasions, and I sincerely hope it may be able to pass the bill to-day. We have very little time in this short session, and this is a matter of great importance to the safe conduct of the business of the District.

I trust there will be no objection to the bill.

I reserve the balance of my time, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, I ask recognition.

The CHAIRMAN. The gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, I shall use only a bare fraction of the time accorded me to present some views in opposition to the bill under consideration.

The bill, for the first time in the history of our Government, seeks to take away the right of the Congress, as a legislative branch, to determine or pass upon the question of the feasibility of closing streets and alleys in the District of Columbia.

It is acknowledged that under the terms of this bill we are transferring to the Commissioners of the District absolute power to determine whether any alleys or any streets in the District should be closed. If it is the wish of the Congress to surrender absolutely the determination of the entire problem, to close streets throughout the District, for instance, on the Mall, down along the waterfront—for them to determine whether those streets should on their own determination be closed, then I will have to yield.

I think that before Congress should surrender to the commissioners that absolute power, we should hesitate a moment and consider what effect may result therefrom.

I know of no instance where there has been a meritorious proposition brought before Congress that Congress has not acted upon the matter and approved of the recommendations of the commissioners. But I submit, gentlemen, that we are delegating to the commissioners a considerable power when we allow them to say how and when an avenue or street shall be changed.

The real persons back of the proposal are the designers and planners of the District. They wish in the outlying districts to have carte blanche in recommending streets as they have been laid out on the plats and maps, adding new avenues, closing alleys, and the like.

In the last Congress the able assistant of the Chief of Public Buildings and Grounds did me the honor to call at my office and ask my views on this bill.

If I had not recalled a notable instance in my own city where a large property owner, owning both sides of the alley in a down-town district, wanted to have the alley closed, which met with the opposition of the chief of the fire department because it was essential for fire protection—if I had not had that actual case called to my attention I might not be so strongly protesting against this bill.

Under this bill, if the adjacent property owners agree, there is no contest and the alley is closed; there is no appeal to the courts to determine whether there is any political reason why that alley should be closed or why the street should be closed—we surrender the legislative determination absolutely to the commissioners when we pass this bill.

I know the temper of the House, that it would like to get rid of small matters and be relieved of the burden of these questions; but I question whether as far as the planning of

the District of Columbia is concerned, we should surrender that privilege so that Congress will have no determination or voice in the matter.

I merely took the time to present my views on this all-important question, believing as I do that Congress should not surrender this authority.

Mr. Chairman, I reserve the balance of my time.

Mrs. NORTON. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, this bill only accomplishes something that has been needed for a long time in this District, and I hope the committee will bring in more bills of a similar character. I served eight or nine years on the District of Columbia Committee, and we brought in bills which took the time of Congress that had no place in this body and which should have been left to the decision of the District Commissioners. Why, they could not open a grave in the District of Columbia without coming to Congress for permission to do so.

There is not a municipal organization in the length and breadth of this country that is so hamstrung as are the District Commissioners in having to bring minor matters before Congress. The District does not have any more time allotted to it in Congress than it deserves, and surely not enough to handle all of the big problems which confront the District and upon which Congress has to act.

The opposition of the gentleman from Wisconsin [Mr. STAFFORD] is based upon one incident which occurred in his home city. We are importuned time and again to pass legislation in Congress because of some individual case or some evil in some locality that some one seeks to correct through action of Congress. It is ridiculous to take the time of Congress with such things, when we have so little time to consider matters of great importance. Each time the necessities of the District require that an alley be closed or a street opened or some little minor matter of detail attended to in the conduct of the affairs of the District, which should be taken care of not by the commissioners, but by some superintendent of streets or some head of a department, it is ridiculous to have to bring such things before the Congress and have it act upon them. I appreciate the efforts of the gentleman from Wisconsin [Mr. STAFFORD] and his watchfulness and care over all matters which come before Congress, but in this instance I know from personal experience that he is very much mistaken. I hope the bill will pass and, in consequence, that Congress may be relieved of these minor details, which have no place in this body.

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, the object of this bill is to give the District Commissioners the same power and authority that the city councils already have in the various cities of the country. It permits these commissioners to close certain streets and alleys after a public hearing. Section 2 of the bill requires that the commissioners shall hold a public hearing in advance of the proposed closing of any street, alley, and so forth, and that notice of an intention to close must be given in advertisements and by registered mail to the owners of property abutting the place to be closed. At this time we have numerous bills on this subject pending before this committee. This will permit us to take up more time on other and more important matters if this general bill passes. We have looked into the matter very carefully, and the committee is unanimously of the opinion that the bill should pass.

At the present time a number of these individual street and alley closing bills are before Congress.

Desirable changes in the highway plan of the District, which frequently involves closing of parts of streets or alleys, likewise are delayed until specific authority for such closing is granted by an act of Congress.

There are in the District numerous dead-end streets, extension of which is impossible; a considerable number of abandoned streets and alleys; and other thoroughfares which can not be included in the highway plan except at the expense of wasteful and imperfect planning. In many cases the thoroughfares have never been improved or used. There are scores of streets and alleys laid out on the maps of the District surveyor which are now only evidences of unsuccessful subdivision developments. They can never be used, due to subsequent development, but must be carried on the maps until closed by the commissioners.

I hope that the committee acts upon this bill favorably.

Mr. STAFFORD. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I do not oppose the present bill; but because I shall be forced to leave the Chamber to attend a committee meeting, I call attention to two bills that might be called up which I think ought not to pass. One is H. R. 10488——

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Certainly.

Mrs. NORTON. I do not intend to call that bill up to-day.

Mr. BLANTON. Then I shall not discuss it. The other bill that I wish to call to the attention of the House is H. R. 8911, to grant another Federal charter——

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Certainly.

Mrs. NORTON. I do not intend to call that bill up to-day.

Mr. BLANTON. Then I shall not discuss it.

I feel encouraged, Mr. Chairman, that our District Committee is using wise judgment in not calling up bills which involve bad precedents. I hope Congress will not grant any more Federal charters. If any Member has any doubt as to the wisdom of the Federal Government's granting charters, I hope he will read the unanswerable speech made here on the floor by our former distinguished colleague, the gentleman from Illinois, Mr. James R. Mann, now deceased; and, strange to say, the other most valuable speech on that subject was made by another Illinois colleague, the former distinguished Speaker of this House, familiarly known as Uncle Joe Cannon.

Those two speeches are unanswerable. We must not grant any more Federal charters.

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, I can well understand why my friend, the gentleman from Texas, refers to the men in the press gallery as his good friends. I can not think of any better act of friendship that could be shown the gentleman from Texas by the men in the press gallery than that of refusing to send his speeches into his district. [Laughter.]

It reminds me of a situation of my own when I was a young man breaking into politics, like my friend from Texas. [Laughter.] In the New York State Legislature I had made a speech one day in my first year. I did not like the way the veteran reporter of the New York Sun, Joe McAntee, carried the speech in the Sun, and the next day I said, "Joe, I thought you were a good friend of mine." He said, "I am. What did I do to you?" I said, "You did not quote me properly yesterday." He said, "I want to tell you something, young fellow. Any time I misquote you, I misquote you to your own advantage." [Laughter.]

I can readily see the reason why the gentleman from Texas has to speak for the mothers.

I do not suppose Texas will ever get rid of either BLANTON or "Ma" Ferguson. [Laughter.]

I happen to be on two committees, Claims and the District of Columbia, to which are referred a great number of bills Congress should never be bothered with. This bill provides for the closing of streets in the District of Columbia. It is highly absurd that the Congress of the United States, carrying on its shoulders the weighty problems of the country, should have to pass separate acts every time the District Commissioners require a blind alley to be closed in Washington, or some side street that does not mean anything.

This piece of legislation confers jurisdiction on the Commissioners of the District of Columbia to close, on their own motion, without the intervention of Congress, a great num-

ber of these alleys and dead ends we see around us. We all know how Washington is afflicted with blind alleys, some of the blind alleys leading to nothing but blind pigs. We find little dead-end streets all over the District of Columbia. Some of them ought to be called the Private Calendar which is the greatest dead end in the world. Whenever a bill from the Committee on Claims gets onto the Private Calendar it runs into Mr. STAFFORD. The Private Calendar becomes the dead end for all those bills.

This bill provides the procedure for closing on notice of streets that should be closed or streets it is necessary to close for better city planning. It provides that on the closing of the streets the property taken in the closing reverts to the abutting owners. It provides for damages and assessment for benefits. It relieves us of numerous small bills that come to the District Committee and come to Congress on these very unimportant matters that take up so much of the time of the House which might better be devoted to other purposes. There is no reason in sound sense why Congress should not confer the jurisdiction asked for in this bill on the District Commissioners.

The Clerk read the bill for amendment, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to close any street, road, highway, or alley, or any part of any street, road, highway, or alley, in the District of Columbia when, in the judgment of said commissioners, such street, road, highway, or alley, or such part of a street, road, highway, or alley, has been rendered useless or unnecessary, the title to the land embraced within the public space so closed to revert to the owners of the abutting property subject to such compensation therefor in money, land, or structures as the Commissioners of the District of Columbia, in their judgment, may find just and equitable, in view of all the circumstances of the case affecting near-by property of abutters and/or nonabutters: *Provided*, That if the title to such land be in the United States the property shall not revert to the owners of the abutting property but may be disposed of by the said commissioners to the best advantage of the locality and the properties therein and thereby affected, which properties thenceforth shall become assessable on the books of the tax assessor of the District of Columbia in all respects as other private property in the District; or also said property be sold as provided in section 1608–a of the Code of Law for the District of Columbia, unless the use of such land is requested by some other department, bureau, or commission of the Government of the United States for purposes not otherwise inconsistent with the proper development of the District of Columbia: *Provided further*, That the said closing by said commissioners is made expedient or advisable by reason of change in the highway plan or by reason of provision for access or better access to the abutting or near-by property and the convenience of the public by other street, road, highway, or alley facilities, or by reason of the acquisition by the District of Columbia or by the United States of America for school, park, playground, or other public purposes of all the property abutting on the street, road, highway, or alley, or part of a street, road, highway, or alley, proposed to be closed or for other public reasons: *And provided further*, That the proposed closing of any street, road, highway, or alley, or any parts thereof, as provided for in this act, shall be referred to the National Capital Park and Planning Commission for its recommendation.

SEC. 2. That whenever a street, road, highway, or alley, or a part of a street, road, highway, or alley, is proposed to be closed under the provisions of this act, the Commissioners of the District of Columbia shall cause public notice of intention to be given by advertisement for not less than 14 consecutive days, exclusive of Sundays and holidays, in a daily newspaper of general circulation printed and published in the District of Columbia, to the effect that a public hearing will be held at a time and place stated in the notice for the hearing of objections, if any, to such closing. The said commissioners shall, not later than 14 days in advance of such hearing, serve notice of such hearing, in writing, by registered mail, on each owner of property abutting the street, road, highway, or alley, or part thereof, proposed to be closed, or if the owner can not be located the advertisement provided for above shall be deemed sufficient legal notice. At such hearing a map showing the proposed closing shall be exhibited, and the property owners or their representatives and any other persons interested shall be given an opportunity to be heard.

SEC. 3. After such public hearing the said commissioners, if they are satisfied that the proposed closing will be in the public interest and that such closing will not be detrimental to the rights of the owners of the property abutting on the street, road, highway, or alley, or part of a street, road, highway, or alley proposed to be closed, nor cause unreasonable inconvenience to or adverse effect upon the owner or owners of any property abutting on streets connected therewith, nor unreasonably infringe the rights of the public to use such street, road, highway, or alley, shall cause to be prepared a plat or plats showing the street, road, highway, or alley, or part thereof, proposed to be closed and the area to be apportioned to each owner of property abutting thereon: *Provided*, That if the approval of the proposed closing by the said commissioners shall be conditioned upon the dedication of any other areas for street, highway, or alley purposes, and/or the retention by the District of Columbia of specified rights of way for any public purpose, and/or any other reservations deemed expedient or advisable by said commissioners, such plat or plats shall also show the parcels of land so dedicated, and/or the reserved rights of way, and/or such additional area affected by said closing, with alternative openings occasioned thereby, and/or by certificate thereon any such reservations deemed expedient or advisable by the said Commissioners of the District of Columbia.

SEC. 4. If, after such hearing, the commissioners are of the opinion that any street, road, highway, or alley, or part thereof, should be closed, they shall prepare an order closing the same and shall cause public notice of such order to be given by advertisement for 14 consecutive days, exclusive of Sundays and legal holidays, in at least two daily newspapers of general circulation printed and published in the District of Columbia, and shall serve a copy of such order on each property owner abutting the street, road, highway, or alley, or part thereof, proposed to be closed by such order, and copy of such order shall be served on the owners in person or by registered mail delivered at the last known residence of such owners, or if the owner can not be located the advertisement provided for above shall be deemed sufficient legal notice; or if he be a nonresident of the District of Columbia, by sending a copy thereof by registered mail to his last known place of address: *Provided*, That if no objection in writing be made to the commissioners by any party interested within 30 days after the service of such order, then the said order shall immediately become effective; and the said order and plat or plats as provided for herein shall be ordered by the Commissioners of the District of Columbia recorded in the office of the surveyor of the District of Columbia.

SEC. 5. When any such objection shall be filed with the commissioners as provided in the foregoing section, then the Commissioners of the District of Columbia shall institute a proceeding in rem in the Supreme Court of the District of Columbia for the closing of such street, road, highway, or alley, or part thereof, and its abandonment for street, highway, or alley purposes, and for the ascertainment of damages and the assessment of benefits resulting from such closing and abandonment. Such proceeding shall be conducted in like manner as proceedings for the condemnation of land for streets, under the provisions of chapter 15, subchapter 1, of the Code of Law for the District of Columbia, and such closing and abandonment shall be effective when the damages and benefits shall have been so ascertained and the verdict confirmed.

SEC. 6. Any damages awarded in any proceedings under section 5 of this act, together with the costs of the proceedings, shall be payable from the indefinite annual appropriation for opening, extending, straightening, or widening of any street, avenue, road, or highway, in accordance with the plan of the permanent system of highways of the District of Columbia. Any benefits assessed against private property in any such proceedings shall be a lien upon such property and shall be collected in like manner as provided in section 491–j of the Code of Law for the District of Columbia.

SEC. 7. In any proceedings under section 5 or section 6 of this act it shall be optional with the commissioners either to abide by the verdict and proceed with the proposed closing or within a reasonable time, to be fixed by the court in its order confirming the verdict, to abandon the proposed closing without being liable for damages therefor.

SEC. 8. Nothing in this act contained shall be construed to prevent the filing of petitions by abutting property owners or other persons or groups of persons affected by said closing praying the closing or discontinuance in the public interest of any street, road, highway, or alley, or parts or portions thereof, within the District of Columbia; and all such petitions shall be definitely considered by the Commissioners of the District of Columbia, and all action taken by the said commissioners thereon shall be in conformity and compliance with the provisions of this act.

SEC. 9. Nothing in this act shall be construed to repeal the provisions of any existing law authorizing the Commissioners of the District of Columbia to close streets, roads, highways, or alleys, not inconsistent with the provisions of this act, but all such laws shall remain in full force and effect, and in any case to which more than one of these laws is applicable the Commissioners of the District of Columbia may elect the one under which they will proceed.

SEC. 10. In all cases where necessary to refer to this act the same may be cited as "the street readjustment act of the District of Columbia."

Mrs. NORTON. Mr. Chairman, I move the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BROWNING, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee, having had under consideration the bill (S. 3532) had directed him to report the same back to the House with the recommendation that the bill do pass.



The bill was ordered to be read the third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

USURY

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD an article which I have written on Usury.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LaGUARDIA. Mr. Speaker, under permission granted me I placed in the RECORD an article written by me on the subject of Usury and appearing in the October, 1932, issue of Brass Tacks. This subject is timely, and particularly so as we have on the calendar a bill which can be called up by the District Committee on this very subject. It is known as the small loan bill. I do not, even by inference, desire or intend to criticize any member of the committee who may be sponsoring or approves of that bill. I simply disagree with them, as my article will indicate.

USURY—THE CURSE OF HUMANITY

By Hon. F. H. LaGUARDIA, Representative to Congress from New York

Mankind has made great progress in the last 20 centuries. Pestilence, epidemics, scourges have been removed. Even safeguards have been provided against the terrors of the elements. There are but three scourges left, each in its turn playing havoc, causing destruction, and leaving sorrow and misery in its wake—cancer, war, and usury. Science is making headway with cancer. War and usury remain. Both are founded on the greed, selfishness, and ambition of man.

Lenders operate under many guises and are known under various names. Usurers have been an object of scorn as far back as history records the activities of man. They are a persistent lot. Scorn, ostracism, and contempt have tended to harden them rather than to discourage and eliminate them. Through the centuries they have come down, and within the last generation, tired of the scorn and contempt to which they have been subjected, they have devised new schemes, new methods for themselves. They have succeeded in becoming known by several names, yet the old spirit of avarice, cruelty, and oppression, the demand for the pound of flesh and the last drop of blood, persists. They have changed their devices, they have changed their names, but they have not changed their habits.

THE OLD-TIME USURER

At least the usurer of old was an object of scorn and ostracism. He kept to himself. Once in a while he met his just and merited treatment by being stoned, mobbed, and not infrequently refused protection of the law. But in our so-called recent civilization, and particularly in the United States of America, usurers have succeeded in legalizing a great many of their own activities. They have created for themselves places in the professions and in business and particularly in banking, with high-sounding names, and they have built up an artificial respectability. Cunning and shrewd, they have succeeded in acquiring sufficient political power to obtain legislation to protect their outlawed trade. They have succeeded in instilling in the minds of legislators and judges an attitude akin to their own.

This new type of usurer and money lender fortunately has overlooked just one thing—arithmetic. Yes; arithmetic has been taught in the schools of our land for a long time and percentage is part of the curriculum. As long as people can figure and at least speak out, we must not lose hope in our century-long fight against usury. Eventually decency and justice will survive.

There have been many drives against usury in the course of history. The subject has not been left entirely unnoticed in this country. Of late years there has been, and particularly during times of prosperity, there is always a let-up in the war against usury. The war against this curse, like other wars, must be unrelenting and never cease.

LEGALIZED USURY

During the war years and commencing in 1914, and on through the after-war period of inflation, money lenders and usurers have had pretty much their own way. Since the depression of 1929 the curse has been accentuated, and as we look back and recall the history of usury in this country we must admit that a great deal of progress has been made and that what we are complaining of to-day are the methods and the devices which are the result of antiusury crusades. The country is now confronted with the necessity of changing the remedies, of revising the system, and in waging a war against legalized usury.

We will limit this article to direct money lending by legalized institutions and by individuals under many devices created by ingenious and shrewd minds for the purpose of legalizing the activity and at the same time creating the atmosphere of respectability.

The corporation system of making loans started in Germany about 35 years ago. It was followed by other European countries, particularly France, Italy, and England. It first took hold in this country about 20 years ago. Many plans have been devised under as many names. Many individuals have received great credit for the plan bearing their names, and have been acclaimed as great philanthropists and friends of humanity. Their images have been carved in stone and molded in bronze and adorn the foyers of many banking institutions. Yet there is nothing very novel or ingenious or clever in any of these plans, whether German, French, Italian, or American. By whatever name they are known they are very much alike. They start off with the premise that not more than the legal rate of interest will be charged on small loans. That is their entrance into the realm of respectability, that is the argument which obtained in getting the necessary legislation. "The legal rate of interest is all that we charge," is their justification for leaving the pale of ostracism. From that point on the tricks, devices, and schemes vary very little. They are simple—they charge the legal rate of interest, no more, no less, except the plus and addition of just a small "service charge," and the "service charge" varies according to the greed or the opportunity of the particular plan. And in addition, just this little difference, the interest will be deducted in advance. It is called the discount rate and then "to help the borrower," payments are expected in small weekly installments. It must be admitted that from the old days of the individual outlawed loan shark this was a great improvement. To those who have not yet learned to figure percentage, it looks like an honest-to-goodness 6 per cent rate, and to those who could figure the 12, 15, or 16 per cent rate, it was far better than the high rates they had been accustomed to paying.

NO RISK

Strange as it may seem to the uninitiated, there is practically no risk in these so-called small loans. At least the risk is negligible. The loan shark covers himself either by actual possession of chattels as security or by actual bill of sale of household effects, even the baby's cradle, or by complete assignment of wages. The loan shark takes absolutely no chance. He practically gets his money before he gives it.

The legalized financial institutions, with their assumed, hypocritical air of rendering public service and engaging in philanthropy have very little, if any, risk—far less risk of loss than the average commercial bank on a commercial loan.

Of the various legalized money lenders, the so-called Morris plan is about as well managed as any, and it is in all likelihood among the cleanest of institutions engaged in this sort of business. At least it frankly states that it is in business for profit and has stripped itself of the air of being engaged in philanthropy. According to the figures of the Morris plan, their losses are negligible. According to the figures of the Detroit office, during nine years of operation the loss was less than one-fifth of 1 per cent, or only $38,221 loss out of $64,889,825 loaned. And of the amount lost, 30 per cent was collected subsequently. According to their own figures, about 50 per cent of the application blanks issued are either rejected or can not qualify. These institutions choose their customers. They loan exclusively to small business men where the chance of loss is not only negligible but almost impossible, for a judgment would put the little fellow out of business, or to small-salaried employees. The statistics of one of these legalized incorporated loan sharks indicate that the average weekly income of the borrowers is $25.61 a week.

Married borrowers are preferred to single at the rate of two to one, and married families with children are preferred to childless couples, the reason being obvious. Over 50 per cent of the borrowers have steady and life-secured positions such as State, county, municipal, and Federal employment. Without exception the salaries of State, county, and municipal employees can easily be garnisheed and confession of judgments are obtained at the time the money is loaned. In the case of Federal employees where the salaries can not be garnisheed, it is well known that a mere complaint to the department of nonpayment of a debt will result in the dismissal of the borrower. The employee knows that.

SELECTED CUSTOMERS

Following Government employees, come employees of railroads, public utilities, telegraph and telephone companies where work is practically steady and employment secure. The absence of musicians, actors, unskilled laborers and skilled laborers working by the day is conspicuous in the list of borrowers. These are left to the mercy of the outlawed loan sharks. Of 3,267 borrowers of one of the large loan institutions in one of the largest cities in the United States 1,788 were Government employees. So it will be seen that the risk is negligible and surely not sufficient to justify extra charges and arithmetical juggling in order to exact an unconscionable rate of interest over the legal rate. Every part of the various plans is always justified by the legalized money lenders and the outlawed loan sharks by snappy and fullmouthed reasons. "The weekly payments?" "Oh, yes, that is to teach the borrower thrift and punctuality." The mere fact that the borrower, after the first week commences paying on his loan, and in one-half the period has paid fully one-half of the amount, though he pays the interest for the full period, is only incidental. It is this weekly payment whereby interest is paid for money which has already been returned and again loaned out which brings interest up to an unjustifiable and unconscionable rate.

In addition to this, in order to instill the proper degree of discipline and put the borrowers through a course in punctuality—all as a matter of public service—the scheme of fines and penalties was devised. This, incidentally, is another great source of

revenue to the legalized money lenders and the outlawed loan sharks in addition to the already excessive and unreasonable rate of interest. One of the most respectable plans of money-lending institutions, which admits that it is respectable, although its interest rate averages at least 10 to 12 per cent, makes the modest fine of 5 cents on each dollar or fraction thereof in default of payment on every dollar or each fraction thereof, every week. Get that? Five cents every week on every dollar adds to the interest already described no less than 260 per cent of the amount loaned. Does the law permit that? No; even the law which permits the discounting of the interest in advance and the "service charge" would not permit that, but it is done in this way. The combination of collateral is created. When Mr. Borrower goes to the legalized shark for a loan he not only signs a promissory note with two comakers, but he must give collateral. This collateral is a certificate usually bearing a name or a letter. For purpose of convenience we will call it certificate X. The certificate X will be of the same amount as the loan. Although he does not own the certificate the borrower gives it as collateral because he enters into a contract to buy certificate X. The payments which he makes every week are not on the loan, but on certificate X. When he pays the certificate in full, it is synchronized with the maturity date of his note. Certificate X is then taken in payment of the note. In the contract for the purchase of certificate X he agrees to pay a penalty of 5 cents on a dollar every week that default is made on such payment. It is therefore a simple contract of purchase and sale and does not come within the purview of the usury laws. Why the courts of this country have winked at this is beyond comprehension. This is just another instance of the responsibility, the business methods, and the legalized public service under which the small-loan institutions are operating.

THE MORTGAGE RACKET

Besides the small loans there are many other systems of usury which have exacted millions of dollars from their victims. The second-mortgage racket has reached the stage of being a national scandal. In the large cities of the country as well as on farms, 10, 25, and 30 per cent bonuses have become the standard rate. A bonus is always deducted in advance so that not only does the borrower pay this excessive percentage on the loan but he continues to pay interest on an amount which he did not receive. The first-mortgage racketeers are not quite as bold, but they are just as greedy and ruthless in their demands. Service charges bring fees, and appraisals are the means of exacting bonuses on first mortgages. The unfortunate borrower is by no means through with these initial charges. On maturity, renewals are generally refused, compelling the borrower either to pay new bonuses to the original lenders or else to go elsewhere and commence all over again in order to keep his home or property from foreclosure.

INSTALLMENT TRICKERY

The installment business, originally instituted to aid purchasers, has also degenerated into a racket far from legitimate lines of business. The automobile financing plans under many names vary very little in their system. Initial payments for services, juggling, discounts, all these bring the interest up to an excessive and exorbitant rate. This is followed by a systematized plan of oppression—foreclosing upon the chattel mortgage, replevin on the articles, and in other ways harassing the innocent purchaser and compelling payment before the due date or taking away the chattel after most of it has been paid for. All of these methods of doing business require legislation to end the unlawful exactions and to permit legitimate business to continue on a fair business basis.

Few of the many institutions engaged in this line of money lending frankly admit that they are in it for all they can get out of it. Once in a while it will be frankly admitted that the venture is purely a business one. In advertising their securities to the public it is often frankly stated, "This society is strictly a proprietary company, and there is no limit to the profits which may be given its stockholders." In fact, part of the game is to have certificates, stock, and bonds distributed among the public generally. This eases the conscience of the small group who control the various companies. The old cry is: "Our profits go to our stockholders and the public generally." Everybody knows that this is just a lot of bunk. The victim of the usurer is not at all concerned in who gets the unconscionable interest. The function of government in stopping usury is to prevent the victim paying usurious rates and not to regulate the distribution of this ill-gotten money.

THE RUSSELL SAGE FOUNDATION

The guilty consciences of those engaged in a miserable and low line of business prompt the demand for clothing themselves not only with an air of respectability but with the illusion of being drafted to render this necessary public service. For that purpose the Russell Sage Foundation is generally called into action. The Russell Sage Foundation bears the name of one of the most unscrupulous, disreputable loan sharks that ever lived. It follows logically that the small-loan racket was first sponsored by this foundation as a social necessity to keep distressed borrowers out of the hands of loan sharks. This foundation is always ready and willing to make a "research" and to publish a report of the terrible deeds of the back-alley loan shark and to point out the necessity for public-spirited financial institutions, conducted by high-standing, respectable citizens. The only difference between the back-alley loan shark and the legalized money-loaning institution is, perhaps, 10 per cent in the interest rate. The Russell Sage Foundation does not hesitate to recommend, and it has recommended, legislation legalizing 42 per cent interest on small loans. It has made investigations and furnished reports to legislative committees of almost every State recommending, urging, and justifying interest rates of 42 per cent, all in the name of philanthropy.

As a typical instance of the attitude of the foundation we may take its activities in urging a bill for the District of Columbia. If the National Congress could have been hoodwinked and prevailed upon to pass such a law for the District of Columbia, it would have been immediately followed by the three or four large holding companies which own and control the various money-lending banks as an argument for the passage of loan bills in States which have resisted the demand of these social leeches.

FORTY-TWO PER CENT INTEREST

Along came the Russell Sage Foundation, with suave air and its philanthropy window dressing, but endowed with the spirit of old Russell Sage, the loan shark. It urged Congress to enact a small loan law for the District of Columbia, legalizing an interest rate of 42 per cent. Fortunately, there were many members in the committee who hailed from States which had had experience with small-loan legislation. These were familiar with the history of Russell Sage, of ill-famed memory. The representative of this foundation stated that the Russell Sage Foundation is an endowed foundation for the improvement of social and living conditions. In the same testimony and in the same breath he sponsored 42 per cent interest on small loans. He was the head of the "department of remedial loans." Here is some of his testimony:

"In the beginning we helped to enlist philanthropic and semiphilanthropic capital in the making of these small loans, and there are throughout the country 35 semiphilanthropic institutions which make loans almost at cost. The rates which these remedial companies charge for chattel and wage-assignment loans varies from about 2 per cent to 2½ per cent. In other words, institutions organized not for profit but for good have found that the cost of making chattel loans and wage-assignment loans to workers necessitates a charge of from 2 to 2½ per cent per month."

Philanthropy at 30 per cent a year. These "philanthropic" organizations are the forerunners and pacemakers for the business institutions, which always follow them with the rate of 42 per cent a year.

CREATING ATMOSPHERE

After a statement like the above there usually follows a very vivid and accurate description of the outlawed loan shark. This all creates atmosphere. Yet the only difference in the recommendation of the Russell Sage Foundation is that it recommends incorporation and legalization of a 36 or 42 per cent interest law. These institutions then take the cream of the business, leaving the less fortunate ones exactly where they were, at the mercy of the outlawed loan shark.

When the writer protested before the committee against the 42 per cent rate, the representative of the Russell Sage Foundation countered with the usual statement that legislators who did not agree with them were politicians, but legislators who could understand the good work they were doing and see the necessity of legalizing small loans to the extent of 42 per cent were real statesmen. Continuing his testimony he stated:

"The Sage Foundation for 20 years has had contact, practical contact, with thousands and thousands of poor people, people in distress * * * but I do not think it is reserved entirely for our politicians of New York to speak for poor people. If so, God save the people."

Continuing his testimony—

"Regardless of all the fiery denunciations of 42 per cent, regardless of all flying in the face of the facts, the testimony of the banking commissioners is that bringing the lending of small sums under regulations is the most important item, and then you have got this rate there * * * and somebody who will wave his hands and arms in the air is undertaking to denounce 42 per cent in the face of these billions of dollars being loaned."

That is the sworn testimony of the representative of the Russell Sage Foundation before the Committee of the District of Columbia of the United States House of Representatives in April and May, 1930. The representative was no doubt carrying out his orders as a loyal employee of the Russell Sage Foundation.

The Russell Sage Foundation is carrying on the spirit of Russell Sage. It is not so long ago that this man was among us. Is memory so short that the black record of this shark has been forgotten? Are the American people to be placed in the ridiculous position that while framing and shaping and writing and enacting laws against usury for the protection of small borrowers they are to be guided and led by a Russell Sage and his school of usury? What an absurd position!

WHO WAS RUSSELL SAGE?

Who was Russell Sage? A grafting alderman, a crooked Congressman, a thieving loan shark, and an admitted perjurer. As an alderman in the city of Troy he resisted the sale of a railroad franchise for $2,500,000 only to be prevailed upon to sell it to Morgan et al. for $250,000. He immediately thereafter sold it to the original bidder for the original sum. It was later discovered that the "et al." of Morgan was no less a person than Russell Sage himself. He left the aldermanic business, and he left Troy. He was connected with nearly every large crooked money deal of his day and finally in a wave of protest against usury he was caught in a net, pleaded guilty, sentenced, and convicted, but again he

was able to juggle himself and his associates before a controllable judge. We read in the New York World of Wednesday, August 11, 1869, the sentence of the court:

"Russell Sage was among the last to plead guilty, and though there is but one indictment against him, I learned that there were a large number of charges on which the evidence was perfectly plain and conclusive, and that there is good reason to believe him to have been connected with the combination to lock up money which I have mentioned. I think, and such is the sentence, that in addition to a fine of $250 he must be imprisoned in the city prison for five days."

Then the judge passed sentence upon a few others.

Did Russell Sage and his fellow convicts go to jail? Not at all. The judge who was notorious as one of the tools of Boss Tweed had finally been fixed, for the next significant paragraph which appeared in the New York World of that date, says:

"Up to a late hour last evening Mr. Watts and Mr. Sage had not been brought to the Tombs, neither could our reporter ascertain where they were. The person in charge at Centre Street said he had been expecting them since morning."

A certified copy of the conviction indicates that the prison sentence was removed and a fine of $250 imposed. The court room at the time was so filled with victims of Russell Sage that the court dared not change the prison sentence in the presence of his fellow citizens.

SAGE PHILOSOPHY

An instance of the Russell Sage idea, apparently carried out by the foundation now urging legalization of 42 per cent interest on loans, may best be obtained from a statement uttered by Sage shortly before his death: "There are persons who ought never to have money, not only because of the injury that its possession might work them, but on account of the very much greater harm it might do to the community. Poverty is the only salvation of such men because in that state they can be to an extent restrained by the community." Apparently that philosophy is the underlying motive to be carried on by the foundation, generously endowed by this man's money and in his name. But perhaps the fairest description that might be obtained would be from his obituary. Surely after a man is dead and gone his obituary contains everything that can possibly be found that is good and kind about him. Yet the staid, conservative, and money-minded New York Post of July 23, 1906, carried the following obituary of Mr. Russell Sage, whose spirit his foundation carries on:

"Every country village has its keen money lender ready to screw the last cent from his neighbors on mortgage or note. Russell Sage was this village skinflint writ large.

"He operated in the market of the continent, but the magnitude of the enterprises in which he shared did not expand his mind or quicken his sense of responsibility. From the individual in his grasp he relentlessly extracted the pound of flesh; and he never made even a pretense of reparation in the form of public benefactions. He wanted money; he got it; he kept it."

ROOSEVELT ON USURY

No more active and vivid description of the menace of the money shark, whether legalized or not, to the community can be quoted than that of Gov. Franklin D. Roosevelt in a short article in Liberty, of June 18, 1932. Says Governor Roosevelt:

"Forcing an illegal contract upon a man makes him a slave. Thus it is that slavery has been revived in the United States. Within recent years the number of Americans turned slaves has shockingly increased. I refer to those citizens who have had to submit to usury at the hands of some of our lenders, both large and small.

"Usury is the lending of money at more than the legal rate of interest. More than 6 and 7 per cent is illegal in every State in the Union. But thousands of years of law—for the laws of Moses counted usury as a sin of man against man—does not prevent usury from being widely practiced in the United States to-day. It is a national problem very urgently needing solution.

"When a 'free citizen' with good security can not borrow money for legitimate purposes on fair terms there is something wrong. Society as well as government is to blame. Take, for example, the 'best risk'—a man who needs to borrow half the cash needed to buy a farm, a home, or to build. In many places in this country to-day, if that man can borrow at all, he has to pay in effect twice the legal rate of interest for his mortgage.

"Usury has been forced upon him in one of several ways. A loan was arranged on paper at the legal rate of interest; a 'commission' was charged of 2 or 4 or 6 per cent in addition. Or he signed a note for the full amount of his loan, but actually received less, thereby paying more than the legal rate of interest. These evasions of the law are inhumanly wicked."

Yet such methods are legal in the State of New York. And these words have been transmitted in a message to the legislature for the repeal of this vicious law.

"Rightly," concludes the Governor, "these victims of usury hold as much bitterness in their hearts as those slaves who were lashed with whips to force them to build pyramids to greed. This army of usury slaves in a democratic country is not only abhorrent but it is dangerous. They must be freed."

Amen. They must be freed and the way to do it is for every State to repeal every law permitting discount in advance or legalizing any device which makes possible directly or indirectly a rate of interest over and above the legal rate.

THE STOCK EXCHANGE

How the small-loan racket, exacting 42 per cent interest from the sweat and worry of a poverty-stricken people, obtained a listing on the New York Stock Exchange is an interesting bit of public information which Richard Whitney, president of the institution, owes the country.

How the preferred stock of the Household Finance Co. was the only issue on the stock exchange which remained above par until the stock-exchange investigation got under way would be another illuminating detail. Since Mr. Whitney, however, has pleaded ignorance of manipulation, it is probable the facts in this particular case would have to be sought elsewhere.

The Household Finance Co. operates 149 small-loan offices in 13 States throughout the country. It is one of two large loan-mongering chains, the second being the Beneficial Management Corporation of New York, which dominates this licensed lending business in those States which have adopted the uniform small loan law, originally sponsored by the Russell Sage Foundation.

Household Finance has been the "front" for the small-loan racket for years. It brought the business out of back streets and placed it in palatial quarters on the busy corner. It retained college professors as economic advisers. It hired social workers as research counselors. It was largely instrumental in setting up in Washington the American Association of Personal Finance Companies with W. Frank Persons, former almoner to Mrs. Russell Sage, in charge.

Having thus "window dressed" itself, Household Finance moved on from Chicago to New York. For a consideration, doubtless mutually satisfactory, Household Finance gained the sponsorship of Lee, Higginson & Co., who also introduced Kreuger & Toll. This introduction being satisfactory to the governing authorities of the New York Stock Exchange, the preferred stock of Household Finance was admitted to the big board.

EXPENSIVE WINDOW DRESSING

Of course, all this "window dressing" costs big money. But the 42 per cent interest rate takes care of all that. A qualified financial authority, after examining this racket, offered this opinion:

"If the Household Finance Corporation can collect the brutal interest it charges on tiny loans to poverty-stricken people, this particular outfit should be a gold mine."

It has been a gold mine. It is, of course, too much to expect that the sponsors of this corporation should examine the ancestry of the dollars that come their way. They are still dollars, even though they come as a product of legalized usury and in consequence of the delusion of legislatures and other public agencies by the glib sophistries of this band of plunderers.

The reports of the Household Finance Corporation, doubtless in the files of the New York Stock Exchange, state that their business was originally founded in 1878. That was some 35 years before the first enactment of this legalized usury in any State in the Union. If the New York Stock Exchange wants to go into this matter, it can ascertain that the Household Finance Corporation are successors to the former Mackey interests of Chicago, one of the most notorious loan-shark rings that ever infested the industrial centers of the country. The New York Curb Exchange would find a similar background for the Beneficial Management Corporation of New York, whose securities are being "seasoned" on the curb under the auspices of Dillon, Read & Co.

When the time comes to purge the stock exchange, I hope those who have the job in hand will drive this loan-mongering crew, not back to the curb, but to the gutter, where they belong. It is a public outrage that men and institutions who claim respectable standing in the business community should lend themselves to fostering a racket which stands unchallenged as the most notorious example of human greed.

PHILIPPINE INDEPENDENCE

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech delivered before the Legislature of the Philippines by the chairman of the Committee on Insular Affairs [Mr. HARE] on the subject of Philippine independence during his visit to the Philippine Islands.

The SPEAKER. Is there objection to the request of the gentleman from the Philippine Islands?

There was no objection.

Mr. GUEVARA. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. HARE. Mr. President and gentlemen of the legislature, it is no mere complimentary phrase when I say it is a great pleasure for me to visit the Philippine Islands and have the distinct honor of addressing this honorable body of representative men. For many years I have been greatly interested in what is referred to in the United States as the Philippine problem. Upon my election to Congress eight years ago I was afforded an opportunity to give particular study to the subject when I was made a member of the Insular Affairs Committee, after I had personally requested this assignment. During these eight years it has been my privilege to listen to your representatives and friends from time to time as they petitioned for legislation providing for independence of the Philippines. The evidence and arguments submitted have been convincing and conclusive, and when I was made chairman of the Insular Affairs Committee of the House of Representatives, I was prepared and was very glad to give most sincere and detailed consideration to the matter.

I should say at the outset that my visit here is not at the special request or direction of my Government but in obedience to my

personal desire to see and learn from personal contact what I have heard through your representatives and friends. What I shall say, therefore, will be the expression of my own personal feelings and individual opinions. I do not come to suggest, advise, or dictate to you what attitude you should take toward the pending legislation in Congress but shall be glad to give you the advantage of my personal views touching this subject.

Instead of entering into a discussion of the question of independence in a general way, I am sure you would prefer me to state what progress has been made in a legislative way, or what Congress has done or plans to do in this matter. I shall attempt to do this by relating the steps taken by the Insular Affairs Committee since I became its chairman and the action taken by the House of Representatives in the last session of Congress.

Soon after I assumed the chairmanship I was called upon by your commission in Washington to know whether additional hearings would be held on any or all of the bills that had been introduced providing independence for the Philippine Islands. I assured them it was my purpose to give full and complete hearings and endeavor to secure definite action by the committee and the House of Representatives as early as circumstances would permit.

On January 22 we began the hearings, at which an opportunity was accorded those favoring as well as those opposing independence to be heard. I announced at the outset that I would be particularly interested in testimony tending to show whether or not the people of the Philippine Islands were educationally, socially, and economically prepared to set up or establish a stable form of government. That is, whether there was a studied, conscious, and united realization of the financial burdens of government on the part of a majority of the people and whether they are financially prepared and willing to assume such burdens; that if sufficient evidence were submitted to affirmatively establish this condition, then in so far as I was personally concerned as a Member of Congress my duty would be definite, clear, and certain, because I considered at the time and still maintain that when the people of the Philippine Islands are prepared to establish such a government, the condition precedent to granting independence by our Government has been met and there should be no hesitation or equivocation in the discharge of this, our well-recognized obligation. I have the impression that other members of the committee went into the hearings with similar feelings and convictions. These hearings were extensive and quite voluminous and after a full opportunity had been afforded all persons desiring to testify they were concluded on February 12.

The following day the committee went into executive session and, while there were a number of bills before the committee, it was decided we should give our attention and consideration to H. R. 7233, the bill I had the honor to introduce early in the session. Finally it was tentatively agreed that this bill should be favorably reported with certain amendments. It is unnecessary for me to discuss in any detail the amendments offered or all the provisions of the bill. It is sufficient to say that the real crux of the proposed legislation was fixing the date when full and complete independenece and the withdrawal of American sovereignty from the islands should become effective. This was the most controversial provision in the minds of the members of the committee. Some felt that sovereignty should be withdrawn at once; others thought the transition period should be 5 years; some thought it should be 10 or 15 years, and one or two felt it should be at least 20 years. Personally I favored a 5-year period as provided in the bill but was very anxious to secure as near as possible the unanimous support of the entire committee before reporting same to the House of Representatives for consideration. It was soon learned that, while we could secure a bare majority of the committee favoring a 5-year period, a minority report would be filed which would mean a long drawn out fight when the bill was reached for consideration. Too, information was brought to the committee that the President would not sign a bill providing for independence in five years. Therefore, in order to obviate as much opposition as circumstances would justify, I, along with others, agreed to report the bill with the 8-year period. This was done, if I recall correctly, by a vote of 19 members out of 21 on the committee.

I stop here long enough to refer to some press reports to the effect that your commission in Washington could have obtained the passage of the bill for a 5-year period instead of 8 years if they had insisted upon it. I want to make it clear that the change was made for the reasons I have indicated and in spite of the fact that the members of your commission insisted upon the shorter period. The criticism, therefore, is not supported by the facts, and I make this statement in justice and fairness both to the members of the Insular Affairs Committee as well as to the members of your commission.

Probably I should say here that the bill as tentatively agreed upon provided for a limitation of certain major exports from the islands to the United States, to wit: Raw sugar, refined sugar, coconut oil, and cordage and by committee amendments it further provided there should be an annual reduction of 10 per cent of these exports during the transition period. As it has always been my policy to be frank and fair with my friends, I have to say I agreed to these amendments because we felt that with a gradual reduction of your exports to the United States during the transition period, it would of necessity require your newly established government to make trade agreements and commercial treaties with other nations so that at the end of the transition period you would have established trade connections with other nations to such an extent that when sovereignty was withdrawn and the tariff laws of the United States applied to your products there would be little or no shock to the economic life of your newly formed government. However, with more mature deliberation and at the suggestion of other members of the committee it was agreed that before the bill should be finally reported the sections providing for an annual reduction in your exports to the United States should be eliminated.

I probably should stop long enough again to say it was your commission that furnished the committee with convincing information showing that the annual reduction of your exports would not be to the best economic interests of the islands. I could say further there were many times when your special commission, including your commissioners in Congress, Mr. GUEVARA and Mr. OSIAS, proved to be of great service to those of us interested in this great problem. Unfortunately, members of the committee were not always able to agree with all of their requests because, while we may have been interested and anxious from your standpoint, we could not lose sight of the interests of our own people and our own country.

The committee remained in executive session and considered the bill in much detail and from many angles for about one month, when it was favorably reported and placed on the calendar March 15. Under our parliamentary procedure bills can not be brought up and considered at any time at the request of the author or chairman of the committee reporting same, but an orderly and regular procedure is provided. We found that if the bill was to be taken up and considered in the order it appeared on the calendar it would be delayed for some time. It therefore became necessary to try and hasten consideration under a special parliamentary procedure. Fortunately, the Speaker of the House was friendly to the proposed legislation and agreed to recognize the chairman of the committee to move that the rules of the House be suspended for the purpose of passing the bill, which was done on April 4, 1932, by a vote of 306 to 47. I am greatly indebted to your commission and your Commissioners in Congress, Mr. GUEVARA and Mr. OSIAS in reaching a decision to bring the bill up for consideration under the procedure suggested, because I was not unmindful that there was some pronounced opposition to the bill. But after they reported to me, following a most careful poll of the House, that a majority favored the proposed legislation there was no hesitation on my part, particularly after the Speaker, upon his own initiative, announced from the chair that I would be recognized out of order for the purpose mentioned. In the very short time for debate we were gratified at the timely and telling remarks of your two Commissioners in behalf of legislation that would provide independence for the Philippines. We were criticized quite severely by those who do not favor independence for bringing the bill up for consideration under a suspension of the rules where debate was limited to 40 minutes. But this seemed to be the only way to have the matter considered, and the overwhelming vote in support of the measure I think justified our action.

The vote clearly demonstrates how anxious Members of Congress are to see that the obligations of the Government are faithfully discharged. This action of the House of Representatives removes any doubt whatsoever as to what the policy of our Government will be toward the freedom of the Philippines. It makes clear, definite, and certain there is no intention to retain the islands against their will. Any fears or doubts heretofore maintained by any Filipino as to the policy of our Government in this matter should now be removed.

The bill does not meet my approval in detail. It does not meet with your approval in detail. It does not meet with the approval of American interests in your islands in detail. As a matter of fact, it does not meet with the approval of any of the interested parties in detail; but as I stated time and time again to members of our committee: "When friends can agree on a definite and clear-cut governmental policy, they should by compromise be able to get together on the mere details." I am now of the firm conviction that Philippine independence is a certainty and it is not too soon to begin making your plans with this thought in mind, for it may come earlier than is now contemplated or expected.

The question of time when sovereignty shall be withdrawn was the most controversial point of any of the details and, in this connection, I will say it is my present impression, although I may be convinced otherwise, that it matters not how ardent may be the desire for immediate independence on the part of the Filipino people, or how anxious Americans may be to liberate them, experience, reason, and intelligent observation teach us that abrupt termination of the present relationship would virtually destroy a number of the basic industries of the islands, seriously imperil the future of the free Filipino nation, and forfeit much of the gains the people have made under the guidance of the United States. However, our committee was impressed with the importance and wisdom of legislation that will remove any doubt as to our sincerity in completely discharging the obligations assumed and openly declared when the islands came into our possession approximately 30 years ago. We felt that the indecisive status as to the future policy of our Government should be removed so that the insular government may be in a position to give reasonable assurances of stability of conditions to be expected by manufacturing, commercial, industrial, and other activities in the islands. The question as to whether the date of full and absolute independence should be immediate, within a very few years, or a longer period is not so

vital as fixing a date when everyone will know for a certainty when complete independence will be granted and United States' sovereignty withdrawn.

I will not be able to enumerate all the considerations or details that had to be kept in mind by members of the committee and others who favored Philippine independene and wished it to be granted on conditions equitable and acceptable to the various groups affected by it. In the first place, it was necessary, though exceedingly difficult, to recognize the divergent interests of Filipinos and Americans. To give one of these interests all that it claimed was its right would be to deny the other what it demanded as its due. The dissatisfaction of one or the other to any very great extent would have defeated the whole project of independence.

Not only was there a cleavage between Philippine interests and American interests but there was a division and conflict also between purely American interests. There are those who profit by the present free-trade arrangements between the United States and the islands and who for that reason oppose its discontinuance. On the other hand, there are groups who insist they suffer from competition with Philippine products and wish to see the free-trade relations terminated just as soon as possible.

As I have already stated, when it became necessary to determine the time for independence, a small majority of the committee believed that five years would be long enough to allow for the accommodation of economic conditions to the new and different status of the islands following the withdrawal of American sovereignty. The members of the Philippine commission were urging independence at the earliest possible date and there was a disposition in the committee to satisfy the Filipino people as far as this could be done. American agriculture also was insistent on early independence; the same was true of those representing American labor. However, other considerations had to be taken into account. Many sincere friends of independence foresaw that an attempt to unduly hasten the termination of American sovereignty and government in the Philippines might prove fatal to the whole undertaking. There were many who, though not adverse to an independent Philippines, believed that severance of the islands from the United States and the adjustment of trade relations between them should be accomplished by a longer and slower process than they thought possible in five years. Moreover, it was justifiably feared that both the Senate and the President would not accept a bill providing for independence in a term of less than eight years, if, indeed, they would approve even that short period.

You can readily understand, therefore, that here was a case in which concession and conciliation was the price of accomplishment. A majority of the committee had deep sympathy with the Philippine Commission's desire to obtain the boon of independent nationhood without delay or limitation, and it was this sympathy, coupled with a desire to assure independence, that actuated the committee in accepting a compromise which, although disappointing to the Philippine Commission and others, did not jeopardize independence at a reasonably early date.

The Senate bill's provision for a plebiscite at which the Filipino people shall record their wishes about independence has occasioned a good deal of discussion. It is not for me to question the wisdom of this provision. I am certain that good faith and good will dictated its inclusion in the Senate bill. It doubtless is designed as a precaution, not as a strict requisite. However, the House committee did not regard a plebiscite as necessary or advisable, and our position was enthusiastically supported by the Philippine Commission. We were quite certain that the Filipino people are anxious for independence and fully understand that it will bring detriment as well as benefits. There was no thought in our minds that the present sentiment and efforts for independence would undergo either reversal or diminuation within eight years. There is no urgent need for requiring a plebiscite, although there may be no very strong reason for opposing it.

Trade relations between the United States and the Philippines present the most difficult of all the problems involved in the question of independence. These relations concern intimately and vitally the present and prospective welfare of the Filipino people. The whole population of the islands is affected by any change of whatever nature in the existing economic relationship between the two countries. Because the Philippines are a small nation, because their industries are few, because their markets are restricted, they will suffer more than the United States from the dislocation of trade between the two peoples. The American industries upon which Philippine independence will react are better able to withstand the effects of limitations and tariffs than are those in the islands.

For a whole generation Philippine industries and commerce lived on the basis of these free-trade relations between the islands and the United States. Most of these industries and, to a large extent, the commerce of the Philippines, depend on the continuance of the present free-trade arrangement. To exclude Philippine products from the American market without first having provided for a gradual adjustment of economic conditions in the islands would be to ruin some of your basic industries and destroy America's trade with the islands. Such results could not fail to have a serious social as well as economic consequences. I am informed that not fewer than 2,000,000 Filipinos are dependent on the sugar industry alone. Almost every bill proposing Philippine independence has contemplated that the complete and final separation of the islands from the United States should eventuate only at the end of a period long enough to permit the trade and industries of the two countries to be adjusted to the changes that should come pending and after their severance. We have seen that the Hare bill allowed eight years for this transition; the Hawes-Cutting bill 15 to 19 years, and the Vandenberg bill 20 years. In the House bill it is provided that, during the interim of the eight years preceding actual independence, the trade relations between the islands and the United States shall continue as they now exist, except that free sugars entering the United States from the Philippines shall be limited to 50,000 long tons, for refined and 800,000 long tons for unrefined, each year; coconut oil shall be limited to 200,000 long tons, and cordage to 3,000,000 pounds annually. These limitations are based on estimated imports from the Philippines under normal conditions. The policy reflected in these provisions of the bill recognizes that these industries, to the extent of their present productive capacity, are entitled to an allowance of time in which to adjust themselves before they become subject to the American tariff.

Under the terms and provisions of the Senate bill, trade relations between the United States and the Philippines will, for the first 10 years, be precisely the same as those which the House bill provides. At the end of the first 10 years there begins a gradually increasing tariff levy in the nature of an export tax imposed and collected by the Philippine Government on all Philippine free imports to the United States. From the eleventh to the thirteenth year the tax will rise from 5 per cent to 25 per cent of the American tariff on like articles imported from foreign countries. Products on the general free list of the American tariff will not, under the Senate bill, be subject to tax.

This verbal sketch of the situation will enable you to realize that it was impossible for the authors of the House bill or the Senate bill to fully satisfy both the Philippine people and the American people. If we had granted independence in 2 or 3 years or even 5 years, it is certain that great harm would have been done to both Philippine and American interests. Immediate independence would doubtless have gratified the hearts of many Filipinos, but it would also have injured their country. And so, too, immediate independence would have given pleasure and benefit to certain American groups, but it would at the same time have worked harm to others. It was difficult to reconcile our duty to both the Filipino and the American people. We could not invent a plan of independence that would give satisfaction to both of them; we could—and I think we did—devise a program that does justice to each of them. A bill that fixes a shorter period for transition or that fails to provide limitations on Philippine free imports could not succeed. It might win the approval of Filipinos, but it would provoke the opposition of Americans and be rejected by Congress.

Some interest has been manifested in connection with what is known as the Forbes' amendments to the Senate bill, and, while some of them may be wholly unnecessary, I do not view their inclusion with unusually great concern or alarm at this time.

After the bill passed the House it automatically went to the Senate for consideration. I am sure from the interest you have manifested you are quite familiar with the deliberations of the Senate and the present status of the proposed legislation. I do not think it proper to discuss the action of the Senate with reference thereto further than to say by agreement the Senate bill is scheduled to be acted upon on December 8, when I sincerely trust it will be given favorable consideration. Of course, in saying this I do not mean to convey the idea that I prefer the Senate bill to the House bill, but upon passage in the Senate the two bills will then be sent to conference, where the differences will be harmonized, if possible. I would not attempt to suggest or intimate what will be reported by the conferences in the event the two bills are sent to conference, because it is certain there will have to be a compromise on the part of those representing the House bill and those representing the Senate bill. It is reasonable to assume that in order to report a bill which will receive favorable consideration by both Houses it will be necessary to make a number of compromises, both by the conferees of the Senate and the conferees of the House, and it will be absolutely impossible to offer a guess what these compromises will be. However, I am certain the impressions received and the information obtained on this visit to the islands will enable me to be of greater service to both Filipinos and Americans in harmonizing the differences in the two bills. It may not be out of order to say that if I am one of the conferees, and I am quite sure I will be, it is my purpose to insist on the provisions of the House bill.

Some of the newspapers and individuals that have fought Philippine independence have recently renewed their war against it in the hope they can delay or defeat it by quoting representative Filipinos as being against the cause. Just before we left the United States, I observed a recurrence of this form of propaganda. Editors and others were alleging that only a handful of Filipinos really desired independent existence; that the vast majority preferred to continue under the American flag and the protection of the United States. The talk of independence, these editors and other opponents were saying, is simply the chatter of Filipino "politicos" who made the movement the vehicle for carrying them into public office or to some other place of prominence and emolument. It was alleged that even some of the chief advocates of independence in the Philippines speak for it in public and against it in private, and that some who championed the cause when it seemed hopeless were lukewarm now that it is hopeful, because they never really wished for what they pretended to seek. From the evidence submitted to our committee there has been no doubt in my mind but what the Philippine people as a whole are sincere in their longing for independence. That is, we concluded that if there had been any outstanding

Filipino opposition in the islands there would have been some who would have been frank and courageous enough to appear before our committee and say so.

Your interest in the matter was manifested and demonstrated last year when, as I understand, your legislature unanimously passed a resolution sending a commission to Washington to promote your cause. The members of this commission have been an inspiration and of great service to those who have been endeavoring to effect legislation that in the main would satisfy all parties concerned. We are 10,000 miles away from you and do not know everything about the Philippine Islands.

We do not have at our finger tips data as to your resources and opportunities. We have, therefore, found it necessary to call upon members of your commission almost daily for information with reference to the proposed legislation. A few months ago when they began to talk about coming home to attend your legislature, I, for one, insisted that in my opinion they could be of greater service in the United States this summer than they could at home, and I think it wise that they remained.

Let me say in conclusion that an overwhelming majority of the members of the present Congress are in favor of granting independence and withdrawing American sovereignty from the Philippine Islands at a reasonably early date, and I am of the firm conviction that a great majority are actuated by unselfish motives and are anxious to see our Government carry out its promises and discharge its obligations in good faith to you as well as to other nations of the world. You can not expect us to do more, and we will not be satisfied to do less.

CLOSING BARBER SHOPS IN THE DISTRICT OF COLUMBIA ONE DAY IN SEVEN

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8092) for the closing of barber shops one day in seven in the District of Columbia, and ask unanimous consent that the bill (S. 4023), a similar Senate bill which passed the Senate on June 8, 1932, may be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the bill (S. 4023) may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent that the bill (S. 4023) may be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Whereas in the District of Columbia persons engaged in the occupation of barbering are required to work seven days a week in order to meet competition and conform to custom; and

Whereas the health of such persons is endangered and often impaired by the working conditions peculiar to their occupation; and

Whereas the protection of the health of such persons will tend to protect the health of the general public by guarding against the spread of infectious disease: Therefore

Be it enacted, etc., That hereafter in the District of Columbia it shall be unlawful for a person to maintain seven days consecutively any establishment wherein the occupation or trade of barbering or hair dressing (including the cutting or singeing of hair, shaving, shampooing, massaging, or manicuring) is pursued. All such establishments shall be required to remain closed one day in every seven beginning at midnight or sunset. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not in excess of $20 or by imprisonment for not more than 60 days, or both. The Commissioners of the District of Columbia are hereby authorized and empowered to make, modify, and enforce reasonable regulations to obtain compliance with the provisions of this act, and such regulations shall have the force and effect of law within the District of Columbia.

Mr. STAFFORD. Mr. Speaker, I favor strongly the bill as introduced originally in the House, H. R. 8092, which provided for the closing of barber shops on Sunday.

When this bill was brought up for consideration in the last session, I objected to the consideration of the Senate bill, which, I believe, is more or less of a makeshift. It does not seem to meet the real issue. Throughout the country the trend during the last quarter of a century has been to close barber shops on the Sabbath. Yet the committee, I am told, in order to remove the objection of some Seventh Day Adventists, or other persons, who hold the religious belief that the seventh day should be observed as the Sabbath, have brought in an amendment, which I regard as more or less of a milksop amendment, providing that the barber shops shall be closed one day in seven.

If we are going to have the barber shops close and if we are to give the artisans and workers employed in barber shops the same privilege that the great mass of artisans enjoy, they should be closed on the Sabbath here, as they are throughout the country. While this bill will enable journeymen barbers to have one day off in seven, it will not enable them to have that day off on the Sabbath, to which they are entitled.

If we are going to pass any legislation, we should pass the legislation that was embodied in the original House bill as introduced. This idea of simply surrendering to some little cabal who think the Sabbath should be observed on Saturday instead of Sunday, when it is generally accepted all over the country that the Sabbath should be observed on Sunday, is not showing that strength of determination with respect to observance of the Sabbath that should be characteristic of the House of Representatives.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CONGRESSIONAL AUTOMOBILE TAGS

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 4123) to amend the District of Columbia traffic acts, as amended, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

Mr. STAFFORD. Mr. Speaker, I object.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 4123) to amend the District of Columbia traffic acts, as amended.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 4123), with Mr. BROWNING in the chair.

The Clerk read the bill as follows:

Be it enacted, etc., That the proviso of paragraph (c), section 6, of the District of Columbia traffic acts, as amended by the act approved February 27, 1931, be, and the same is hereby, amended to read as follows: "*Provided*, That hereafter congressional tags shall be issued by the commissioners under consecutive numbers, one to each Senator and Representative in Congress, to the elective officers and disbursing clerks of the Senate and the House of Representatives, the attending physician of the Capitol, and the assistant secretaries (one for the majority and one for the minority of the Senate), for their official use, which, when used by them individually while on official business, shall authorize them to park their automobiles in any available curb space in the District of Columbia, except within fire plug, fire house, loading station, and loading platform limitations, and such congressional tags shall not be assigned to or used by others."

Mr. STAFFORD. Mr. Chairman, I ask for recognition.

The CHAIRMAN. Does the gentlewoman from New Jersey desire recognition?

Mrs. NORTON. Not at this time, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, I understand this is the last bill that will be called up by the District of Columbia Committee for consideration this afternoon. The Committee on Appropriations is still in session passing upon reporting out the Treasury and Post Office appropriation bills. It is desired that that bill be reported to-day so that the bill may be taken up for consideration on Monday.

The pending bill is of minor consequence, as are many bills that are recommended by the distinguished and hard-working Committee on the District of Columbia. Its only purpose is to extend the congressional-tag privilege to a few appointive officers of the House and Senate, the attending physician, and the assistant secretaries for the majority and minority of the Senate.

Personally, I have never been in strong sympathy with the policy of granting special or preferential distinction to

Members of Congress who happen to—not perambulate, but to scurry around the streets of Washington by auto in their departmental work and other affairs. I am not in sympathy with the idea that Members of Congress should have special privileges, but this policy is one that has been established by the Congress.

I have been told that it is urgent to occupy the floor for 15 minutes.

Mr. RICH. Will the gentleman yield?

Mr. STAFFORD. I shall be pleased to yield.

Mr. RICH. Probably if the gentleman did not get some of these privileges, he would spend the 15 minutes running around town hunting a parking place.

Mr. STAFFORD. Mr. Chairman, this wise remark from the sage Member of Pennsylvania, who is serving his second term here, inclines me to the opinion that he is not very well acquainted with Washington. After he has been here as long as I have, he will come to the conclusion that parking space in Washington is not at a premium, and particularly is not at a premium since we are establishing on the triangle parking spaces which may be available not only to Members of Congress but to the public generally.

There is no real reason why this privilege should be extended to the elective officers and disbursing clerks of the Senate and House of Representatives. It is just a little courtesy we are extending them. For my own part, I know that some of the officers of the House do not receive a large enough salary to have an automobile and their good health is due to the fact that they have not an automobile to run around the District.

This being general debate, I shall occupy some time in discussing a question of transportation that was brought before the special committee investigating Government competition with private business at its session this morning.

In the remarks that I make I do not intend to anticipate what the report will be so far as the Government going into competition with private business is concerned. I may say that the most engrossing phase of that investigation, so far as I am concerned, has been the effect of the establishment of the Federal barge line on railroad transportation. The Federal barge line, as you know, is a Government instrumentality operated by the Government through a fleet of barges and steamboats between St. Louis and New Orleans, and on the Warrior River from Birmingham to Mobile.

It is the contention of the Government operating staff that the revenue derived from the barge lines on that traffic from St. Louis to New Orleans is self-sustaining but that on the Warrior River and the upper branches of the Mississippi it is not self-sustaining. We have launched on a policy of deepening the channel from 6 to 9 feet on the upper Mississippi from St. Louis to Minneapolis at an expense of $116,000,000. It was originally a 6-foot channel but, it was claimed by the river interests, was not of sufficient depth to permit large enough barges to operate on a paying basis.

The railroads have suffered by reason of this competition, not only on the Mississippi by the Government-operated line, but on the Ohio, which uses the Mississippi as an adjunct, where private barge lines operate on regular schedules from Louisville to New Orleans and back.

The advocates of the Mississippi Valley deep-water transportation insist that they shall be placed in the same position in the water facilities as if located on a deep-waterway channel—that we should transform the geography of the country from a country that has no water facilities from natural highways into one that has water transportation by artificially developed waterways.

In the testimony given before the committee this morning it was shown that the railroads transported 1,886,000 bales of cotton to New Orleans in 1929, the river traffic was only 336,000, and the truck traffic none. That from August 1 to November 30 of this year the Federal barge lines transported 201,000 bales from Memphis to New Orleans, the other barge lines 54,000, and on the Ouachita and Red River 46,000 bales, and by truck from all sources 20,755 bales, out of a total entering New Orleans of 859,000 bales.

The citation of these figures shows the inroads made by the barge lines in taking away traffic in this one article from the railroads. The railroads wishing to meet that competition applied to the Interstate Commerce Commission for competitive rates whereby they might regain some of this traffic. The Interstate Commerce Commission last August authorized the railroads to transport cotton from Memphis to New Orleans for 25 cents a hundred, whereas the rate had been $1. The barge lines protested, saying that that would take away the very substance of their traffic. Upon hearing, the Interstate Commerce Commission approved of the competitive rate and authorized the Illinois Central Railroad and other railroads to transport cotton at the lower rate, which would enable the railroads to gain back some traffic taken by the barge lines.

The railroads come before us and contend that it is not necessary for Congress to expend hundreds of millions of dollars in development of our inland waterways, that they have billions upon billions of investment in railroad facilities which will not have their capacity reached for years to come, and that if the Congress would merely repeal section 4 of the interstate commerce act so as to enable the railroads to grant preferential rates to the coast to traffic originating in the Mississippi Valley, that is, to the Pacific coast, they would be enabled to get traffic, without any expense whatsoever to the taxpayers of the country by way of development of inland waterways.

The question of the long and short haul clause has been before Congress for many years. Back in 1911 it was my privilege to serve on the Committee on Interstate and Foreign Commerce under that great parliamentarian and legislator, Hon. James R. Mann. In fact, that was the only time I ever thought it well to forego going home during the Christmas holidays; but I spent that season in cooperation with Mr. Mann in the drafting of what later was known as the Mann-Elkins Act.

Frome my study of railroad-transportation problems I strongly believe it would be far better for the development of the country if the railroads were privileged to recognize the principle of the long and short haul clause rather than have the Government wet-nurse these interior communities with the idea that they are located on rivers that can be improved to have seaport privileges. Why, representatives from Council Bluffs came before our committee in Chicago and stated they wanted to have the same privilege, so far as water transportation is concerned, as the people of New Orleans and of the Atlantic seaports. The problem is one of transportation economics.

Here is one thing that struck me very forcibly in the testimony presented to the committee yesterday, that it is the big interests, the Standard Oil Co. of Louisiana, the Carnegie Co., the Jones-Laughlin Steel Co. of Pittsburgh, and the sugar-refining companies around New Orleans and Baton Rouge that are availing themselves of these waterways the Government has established, by establishing private lines for the transportation one way of their traffic, and then going into the field to charter by cutthroat rates return cargoes at any price, taking away the traffic from the railroads and also preventing the establishment of private barge lines as common carriers.

We are not here to establish these waterways merely for the benefit of the big interests. We spent more than $100,000,000 on the Ohio River, and I think I ventured this assertion before, that if you would take the amount of traffic generated on the Ohio and figure up the freight with the rate on the bonded indebtedness, it would have been better for the Government to pay to the respective users of the Ohio the interest rate on the bonds than for the Government to wastefully spend $100,000,000, and now, in the improvement of the upper Mississippi, $116,000,000 for traffic in nebulæ.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. DYER. I want to commend the gentleman's remarks and trust that his committee will soon come to the House with a report substantially along the lines of what he has said this morning. I think the people of the country are entitled to a report of that kind and the doing away by Congress of special privileges in transportation, to the detriment of the railroads.

Mr. STAFFORD. There was presented to our attention this morning the annual report for the maintenance of the Missouri River from St. Louis to Kansas City. In 1908 it was estimated that the maintenance cost would be $137,500. In 1912 it was estimated that the cost of maintenance would be $500,000. In 1928 they said it would be impracticable to make any estimate. In 1931 they state the estimated cost of maintenance would be $1,000,000, and in the report of the Chief of Engineers, just issued, at page 1151, they now say the cost of maintenance will be $2,000,000. Two million dollars in this one instance, to be borne by the taxpayers of the country for traffic that can be readily transported by railroads without any added advantage to the ports by river transportation.

It is recognized generally that the railroads are an established instrumentality of the country and that they must be continued. Are we to starve them by taking away traffic, by subsidizing and wet-nursing canals and streams that were never intended by nature to be navigable streams?

Mr. Chairman, I make these remarks so that the membership may have opportunity to think of these great problems, one of the problems that is confronting your Committee on Competition of Government with Private Business. This is one of the major problems as I see it, not only for the committee to solve but for this Congress and the next Congress to pass upon, because every student of transportation economics knows that we can not by any legislative policy impoverish the railroads so that they go into receiverships or else be Government owned and operated, but that we must consider the railroads as a unit of the transportation system of the country whereby they may be continued to live and their employees be permitted to work.

Mr. SEGER. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. SEGER. Is there anything in the report to show why this increased cost is necessary?

Mr. STAFFORD. Undoubtedly the report shows why the estimate has increased. It is merely the vagaries of some Government engineer who has had no experience with business economics. They graduate from West Point and go out into the field. Railroad transportation is a career of itself. The Army engineers simply make their wild estimates and the Congress is misled by them, and we launch ourselves into a Government proposition involving the expenditure of millions upon millions of dollars, and then when we find the real conditions, Congress awakens to the realization that we have a white elephant on our hands.

Mr. Chairman, I reserve the balance of my time.

Mrs. NORTON. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That the proviso of paragraph (c), section 6, of the District of Columbia traffic acts, as amended by the act approved February 27, 1931, be, and the same is hereby, amended to read as follows: "*Provided*, That hereafter congressional tags shall be issued by the commissioners under consecutive numbers, one to each Senator and Representative in Congress, to the elective officers and disbursing clerks of the Senate and the House of Representatives, the attending physician of the Capitol, and the assistant secretaries (one for the majority and one for the minority of the Senate), for their official use, which, when used by them individually while on official business, shall authorize them to park their automobiles in any available curb space in the District of Columbia, except within fire plug, fire house, loading station, and loading platform limitations, and such congressional tags shall not be assigned to or used by others."

Mrs. NORTON. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read the amendment, as follows:

Amendment offered by Mrs. NORTON: Page 1, line 10, after the word "Representatives," insert the "parliamentarian of the House of Representatives."

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BROWNING, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 4123, to amend the District of Columbia traffic acts, as amended, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS, from the Committee on Appropriations, reported the bill (H. R. 13520, Rept. No. 1787), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. THATCHER reserved all points of order on the bill.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. BRAND of Georgia for an indefinite period on account of illness.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 22 minutes p. m.) the House adjourned until Monday, December 12, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, December 12, 1932:

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on various subjects.

WAYS AND MEANS

(10 a. m.)

Continue hearings on beer bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

785. A letter from the national legislative committee of the Disabled American Veterans of the World War, transmitting a copy of the minutes of the Twelfth National Convention of the Disabled American Veterans, held at San Diego, Calif., June 20–25, 1932 (H. Doc. No. 450), to be printed under authority of Public Resolution 126 of the Seventy-first Congress; to the Committee on World War Veterans' Legislation.

786. A letter from the Secretary of State, transmitting copies of the certificates of the final ascertainment of electors for President and Vice President appointed in the States of Arkansas, Louisiana, and New Hampshire at the

election held in those States on November 8, 1932; to the Committee on Election of President, Vice President, and Representatives in Congress.

787. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Honolulu Harbor, Hawaii, authorized by the river and harbor act of July 3, 1930, with illustration; to the Committee on Rivers and Harbors.

788. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of the Great Falls Meat Co. against the United States with request that you lay the same before the House of Representatives; to the Committee on Claims.

789. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Union River, Me., authorized by the river and harbor act July 3, 1930, with accompanying papers; to the Committee on Rivers and Harbors.

790. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from Chief of Engineers, United States Army, on Big Black River and tributaries, Miss., made under the provision of section 10 of the flood control act of May 15, 1928, together with accompanying papers and illustrations; to the Committee on Flood Control.

791. A letter from the Secretary of War, transmitting a report December 8, 1932, from the Chief of Engineers, United States Army, on Vermilion River, Minn., made under the provisions of House Document No. 308, Sixty-ninth Congress, first session, which was enacted into law with modifications in section 1 of the river and harbor act of January 21, 1927, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

792. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on Sturgeon River, Mich., made under the provisions of House Document No. 308, Sixty-ninth Congress, first session, which was enacted into law with modifications in section 1 of the river and harbor act of January 21, 1927, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

793. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Bayou Lafourche, La., authorized by the river and harbor act approved July 3, 1930, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

794. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on Brule River, Minn., made under the provisions of House Document No. 308, Sixty-ninth Congress, first session, which was enacted into law with modifications in section 1 of the river and harbor act of January 21, 1927, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

795. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on Calcasieu River, Bayou Nezpique, and Bayou Teche, La., made under the provisions of House Document No. 308, Sixty-ninth Congress, first session, which was enacted into law with modifications in section 1 of the river and harbor act of January 21, 1927, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

796. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on Bad River, Wis.; to the Committee on Rivers and Harbors.

797. A letter from the Secretary of War, transmitting a report dated December 8, 1932, from the Chief of Engineers, United States Army, on preliminary examination of Vermilion River, La.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BYRNS: Committee on Appropriations. H. R. 13520. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; without amendment (Rept. No. 1787). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 13147) granting an increase of pension to Luella E. Macumber, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS: A bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. WICKERSHAM: A bill (H. R. 13521) to transfer control of Building No. 2 on the customhouse reservation at Nome, Alaska, to the Secretary of the Interior; to the Committee on Public Buildings and Grounds.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 13522) relating to retirement of certain employees of the Government; to the Committee on the Civil Service.

By Mr. WILSON: A bill (H. R. 13523) in reference to land in the Bonnet Carre floodway area; to the Committee on Flood Control.

By Mr. CHAPMAN: A bill (H. R. 13524) to amend section 301 (a) (1) of the emergency relief and construction act of 1932; to the Committee on Roads.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 13525) authorizing the decommissioning of all battleships; to the Committee on Naval Affairs.

By Mr. JONES: A bill (H. R. 13526) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture.

By Mr. ARENTZ: A bill (H. R. 13527) for the rehabilitation of the Walker River irrigation project, Nevada; to the Committee on Irrigation and Reclamation.

By Mr. HALL of North Dakota: A bill (H. R. 13528) to authorize the Secretary of Agriculture to adjust debts owing the United States for seed, feed, and crop-production loans; to the Committee on Agriculture.

By Mr. FRENCH: A bill (H. R. 13529) to provide for the rehabilitation of the Crane Creek project (technically known as the Washington County irrigation district), Idaho, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. JOHNSON of Missouri: A bill (H. R. 13530) authorizing and directing the Secretary of Agriculture to extend time of payment of fertilizers, feed, and seed loans made by the Government to farmers for a period not to exceed 12 months at a rate of interest not to exceed 3 per cent; to the Committee on Agriculture.

By Mr. FRENCH: A bill (H. R. 13531) to provide for the rehabilitation of the Lewiston Orchards irrigation project, Nez Perce County, Idaho, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. DOUGHTON: A bill (H. R. 13532) to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes; to the Committee on Ways and Means.

By Mr. CHAPMAN: A bill (H. R. 13533) to authorize an appropriation of $50,000,000 for seed loans and advances to farmers in 1933 for the purpose of crop production; to the Committee on Banking and Currency.

By Mr. McREYNOLDS: A bill (H. R. 13534) authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; to the Committee on Foreign Affairs.

By Mr. SINCLAIR: A bill (H. R. 13535) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENCH: A bill (H. R. 13536) to provide for the rehabilitation of irrigation districts as the Rathdrum Prairie project in Idaho, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. VINSON of Georgia: Joint resolution (H. J. Res. 500) authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy; to the Committee on Naval Affairs.

By Mr. CONDON (by request): Joint resolution (H. J. Res. 501) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

By Mr. HASTINGS: Joint resolution (H. J. Res. 502) construing the acts of March 19, 1924 (43 Stat. 27), and the act of April 25, 1932 (47 Stat. 137), and for other purposes; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BANKHEAD: A bill (H. R. 13537) authorizing the President to transfer and appoint Lieut. (J. G.) Ralph B. McRight, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy; to the Committee on Naval Affairs.

By Mr. BALDRIGE: A bill (H. R. 13538) granting an increase of pension to Frances A. Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13539) granting a pension to Parrish E. Empey; to the Committee on Pensions.

By Mr. COCHRAN of Missouri: A bill (H. R. 13540) granting an increase of pension to Margaret A. Kelly; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 13541) for the relief of Peter Umberto Canale; to the Committee on Naval Affairs.

By Mr. CULKIN: A bill (H. R. 13542) for the relief of Elbert Scott; to the Committee on Claims.

By Mr. DOUTRICH: A bill (H. R. 13543) granting a pension to Cora I. Spangler; to the Committee on Invalid Pensions.

By Mr. EVANS of California: A bill (H. R. 13544) granting a pension to Lunette Mayers; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H. R. 13545) granting a pension to Jennie Schonacker; to the Committee on Invalid Pensions.

By Mr. HART: A bill (H. R. 13546) granting a pension to Belle Musgrove; to the Committee on Invalid Pensions.

By Mr. LUCE: A bill (H. R. 13547) for the relief of Alvarado Mason; to the Committee on Naval Affairs.

Also, a bill (H. R. 13548) for the relief of Thomas Christopher Quirk; to the Committee on Naval Affairs.

By Mr. McGUGIN: A bill (H. R. 13549) granting an increase of pension to Sarah E. Scovell; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS: A bill (H. R. 13550) for the relief of John T. Farmer; to the Committee on Military Affairs.

Also, a bill (H. R. 13551) for the relief of Elisha M. Levan; to the Committee on Military Affairs.

By Mr. MOBLEY: A bill (H. R. 13552) granting an increase of pension to Leonidas O. Hollis; to the Committee on Pensions.

By Mr. PEAVEY: A bill (H. R. 13553) for the relief of Frederic Foss; to the Committee on Military Affairs.

Also, a bill (H. R. 13554) for the relief of Henry A. Behrens; to the Committee on Military Affairs.

By Mr. THURSTON: A bill (H. R. 13555) granting an increase of pension to Julia A. Browning; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8805. By Mr. BLAND: Petition of 52 citizens of York County, Va., urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on Immigration and Naturalization.

8806. By Mr. BOYLAN: Resolution adopted by the officers and members of the New York State Ladies' Auxiliary to the New York State Association of Letter Carriers in convention assembled at White Plains, N. Y., petitioning the Congress to repeal the unjust and inequitable economy act; to the Committee on Ways and Means.

8807. By Mr. CONDON: Petition of Mrs. H. K. Bernsten and 93 other citizens of Rhode Island protesting against repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

8808. By Mr. CROWTHER: Petition of Women's Home Missionary Society of Canajoharie, N. Y., urging support of Senate bill 1079 and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8809. Also, petition of Grace Methodist Episcopal Missionary Societies of Schenectady, N. Y., urging support of bill No. 1079 on the Senate Calendar and Senate Resolution No. 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8810. Also, petition of 2,083 citizens of the thirtieth congressional district of New York, protesting against the return of beer and against any legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on the Judiciary.

8811. By Mr. DOUTRICH: Petition of the Twentieth Century Bible Class and the Helping Hand Class, United Brethren Church, Shiremanstown, Pa., and the antibeer rally held in United Brethren Church, Shiremanstown, Pa., protesting against any change of the Volstead Act or the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8812. By Mr. GARBER: Petition of the members and attendants of the Friends Church, Gate, Okla., urging opposition to modification or repeal of the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

8813. Also, petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

8814. Also, petition of the Woman's Christian Temperance Union, Mutual, Okla., urging opposition to the beer bill; to the Committee on the Judiciary.

8815. By Mr. HALL of North Dakota: Petition of 80 attendants at Independence Day celebration at Hull, N. Dak., asking for a change in the preamble of the National Constitution; to the Committee on the Judiciary.

8816. By Mr. LUCE: Petition of members of the Woman's Home Missionary Society of the Methodist Episcopal Church of Cambridge, Mass., relating to motion-picture censorship; to the Committee on Interstate and Foreign Commerce.

8817. By Mr. NIEDRINGHAUS: Petition of Mrs. Elbert Cole and 32 other citizens of St. Louis, Mo., protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8818. By Mr. RUDD: Petition of New York State Ladies' Auxiliary to New York State Association of Letter Carriers, favoring the repeal of the unjust and inequitable economy

act as a step in the direction of restoring prosperity and as an act of simple justice to the underpaid employees of the Government; to the Committee on Ways and Means.

8819. Also, petition of the board of managers of the New York Cotton Exchange, referring to cotton and the war debts; to the Committee on Ways and Means.

8820. By Mr. SELVIG: Petition of home and school circle, Parent-Teacher Association, of Pelican Rapids, Minn., urging enactment of legislation to regulate motion pictures; to the Committee on Interstate and Foreign Commerce.

8821. By Mr. STEWART: Resolution of the Woman's Home Missionary Society of the Methodist Church of Summit, N. J., favoring the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8822. By Mr. STULL: Petition of the First Baptist Church, of Barnesboro, Pa., opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8823. Also, petition of Barnesboro Woman's Christian Temperance Union and the Methodist Episcopal Church, Barnesboro, Cambria County, Pa., opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8824. By Mr. WYANT: Petition of D. Ray Murdock, M. D., Hugh B. Barclay, M. D., and R. E. L. McCormick, M. D., executive committee, medical staff Westmoreland Hospital Association, Greensburg, Pa., urging treatment and care of war veterans in approved general hospitals, and protesting against erection and maintenance of additional veterans' hospitals, and protesting against legislation now in force or contemplated concerning veterans' disability unrelated to war service for the reason that it is unmerited class legislation; to the Committee on World War Veterans' Legislation.

SENATE

MONDAY, DECEMBER 12, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

ROBERT B. HOWELL, a Senator from the State of Nebraska, appeared in his seat to-day.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes.

The message also announced that the House had passed bills of the Senate of the following titles, each with an amendment, in which it requested the concurrence of the Senate:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of BENNETT CHAMP CLARK, chosen a Senator from the State of Missouri for the term commencing March 4, 1933, which were ordered to be placed on file and to be printed in the RECORD, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, BENNETT CHAMP CLARK was duly chosen by the qualified electors of the State of Missouri a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Henry S. Caulfield, and our seal hereto affixed at Jefferson City, this 6th day of December, A. D. 1932.

HENRY S. CAULFIELD, *Governor.*

By the governor:
[SEAL]

CHARLES U. BECKER,
Secretary of State.

Mr. ROBINSON of Arkansas. Mr. President, I present the credentials of the Senator elect from Kansas [Mr. MCGILL], and ask that the same be printed in the RECORD and placed on file.

The credentials were ordered to be placed on file and printed in the RECORD, as follows:

STATE OF KANSAS,
EXECUTIVE DEPARTMENT.

CERTIFICATE OF ELECTION

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, GEORGE MCGILL was duly chosen by the qualified electors of the State of Kansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Harry H. Woodring, and our seal hereto affixed at Topeka, Kans., this 6th day of December, A. D. 1932.

HARRY H. WOODRING,
Governor.

By the governor:
[SEAL]

E. A. CORNELL,
Secretary of State.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Michigan [Mr. VANDENBERG] has the floor. Does he yield for that purpose?

Mr. VANDENBERG. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Robinson, Ark.
Austin	Cutting	Johnson	Robinson, Ind.
Bailey	Dale	Kean	Schall
Bankhead	Davis	Kendrick	Schuyler
Barbour	Dickinson	Keyes	Sheppard
Barkley	Dill	King	Shipstead
Bingham	Fess	La Follette	Shortridge
Black	Fletcher	Logan	Smith
Blaine	Frazier	Long	Smoot
Borah	George	McGill	Steiwer
Bratton	Glass	McKellar	Swanson
Brousard	Glenn	McNary	Thomas, Okla.
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Moses	Tydings
Byrnes	Grammer	Neely	Vandenberg
Capper	Hale	Norbeck	Wagner
Carawny	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walsh, Mass.
Cohen	Hatfield	Patterson	Walsh, Mont.
Connally	Hawes	Pittman	Watson
Coolidge	Hayden	Reed	White
Costigan	Howell	Reynolds	

Mr. WAGNER. I desire to announce that my colleague [Mr. COPELAND] is absent to-day because of serious illness in his family.

Mr. SHEPPARD. I wish to announce that the junior Senator from Illinois [Mr. LEWIS] is still detained on account of illness.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is also detained by reason of illness.

I also wish to announce that the junior Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate.

Mr. METCALF. I desire to announce that my colleague [Mr. HEBERT] is unavoidably detained.

Mr. LA FOLLETTE. I desire to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is necessarily detained from the Senate by illness.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

FINAL ASCERTAINMENT OF ELECTORS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, pursuant to law, certificates of the Governors of the States of Arkansas, Louisiana, and New Hampshire of the final ascertainment of electors for President and Vice President in their respective States at the election November 8, 1932, which were ordered to lie on the table.

REPORT OF SURGEON GENERAL OF PUBLIC HEALTH SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, the report of the Surgeon General of the Public Health Service for the fiscal year 1932, which was referred to the Committee on Finance.

WITHDRAWALS AND RESTORATIONS OF PUBLIC LANDS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, copy of a letter from the Commissioner of the General Land Office, dated December 7, 1932, submitting report of the withdrawals and restorations of public lands during the period December 1, 1931, to November 30, 1932, inclusive, which, with the accompanying papers, was referred to the Committee on Public Lands and Surveys.

CLAIM OF GREAT FALLS MEAT CO. *v.* UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of the Great Falls Meat Co. against the United States, which, with the accompanying report, was referred to the Committee on Claims.

REPORTS OF THE LIBRARIAN OF CONGRESS

The VICE PRESIDENT laid before the Senate a letter from the Librarian of Congress, transmitting, pursuant to law, his annual report, together with that of the Register of Copyrights, both for the fiscal year ended June 30, 1932, which, with the accompanying reports, was referred to the Committee on the Library.

REPORT OF UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the United States Employees' Compensation Commission, transmitting, pursuant to law, a report of the operations of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Education and Labor.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the memorial of the Presbyterian Ministers' Association of Washington, D. C. (transmitted by Kenneth B. Carson, acting secretary), remonstrating against the repeal of the eighteenth amendment of the Constitution or any modification thereof in the way of increasing the alcoholic content of beverages, which was referred to the Committee on the Judiciary.

He also laid before the Senate the memorial of the Chinese Anti-Imperialist Alliance of America, section of Manzanillo, Cuba, remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the Association of Agriculturists of the West Region of Batangas (Inc.), of Balayan, Batangas, P. I., protesting against restriction, without reciprocity, in the pending so-called Hawes-Cutting Philippine independence bill relative to sugarcane, which was ordered to lie on the table.

He also laid before the Senate a letter from W. E. Knox, New York City, N. Y., submitting a plan and suggested solution of the foreign war-debts problem, which, with the accompanying paper, was referred to the Committee on Finance.

He also laid before the Senate a letter from Henry Lockhart, jr., of Talbot County, Md., submitting outline of a suggested plan for funding and liquidation of intergovernmental debts arising from the World War, which, with the accompanying paper, was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the California State Federation of Labor, San Francisco, Calif., protesting against ratification of the treaty on safety of life at sea, signed in London May, 1929, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the California State Federation of Labor, San Francisco, Calif., favoring the passage of the so-called King bill, relative to the exclusion of seamen arriving at ports of the United States, which were referred to the Committee on Immigration.

Mr. KEAN presented a memorial numerously signed by sundry citizens of Essex, Passaic, Morris, Hudson, and Bergen Counties, in the State of New Jersey, remonstrating against the ratification of the treaty known as the St. Lawrence seaway treaty, which was referred to the Committee on Foreign Relations.

Mr. GRAMMER presented the petition of the Methodist Home Missionary Society of Pomeroy, Wash., praying for the passage of legislation providing for the supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented petitions of the Methodist Home Missionary Society of Pomeroy, and Clark County Branch of the American Association of University Women of Vancouver, both in the State of Washington, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. BLAINE presented the petition of Local No. 94, International Brotherhood of Pulp, Sulphite, and Paper Mill Workers, of Wisconsin Rapids, Wis., praying for the imposition of a tariff duty so as to adequately safeguard the pulp and paper industry, which was referred to the Committee on Finance.

He also presented a resolution adopted by Ashland County National Farm Loan Association of Ashland, Wis., favoring the passage of legislation effectuating reduction in salaries of officers and employees and personnel of the Federal land bank at St. Paul, Minn., proportionate to the farmers' present income, which was referred to the Committee on Banking and Currency.

He also presented the petition of borrowers and shareholders of the Ashland County National Farm Loan Association, of Ashland, Wis., praying for reduction of interest on loans to borrowers through national farm-loan associations from 6½ to 3 per cent, including amortization, and 3½ per cent on passed payments, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Ashland County National Farm Loan Association, of Ashland, Wis., favoring the prompt passage of legislation for the making of new loans to farmers on a conservative basis, and removing the restriction preventing loans to class 4 farm-loan associations, which was referred to the Committee on Banking and Currency.

THE WORLD COURT

Mr. COSTIGAN. Mr. President, I hold in my hand—and ask that it may lie on the table and be printed in the RECORD—a letter to certain members of the Senate urging America's prompt adherence to the World Court. This letter, the first of the signers of which is Hon. John W. Davis, of New York, is the expression of responsible and well-known leaders in many parts of the United States, including citizens of the State of Colorado.

In the nature of an advance response to this letter, and as one of the happy indications of the growing disposition of our country to cooperate with other nations in substituting world peace and organized law for international anarchy and senseless wars, Democratic leadership in the Senate, in its hour of victory, has given consideration of the World Court a definite place in the senatorial program of the present session of Congress.

The VICE PRESIDENT. The resolution having been reported from the committee, the letter will lie on the table. It will be printed in the RECORD, as requested.

The letter is as follows:

LETTER FROM DEMOCRATS THROUGHOUT THE COUNTRY TO DEMOCRATIC SENATORS ASKING FOR ACTION ON THE WORLD COURT DURING THE PRESENT SHORT SESSION

To the Democratic Members of the United States Senate:

As the short session opens, we think it in order to emphasize the clear implication of the Democratic platform of 1932 recommending "adherence of the United States to the World Court with the pending reservations." In fulfillment of the clear purpose of this platform, we respectfully urge the exercise of your own influence toward expediting the court on the Senate Calendar at the short session, in order that the record vote on the court measures may be reached before adjournment on March 4.

Our hope is that you share our view that the Senate should consent to the ratification of the three pending treaties, which were favorably reported to the Senate by the Foreign Relations Committee on June 1 last, and which, when ratified, will achieve the adherence of the United States to the court. Whether or not, however, you agree with us that the prompt adherence of the United States to the court is desirable, we assume you share your conviction that a question that has been so long pending is now entitled to settlement on the merits.

The court question is, in a peculiar sense, the "unfinished business" of the Senate. The question now before the Senate is not whether adherence is desirable (answered by the passage of the Senate resolution in 1926) but whether the three pending protocols meet the Senate's 1926 reservations.

In our judgment they do. We note with pleasure that Democratic leaders generally have agreed with the administration that the conditions originally imposed by the Senate's reservations have been unequivocally met. That conclusion has been bulwarked by expert study on the part of such authoritative bodies as the American Bar Association, which, through its appropriate committee (in a report later adopted by the whole association), has clearly stated that the pending protocols adequately protect the interests of the United States in every respect and clearly fulfill the Senate's 1926 reservations.

During the 10 years in which the general question of adherence has been pending in the Senate of the United States (it will be 10 years in February since the proposal for adherence to the court was first sent through to the Senate), the court has gone quietly on its way performing, within its limited field, the function of applying judicial settlement to certain classes of disputes. Forty-four questions, indeed, have been successfully adjudicated; and we know of no case in which the judgment of the court, whether in the form of a decision or in the form of an advisory opinion, has failed to be observed by the parties concerned.

In a world now endeavoring to emerge from economic chaos, there is peculiar need for the stabilizing influence of rational settlement of international disputes. We are well aware that many urgent matters will be brought before this short session of Congress, arising from the difficult situation both at home and abroad. We are clear, however that this question of completing the adherence of the United States to the World Court has a direct relation to the present state of world affairs. In clearly indorsing the principle of judicial settlement of differences, the United States will aid in clarifying the whole confused atmosphere of international relations.

We bespeak your individual aid in fulfilling our 1932 platform by early consideration of the court protocols in order that the record vote may be reached before March 4.

The signers of the Democratic appeal:

John W. Davis, New York City, former ambassador to Great Britain; Newton D. Baker, Cleveland, former Secretary of War; James M. Cox, Dayton, former Governor of Ohio, publisher of the Ohio News League; Gilbert M. Hitchcock, Omaha, publisher of the Omaha World-Herald, former United States Senator, chairman of the platform committee of the 1932 Democratic National Convention; Evans Woollen, Indianapolis, president Fletcher Savings & Trust Co.; W. A. Julian, Cincinnati, Democratic national committeeman for Ohio; Roland S. Morris, Philadelphia, former ambassador to Japan; Josephus Daniels, Raleigh, N. C., former Secretary of the Navy, publisher of the Raleigh News and Observer; Vance McCormick, Harrisburg, Pa., publisher of the Harrisburg Patriot and Evening News; William Gonzales, Columbia, S. C., editor of the Columbia State, former minister to Cuba, first American ambassador to Peru; Gov. Wilbur L. Cross, of Connecticut; Frederick D. Gardner, St. Louis, former Governor of Missouri; Alfred E. Smith, New York City, former Governor of New York; Gov. A. Harry Moore, of New Jersey; Governor-elect Leslie A. Miller, of Wyoming; Gov. John G. Pollard, of Virginia; Gov. George H. Dern, of Utah; Governor-elect Theodore Francis Green, of Rhode Island; Governor-elect William Comstock, of Michigan; Morrison Shafroth, Denver, former member Democratic State executive committee; W. W. Grant, jr., Denver, former president Colorado Bar Association; John R. Hardin, Newark, president Mutual Benefit Life Insurance Co.; O. G. Ellis, Tacoma, former chief justice of the Supreme Court of Washington; John E. Martineau, Little Rock, Ark., judge United States District Court of Arkansas, former Governor of Arkansas; William R. Pattangall, Augusta, Me., chief justice Supreme Court of Maine; Merle D. Vincent, Denver, executive vice president and general manager Rocky Mountain Fuel Co.; J. C. W. Beckham, Louisville, former Governor of Kentucky, former United States Senator; Samuel W. Fordyce, St. Louis, counsel War Finance Corporation, 1918–19, former chairman Missouri State Democratic committee; George Fort Milton, Chattanooga, publisher of the Chattanooga News; John J. Cornwell, Romney, W. Va., former Governor of West Virginia; Fred W. McLean, Grank Forks, N. Dak.; Donald A. McDonald, Seattle, member Washington State Legislature; John Stewart Bryan, Richmond, publisher of the Richmond News Leader; Park H. Pollard, Proctorsville, Vt., chairman Democratic State committee of Vermont; A. C. Weiss, Duluth, former member of the advisory board of the Democratic National Committee; Samuel O. Tannahill, Lewiston, Idaho, Democratic national committeeman for Idaho; John S. Taylor, Largo, Fla.; Robert G. Kelly, Charleston, W. Va., chairman Democratic State committee; Jerome T. Fuller, Centreville, Ala., chairman Democratic State committee of Alabama; Bordern Burr, Birmingham, Ala., attorney; Dr. John E. Bacon, Miami, Ariz., surgeon, member of the platform committee of the 1932 Democratic National Convention; T. W. Gregory, Houston, Tex., former Attorney General of the United States; G. C. DePuy, Grafton, N. Dak.; Mrs. Jessie Woodrow Sayre, Cambridge, Mass.; James S. Douglas, Douglas, Ariz., president Bank of Douglas, vice president Cannanea Consolidated Copper Co.; Thomas J. Spellacy, Hartford, attorney, former Assistant Attorney General of the United States; Thomas Hewes, Hartford, attorney; Desha Breckenridge, Lexington, Ky., publisher of the Lexington Herald; LaRue Brown, Boston, former Assistant Attorney General of the United States, former general solicitor United States Railroad Administration; E. P. Carville, Elko, Nev., judge of the district court; Robert C. Murchie, Concord, N. H., member of the platform committee of the 1932 Democratic National Convention, former Assistant Attorney General of the United States; David Coker, Hartsville, S. C., plant breeder, president Coker's Pedigreed Seed Co., director Federal Reserve Bank of Richmond; M. M. Crane, Dallas, former member of the Texas House of Representatives, former member of the Texas Senate; William T. Kemper, Kansas City, Mo., former Democratic national committeeman for Missouri, president Kemper Mill & Elevator Co., Kemper Investment Co.; Oswald West, Portland, Oreg., former Governor of Oregon.

MODIFICATION OF THE VOLSTEAD LAW

Mr. WALSH of Massachusetts. Mr. President, I present and ask to have printed in the CONGRESSIONAL RECORD, and appropriately referred, letters from the General Box Co., of Winchendon, Mass., and from the National Association of Wooden Box Manufacturers, indicating the estimated expenditures should the manufacture and sale of beer be legalized. The General Box Co. alone, as indicated by its figures, would spend $908,650 for material and $321,750 for labor, making a total of $1,230,600.

I also present and ask to have printed a letter from the publisher of the Daily Metal Reporter, together with reprint of an editorial from that paper, indicating the stimulating effect on the metal and steel manufacturing industries throughout the country, which I ask also may be appropriately referred.

There being no objection, the letters and editorial were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

GENERAL BOX CO.,
Winchendon, Mass., November 19, 1932.

Senator DAVID I. WALSH,
United States Senate, Washington, D. C.

HONORABLE SIR: In July we wrote you soliciting your support toward the modification of the Volstead Act to permit the manufacture and sale of beer having a reasonable alcoholic content. However, Congress adjourned without taking action on this subject.

We have your letter of July 18 advising us that you were in harmony with our views concerning the modification of the Volstead Act and assuring us that you would give your full support to any action taken upon the matter of making the manufacture and sale of beer a legal process.

Again we are soliciting your earnest support, as we feel sure that the coming session of Congress will undoubtedly make this matter one of their major issues.

We operate box factories in the States of Illinois, Kentucky, Louisiana, Massachusetts, Michigan, Missouri, New York, Ohio, and Wisconsin, so it is evident that we have a widespread distribution of purchases and pay rolls.

We have again made a survey of the brewers located in the districts served by our various plants to ascertain the number of beer cases they would require if they could operate to full capacity. A conservative minimum of the beer cases that we as a company would manufacture for this trade would require an expenditure of $1,230,600, divided as follows:

Pay roll	$321,750
Purchases	908,850

Ultimately a substantial portion of our expenditures for materials finds its way into weekly pay envelopes of laborers in the plants of our suppliers. You will agree that our own pay roll, together with the wage portion of our purchases, would help to create a tremendous buying power.

Our survey indicates that it would take at least six months to stock all the beer cases needed. Therefore, if this industry could be revived immediately it would provide for increased activity during the coming winter months when employment of all family men is greatly needed.

For your information we are attaching hereto a statement showing the distribution of our estimated expenditures necessary for the manufacture of beer cases which would be spread over a six months' period. In giving you the amount of our pay roll, as shown above, we did not include salaries of our sales, advertising, and administrative forces.

Of course, our company is only one of the many companies connected with the wood-working industry, but it is our opinion that the wood-working industry would be one of the largest to feel the benefit of the modification of the Volstead Act, the other industries being mainly farming and brewing.

We earnestly solicit your continued support for the modification of the Volstead Act.

Respectfully yours,

GENERAL BOX CO.,
T. K. REED, *Division Manager.*

An analysis of expected expenditures by General Box Co. for material during the six months' period immediately following modification of the Volstead Act to permit the manufacture and sale of beer having a reasonable alcoholic content

Lumber: 20,250,000 feet, having a value at the sawmill of	$405,000
Freight: All of this lumber will be moved by the railroads from the sawmills to factories, and the freight charges will be	202,500
Strap iron: Bottle boxes are reusable boxes and are banded with strap iron; the cost of this strap iron will amount to	111,900
Nails: The nails for assembling these boxes will cost	48,750
Hardware: A substantial portion of the boxes used for the shipment of beer are known as shippers; these shippers are equipped with hinges, locks, and hand-hole covers; these items of hardware will cost	133,500
Printing ink: These boxes will be printed and our cost for printing ink will be	7,200
Total	908,850

NATIONAL ASSOCIATION OF WOODEN BOX MANUFACTURERS,
Chicago, Ill., December 9, 1932.

The Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: As a means of improving the present business situation, we respectfully ask that you support such legislation as may be introduced in the Senate which seeks to legalize beer of an alcoholic content of approximately 3.2 per cent by weight.

Analyses which we have made convince us that from $25,000,000 to $50,000,000 dollars will be expended in our industry alone for bottle boxes during the year 1933 should beer be immediately legalized.

This volume of business would take an enormous amount of lumber and would require approximately 20,000 freight cars to haul it from the mill to the box factory. At the box factories there would be utilized no less than 100,000 kegs of nails, or 250 carloads, and 50,000,000 pounds of band iron, or approximately 1,000 carloads. Moving the manufactured product from the box factory to the brewery would require not less than 60,000 freight cars to transport the cases.

In all, the potential wooden-case business would be the equivalent of more than 80,000 carloads of revenue freight.

In addition to the supplies mentioned above, the shipping cases would require certain hardware consisting of locks and hinges.

Aside from the benefits that would accrue to business in general through the legalizing of beer, the revenue which would be derived from the tax that may be levied on it would go a long way toward balancing the National Budget, and the business that would flow to the wooden-box industry alone would bring employment to not less than 10,000 men, many of whom at present are being cared for by welfare and other charitable organizations.

We sincerely trust that our petition, which is in the interest of public welfare and humanity, will receive your most earnest consideration and support.

Very truly yours,

PAUL L. GRADY,
Executive Secretary.

NEW YORK, *November 29, 1932.*

Hon. DAVID I. WALSH.

DEAR SIR: The metal and steel manufacturing industries, which include copper, brass, and iron working plants, have been operating for the past two years at 10 per cent to 20 per cent of production capacity. Their business has been demoralized for two years, and 80 per cent of their employees are out of work. Conditions in these particular industries are such as to constitute a menace to the business structure of the country. Many concerns engaged in those lines are in serious financial difficulties. These trades benefited considerably in former years by supplying machinery and equipment for breweries. The value of copper, brass, lead, steel, and machinery used in the brewing industry runs into millions of dollars.

A modification of the Volstead Act would release immediately several hundred million dollars' worth of orders to the metal and steel working plants, enabling them immediately to employ additional thousands of workers and at the same time stimulate other lines of business.

I have been a publisher for the past 27 years and now publish 10 trade periodicals covering such lines as metals, steel, machinery, rubber, textiles, paper-making materials, burlap, bags, wool, cotton, men's wearing apparel. My papers cover a vast field of commodities and manufacturing, and if a poll were taken of those industries to-day, 99 per cent of the executives and directors would favor an immediate modification of the Volstead Act, convinced that it would be a forward step for American industry, improve conditions in their respective lines, and enable them to reemploy a large number of workers.

I respectfully call your attention to the inclosed reprint of an editorial from our Daily Metal Reporter. This is the first time that we have ever injected matters of this character into our editorial pages. But this is an unusual period and conditions warrant taking extreme measures to present to Congress the proper picture of what business men are going through, and we have a right to demand from Congress the relief that business men are entitled to.

Respectfully yours,

C. H. LIPSETT,
Publisher Daily Metal Reporter.

[Reprinted from the Daily Metal Reporter, issue of November 15, 1932]

IMMEDIATE MODIFICATION OF VOLSTEAD ACT WOULD HELP STEEL AND METAL INDUSTRY

By C. H. Lipsett, publisher

The American citizenry, by an overwhelming majority, went on record November 8 that it not only favors but demands a modification of the Volstead Act. If this is a Government of, by, and for the people, then the will of the people and its mandate should prevail, and that now, not at some later time.

A number of die-hard prohibitionists who are wobbling on their last legs in the lame-duck Congress, threaten to obstruct any quick action on modification. Their obstructionist tactics may prevent quick action. And in this special instance, time is very much of the essence.

In demanding quick action we are not particularly concerned with the thirst of the populace. It has long since found ways and means of quenching that thirst. Our concern is with the effect that modification would have on business. That it would help the Government in its effort to balance the Budget by diverting into taxes the millions of dollars that now go into the hands of the racketeers and bootleggers, is elementary knowledge. Even the average voter has come to realize that.

Of far greater significance is the effect that modification would have on a vast number of industries that are in dire need of business. No one for a moment contends that legalizing beer and light wines will prove the panacea for all our ills, but such legalization will open up new business outlets and create a demand for materials which at the moment are dormant.

Obviously, modification will be of great aid to the farmer. There can be no argument about that. And how that aid would be welcomed not only by the farmer but by every other industry in the country which is dependent upon the farming trade for its livelihood!

And now we come nearer home, the effect of modification on the metal and steel industries. If time has not dimmed the memory, then most of us can still recall the vast amount of copper and brass equipment of the average brewery. Taken collectively, the brewing and distilling industries in their heyday probably consumed millions and millions of pounds of copper, brass, tin, and lead products. It requires no strong imagination to visualize the volume of business that would flow into metal fabricating plants if breweries and distilleries were to be permitted to operate legally. There used to be more than 1,600 such plants during pre-prohibition days. They have since dwindled to a couple of hundred. Legalizing beer and light wines would rejuvenate this industry almost overnight. It would start a chain of activity from the manufacturing to the distributing end, every link of which would require the use of copper, brass, lead, zinc, tin, nickel, and steel products.

The metal industry is flat on its back. There has been a stupendous drop in the volume of consumption by the electrical industry, by railroads, by the building trades, by motor manufacturers, and so down the line. Of course, equipping breweries and

distilleries, equipping bars, etc., will not make up for all this loss in consumption, but it will make up for part of it. It will constitute a new and important outlet for metals, such as the industry has been hoping for. It means millions of dollars in business for the entire metal industry, from the producers of copper, lead, etc., right down through to the manufacturer of the finished metal products. It also means millions of dollars in business to the steel and machinery industry.

The business is there. It is waiting to be placed. Whether it will be placed now, when every industry is in most urgent need of it, or later, depends on the various industries themselves. The people have given their mandate. It now remains for business men to bring pressure to bear on Congress to put their mandate into effect immediately. Every trade association should lend a helping hand. If business will organize to push the amendment through, it can not but succeed in overcoming the obdurateness of some of our legislators.

The important thing is not to take any chances as to whether the modification may go through. Steps should be taken to make certain that it will go through and now.

AGRICULTURE RELIEF—THE ALLOTMENT PLAN

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred resolutions adopted by the farmers of Rush County, urging the passage of the Norbeck bill to increase farm prices for immediate, even though partial, restoration of farm purchasing power, and urging also the adoption of the domestic allotment plan as a more permanent national agricultural policy.

The farm problem has long passed the stage where it is simply a farm problem. Until farm purchasing power is restored through higher prices the Nation can not hope to recover from the depths of the depression into which we have been plunged.

The Rush County farmers approve the domestic allotment plan. I earnestly believe it offers more hope than any of the other plans proposed. There are some details of allotment of acreage to farmers that will have to be worked out. They are being worked out. They will be worked out. And I just wish to-day to express the fervent hope that this session of Congress will get down to business and take definite action toward doing the absolutely necessary thing—give the farmer a chance to sell his products at prices that will place him once more in the market for the things he needs and that industry has to sell.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

LA CROSSE, KANS., *November 23, 1932.*

Senator ARTHUR CAPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In accordance with instructions given me as the temporary chairman of a meeting of farmers of Rush County, held at La Crosse on the 19th instant, I am inclosing herewith a copy of resolutions unanimously adopted in favor of the immediate passage and approval of the bill introduced by Senator NORBECK and passed by the Senate at the last session placing an excise tax upon certain agricultural products and providing for the distribution of the proceeds to the producers of those commodities.

Firmly believing that the enactment and approval of this legislation will enure to the benefit of the farmers and also to those who profit through the prosperity of agriculture, it is our hope and our request that you will aid and support us through your influence in behalf of this measure.

Yours sincerely,

HERMAN W. CRAMER.

[Inclosure]

[From the La Crosse (Kans.) Republican, November 24, 1932]

Resolutions unanimously adopted by a mass meeting of farmers of Rush County, Kans., held in La Crosse, Kans., Saturday, November 19, approving the Norbeck bill and urging its immediate enactment into law

Whereas it is a well-known and clearly established fact that the present condition of those engaged in agricultural pursuits is one of economic chaos; and

Whereas it is also an established fact that agriculture can not be placed upon a sound economic parity with other industries without the enactment of remedial legislation by the National Congress: Now, therefore, be it

Resolved by the farmers of Rush County, Kans., here assembled November 19, 1932, That it is the unanimous opinion of this meeting that the passage by the House of Representatives of the "allotment plan" as proposed by Senator PETER NORBECK, of South Dakota, and passed by the Senate, will be of material aid and benefit to those engaged in agriculture; and be it further

Resolved, That a copy of this resolution be sent to the Representatives and Senators in Congress from Kansas with the request that they use their best efforts to effect the passage and approval of the said Norbeck bill at the earliest possible date in the forthcoming session of Congress in order that the industry of agriculture may have the benefits of such legislation made applicable to the crops of 1933; and be it still further

Resolved, That a copy of these resolutions be furnished to the press and to the heads of all farmer organizations in Kansas with request that they give their support and urge the passage of the said Norbeck bill.

TARIFF DUTY ON LACE FABRICS

Mr. DAVIS. Mr. President, I desire to call to the attention of the Senate a telegram received from the Wilkes-Barre Lace Manufacturing Co., of Wilkes-Barre, Pa.

Here is an industry employing thousands of workers earnestly pleading for an increase of 30 per cent duty that they may continue to employ their workers.

Can we hope to stabilize employment in the United States unless we regulate the inflow of goods from foreign competitors?

I ask that the telegram be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *December 5, 1932.*

Hon. JAMES J. DAVIS,
United States Senate, Washington, D. C.:

Import shipments, especially from England and Scotland, on lace curtains, nettings, lace table covers, scarfs, doilies, etc., made on Nottingham lace looms promises to close 10 large mills throughout the country, affecting thousands of workers in the lace-curtain plants and selling departments, also the entire art-linen industry, unless immediate steps are taken to increase the duty on these fabrics to at least 90 per cent, based on the American cost, in place of the present rate of 60 per cent on foreign prices. This acute condition is intensified by the difference in rate of exchange. This industry has suffered severely during this year. Large foreign orders placed by retail merchants in this country for spring 1933 will practically eliminate the American manufacturer from this field, which they have catered to for the last 50 years.

WILKES-BARRE LACE MANUFACTURING CO.,
Wilkes-Barre, Pa.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 5134) providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles; to the Committee on Irrigation and Reclamation.

Mr. BORAH. Mr. President, I introduce a bill for reference to the Committee on Foreign Relations. This bill is introduced at the request of the Department of State.

By Mr. BORAH:

A bill (S. 5136) authorizing the appropriation of funds for the payment of claims of the Mexican Government under the circumstances hereinafter enumerated; to the Committee on Foreign Relations.

A bill (S. 5137) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. McGILL:

A bill (S. 5138) granting a pension to Lola E. Waller; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 5139) for the relief of Frederick G. Barker; to the Committee on Claims.

By Mr. SCHALL:

A bill (S. 5140) for the relief of Joseph Lane; to the Committee on Claims.

A bill (S. 5141) for the relief of John F. Patterson; to the Committee on Military Affairs.

By Mr. GLENN:

A bill (S. 5142) to authorize the appointment of secretaries to United States circuit and district judges; to the Committee on the Judiciary.

A bill (S. 5143) for the relief of Eli J. Bennett; to the Committee on Military Affairs.

A bill (S. 5144) granting an increase of pension to Jessie G. Bivens; and

A bill (S. 5145) granting an increase of pension to Cora B. S. Walker; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 5146) granting a pension to Edward Lyman (with accompanying papers); and

A bill (S. 5147) granting an increase of pension to Anne K. Aastrom (with accompanying papers); to the Committee on Pensions.

A bill (S. 5148) authorizing the Secretary of Agriculture to adjust debts owing the United States for seed, feed, and crop-production loans; to the Committee on Agriculture and Forestry.

By Mr. WAGNER (for Mr. COPELAND):

A bill (S. 5149) to prohibit the counterfeiting of drugs, to provide penalties therefor, and for other purposes; to the Committee on the Judiciary.

By Mr. DILL:

A bill (S. 5150) for the relief of Johnson Bros. (Inc.); to the Committee on Claims.

By Mr. STEIWER:

A bill (S. 5151) for the relief of Ivan Matson; to the Committee on Claims.

A bill (S. 5152) granting a pension to J. R. Chapman (with accompanying papers);

A bill (S. 5153) granting a pension to Dan Kinney (with accompanying papers); and

A bill (S. 5154) granting a pension to Ida A. Muschick (with accompanying papers); to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 5155) granting a pension to Arthur W. Clements (with accompanying papers);

A bill (S. 5156) granting a pension to Charity Cooper (with accompanying papers);

A bill (S. 5157) granting an increase of pension to Rhoda J. Brandenburg (with accompanying papers); and

A bill (S. 5158) granting an increase of pension to Eliza J. Hiller (with accompanying papers); to the Committee on Pensions.

By Mr. GORE:

A bill (S. 5159) to authorize payment of farm-loan mortgages with bonds issued by the mortgagee banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. SMITH:

A bill (S. 5160) to provide for loans to farmers for crop production and harvesting during the year 1933; to the Committee on Agriculture and Forestry.

By Mr. REED:

A bill (S. 5161) for the relief of Louis Vauthier and Francis Dohs; to the Committee on Military Affairs.

A bill (S. 5162) granting an increase of pension to Helen G. Mercur (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 5163) for the relief of the estate of White B. Miller (with accompanying papers); and

A bill (S. 5164) for the relief of George B. Beaver (with accompanying papers); to the Committee on Claims.

By Mr. WALSH of Massachusetts:

A bill (S. 5165) correcting the naval record of Bartholomew Lawrence O'Brien; to the Committee on Naval Affairs.

By Mr. REED (by request):

A bill (S. 5166) to amend the World War veterans' act, 1924, as amended; to the Committee on Finance.

By Mr. WALSH of Massachusetts:

A joint resolution (S. J. Res. 212) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on Post Offices and Post Roads.

By Mr. COUZENS:

A joint resolution (S. J. Res. 213) authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

RELIEF TO FARMERS WITHIN IRRIGATION PROJECTS

Mr. BRATTON. Mr. President, by courtesy of the Senator from Michigan [Mr. VANDENBERG], who has the floor, I desire to introduce a bill and make just a word of explanation with respect to it.

During the last session of Congress a bill was passed extending certain relief to farmers within reclamation projects. Due to the increased force of the depression that measure has proved inadequate. I introduce a bill now to extend that relief by granting to farmers within reclamation projects a complete suspension of the repayment of construction charges during the years 1931, 1932, 1933, and 1934. I ask that the bill be referred to the Committee on Irrigation and Reclamation, and I express the hope that it may have early consideration.

The bill (S. 5135) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law was read twice by its title and referred to the Committee on Irrigation and Reclamation.

REORGANIZATION AND CONSOLIDATION OF EXECUTIVE FUNCTIONS

Mr. KING. Mr. President, I offer a resolution which is very brief. I ask that it be read and appropriately referred.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read the resolution (S. Res. 299), as follows:

Resolved, That pursuant to the provisions of section 407 of the legislative appropriation act, fiscal year 1933, the several Executive orders grouping, coordinating, and consolidating certain executive and administrative agencies of the Government, as set forth in the message of the President to the Congress, dated December 9, 1932, and printed in House Document No. 493, Seventy-second Congress, second session, are hereby disapproved.

Mr. KING. Mr. President, of some of the recommendations of the President I heartily approve. There are some which I think should be disapproved. It is impossible to offer appropriate resolutions dealing with the message as a whole, and I have therefore offered this resolution which disapproves of the whole, and later in some observations which I shall submit I shall point out a number of provisions of which I heartily approve.

The PRESIDENT pro tempore. The resolution will be referred to the Committee on Appropriations.

DEPORTATION OF BONUS MARCHERS

Mr. McKELLAR submitted the following resolution (S. Res. 301), which was ordered to lie on the table:

Resolved, That a special committee, consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the acts of the Commissioners of the District of Columbia and of the superintendent of police of the city of Washington, and those of the Secretary of War, and of the Chief of Staff of the United States Army, and of all other officials of the Federal Government and of the government of the city of Washington causing or planning or inciting or directing the attack on the ex-service men and women and children temporarily in Washington in the summer of 1932, the said attack having occurred on July 28, 1932, and having been commonly called a riot.

Said committee is further authorized and directed to investigate all the facts concerning the visit to Washington of certain members of the ex-service men, known as bonus marchers, in the spring and summer of 1932; their number; their departures; and the number remaining on July 28, 1932; their occupation of certain properties in the city of Washington; by what authority they occupied said properties; whether they occupied any Government properties, and if so, by whose permission; whether any houses or huts were built on public property, and by whom and by whose permission, if any; whether the Government furnished food or other aid to said ex-service men during said period of their stay in Washington; and including their expulsion from Washington by the police or by the United States Army, or both; and all the facts and circumstances surrounding or pertaining to the visit and the stay of said ex-service men and their expulsion from the city of Washington; their treatment by the police while here; their treatment by the District Commissioners; and their treatment by the Army and police in removing them from the city of Washington.

Said committee is authorized to send for books and papers and to secure all orders, resolutions, or letters of the city Commissioners of the District of Columbia, of the superintendent of police, and other police officials of all orders of the Secretary of War and of the Chief of Staff of the Army and other subordinate officials,



and all orders of an official nature, verbally or in writing, concerning said so-called riot, or concerning the enforced evacuation of Washington by said ex-service men, and every other fact and circumstance connected with the visit of the ex-service men in the city of Washington, their purpose in coming or their treatment while here, and their expulsion from Washington on or about said date of July 28, 1932.

The said committee is hereby specially directed to ascertain and to report its findings as early as possible to the present session of Congress:

1. Whether said ex-service men were lawfully in the city of Washington under their constitutional right of petition and their right "peaceably to assemble to petition the Government for a redress of grievances."

2. Whether any of said ex-service men were armed; and if so, how and how many.

3. Whether they assembled peaceably and conducted themselves peaceably while in Washington, and whether they were camped on the lots in question with the express or implied consent of the owners of the said lots and ascertaining the names of the owners of said lots.

4. Whether they were guilty of inciting a "riot."

5. Ascertain and if possible fix the responsibility of those who incited "the riot," if it is found there was one.

6. Whether the police of the District of Columbia participated in inciting "the riot"; and if so, by whose orders.

7. Whether the superintendent of police participated in inciting the "riot"; and if so, by whose orders.

8. Whether the ex-service men participated in inciting "the riot"; and if so, under what conditions and at whose instigation.

9. Whether there was in fact "a riot" prior to the Army being called out.

10. By whom the Army was called out, and whether lawfully called out or not.

11. Whether there was either a legal or an equitable justification or constitutional right for calling out the Army.

12. What methods of warfare and what weapons were used in dispossessing the ex-service men and in driving them out of the city.

13. Whether the facts occurring that day justified the calling out of the Army.

14. Whether and what bodies of the Army used on the occasion referred to were camped on the Ellipse and were ready for action before the "riot" happened or were they called out afterwards.

15. Whether or not the destruction of the ex-service men's huts at the corner of Third Street and The Avenue NW. was caused by fire applied by soldiers in the Army to said huts.

16. Whether the destruction of the huts at Anacostia was caused by soldiers in the Army firing these huts.

17. Were these huts fired and the ex-service men and their families run out in the nighttime and at what hour?

18. Whether there were any injuries to the police or to the soldiers of the Army, or injuries or deaths among the ex-service men, or their women or their children, caused by the use of gas in the expulsion of said ex-service men and their women and children.

19. Whether the Government at that time required the possession of the block at the southwest corner of Pennsylvania Avenue and Third Street NW., on which the huts of the soldiers were (and which were burned) in order to put public buildings thereon.

20. Whether other occupants of said lots remained unmolested by the Army, and how long such others occupying said lots were allowed to remain on said block.

21. Were the so-called communists among the ex-service men arrested by the Government and punished as communists, or what was found and done with them.

22. And, finally, make such other and further investigation if said incidents and such recommendations as may be proper and right under the circumstances to the end that the American people may know the full facts and that the Congress may have full and exact information, and a true and official record be made of the entire affair.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpœna or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical, and other assistants, and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $5,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 503) authorizing the payment of December salaries of officers and employees of the Senate and House of Representatives, Capitol police, etc., on the 20th day of that month, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 503) authorizing the payment of December salaries of officers and employees of the Senate and House of Representatives, Capitol police, etc., on the 20th day of that month was read twice by its title and referred to the Committee on Appropriations.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

LABOR CONDITIONS ON MISSISSIPPI FLOOD-CONTROL PROJECT

Mr. WAGNER. I submit a resolution, for which I ask immediate consideration. I do not think the resolution will create any opposition.

The PRESIDENT pro tempore. The resolution submitted by the Senator from New York will be read.

The Chief Clerk read the resolution (S. Res. 300), as follows:

Resolved, That the Committee on Commerce, or any duly authorized subcommittee thereof, is authorized and directed to investigate the labor conditions prevailing upon the Mississippi flood-control project and, as soon as practicable, to report to the Senate its findings and its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the Seventy-second Congress, to employ such experts and clerical, stenographic, and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and to take such testimony and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent for the present consideration of the resolution. The Chair holds that that may not be done. The resolution must in the first instance be referred to the committee having jurisdiction of the subject matter. Accordingly the resolution will be referred to the Committee on Commerce.

Mr. SMOOT. Mr. President——

Mr. WAGNER. No opposition has been raised to the consideration of the resolution, Mr. President, I might say to the Chair.

The PRESIDENT pro tempore. There happens to be not only a rule but a statute governing the matter. The Chair will state to the Senator from New York that where a resolution proposes to take money from the contingent fund of the Senate, under the law, it must go to the Committee to Control the Contingent Expenses of the Senate; and, also, there is a rule providing that resolutions of this character must be referred to the committee having jurisdiction of the subject matter. The Chair has ruled in accordance with the rules. However, if the Senator wishes the Chair to submit his request for unanimous consent the Chair will do so.

Mr. WAGNER. I do not suppose that by unanimous consent we can violate a statute.

The PRESIDENT pro tempore. The only thing that could be accomplished, then, the Chair will add, would be to waive the reference of the resolution to the Committee on Commerce. It must in any event go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WAGNER. That is the request I was about to make.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent for the waiving of the rule

which requires the resolution to go to the Committee on Commerce. Is there objection?

Mr. SMOOT. Mr. President, I want to ask the Senator from New York if there has not already been a resolution of a similar character to this submitted in the House of Representatives?

Mr. WAGNER. I do not know of any such resolution having been submitted in that body.

Mr. SMOOT. I have seen in the press some such statement, and until I can learn definitely in relation to it I shall object.

The PRESIDENT pro tempore. Objection is made, and the resolution will be referred to the Committee on Commerce.

WAR DEBTS AND TAXES—EDITORIAL FROM THE WASHINGTON POST

Mr. REED. Mr. President, I send to the desk an excellent editorial from this morning's Washington Post entitled "War Debts and Taxes," which I ask may be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of December 12, 1932]

WAR DEBTS AND TAXES

The most astounding thing about the current discussion of the war-debts issue is the assurance from some business men and economists that the United States can make itself prosperous by adding more than $11,000,000,000 to its debt. The interest charges on such a debt at 3½ per cent amount of $385,000,000 per year. If the debts were canceled, that sum would have to come out of the income of the American people. It would add a tremendous new weight to the tax burden. In addition to interest charges, the principal of this debt would have to be retired, thus taking a still larger amount from the current income of American business to pay for Europe's war that closed 14 years ago.

The cancellationists claim that international trade would be stimulated by the elimination of the war debts from international finance and that the resulting prosperity would add more to the national income than do the debt annuities. At present American export trade amounts to about $2,000,000,000 per year. With profits of 10 per cent (which is unreasonably high), American foreign trade would have to be doubled to reap enough profit to pay the interest charges alone on the war debts. The idea that foreign trade would be so accelerated by a program of debt cancellation is mere insanity.

One phase of this subject which has been given too little attention is discussed by Samuel Crowther in the Saturday Evening Post. If the intergovernmental debts should be wiped out, he says, Germany would be left with a debt of about $5,200,000,000, compared with a $36,000,000,000 debt for the United States, including the obligations of the Government, the States and their political subdivisions. Even assuming that the Government could absorb the additional burden of paying the war debts without increasing its present Budget, American citizens would be paying two and a half times as much in taxes as Germany. Ultimately taxes come out of productive enterprise. Mr. Crowther concludes that the tax levy upon American industry would be five times as great as the tax upon German industry.

Such a tax upon productive enterprise would make it increasingly difficult for this country to compete with other countries in world trade. Depreciated currency has already put America at a tremendous disadvantage in shipping its products abroad. Under the arrangement proposed by the cancellationists for the return of prosperity that disadvantage would be magnified. The ultimate effect might be to dry up American foreign trade because of the inability of this country to compete with nations that would be relatively free from the burdens hanging over from the war.

American taxpayers are already carrying an almost intolerable load. It has been greatly augmented by the depression. Congress has an obligation to future generations as well as to the present-day taxpayer to avoid a policy that would put the United States at a greater disadvantage in economic development.

ST. LAWRENCE WATERWAY

Mr. SCHALL. Mr. President, I have just received a very well-written letter from a private citizen of my State going to the ratification of the St. Lawrence waterway treaty. It seems to me that he has well and pungently expressed the view of the ordinary intelligent citizen of the Great Lakes States, whose population is about 40,000,000, and I ask to have it inserted in the RECORD.

Mr. President, it seems to me that these 40,000,000 citizens of the United States should have some consideration when they have stood their end of the taxes to build the Panama Canal, which canal has been of material benefit to the east and the west coasts and a serious detriment to the prosperity of the Central States. We of the Great Lakes region have been living for years upon our principal and it is high time that some fair consideration of us and our needs be had. Had Herbert Hoover been elected a 27-foot channel would have brought the Atlantic Ocean to our doors, and without the votes of these 40,000,000 people Mr. Roosevelt could not have been elected. It seems to me, therefore, that even a President, who, in the interest of his native State, New York, may be opposed to us getting an entrance to the Atlantic Ocean, yet in view of the support he received from these Lake States, taking his public utterances as a guaranty that he, too, would do what he could do to secure to our people this ocean shipping privilege which we are entitled to have, despite the opposition of the railroads and the State of New York, that he should now exercise his powerful influence upon this Senate to help along instead of impede the ratification of this Canadian-St. Lawrence waterway treaty.

I move that the letter be referred to the Committee on Foreign Relations and printed in the RECORD.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Without objection, it is so ordered.

The letter is as follows:

McLAUGHLIN GORMLEY KING CO.,
Minneapolis, Minn., December 1, 1932.

Hon. THOMAS D. SCHALL,
United States Senate, Washington, D. C.

DEAR SIR: I note that New York and the eastern section of the United States generally, including the shipping interests of the Great Lakes, are strongly opposing the ratification of the treaty arranged between the United States and Canada regarding the construction of the St. Lawrence waterway. It would seem to any person living in the Central West that the objectors certainly do not want for gall when you take into account the fact that the Central West and Mountain States paid their due and full proportion for the construction and opening of the Panama Canal, which so enormously worked to the advantage of the eastern and western coast, and which at the same time enormously damaged the Western and Mountain States as to their farming and manufacturing interests.

Then, too, the railroads are opposing the construction of this waterway and, in fact, all waterways in the United States to the greatest extent in their power, but the writer's view of this railroad opposition is that the railroads are entitled to no sympathy whatever in their present plight, for the reason that since the war they have never made any attempt to bring their expense account into line with conditions, and this particularly applies to wages which they are paying organized union help, which never have been since the war in line with conditions. Then, too, they are paying enormous salaries to their so-called general officers, who really have but very little power in making decisions on their own motions, as these general officers or presidents are obliged to take their orders from the banking interests of New York, which have been in control of the railroad situation for many long years.

In addition to these reasons, please keep in mind that the Steel Trust, also controlled by the Morgan interests, have compelled these railroads to buy their rails and all other equipment of this nature through the Steel Trust or its subsidiaries. It is only recently that these railroads have purchased their requirements of steel rails as low as $42 per ton, whereas for many years they paid $48 per ton, which, to say the least, was an outrageous price. It is unnecessary to say to you that all of these extravagant prices which they are paying for their supplies are reflected in the freight rates which the Central West are paying at the present time.

To give you some idea of the enormous increase in freight rates in the territory in question, I am inclosing a copy of the freight rates we are paying for the same service in 1914 as compared to January 1, 1932. You will notice that the freight rates in effect to-day are more than 100 per cent increased over the rates in effect in 1914. This refers to the fourth class from New York to the Twin Cities. The higher classes—first, second, and third—are, of course, much higher than the fourth-class freight rate.

You are familiar, I think, with the railroad situation as it was 40 or 50 years ago, even before Hill built the Great Northern to the coast. You will recall the enormous land grants that were made to these roads in those days, free rights of way, and many other privileges which have been capitalized by the roads since and the farmer and consumer have paid again for these gifts, not once or twice, but many times over in the way of excessive freight rates. Nothing can be expected from the Interstate Commerce Commission as it is now loaded down with railroad attorneys and representatives of capital. This commission has nearly made the Great Lakes valueless to the people of the Central West as the freight rates prescribed by the commission on the Lakes are only slightly lower than all rail rates, except to its favorite—the Steel Trust, on its iron ore.

A further reason why no attention should be paid to the present condition of the railroads, which, as the writer looks upon it, has been entirely brought upon themselves by their own actions,

is the fact that they have never provided for payment of bonds issued, and instead of doing so they have increased their indebtedness to an enormous extent, and our very complacent Federal courts have permitted them to base their rates on this highly watered capitalization. Before these railroads should be permitted to establish themselves again on the same basis of capitalization and freight charges this water should be wrung out of them and rates established on the actual present-day cost of the railroads and their equipment. Why should these transportation companies be permitted to continue their outrageous scale of freight rates while all other businesses are obliged to take heavy losses—thousands of people engaged in business having seen their savings of a lifetime wiped out, and this particularly applies to the farming interests of the United States, as the farmers have been not only deflated but ruined in this process? Why should a dollar invested in railroads be any more sacred than a dollar invested in farm lands and the products produced on farms? None whatever, in the writer's opinion, and this is just as true of losses incurred by banks, insurance companies, and mortgage holders of all kinds. Why should they not take their losses just the same as everyone engaged in business has been obliged to do? Many thousands of businesses have been completely wiped out.

This is just the view of a private citizen of the United States who has watched this thing for almost 50 years, which has been a record of spoliation of the people of this country by manufacturing and financial interests, of which the railroads are merely a tool.

The Western States will eventually compel construction of this waterway, but why spend years of effort in getting the work done? Nothing can delay this work other than the utter selfishness of the Eastern States in combination with the railroad and financial interests.

I hope we can count on your strong support in having the St. Lawrence waterway treaty ratified and construction begun at the earliest possible date.

Respectfully yours,

A. McLAUGHLIN.

Rail rates

FOURTH-CLASS CARLOADS, NEW YORK TO MINNEAPOLIS

1914	$0.53
1921	.90
1932	1.21

STANDARD LAKE AND RAIL, NEW YORK TO MINNEAPOLIS

1914	$0.38
1921	.71
1932	1.02

FEDERAL FARM LOAN LAWS

Mr. SCHALL. Mr. President, through the mails came to me a newspaper article bearing an Arkansas date line. The facts and arguments therein certainly appealed to me, and I am sure will be of vital interest to the farmers of the whole country. I ask to insert it in the RECORD.

Mr. President, it seems to me the most vital thing the Congress can do in this session is to rewrite the Federal farm loan laws. The farmers' loans must be refinanced or depression will be endless. The cotton farmers could stand 7 per cent interest when cotton was 20 cents or better, the corn and wheat farmers could pay when they were receiving at least the cost of production.

The thing most vitally crying to heaven for relief is a readjustment of the outstanding nontaxable bonds. If England in 1931 could recall her obligations and rewrite the interest on them from 5 to 3½, certainly we can afford to reduce ours from 7 to 3½, and I am sure the holders of these bonds would consent to this readjudication if Congress would make some provision whereby they could accept it. They would feel more secure with 3 or 3½ per cent where it was being regularly paid. Unless something of this sort can be done with overproduction in practically all lines, there is no chance for business to be enlarged or even to stagger on. In the case of the dispossessed owners they ought to be allowed to buy their homes back, and again there ought to be some check on these vandals who foreclose at the first opportunity they have to do so. In many instances all over the country foreclosures have proceeded immediately upon the defalcation of the first interest payment. Perhaps this Congreses could do no better than to hold an investigation and look into the action of this sort of Shylock banker. The lifeblood of the Nation is a prosperous agricultural condition. You can burn down your cities, and if agriculture is healthy, they will spring up overnight; but if agriculture is sick, nigh unto death, as she now is, your cities and business will rot as they now are doing.

I move that the article be referred to the Committee on Agriculture and Forestry and printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

"RUTHLESS METHODS" LAID TO FARM BANKS—ACCELERATION OF MATURITIES INCREASES HARDSHIPS—CHARGE HEARD IN COURT—NEW QUESTION RAISED BY ATTORNEY AT OSCEOLA OVERRULED—SOUGHT TO HAVE FORECLOSURE SET ASIDE

OSCEOLA, ARK., November 22.—Charging that the Federal farm-loan banks of the country have contributed oppressively and fraudulently to the crash of the land market in this and other sections of the country by the acceleration of the maturities of Federal farm loans, Clinton L. Caldwell, former St. Louis attorney, filed and himself argued a motion in chancery court here to-day to have a recent foreclosure sale by the St. Louis Joint Stock Land Bank of his extensive land holdings in this county set aside.

"Moratoriums for the nations of Europe accelerated maturities for the farmers of America," Mr. Caldwell charged in the argument he made in support of his motion before Chancellor Sam Williams, of Harrison, presiding as special chancellor for Judge J. M. Futrell at an adjourned day of court here to-day.

NEW QUESTION

Judge Williams overruled Mr. Caldwell's motion, stating that the question was a new one in the annals of Arkansas litigation, but that he had decided it according to his interpretation of the law. He suggested that Mr. Caldwell's remedy was to be found in the legislative branch of the Government rather than in the courts.

Mr. Caldwell took an appeal to the State supreme court. He contends that the Federal land-bank system in itself is sound, but that if new and complex Government activities, however lawful, be maladministered, new duties devolve upon the courts.

Quoting from the report of the Federal Farm Loan Board, he charges the 62 Federal and joint-stock land banks of the country with collecting over a 2-year period, beginning January 1, 1930, a total of $220,151,632.26 in principal, exclusive of interest, on farm loans on which the installments of principal falling due over the same period of time amounted to only $50,000,000.

This they accomplished, he asserted, by the ruthless acceleration of farm-loan maturities, declaring whole mortgage debts due upon less than a 30-day default in the payment of a single 3½ per cent installment, mostly of interest. They concealed their losses, if any, or their profits in the retirement of their own bonds which they have bought in at figures as low as 25 cents on the dollar, although these bonds do not mature for nine years, and mortgage loan interest collections could be depended upon and did take care of the bond interest payments as they fell due, according to Mr. Caldwell's argument.

Quoting from the same report, he produced figures showing to what extent the St. Louis Joint Stock Land Bank had figured in the general policy of the Federal farm-loan banks in the acceleration of maturities, and quoting from court records of the Osceola district of Mississippi County he also presented figures showing the number and amount of Federal farm loans where maturities were accelerated in this district.

EFFECT ON LAND MARKET

"What must be the effect of these extortionate operations on the land market at large, and particularly the land market in the Osceola district?" Mr. Caldwell argued.

"It matters not if there be other primary causes of its destruction, such as excessive bond burdens, excessive taxes, bad crops, or low crop prices. These weaken the land market by impairing or withdrawing its support, but they do not break it. Only actual cash sales on a poorly supported market break it. The premature collection of $220,000,000 mortgage principal by Government instruments would break any land market, even in prosperous times. In times like these it destroys a weakly supported market.

"In the summer of 1931, when the payment of a maturing debt of $250,000,000 to this Government threatened to destroy Germany, the Government granted her a year's moratorium and renewed it for a second year.

"If the payment of $250,000,000 means disaster to Germany, can the American land market, including that of the Osceola district, be unaffected by the enforced and premature payment of $220,000,000 mortgage-loan principal by impoverished debtors to Government agencies, increased probably by another $125,000,000 principal or more for the current year not included in the 2-year computation?

"The facts reveal that the Government, in attempting to operate what is purely a socialistic experiment, has aided and contributed to the destruction of the land market in the Osceola district of this county, on the altar of which market my own land and that of many others it proposes for sacrifice without immediate profit to anyone and with irreparable loss to all parties litigant and their creditors, except what may be lent speculation—a discredit even to Shylock and a burning disgrace to any government permitting it.

"This, my argument," Mr. Caldwell concluded, "is stilted to legal conventions—cold-blooded. Unstilted, the facts assembled under a broader spotlight would shock red-blooded humanity."

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine

Islands, to provide for the independence of the same, and for other purposes.

Mr. BROUSSARD. Mr. President, I offer two amendments to the pending bill. These are old amendments which were offered at the last session, but, in view of the fact that the print of the bill has been changed, I believe it will enable Members to more clearly understand what the amendments are by reintroducing them. In view of the fact, too, that I have made certain changes, I ask that the amendments may be read, printed, and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendments will be read, printed, and lie on the table.

The Chief Clerk read the amendments, as follows:

Amendment intended to be proposed by Mr. BROUSSARD to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, viz: On page 26, strike out lines 14 to 25, inclusive, and on page 27 strike out lines 1 to 6, inclusive, and the word "contract" and period in line 7. On page 27 strike out lines 10 to 25, inclusive, and on page 28 strike out lines 1 to 25, inclusive, and insert in lieu thereof the following:

"There shall be levied, collected, and paid on all articles that may be exported to the United States from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That for the first year of the existence of the government of the Commonwealth of the Philippine Islands all articles shall be exempt from the payment of said duty; and that for the second year the amount of all articles imported into the United States, including the articles enumerated in subdivisions (a), (b), and (c), as well as the amount of other articles imported from the Philippine Islands into the United States during the last fiscal year, free of duty as herein provided, shall be reduced by 5 per cent, for the third year by 10 per cent, for the fourth year by 15 per cent, for the fifth year by 25 per cent, for the sixth year by 40 per cent, for the seventh year by 60 per cent, for the eighth year by 85 per cent, and thereafter, and until final independence is granted, full duty shall be paid."

Amendment intended to be proposed by Mr. BROUSSARD to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, viz: On page 35 of the committee amendment strike out lines 1 to 17, inclusive, and through the word "report," in line 18, and insert in lieu thereof the following:

"SEC. 9 (a) On the 4th day of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act."

Mr. HAWES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. I yield.

Mr. HAWES. Mr. President, the battle of sugar is to be resumed to-day. In order to permit the Philippine people to live and pay their debts, if the proposed sugar amendment should be sustained by the Senate, they will have to be given the privilege of levying a duty upon American goods entering the Philippine Islands. So I submit an amendment which I may call up later.

Mr. President, in Ray County, Mo., during the frontier days when the Indian hazard was great, an old scout was asked what was the safe road to travel. He replied that there was murder on the high road and sure death on the low. That is the situation we are in in respect to this sugar controversy. Some desire a 500,000-ton limitation on sugar imports from the Philippine Islands, and others desire a million-ton limitation. We are about to go into a fight on the subject of liberty and keeping a national promise and maintaining the national honor with those considerations all obscured by the contention on the subject of sugar.

I hope that the amendment I am submitting will be read by Senators. I trust it will not be necessary for me to urge its adoption, but unless the Filipino people shall be permitted some substitute method of raising money, if the amendment affecting sugar imports shall finally be adopted, they are crushed.

The PRESIDENT pro tempore. The amendment will be printed and lie upon the table.

Amendment intended to be proposed by Mr. HAWES to House bill 7233, the Philippine independence bill, which was ordered to lie on the table and to be printed, as follows: On page 31, after line 9, insert:

"(f) There shall be levied, collected, and paid in the Philippine Islands upon articles going into the Philippine Islands from the United States 50 per cent of the rates of duty which are required by the laws of the Commonwealth of the Philippine Islands to be levied, collected, and paid upon like articles imported into the Philippine Islands from countries other than the United States. All such duties shall accrue intact to the general government of the Commonwealth of the Philippine Islands and be paid into the insular treasury."

Mr. VANDENBERG. Mr. President, I should like to proceed to a discussion of the pending bill. So many Senators have asked me during the last two or three days to submit to the Senate an explanation of the theory of the substitute I have offered and have suggested that this information is desirable before the Senate has concluded its consideration of the committee text that I propose at this time to ask the attention of the Senate to a consideration of the theory which the substitute contains.

I spoke at length, Mr. President, upon the entire Philippine subject in all its various facets last June, and I have no intention of repeating the thesis which I then submitted. But it seems to me that this whole problem is so desperately important in its implications, as affecting not only 13,000,000 people over there but 125,000,000 people here, that it is well worth while to have the whole contemplation and the whole controversy before us as we perfect the pending text.

We have heard a great deal about sugar during the last two or three days since the debate was renewed. We have heard a great deal about immigration. We have heard a great deal about the constitutionality or lack of it in the independence prospectus. I do not decry any of these propositions as lacking the importance which has been attached to them, but it seems to me, Mr. President, that the most important of all considerations has not had one moment's notice from the Senate in the entire debate since it was resumed.

What to me is the paramount vice of the pending bill is the fact that in a turbulent, chaotic, treacherous Orient, where even the most casual event can graduate into a major crisis overnight, the Government of the United States is to be left with sovereign responsibilities for 20 years, without adequate authority to protect these vital obligations against untoward hazard. I submit that is a fundamental consideration not only in respect to the material welfare of the Philippine Islands and the United States but that it is a basic contemplation in respect to the peace not only of the United States but of the world. I am unable to bring my consent to any formula which proposes to leave America in any such potential jeopardy.

I refer to it as the "paramount vice" in the pending bill. Of course I do not use that phrase invidiously. I use it with the greatest respect for my colleagues of the Committee on Territories and Insular Affairs, who heard me patiently and courteously and at some length upon this proposition and whose rather unanimous disagreement with my view probably would have convinced one less incorrigible of the error of his view. Certainly I say it with perfect respect for the authors of the pending bill, the able junior Senator from New Mexico [Mr. CUTTING] and the distinguished senior Senator from Missouri [Mr. HAWES], who shortly is voluntarily leaving the Senate, I am sure, to the regret of all of us and who will leave behind him a record of implacable devotion to the cause of Philippine independence.

I could not use the phrase invidiously, Mr. President, because of the fact that I myself embraced precisely the same philosophy two years ago when I first undertook a study of the Philippine question and when I first submitted proposed legislation upon the proposition. But since that time, in the face of realities—and I submit that no man can dare consider a problem of this nature without facing realities, and particularly oriental realities of the last few years—I submit it is absolutely unthinkable to create a twilight zone of authority in the Philippine Islands, where our flag is half up and half down and where we can not conclusively control the possible menace which may be implicit in the situation.

To me the time when the Philippine Islands shall have their independence is of infinitely less importance than how they shall get it and what we shall do before they get it. A matter of a few years one way or the other is literally nothing in the life of a nation. It is nothing in respect to this great Filipino adventure. We might infinitely better be safe than sorry, and I am proposing to submit to the Senate the proofs which, it occurs to me, sustain the thesis that we have no right to sublet our sovereign responsibility in a situation of this nature and not retain always and forever within ourselves complete control of whatever destiny is to proceed under the American flag.

Mr. President, when this legislation was pending in June I submitted a substitute which undertakes to reverse the order in which we shall approach Philippine independence. I mean by that that the pending committee bill creates a Philippine constitution immediately, raises immediately a Philippine Commonwealth, arouses at least a psychological simulation of independence at once, and then for 18 or 20 years commits us to an underwriting of what happens under those auspices.

The theory of the substitute is precisely opposite. It proposes to develop the preindependence period to the maximum advantage of the Filipino and ourselves with justice to both; but it also insists that the new native constitution must come at the end of the preindependence period instead of at the beginning, and that during the interim there shall be no shadow of a question of any doubt whatsoever not only as to the sovereignty in law but as to the sovereignty in practical fact.

I submitted this substitute last June. At that time the able senior Senator from Nevada [Mr. PITTMAN] suggested that it presented to the Senate a square choice between two different theories of approaching the problem. He urged that the Senate make its choice as between these theories without attempting to interlock them, and I have agreed that his viewpoint is correct. So it is the clash of these two theories that I bring to the bar of the Senate this morning—two theories which clash not only in respect to the particular exhibit I have already indicated, but which clash in some other instances, but of less import.

There are other theories respecting Philippine independence; and perhaps before I come directly to the parallel between my substitute and the pending bill I should briefly indicate what some of these other theories are, so that the Senate may have in mind, as a background, a general conception of the different methods of approaching this problem.

There is, for instance, the theory represented by the substitute, also pending, submitted by the able junior Senator from Utah [Mr. KING]. That theory is the theory of the earliest possible immediate, absolute, and complete independence of the islands.

I shall indicate subsequently that I consider this a perfectly tenable and defensible thesis, meaning that I think there are two clean-cut ways to approach the question of Philippine independence. One clean-cut way is the way proposed by the able junior Senator from Utah, if you want to proceed in that fashion. The other clean-cut way is through an adequate preindependence period of preparation, during which time our sovereignty continues in fact as well as in name.

Then there are these theories in between:

There is the theory of the so-called Hare bill, which comes to us from the House of Representatives, where it was adopted under gag rule in 40 cavalier minutes, and the destiny of two worlds was settled under rules which did not permit a single amendment or a single reasonable consideration of the implications involved. That bill looks to complete independence in about eight years, as I recall, without any economic preparation in the interim. In my opinion, it would lead straight to chaos within a year after we had retired. The Senate can decide for itself whether we are in position to withdraw completely from the Philippine Islands under such circumstances, and not leave behind some sort of a responsibility to see that the experiment for which we have provided no period of preparation shall work.

That is the Hare theory.

Then there is the War Department theory. The War Department theory is that you can not look ahead and set specific dates when certain unspecific things shall have been accomplished; in other words, that you can not write a prospectus in 1932 regarding undisclosed events that shall not culminate for two or three decades. I freely confess that there is a great deal of logic in that position; but the difficulty with the position is that always we shall be in that relative status, and to embrace that position is to embrace a viewpoint which probably forecloses any independence at any time.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. VANDENBERG. I yield to the Senator from Utah.

Mr. KING. I ask for information because I think it may determine the course which some Senators may pursue.

Does the Senator mean to imply that the War Department theory is a theory only of Secretary Hurley? My understanding is—and that is the question I am about to propound—that the executive department, including the President and the Secretary of State, approve of that view. If that be their view, obviously there is no good of our passing a bill of the character indicated by the Senator, or the Hare bill, or the Hawes-Cutting bill, because it would be subject to a veto.

Mr. VANDENBERG. Mr. President, I am not entering the field of speculation or prophecy respecting the attitude of the President or the departments. I am confining myself to a paraphrase of the testimony of the Secretary of War.

I suppose there is a final theory, which is the theory of permanent possession—perhaps permanent possession under a dominion form of government. I freely confess that in my view the material welfare of the Filipino people themselves probably would be infinitely surer and safer under such auspices. But, even if we would, we are not entitled to initiate any such auspices of any such program as that, Mr. President, because I cordially agree with the Senator from Missouri [Mr. HAWES] and with the Committee on Territories and Insular Affairs fundamentally that we are under unequivocal pledge to give the Philippine Islands their independence at their option if, as, and when they are capable of sustaining their own adventure. So I submit that in the face not only of the very definite commitment in the preamble of the Jones Act of 1916, but also in the face of the declarations that have been made upon this subject by practically every President of the United States since 1900, we are under definite and specific commitment to proceed in some fashion and under some formula to provide the option of independence to the Filipino people.

So it is under this theory of our commitment and our pledge that I have tried to find a formula which I think upon the one hand will permit the establishment some day of a successful Filipino republic; and, on the other hand, a formula which will do justice to American authority and a consideration of legitimate American interests in the interim. I find that formula in no concrete submission to the Senate save in the substitute which I shall call up after the text of the pending bill is completed.

May I say in passing that Col. W. Campbell Armstrong, former legal advisor to the Governor General of the Philippine Islands, made an address recently at Princeton University, from which I want to quote the following sentences:

> The Filipino is happier and more contented than any person that I know in the world to-day. He owns his own land, he has plenty to eat, clothes to wear, he can secure education for his children, and his health is protected by a beneficent government. As compared with the other peoples of Asia, and his own plight under the Spanish, his condition is enviable.

I merely submit that summary in passing as an exhibit to demonstrate once more that our stewardship has been beneficent, that there is no need for apology at any point

in the American attitude toward the Philippine Islands, and that we are entitled to consider the problem on a basis of its realities.

Mr. LONG. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LONG. There is no reason why the Filipinos ought not to be happy. They ship all their vegetable products in here free of any tariff. We send the money of the United States Government out there to support the Philippine government. I should like to be a Filipino myself if this thing is going to continue. I am going to advise the people of Louisiana to move to the Philippine Islands if this kind of thing keeps on.

Mr. VANDENBERG. Of course the Senator is justified in some of his observations.

Mr. PITTMAN. Mr. President——

Mr. VANDENBERG. I shall discuss that phase of the matter shortly, and I should prefer not to anticipate that discussion now; but I am quite willing to yield to my able friend from Nevada.

Mr. PITTMAN. Mr. President, which one of the assertions of the Senator from Louisiana does the Senator from Michigan agree with?

Mr. VANDENBERG. The Senator from Michigan will demonstrate within 15 minutes precisely which one he agrees with, and why, if the Senator from Nevada will be good enough to await that disclosure.

Mr. PITTMAN. I will, with the statement that I trust the Senator will not be committed by the mistaken statements of the Senator from Louisiana. The Senator will find out in a few minutes the mistaken statements of the Senator from Louisiana. The figures disclose that outside of our military forces, everything has been charged to the Philippines.

Mr. LONG. With a Treasury balance of 4 to 1 in favor of the Philippines.

Mr. PITTMAN. No; that is a mistake also.

Mr. LONG. Three hundred and ninety million dollars to $109,000,000.

Mr. PITTMAN. No; that is also a mistake.

Mr. VANDENBERG. I should like to reclaim the floor, and reach that phase of the discussion in due order, if the Senator from Nevada will permit me.

Mr. PITTMAN. I did not think the Senator from Michigan would wish to be committed to evident errors.

Mr. VANDENBERG. I hope to avoid all errors of fact.

Mr. President, these two theories of procedure—to wit, the one identified in the pending bill, the other identified in my substitute—interlock at many points in their prospectus. For instance, they both agree that we are under implicit pledge to look forward to Philippine independence.

Again, they both agree that we are obligated now to implement the preamble of the Jones Act. They both agree that the Filipino people themselves are entitled to make their own decision respecting their own destiny. That would occur under either bill.

They both agree that the Philippine Legislature of to-day should be required to approve whatever legislation may now be enacted before it should become effective, so that a complete sense of home rule and autonomy can pervade the thing we are doing.

They both undertake to limit immigration immediately.

They both assume to protect the future collection of existing obligation and debt, although I think the substitute makes this protection more effective.

They both strive for a period of preindependence economic preparation; but at this point they differ substantially in respect to the ways and means of proceeding in pursuit of preindependence economic sufficiency.

The so-called Hawes-Cutting bill and the substitute differ in respect to the period of time when the preindependence adventure shall culminate, but only by a few years—perhaps three, perhaps four. I do not want to linger upon this phase of the matter at all, because I repeat my own belief, that the actual, specific time involved is utterly subordinate to the question of how the independence shall be precipitated when it is, and what we shall do until the time when independence arrives. So I pass the question of any difference of opinion respecting the length of time. I would be quite content that the substitute should be made to agree with the pending measure in that aspect.

The Hawes-Cutting bill, so-called, permits the ultimate American retention of existing American Army and naval bases in the Philippine Islands. The substitute requires a final survey by the President and Congress at the end of the probation, and permits the United States to make whatever final disposition may be advisable, even to the possible extent of moving military and naval bases to other islands.

I do not stress this point other than to say that it is part of the general theory which I submit to the Senate, namely, that so long as America is a sovereign power in these islands, America is entitled to support and sustain its sovereignty by any means which it deems necessary, and I object to limitations in the measure to the contrary.

I quote just one sentence from the annual report of the Secretary of War in this connection:

> No sufficient reason is apparent why the United States should give away all property in the islands at independence and then seek to buy or lease from the independent Philippine government the same or similar property.

In the third place, the substitute in its original form provided periodical opportunities for the Philippine government to change its mind if it found the experiment unbearable. There has been such objection to this sort of arrangement that I propose to strike it from the substitute, so as to concentrate the issue I am submitting to the Senate so far as possible. There are other incidental differences, but I take no time upon these nonessentials. I come squarely to the fundamental points.

The first of these two fundamental points is the question of our economic relations during this preindependence period. I judge that the Senate at least partially concurs in that theory of the substitute, in view of some of the amendments which it has recently voted into the pending bill. I ask the Senate to follow me now in a very brief consideration of these economic relationships between the United States and the Philippine Islands pending this climax, when they are to be in fact free.

The so-called Hawes-Cutting bill, the pending measure, provides for limitations upon free American markets for sugar and hemp products and coconut products for 10 years on the basis of present Philippine exports to the United States. Thereafter it switches to straight tariffs, with an annual step-up in rates. The substitute provides these same initial limitations for 5 instead of 10 years, and then progressively increases these limitations in each subsequent 3-year period.

I want to make that plain. The limitations in the committee bill upon sugar, hemp, and coconut imports into our free market do not contemplate an actual increase in these limitations for 10 years. I submit this is unfair to us. The substitute starts the progressive increase in limitations in five years. Thus, from the domestic viewpoint, it is twice as effective as the pending bill.

Then these limitations in the committee bill take a form after the tenth year of tariffs starting at 5 per cent of our rates and increasing by 5 per cent annually for five years, reaching a climax of 25 per cent the fifteenth year. The substitute, on the other hand, increases the limitation upon free imports by 10 per cent in the sixth year and progressively increases this limitation by an additional 10 per cent each three years thereafter, reaching a final limitation of 50 per cent in the twentieth year.

Thus, from our domestic standpoint, the limitations start twice as soon and go twice as far under the substitute. From the Philippine standpoint the progressive changes are in 3-year intervals under the substitute instead of at 1-year intervals; and thus they have a more practical opportunity, a more livable chance, to accommodate themselves to the serial changes in their export status.

From the standpoint of economic sufficiency, if and when their ultimate independent republic is established, and from

the standpoint of their opportunity to make a success of their final great adventure, the Philippine republic faces but half as great an economic shock in the final transition under the substitute. Therefore it seems to me that the formula is more advantageous not only for them but for us.

Now, let me say frankly that the detail of these mathematics is of no particular moment. But the philosophy of action is important.

I shall not repeat the proofs which I submitted to the Senate on June 13 to sustain the proposition that Philippine independence does not stand or fall on a question of political self-sufficiency. The Filipinos already have 98 per cent of governmental autonomy. Rather it is calculated to stand or fall upon the basis of economic self-sufficiency. Independence takes away 80 per cent of their present market for free export. It costs them heavily reduced island revenues. It heavily increases the island budgets at the very moment when these higher expenditures impend. Their great adventure finally stands or falls on the economic basis of a successful diversification of crops and commodities, not only to serve island needs now served by imports but also to serve new export opportunities and to diversify markets for existing exports. This takes time; it takes emphatic dedication; it takes orderly evolution, reaching in its climax some semblance of the economic conditions to be faced under the auspices of final and complete independence.

I do not believe these specifications are provided in the committee bill. The substitute goes much farther; in fact, twice as far. Yet, as I have shown, it is three times as livable.

Now, Mr. President, regarding the consultation of our own continental domestic needs to free our own continental producers from this increasingly burdensome Philippine competition, which, from its very nature, is inevitably cheap competition, let me add this. To put primary emphasis upon any such consultation would be absolutely unmoral in the liquidation of this tremendous colonial enterprise, involving, as it does, not only the hearts and hopes of 13,000,000 people for whom we are serving as uninvited stewards, but involving also the honor of the Republic in relationship to a great and sacred trust. In other words, to consider this problem solely from the standpoint of our domestic commercial expediency and nothing else would be a libel upon American conscience.

On the other hand, this does not properly foreclose a fair assessment of the relative contributions which the Filipinos and ourselves are making to this adventure. Although we have a substantial trade in the islands—and our farmers should remember that this particularly includes wheat flour and cotton goods—our tariff favors to the Philippines have been worth four times as much to them as their tariff favors have meant to us. They have not suffered relatively any such economic troubles as have our farmers, and it is not unmoral, it is elementary fair play, for these conditions to be equalized; and I have come to the conclusion that we are entitled to equalize them, either with or without independence.

This can not justly be criticized as exploitation. It is equalization. It does not propose to penalize a colonial group for the benefit of the mainland. It proposes to stop the penalization of the mainland for the benefit of investments in the colonial group.

The Filipino farmer and the American farmer in net result are entitled to equal treatment, no more and no less, so long as the former is under the flag; but equality of privilege and of opportunity is not a unilateral rule; it works both ways.

When the American farmer confronts conditions under which he must limit production in order to survive, it is an elementary rule of fair-play partnership under a common flag that the Filipino farmer must share these limitations. Otherwise, he enjoys a special privilege.

He is not sharing these limitations to-day. He is increasing his production under the stimulation of imported capital at the very moment when his American farm partner is forced to decrease his production. The Filipino farmer's increased production, at infinitely lower cost than that at which the American farmer can ever produce, is literally subsidized by the hospitality of our free and unlimited markets. He is directly encouraged by our policy to increase production and dump it into the American market at price-breaking quotations, at the very moment when the American farmer has to take less than cost for decreased production in the same commodities.

By no stretch of the imagination can it be argued that our obligation to our island wards runs to such suicidal extremes. It is a travesty upon equality—and the victim is not the Filipino but the American farmer. Why in the name of fair play are we foreclosed from leveling the score?

Listen! From 1928 to 1931 Philippine sugar imports into the free markets of the United States increased 42.8 per cent, and every pound of it was made and sold at a profit or at least not at a loss. How many American sugar-beet farmers increased their production in any appreciable degree at all? Answer: Practically none. They even found themselves driven to a sale of their product at about half a normal price, the price often being broken by these same Filipino imports, and most of their sugar factories are in the hands of receivers. It is all very well for the Senator from Missouri [Mr. HAWES] to say that sugar should not be considered in a problem of this nature. I have said already myself that it would be utterly unmoral—yea, immoral—to permit it to control our policies. But inasmuch as we are writing a new formula for the relationship between these distant islands and the mainland, I submit that we have a right, in the full spirit of partnership and fair play, to see whether or not there is equality of relationship enjoyed by the farmer over there and the farmer over here.

The American Government has remitted the equivalent of at least $175,000,000, at the 20 per cent preferential tariff rate, upon Philippine sugar in the last decade. It is this subsidy which encourages this vast competitive development overseas, a 500 per cent development in 10 years. The subsidy is at the expense of our Treasury and the development is at the expense of our agriculture.

Who shall say with justice that it is unfair for us to insist, even without respect to Philippine independence, that this dual debit shall be put in bounds? Who shall say with justice that we dare not regulate our own subsidy? Who shall say with justice that it is unfair for us to take the status quo of 1929 or 1930 as a basis for these limitations when there is not a farmer in America who would not welcome for himself the status quo of 1929 and thank God for it?

Every discussion of farm relief in America is to-day predicated upon some form of crop limitation. How can crop limitation succeed at one point under the flag if crop stimulation exists at another point under the flag?

Furthermore, who shall say with logic that the Philippines can ever survive their own independence and their total loss of our free markets if they cavil at a relatively small limitation now and a reasonably progressive limitation down the years?

I submit that my substitute provides fairer equalization—that is the word—fairer equalization for us, and more livable equalization for the Filipinos in prospect of self-sufficient independence.

But, Mr. President, as I said in the beginning, even that consideration is secondary. I now come to the last and concluding exhibit, to which I can not see how any Senator can turn deaf ear, because it involves the fundamental peace of his own country and perhaps the peace of the Orient.

My fundamental objection to the bill is the philosophy of its political construction. It simulates immediate independence by at once creating the autonomous commonwealth of the Philippine Islands, but it does not create actual independence for about 18 or 19 years. In other words, the Government of the United States retains responsibility for what may happen under this experimental autonomy, but it substantially yields up the authority to so govern the long interlude that the responsibility shall not involve us in consequences which we neither make nor sanction and which

might be utterly intolerable. In other words, the American flag stays up under the terms of the pending bill, but it stays at sort of half-mast. I am bound to submit to the Senate that this is an utterly dangerous and anomalous ritual. For us, for the American Government, it means the continuation of our supreme responsibilities without the effective authority to sustain them. It is the continuation of our stewardship on the basis of a residuary responsibility if, as, and when trouble breaks. It puts a chip upon both of Uncle Sam's shoulders and then puts both of his arms in a sling. I can not persuade myself that the Government of the United States is warranted in accepting any such blind and contingent entanglements as are defined in this procedure to which I advert.

It is proposed in this bill, Mr. President, that the Philippines shall now adopt a new constitution of their own to fit a speculative independence which may or may not eventuate nearly two decades later. We give them those forms and licenses of independence at once, but the continuous responsibility for what really happens during the adventure does not leave the American people. It virtually amounts to immediate Philippine independence under an American protectorate for some 18 years. It is virtually immediate independence with all its assets inuring to the Philippines, but with all its liability still attaching to the United States. It is immediate independence for the Filipino minus the vital responsibility for actual sovereignty and minus any progressive curtailment of our free markets for 10 years.

I respectfully submit, Mr. President, that not even the obligations of generosity to these island wards call upon us for any such attenuated grant of authority to them to involve us in the consequences of its use or misuse.

I respectfully submit that there are but two clean-cut courses to pursue.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. SCHUYLER in the chair). Does the Senator from Michigan yield to the Senator from Maryland?

Mr. VANDENBERG. I am glad to yield.

Mr. TYDINGS. I ask the Senator a question for information. The Senator has expounded a theory as to what could happen under each of those principles. I suppose he has thought very much about it, and if he could do so I would be very grateful if he would suppose an incident to occur and what our circumstances would be under first the one bill and then under the other, so we might have an application of that theory by concrete example.

Mr. VANDENBERG. The Senator's request is thoroughly justified and if he will bear with me for five minutes, I shall reach a specific demonstration of the proposal and thought I am attempting to submit to the Senate.

Mr. TYDINGS. I am sorry I interrupted the Senator.

Mr. VANDENBERG. I respectfully submit that there are but two clean-cut courses to pursue. First, the creation of an adequate and effective period of economic preparation for independence, during which time we retain both authority and responsibility, and at the end of which time the Philippines adopt the constitution to serve their independent status. This is the philosophy of my substitute.

Or, secondly, the creation of immediate and complete and unequivocal independence at the earliest possible date when our relations may be severed. This is the philosophy of the substitute which will be offered by the distinguished Senator from Utah [Mr. KING].

Manifestly I prefer the former course, and I think it evidences the most friendship for a permanently successful Philippine republic. But if this course be rejected, I submit that the only other logical course is that submitted by my able and distinguished friend from Utah. I submit there can be no middle ground.

The pending bill meets neither of these specifications. It borrows from both, yet qualifies under neither. It creates a twilight zone of authority. By creating a native constitution at the beginning instead of in the climax of the preindependence experiment, which is to determine whether there is to be any independence at all, it puts the cart before the horse. I do not see how the Filipinos themselves can say in 1935 what constitution they are calculated to desire in 1953, inasmuch as the interim is presumed to be dedicated to experimental autonomy looking ahead to the subsequent grand climax. But I certainly do not see how the Government of the United States can commit itself to sovereign responsibility for what shall happen within the Philippines during these long years when native rule is attempting to prove itself.

Mr. President, since the bill was reported by the committee, at the instance of one of its coauthors, we have even amended the bill to withdraw the privilege previously intended to the proposed American high commissioner to live in Malacanon, the long-time official residence of the high and supreme sovereign authority in the Philippine Islands. It is now proposed that the native head of the new native Commonwealth shall live in Malacanon and thus personify the supreme authority of the Philippine Islands all through the 18 or 20 years when we are the residuary legatees of all the responsibilities that shall open to them or to us or to the Orient under such circumstances. Our own high commissioner is left to live in an unofficial and an unimpressive place.

What it amounts to is that we accept a sort of Platt amendment, speaking in terms of Cuban analogy, and we may be reminded that under such auspices we once had to return to Cuba and intervene. I quote from subsection (n) of section 2 of the pending bill:

> The United States may exercise the right to intervene—

"May exercise" is the phrase. The suggestion is that we do so by implication rather than by right, although our flag is up and our sovereignty is recognized during all these hazardous years. I quote the complete section:

> The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of their constitution.

In the language of the street, we hold the bag, but the contents of the bag will be largely the choosing of the Filipinos themselves. I submit that the process is neither logical nor safe.

I quote at this point former President Theodore Roosevelt, the distinguished father of the present distinguished Governor General of the Philippine Islands. Speaking in 1914, he said:

> If the Filipinos are entitled to independence, then we are entitled to be freed from all the responsibility and risk which our presence in the islands entails upon us. * * * To substitute for * * * government by ourselves, either a government by the Filipinos with us guaranteeing them against outsiders or a joint guaranty between us and outsiders would be folly. * * *

In other words, Mr. President, the pending bill, in this aspect of it, falls squarely under the indictment of the late President Roosevelt, who said that any such twilight zone of procedure would be nothing else but folly. I make his word my own. I submit that the Senate dare not embark upon folly, at least without a careful assessment of its implications and its trends.

At the risk of perhaps tiresome repetition, I repeat, Mr. President, that Congress should either order immediate and complete freedom for the Philippines, or it should ordain a specific period of preindependence preparation during which time American authority shall never desert American responsibilities.

As a simple but pertinent illustration of my point—and I now come to the inquiry submitted to me by the able Senator from Maryland a short time ago—let me turn to contemporary history in the islands themselves where there has just been an incipient Moro uprising on the island of Jolo in the Sulu Province. It has cost perhaps 50 lives. I do not emphasize the event itself. But I do emphasize the editorial reference to it in the Manila Tribune of October 28. It is important to remember that this great newspaper has hitherto expressed strongly nationalistic views; and that its

editor, Mr. Carlos P. Romulo, has accompanied previous independence missions to the United States. My authority for this quotation is the New York Times of December 4, 1932. I ask the Senate to attend upon this editorial from the Manila Tribune, a journal, I repeat, which has all the independence sympathies possible. I quote:

Down in Jolo a few score of disgruntled Moros, led by a fanatic, kill a dozen or so constabulary men. The insular police of the region is mobilized. Men are sent to the scene of the trouble with orders to get the outlaws that peace may be restored. Up in Manila a high insular official (Honorio Ventura, secretary of the interior) comments that the outlook is gloomy. It costs money to undertake major military operations and the government hasn't any money.

I am quoting from an editorial in the Manila Tribune describing a recent native uprising in one of the provinces. Continuing the quotation:

But let us assume that the disturbance was of a graver nature. Let us suppose, for the sake of argument, that instead of a few score of outlaws, armed with a dozen stolen rifles and capable of being dealt with by a company of constabulary, we were to have a holy war among our Mohammedan citizens, a widespread violent defiance by demagogue-led farm hands * * * a situation, in short, that would make mandatory a large-scale campaign of the sort the official in question tells us is impossible at present. What then?

The disturbance offers us a lesson of no mean significance. It challenges our attitude of unconcern toward the internal peace of our country. It gives us a foretaste of what may happen in the future.

An independent Philippine government may have to live on less than half its present revenue. That would mean the reduction of the activities of our constabulary force to the lowest possible minimum. It would mean the placing of our peace and order in a state of constant jeopardy.

Now, there is the example which in a small but nevertheless clinical way invites our attention; and I say this to the Senator from Maryland in respect to it. So long as there is a firm and clearly understood American administrative responsibility in these islands, I would contemplate no menace of this nature that could not be handled precisely as this one was handled. On the other hand, I would contemplate that when a native governor sits in Malacanon, and we are 5,000 miles away except as we are casually represented by a high commissioner, and when under the very terms of the charter by which he sits there, we are under contract to intervene if there is trouble, I should say that we had created a situation which invited trouble makers to make trouble for the purpose of getting us to intervene.

Mr. TYDINGS. Mr. President——

Mr. VANDENBERG. I yield to the Senator.

Mr. TYDINGS. The Senator will admit, I think, that the incident to which he refers could happen under either bill; but his point is that we would be in a better position to suppress an uprising under his bill than we would be under the Hawes-Cutting bill. Is my premise correctly taken?

Mr. VANDENBERG. It is partially correct. I should like to amend it to this extent: The difference is that while trouble may arise under either bill, if it should arise under the substitute, at least, we would be in control of every step of the situation, so that we might on our own initiative control it at its very inception, as in the exhibit I submit, whereas under the pending bill our opportunity to proceed into the situation would not arise until a tragic climax had occurred. That is the premise.

Mr. TYDINGS. The Senator also will admit, I am sure, that the divisions among the people of the Philippine Islands are along religious rather than on any other lines. The Moros, being Mohammedans, are a very small part of the population. The majority of the population are Christian; in fact, if my figures are correct—and I am quoting from memory—there are about 400,000 Moros and eleven or twelve million Christians.

The Senator also knows that the Moros have not responded to education, that they have no police force of their own, and that the entire Philippine constabulary is made up of Filipino Christians. The Philippine constabulary has reached a degree of training and development where it has commanded the respect and approval of practically every American governor of recent years.

I can not imagine that these 400,000 Moros—where one line of demarcation, according to the incident cited, would come—could overcome 12,000,000 Christians who had within their own number a trained army, equipped with ammunition, field guns, machine guns, and everything else, whereas the Moro has only his knife and his bolo with which to conduct warfare.

If I may transgress further upon the time of the Senator, may I say that Mohammedan fanatics have run amuck in the Philippines and other places for innumerable years. Under their philosophy, for every Christian they kill they are endeared more closely to their own god. One ingenious American administrator in the Philippine Islands hit upon the idea of telling them that every Mohammedan fanatic who ran amuck and killed a Christian would be buried alongside of a pig; and as it is part of their religion that they must not be associated with pork, that simple device has diminished the Mohammedan fanaticism in the Philippine Islands about 95 per cent. Therefore, I do not feel that the incident which the Senator has related to the Senate is well taken, either from the standpoint of numbers, there being 400,000 Mohammedans on the one side and 12,000,000 Christians on the other, or from the standpoint of preparedness, there being no preparedness among the Mohammedans, on the one hand, and there being preparedness among the Christians on the other. And I say it would be unjust to the Filipinos to suppose that a little tail of 400,000 Moros can wag a dog of 12,000,000 Christians.

Mr. VANDENBERG. I thank the Senator for his observations and I shall discuss them. First, I suggest to him that when he undertakes to confine his thesis merely to the one exhibit, he does violence to it, inasmuch as the editor of the native newspaper from which I have been quoting—one of the leading editors in the Far East—himself carries his own exhibit to the further field in which he contemplates uprisings of demagogue-led farm hands in various parts of the provinces. So the conclusion drawn by the Senator from Maryland in attempting exclusively to discuss a religious conflict, I submit, is not justified by the exhibit which I have submitted. But even if it were justified, Mr. President, the Senator from Maryland and I are ten or fifteen thousand miles away from this field of potential difficulty. It is not for us to sit in the safety of the Senate Chamber and trust to our speculations as to what might happen. If there are to be admonitory speculations, I submit that it is far safer to trust a great native journalist, who presides over a great native publication, and who has demonstrated his inherent sympathy for independence by having been a member of numerous independence missions coming to Washington, when he says, in words of one syllable, that the incident to which I have referred, the most recent in the islands, constitutes a lesson of no mean significance.

Mr. TYDINGS. Mr. President, I do not mean to discountenance entirely the claim that under the pending bill there is not a great deal of responsibility which, if circumstances permitted, I would rather the United States would not assume, but may I just reverse the picture for a moment, if the Senator will bear with me? Suppose that we knew that in the city of Manila 185 persons were killed each year by criminals, as has happened in one of our large cities; suppose that they had a large army of farmers, led by so-called demagogues, who encamped in the city of Manila, and the constabulary had to be called out with tear bombs and the army with tanks in order to drive them out of their encampment there; and suppose, in addition, that there was a hunger march upon the capital, and that as the hunger marchers approached the capital of Manila the constabulary and the police force had to usher them through the town, all due to economic conditions, might I then not observe that if the Filipinos shall come to this pass they will have ample opportunity to point to like occurrences in nations which claim a higher state of civilization and a better stability of local self-government than we are apt to bestow upon them?

Mr. VANDENBERG. I think the Senator's observations and parallels are quite justified; and I have often argued

that in many aspects of their living, the Filipinos have completely demonstrated that they are our equals in much of their culture and in much of their genius and in much of their demonstrated ability to govern themselves. I could not, however, concede for a moment that simply because there may be gang warfare in Chicago, for example, we would be justified in winking at the possibilities of gang warfare in the Philippine Islands; nor could I concede that because we may have on hand at home an unliquidated problem, which unfortunately we have not attacked soon enough, there would be any precedent for not now attacking this problem over there while we still have it de novo to deal with.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. TYDINGS. I have been very much impressed with the Senator's remarks. I think his address is one of the ablest addresses on any subject to which we have listened for a long time. I thought the Senator, in answer to my question, was going to picture the possible consequence to our own country of some international controversy between the Philippines under local self-government and, say, China or England or any other country.

Mr. VANDENBERG. I am coming to that.

Mr. TYDINGS. That was the thing about which I wanted to be informed before I made up my own mind. I know the Senator has thought about it, and I hope he will dwell upon it.

Mr. VANDENBERG. I shall now address myself to the particular thing to which the Senator from Maryland refers, although I shall have to ask him to let me deal with it in generalities, because for obvious reasons I think there would be no useful service in dealing with it specifically.

In the annual report of the Secretary of War, when he deals with this question of Philippine independence, he says, among other things—and I am now quoting from his official observations regarding the pending bill:

> Widespread unemployment and discontent, public disorders which the weakened government would be helpless to repress, revolution, chaos, and absorption by some stronger power would be the natural and probable sequence.

The Secretary says that the bill would—

> subject the United States to grave risk of becoming involved in many of the conditions outlined above. It would continue to be responsible, with greatly weakened practical powers of authority and control, during a period when the situation was becoming more and more precarious as the date for independence approached and as the anticipated conditions to follow the transfer of sovereignty were being discounted in advance.

Mr. President, the quotation from the Secretary of War refers to collateral implications involving other foreign powers, which is precisely the thought that my able friend from Maryland was throwing out.

I do not care to invade this field of discussion, because it seems to me that the domestic reasons against American responsibility without American authority in the Orient are conclusive. But it is not to be dismissed in a complete assessment of the problem. The Far East was never more politically unsettled than it is to-day. The clashing policies of rival powers in this theater are by no means clarified for to-morrow. Ominous events may lie ahead, even as they lie immediately behind. No bill of particulars is necessary to sustain this thesis, as we well know by contemporary experience. It is difficult enough for the United States to steer her course in these far-eastern problems even when she is complete master of her own and the Philippine destiny. How much more difficult might it not be when for nearly 20 years we still maintain responsibility for the foreign contacts of a Philippine commonwealth in this distant and turbulent hemisphere, although shorn of adequate administrative control within the commonwealth over the forces which might easily precipitate hazardous external reactions! And, as a suggested bill of particulars, I merely refer my able friend from Maryland to a possible analogy with what happened in Shanghai.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. VANDENBERG. I yield to the Senator from Louisiana.

Mr. LONG. As the Senator well knows, I want one of these bills passed. This thought occurs to me: It is very difficult, is it not, to prescribe all the various things that America could or could not do or should do under a protectorate—in other words, to provide for every eventuality that might arise when they are supposed to be, in a technical sense, independent?

Mr. VANDENBERG. That is right.

Mr. President, I am not discussing the possible exposure of the ultimate Philippine republic in 1950 or thereabouts. It is my judgment that it is entirely possible, by international agreement, to protect that particular vicissitude.

Mr. TYDINGS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Maryland?

Mr. VANDENBERG. I yield to the Senator.

Mr. TYDINGS. I desire to have the Senator know that I am asking for information now. I am not taking issue with him.

In the event that there should be a necessity for intervention in the islands under either bill, what would be the difference between intervening under the Hawes-Cutting bill and intervening under the Vandenberg bill?

Mr. VANDENBERG. Mr. President, there would be no intervention under the substitute, because we would still be in top administrative control on the ground of the local situation, precisely as we are to-day.

Mr. TYDINGS. May I say to the Senator that I see that distinction.

Suppose that the Hawes-Cutting bill is enacted. We have the right to intervene, as I understand, if we want to. That is safeguarded and passed on by the Filipino people. Therefore, if we wanted to intervene under either bill, would not the physical situation be practically the same, with a slight advantage in favor of the bill that the Senator from Michigan has introduced?

Mr. VANDENBERG. I think the situation might be comparable in its physical aspect at the time of intervention; but the thing I am urging, Mr. President, is that under the substitute theory we are in sufficient control of the situation continuously so that we might even so direct matters that the equivalent of intervention would be unnecessary, whereas under the pending bill we are not entitled to consider intervention until trouble has reached a climax of major proportions and may be out of control short of a serious and costly campaign.

Mr. TYDINGS. I think the Senator has completely answered my question.

Suppose that the Philippine people had some controversy with another power in finding new markets after we start to apply these tariff restrictions: How about the responsibility of the United States then under the Hawes-Cutting bill, as compared with the responsibility under the Vandenberg bill? What would be the difference?

Mr. VANDENBERG. I do not think there is any difference of any major moment in that exhibit, because under either bill the Government of the United States is responsible for the foreign relations of the Philippine Islands. But again I say that under the substitute we are in constant ultimate control of these forces which are leading toward a potential argument. Under the pending measure we are not in control of these forces, and it is perfectly inevitable that we should be unable to defend our responsibility as effectually in the one instance as in the other. That is so completely an axiom in my mind that I scarcely care to press it further.

Mr. TYDINGS. Mr. President, will the Senator yield for just one more question?

Mr. VANDENBERG. I yield; yes.

Mr. TYDINGS. As I understand the restrictive provisions of the bill introduced by the Senator from Michigan, they take effect much sooner than do the restrictions under the Hawes-Cutting bill. Is that correct?

Mr. VANDENBERG. The Senator is speaking about the economic restrictions?

Mr. TYDINGS. The economic restrictions.

Mr. VANDENBERG. The Senator is correct.

Mr. TYDINGS. I am asking simply for information. Does not the Senator think that by accelerating these restrictive provisions he will hasten disorganization among the different trades and avocations of the Filipino people, rather than prevent the situation which he has pictured?

Mr. VANDENBERG. No, Mr. President, because I think the element of time, in respect to the time allowed between serial changes of limitations, is the controlling factor in that entire phase of the matter, meaning that if there is adequate time between the serial changes in the limitations I think it is far more probable that the Philippine economy can accommodate itself to the prospectus than if they have to be in a constant condition of change, year after year, as is provided in the pending measure.

Mr. TYDINGS. Then may I ask the Senator, assuming that what he says is true—and I am inclined to take his own view of that situation—whether that could not be accomplished without altering the substance of the Hawes-Cutting bill by incorporating into the Hawes-Cutting bill the time provided for in the Vandenberg bill with reference to these economic restrictions?

Mr. VANDENBERG. Theoretically, that could be done.

Mr. TYDINGS. I mean, if it is a good point, if that is the wise thing to do, there is no reason why that part of it could not be incorporated into the Hawes-Cutting bill without destroying the bill itself.

Mr. VANDENBERG. I will say to the Senator that the only difficulty is a physical one. In an anxiety to preserve the identity of the Hawes-Cutting bill, I tried in each instance to raise my issue in the form of amendments, and I discovered that the two theories fundamentally differ so that they inevitably interlock in some casual factor all through the text, and it is practically impossible to raise the issue in the form of amendments.

I will say to the Senator that my embarrassment in bringing the problem to the floor of the Senate is this:

I scarcely feel entitled to ask the Senate to accept from me, upon my individual responsibility, a complete substitute respecting so perplexing and complicated a thing as a system of government and the relationships between the system for the Philippines and ourselves; but there seemed to be no way in which I could personify and identify the theories except to bring in the new substitute. I will say to the Senator that I have thought that if the Senate agreed in any respect to the theory which I submit, perhaps the practical thing to do would be to vote to recommit, with instructions to insert a specific change in the bill, plus instructions to report back within a week or 10 days, so that we shall in no sense be guilty of impeding the successful culmination of this legislation.

Mr. TYDINGS. I want to thank the Senator for his very kindly reply to my questions, and for his very instructive talk on this subject.

Mr. VANDENBERG. I am very happy to be interrupted by the Senator.

Mr. LONG. Mr. President, will the Senator permit an interruption along the line that the Senator is developing and that the Senator from Maryland was talking about, namely, foreign trouble?

Mr. VANDENBERG. I yield.

Mr. LONG. It could very easily be that by reason of the courts of the Philippine Islands not functioning, trouble, both domestic and foreign, could continue to arise. For instance, say they allowed certain ravages to go on, and the courts of the Philippine Islands would not convict. That might bring on a foreign entanglement; whereas if it were an American court which we must defend in case of foreign entanglements or trouble, they probably by a strict enforcement of the law would prevent any such trouble arising. I can see that.

Mr. VANDENBERG. I thank the Senator for his observations.

Now, Mr. President, I want to conclude.

Mr. FESS. Mr. President, before the Senator concludes, will he yield to me?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Ohio?

Mr. VANDENBERG. I yield to the Senator from Ohio.

Mr. FESS. I have been greatly impressed with the manner in which the Senator has discriminated between the two theories. It appears to me that in the pending bill the Government of the United States has a continuing responsibility with constantly decreasing authority, while in the substitute the responsibility is here but we have commensurate power until the time comes for the change.

Mr. VANDENBERG. The Senator has summarized the situation precisely.

Mr. FESS. It seems to me there should not be much of a dispute as to what our attitude ought to be on that score.

Mr. VANDENBERG. That is precisely the reason why I have presumed to intrude upon the Senate's attention and consideration in this fashion. I agree with the able Senator from Ohio.

I do not understand how we, responsible to the American people for the destiny of our own country as well as responsible to the Filipinos for our stewardship over their affairs, can approve a schedule under which we retain the sovereign responsibility in a section of the world that is harassed and perplexed and treacherous, and yet do not retain within ourselves adequate authority to implement that responsibility and preserve it against untoward developments. It is on that basis, primarily and fundamentally, that I shall call up the substitute when the text of the pending bill has been perfected by its last amendment.

Mr. BROUSSARD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Robinson, Ark.
Austin	Cutting	Johnson	Robinson, Ind.
Bailey	Dale	Kean	Schall
Bankhead	Davis	Kendrick	Schuyler
Barbour	Dickinson	Keyes	Sheppard
Barkley	Dill	King	Shipstead
Bingham	Fess	La Follette	Shortridge
Black	Fletcher	Logan	Smith
Blaine	Frazier	Long	Smoot
Borah	George	McGill	Steiwer
Bratton	Glass	McKellar	Swanson
Broussard	Glenn	McNary	Thomas, Okla.
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Moses	Tydings
Byrnes	Grammer	Neely	Vandenberg
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walsh, Mass.
Cohen	Hatfield	Patterson	Walsh, Mont.
Connally	Hawes	Pittman	Watson
Coolidge	Hayden	Reed	White
Costigan	Howell	Reynolds	

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is absent to-day on account of illness.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. PITTMAN. Mr. President, I desire to discuss briefly some of the fundamentals of the pending legislation. I have entered a motion to reconsider the vote by which the Senate agreed to the amendment under which the quota of sugar entering the United States from the Philippine Islands during a certain period of time would be reduced. I do not desire to discuss that at the present time, as I think the proper time to discuss that subject will be when we shall have disposed of some of the fundamental principles involved in the pending bill.

I regret to say that the argument has rather degenerated into one based upon selfishness. The high place this question held in the Congress of the United States and in our entire Government for many years has been rapidly reced-

ing. I find that instead of the subject being debated on this floor, the debate is being conducted, at enormous expense, in the form of advertisements in some of our press.

I have been astonished at the tremendous interest Cuba has manifested in the question of permitting any sugar to come into this country from the Philippine Islands. I am also astonished at the tremendous support of the sugar producers of this country, of the Cuban lobby, who for years, to my knowledge, since I have been in the Senate, have been almost mortal enemies of the sugar producers of Cuba. That matter does not concern me, except to the extent of leading me to say that the thought relative to this legislation is degenerating; it is degenerating into pounds—pounds of sugar.

We are appealed to by a people of whom we took possession 30 years ago against their will. We are appealed to for justice, justice alone, and nothing else, because if there ever was a people represented by such an able and just commission as that by which the Filipinos are represented here to-day, I have never known it—by Osmena, the president pro tempore of their senate; by Mr. Roxas, the speaker of their house of representatives; by their majority leader; by their minority leader—and all of their representatives—have been just and fair.

These gentlemen have conceded so much to the interests in the United States that to-day they are meeting political opposition in their islands. Yet they know, as I know, and as every member of our committee knows, and as those who have studied this question in any capacity know, that there are certain views in Congress which are so fixed that unless those views are respected there will be no legislation.

It is well enough to say, "Give the Filipinos immediate independence." I am conscious of the fact that some who have said that recently have testified before the committee that they would not agree that the Filipinos should have independence even in 30 years. Consequently the statement "Give them immediate independence" is absolutely inconsistent with their testimony against fixing a date, even 30 years hence, when they should be made free. It arouses a suspicion in my mind that those who are opposed to any independence, but who urge immediate independence, possibly have the thought in mind that no such bill can ever pass Congress, or that if it did it could never be passed over a possible veto.

I do not think anyone will deny that I have the most intense sympathy for the farmers of this country. Not only have I intense sympathy for them in their plight and their lack of purchasing power, but I am absolutely convinced, as I have said time and time again on the floor of this body, that there can never be any prosperity in this country until their purchasing power is increased.

The price of sugar is not around 3 cents a pound by reason of the importation of 12 per cent of the consumption of this country from the Philippine Islands. The price of cotton is not 6 cents a pound by reason of importations from the Philippine Islands. The price of wheat is not around 40 cents a bushel by reason of importations from the Philippine Islands.

The price of cotton is around 6 cents a pound because the market abroad for our surplus production has been destroyed, first, by the efforts of foreign governments to prevent its introduction, and, second, by the inability of those who buy our cotton to sell the manufactured product by reason of the difference in the exchange value of money. The latter is the great cause.

It is absurd to rise on the floor here and state that sugar production is being ruined and sugar driven down to 3 cents a pound on account of anything or anybody except the inability of 12,000,000 idle men and women and 30,000,000 other men and women dependent upon the farmer to buy sugar and eat it. They are unable to buy cotton goods. They are unable to buy anything. Half of the people of this country, directly or indirectly, prosper or go into poverty and insolvency with the farmer. Half of the people of this country to-day can not buy a radio or an automobile or any manufactured product, with the result that the plants can not run and men have been discharged, and 12,000,000 of idle people who are normally purchasers in our domestic market can not to-day purchase.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. PITTMAN. Not now, Mr. President. I shall be glad to yield later.

I do not want to discuss that phase of the subject further, except to say that there is a theory that the importations from the Philippines provided in his bill, which are limited to the status quo of 1931, will destroy the farmers of this country. The farmers of this country should obtain a reasonable price for their products—that is, a price that would bring them some profit. Of course, I understand it is urged that in these hard times such importations should be kept out because we can supply everything in the domestic market.

I shall later on show that by comparison with the total consumption of farm products in the United States those to which we limit the Philippine Islands for export are insignificant. We have to go beyond that. If the farmers of this country feel that they are threatened by the competition of farm products from the Philippine Islands, then they have a right, within the bounds of justice and honor, to attempt to limit that competition.

The population of this country is growing. The population of the Philippine Islands is growing. It is not proposed in this bill that the exportations from the Philippine Islands into this country shall be gradually increased according to the increase in population of this country or the demands of this country. Once that quota is fixed, it is fixed forever; and yet the population and demands of this country continue to increase to the benefit of the domestic market.

It is said that it is desired to stop this exportation. It can only be stopped by legislation. What legislation? Every time we have had a tariff bill here there has been an effort to place in such tariff bill a protective tariff against the products of the Philippine Islands. Every time the honor and justice of the Members of Congress have revolted against such a thing as that. I say to the farmers of this country that the Congress of the United States, as well as the government of the Philippine Islands, desires to bring about a cessation of that condition, but I also say to them in all sincerity that it will never be brought about unless in accordance with the honor of our Government and the honor of the Congress of the United States.

Why, Mr. President, is it possible that we are going to take a subject people, whom we subjected against their will, and, in my opinion, without excuse, whom we have held in subjection for 30 years, whom we have compelled to place a protective import tariff duty on the goods of all other countries except ours and to give us free trade, when we have destroyed their opportunity to build up a market with any other country except ours, deliberately by our own power—that we are going to break those ties in such a way as to throw down a crushing burden upon a people who are not responsible for the laws which we ourselves enacted and conditions which we brought about? I say it is impossible, and any selfish man or interest who has an idea that such project is going to be accomplished should banish it from his mind. There are enough of us here to stand day in and day out and fight any such selfish and cruel interest that might ever attempt to accomplish such a thing as that.

That is out of the way, and the question is, How are we going to get legislation? There are those, such as the Senator from Michigan [Mr. VANDENBERG], who believe that the question of independence of the people of the Philippine Islands should not be considered for 18 years. At the end of 18 years he proposes, as I understand his substitute, that the people of the Philippine Islands shall adopt a constitution which, if approved by the President of the United States then, shall result in their independence; if not approved by him, the subject condition will continue.

There are those like the present Secretary of War, Mr. Hurley, who do not believe that we should even consider the question of any date for the independence of the Philippine Islands. He was unwilling to agree on 30 or 40 years or upon any time. He said, "Let us wait and see."

There are those who believe in a hasty freedom for the Philippine Islands without, I believe, a proper consideration of the intertwining economic and commercial conditions which have grown up between the two countries through laws of the United States that were forced upon the Filipinos.

I believe in the earliest possible freedom for the Philippines. I have urged it. There was a time when I thought it should be within three or four or five years, but the longer I studied the intertwining economic and commercial conditions that have grown up between them and our people through the laws we forced upon the Filipinos the more doubtful I became as to the length of time it would take to readjust those conditions without great, if not irreparable, damage to both.

Mind you, Mr. President, we have a responsibility to the Filipinos that is deep and great. They are not like the Hawaiians who voluntarily came under our flag and our Government. We did not even go to the Philippines for the purpose of freeing the Philippines from the yoke of Spain, as we did to Cuba. We went to Cuba because of the sinking of the *Maine* and, once engaged in war, we had war with Spain and Dewey sailed into Manila Bay. Do we take pride to ourselves for having conquered the Spanish in the Philippines? Whether we do or not, we did not so conquer them. The Filipino people had been fighting the Spanish tyranny for years before we went to the Philippines. When our ships got into Manila Bay all of the Spanish forces were cooped up in Manila surrounded by the soldiers of Aguinaldo, with not an American soldier there. The Spanish were cut off in a helpless condition.

We could not claim the Philippine Islands by conquest. We did not conquer them. But the spirit of imperialism, the hope that we should have an outpost of a military nature, led us to stay there. We infiltrated in and took possession of a country that had been freed by its own inhabitants from a tyrant race. The Filipinos did not need us. All that they asked for was guns and ammunition, and we established our government in the Philippines.

What was our purpose and how did we run that government? We ran that government solely and exclusively for a while in the interest of the United States. We built a most magnificent road from Manila away up north into the mountains, while there was no one there to speak of; but it was 4,000 or 5,000 feet high up in the hills and made a beautiful summer capital, and still makes a beautiful summer capital. We have an Army post there in the summer time. We have a Governor General's house there because it is pleasant in the summer time. It is a great mountain resort. There was nearly $3,000,000 expended upon this project.

We occasionally hear of the enormous amount of money we have spent in those islands on behalf of the Filipinos. What have we spent there outside of our expenditures for the Army and Navy which we have kept on post duty there not for control of the Philippine Islands but as one of our outposts in the Far East? We are allowed to keep them there so long as we desire to do so under this bill. Outside of our own Army, which we have supported all the time we have been there, our Government has expended only $28,000,000, whereas we have spent in the Philippine Islands on behalf of the expensive government that we have there over half a billion dollars. Who has paid for that? The Philippine people were taxed to pay it.

Let us drop this idea that we, ourselves, have spent so much money in the Philippine Islands for the Filipinos. Let us get that out of our heads once and for all, as well as the idea that they are under intense obligation to us. The salaries and expenses of the executive officers that we place in the government of the islands are comparable with and in many cases higher than salaries of higher officers in the United States. It costs $125,000 for maintaining the American-appointed governor's office down there, $15,000 for a legal adviser, who is an Army officer, and so forth. I do not want to go into the details. That is not paid by our Government. The only thing our Government pays there in the civil government is the maintenance of the two Filipino Commissioners here in Washington as ex officio Members of our Congress.

Let us see what happened. When we went to the Philippine Islands and took possession of them, the Filipinos were dealing with the world. They were not dealing with us, but we brought about legal conditions so they had to deal with us. Let us see how.

By the treaty under which Spain ceded the islands to us we gave Spain for 10 years access to the islands for her ships and commerce, on the same conditions accorded our own ships and commerce. In 1909, when that period terminated, what was the policy of our Government? The policy of our Government was this: We said: "We will place the Philippine Islands on a free-trade basis as between the United States and the islands, but we will place a protective tariff on importations into the Philippine Islands from every other country in the world except the United States." Do you think, Mr. President, that the Filipino people wanted that done? As a matter of fact, it was unanimously opposed by the Legislature of the Philippine Islands. Why? Because they had the vision to realize that the condition would arise which now faces the Congress of the United States; that is, the breaking of the peculiar and binding economic and commercial relations which had grown up through laws which they opposed but which were forced on them by the Congress of the United States.

Now let me read the testimony of Mr. Manuel Roxas, speaker of the House of Representatives of the Philippine Legislature. How clear, how frank it is. He said:

> Free trade between the United States and the Philippine Islands was established by the American Congress not only without our asking for it but over our strenuous protests. It was in 1909 that this policy was inaugurated. The Philippine Assembly, by unanimous vote, passed a resolution expressing itself against such a proposal for two reasons:
>
> First, because the establishment of free trade as then proposed would, it was believed, result in so tying us up with the American economic system that to disrupt it at some later date would bring about economic ruin to the Philippine Islands; and
>
> Second, because the Filipinos were afraid that that economic association would be an obstacle to the achievement of national independence. Those are the facts. We were opposed to free trade. Once established, economic laws which are stronger than the designs or the purposes of man, have compelled the Filipinos to develop their country in such a way so as to obtain the greatest amount of advantage from this relationship.
>
> * * * whether you should sever that relationship suddenly is a matter which addresses itself to your sense of justice and fairness and your desire nobly to complete the task to which you set your hands in the Philippine Islands.

Does anyone misunderstand what that statement means? Is it hard to understand? Let us review the statistics and ascertain what has happened through the policy which this country forced upon the Philippine Islands and which its people opposed.

In 1899 the total trade of the islands, imports and exports, amounted to $34,039,568. Of this total the trade with the United States amounted to $5,288,341, or 16 per cent of the total. In 1930 the total trade of the Philippine Islands amounted to $256,260,081. Of this total the trade with the United States amounted to $183,525,089, or 72 per cent. In other words, after our assumption of sovereignty and possession of the islands the trade of the Philippines with the United States increased from 16 to 72 per cent of their total trade. While the trade of the Philippine Islands with all countries other than the United States increased from 1899 to 1930 from $28,751,227 to $72,734,991, or only a little over two and one-half times, the trade with the United States increased from 1899 to 1930 from $5,288,341 to $183,525,089, or a little over thirty-five-fold. Why? Because we forced the Filipino people and the Filipino government to place a protective tariff duty against the importation of products

from every country except ourselves. That destroyed the export market of the Philippine Islands to every other country except the United States.

Now, let me give some further figures. The average annual value of the leading exports from the Philippine Islands to the United States for the years 1890 to 1894, before American occupation, was $3,379,000, or 16.8 per cent of the total exports; for the years 1905 to 1909, preceding free-of-duty trade, the average annual value was $11,287,000, or 35 per cent of the total exports.

Now let us see what happened after 1909, when we put articles coming from the Philippines on the free list. The average annual value of the leading exports from the Philippines to the United States for the last three years, from 1928 to 1930, was $84,878,000, or 63 per cent of the total exports from the islands.

There has been something said about the unfairness of the tariff. As a matter of fact, the proportion of United States products enjoying tariff preferences in the Philippines under duty-free trade relations has never been less than 97 per cent, and we drew that tariff law ourselves, of course, while the proportion of Philippine trade so favored in the United States has ranged from as low as 22.5 per cent (1917–18) to a maximum of 77.8 per cent in 1929. It is true that our tariff, in many particulars, was higher in ad valorem rates than theirs, but, on the other hand, there are a great many more items affecting us on the Philippine dutiable list.

There have been some remarks made here about the balance of trade being 4 to 1 in favor of the Philippine Islands. I have Department of Commerce reports here and I will refer to them. In 1929 the imports into the Philippine Islands from the United States were $92,592,959, and the exports from the Philippines to the United States were $124,465,473. In 1930 the imports into the Philippines from the United States were $78,183,029, and the exports from the Philippines to the United States were $105,342,061. In 1931 the imports into the Philippine Islands from the United States were $62,139,683, and the exports from the Philippines to the United States were $83,422,397. That is the ratio, but it is not 4 to 1.

It must be taken into consideration also that their exports are of tropical products. They export a great many commodities to the United States besides sugar and copra and cordage. Those are the major commodities, of course, and on those major commodities we propose to stop increased imports while the population and demand grow in the United States. So far as they are concerned, if they want to ship into this country any surplus of those commodities, they have got to pay our tariff duty the same as anyone else has to pay it.

Mr. President, some Senators may have an idea that the farmers, for instance, derive no benefit from our trade and commerce with the Philippine Islands. That is not true. I wish to call attention to a few of our exports to the Philippine Islands. As we are now dealing with this selfish question for the minute and defining our moral obligations, let us get down to the selfish end of this question for a little while. It is only an academic argument, because the moral and just settlement is going to prevail if it takes 30 years more, and we might just as well let everybody know it.

During the year 1931, the last year for which we have the records, the Philippine Islands purchased 62.65 per cent of their imports from the United States and sold the United States 71.75 per cent of their exports. These percentages have not varied very much. But what, perhaps, the Senate is particularly interested in is the class of imports from the United States into the Philippine Islands. I will give some of them. The principal imports into the Philippine Islands from the United States are as follows—and I should like those who are interested in cotton farming to listen to these figures:

Cotton goods—and these figures are taken from the foreign-trade review of the United States Department of Commerce for the first six months of 1932—

By doubling its purchase of cotton goods the Philippine Islands afforded an outlet for one-third of the total amount exported from the United States.

One-third of the total amount of cotton exported from the United States in the first half of 1932 was taken by the Philippine Islands, and God knows the textile industry needed a market.

In the year 1931 the Philippine Islands imported cotton goods to the value of $16,401,000. This was 17 per cent of the total exports for that year, and one-half the value of these cotton goods came from the United States.

There might be some one interested in iron and steel. I understand that the steel plants are running about 18 per cent capacity, with the result that four-fifths of their employees are walking the streets. They would probably be interested in the figures.

Of iron and steel and their manufactures in 1931 the Philippines imported articles under this heading amounting in value to $13,365,000. Of this total 76.29 per cent came from the United States.

Of mineral oils for the same year, 1931, the Philippine imports were $9,458,000, of which 79.45 per cent came from the United States.

Take meats and dairy products. In 1931 the Philippines imported meats and dairy products of a value of $6,075,000, about 60 per cent of which came from the United States.

May I advert, for just a moment, to the fact that when the Philippine people and the Philippine Legislature found out that by reason of the depreciated currencies of Japan, Australia, and China the Philippine tariff was becoming ineffective against the importations from such countries, the last legislature voluntarily raised those tariffs and voluntarily passed an antidumping law. Yet these are the people whom we may thoughtlessly ruin.

Automobiles, parts, and tires: In 1931 the Philippines imported $4,515,000 in value of articles under this heading, of which more than 98 per cent came from the United States.

Electric machinery: $3,486,000, 90 per cent from the United States.

Paper and manufactures: $3,458,000, 75 per cent of it from the United States.

Silk and manufactures: We would expect that to come from China, all of it. In 1931 the United States furnished 22 per cent of this, notwithstanding the fact that the two largest silk-producing countries in the world, Japan and China, are neighbors of the Philippines.

Wheat and flour: $3,215,000 worth, over 80 per cent of it from the United States.

Tobacco products: $2,721,000, all of it from the United States.

That is the history of the matter. Are we not interested in that market? Yet, having absolute domination and control over the Philippine people and the Philippine government, what did we do? We compelled them to place a tariff duty against every country in the world except ourselves, so that they could make no reciprocity agreement with foreign countries. We compelled them to build up their trade with us to the point where they have it. Did we pay any tariff duties on what we sent in there? Oh, no!

What did we contribute toward the expense of the Philippine government? We paid $28,000,000 of the civil-government expense—$3,000,000 of it to build a beautiful highway to Baguio—and we taxed them nearly a half-billion dollars to run our Government down there for the benefit of their people. We forced this on them.

Do we want to wait 18 years with the present form of government? If there were no other reason for granting autonomous government to the Philippine Islands, then the necessity for economy would justify it.

We have given the Filipinos 30 years' training. We have vested them with a large governmental self-control. They have made good. It is now time to give them further power and responsibility under an autonomous government subject to the ample safeguards reserved to our Government in the act.

But the Senator from Michigan [Mr. VANDENBERG] says that we are assuming responsibility until the period of independence without power of enforcing it. He does not propose that the Philippines shall have a constitution until 18

years have elapsed. We propose that the autonomous government that they shall organize shall not be inaugurated until the Filipinos adopt a constitution with a bill of rights in it, which is set out in the bill. The Senator from Michigan wants to wait 18 years without a mandatory constitution being advanced. Then, if they adopt a constitution and if the President of the United States likes it, they can have independence. If he does not like it, they can not have independence.

The Senator says that there is no power in our Government under the proposed autonomous government that is to fill in the interval between that and the time of independence. Let me call attention to some of the things that the bill contains.

The constitution must be republican in form and contain a bill of rights.

(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

(b) Every officer of the government of the commonwealth of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring, among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

* * * * * * *

(d) Property owned by the United States, cemeteries, churches, and parsonages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

* * * * * * *

(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

(g) The debts, liabilities, and obligations of the present Philippine government, its provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

That is the new autonomous government to come into effect upon the adoption of this constitution, and its approval by the President.

* * * * * * *

(i) Acts affecting currency, coinage, imports, exports, and immigration shall not become law until approved by the President of the United States.

I want you to listen to that again.

(i) Acts affecting currency, coinage, imports, exports, and immigration shall not become law until approved by the President of the United States.

(j) Foreign affairs shall be under the direct supervision and control of the United States.

No control, however. Responsibility without control.

(k) All acts passed by the legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

(l) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

No power! I doubt if the Senator from Michigan, if he spent weeks on it, could think of any more power he could give them and still have any form of autonomous government.

(m) The decisions of the courts of the Commonwealth of the Philippine Islands shall be subject to review by the Supreme Court of the United States as provided in paragraph (6) of section 7.

No power, the Senator from Michigan says.

(n) The United States may exercise the right—

This is the constitution they must adopt, now, that I am reading from:

(n) The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of their constitution.

That is not a statutory power. That is not a treaty power. That is a mandatory provision of the constitution that they must adopt within three years, or the whole bill fails. We want it in the constitution. We want to stop the extraordinary expenses that are going on down there now by the substitution of a simpler autonomous government, managed by their own people, for the sake of economy, because they pay the taxes, but reserving to our Government, during the period that we are sovereign, ample power to do everything that we can do now.

I go on reading the mandatory provisions, because very few people have ever heard them, or read them, or know anything about them. Some are more interested in a pound of sugar than they are in a pound of blood.

(o) The authority of the United States High Commissioner to the government of the Commonwealth of the Philippine Islands, as provided in this act, shall be recognized.

(p) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations, respectively, thereof.

Remember, again, I am reading from the mandatory provisions of the constitution.

Section 3 provides that the constitution shall be submitted to the President of the United States, who shall determine whether or not it complies with the provisions of this bill, because we have set out the constitution in the bill.

SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the government of the commonwealth of the Philippine Islands when constituted.

Responsibility without power? So says the Senator from Michigan. Why, we have 700,000 acres of land in the Philippine Islands that have been designated and set aside by the President of the United States for military purposes, for naval purposes, for hospital purposes, for school purposes, for all kinds of purposes—far more than we need—much of which we will surrender, thousands of acres of which were reserved for the purpose of anticipating a new law by the Legislature of the Philippines with regard to rubber. We have the same bases that we always have had for our fleet and for our army. They probably will be kept there, because that is a natural outpost for the Far East. It is a place where we can keep troops, and in case of a war or riot in the Far East we can protect our citizens as we have often had to do. The bill makes no change in that regard.

Mr. HAWES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. PITTMAN. I do.

Mr. HAWES. May I direct the Senator's attention to the fact that the whole philosophy of this bill and all of these protections were put into a bill by Secretary of War Weeks, in Mr. Harding's Cabinet, and that we are following the philosophy of a bill that came out of that administration?

Mr. PITTMAN. We have the philosophy of justice and morality and economics which we are following, which is superior to the philosophy of any man, as much as I admired the actions of Mr. Weeks as Secretary of War.

Section 7 provides that—

Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

(1) Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

Mind you, we have a mandatory constitution in the bill, and now we say that every proposed amendment must be submitted to the President for his approval.

Now listen to this. When the Senator from Michigan says we are assuming a dangerous responsibility without power, I am afraid it is a long, long time since he read the bill that he is attempting to defeat:

(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands—

That means the autonomous government—

which in his judgment will result in a failure of the government of the Commonwealth of the Philippine Islands to fulfill its contracts, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States. The President shall also have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act.

(3) The chief executive of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

Responsibility without power, so the Senator from Michigan says!

(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the government of the Commonwealth of the Philippine Islands, who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the commonwealth of the Philippine Islands with such information as he shall request.

If the government of the commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States high commissioner shall immediately report the facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States high commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be delegated to him from time to time by the President.

No power! The trouble with the bill of the Senator from Michigan is that it has not any definitions of anything in it. It just provides that this government that is now going on shall go on for 18 years, and then, if the people can adopt a constitution that is satisfactory to the President, and he says so, they can have independence.

The United States high commissioner shall receive the same compensation as is now received by the Governor General of the Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress, including a financial expert or comptroller, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor, and to whom appeals from decisions of the insular auditor may be taken. He may occupy the official residence and offices now occupied by the Governor General. The salaries and expenses of the high commissioner and his staff and assistants shall be paid by the United States.

The first United States high commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

(5) The government of the commonwealth of the Philippine Islands shall provide for the selection of a resident commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said government. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a resident commissioner is selected and qualified under this section, existing law governing the appointment of resident commissioners from the Philippine Islands shall continue in effect.

(6) Review by the Supreme Court of the United States of cases from the Philippine Islands shall be as now provided by law; and such review shall also extend to all cases involving the constitution of the Commonwealth of the Philippine Islands.

Section 9 of the act provides for a plebiscite on the question of Philippine independence to be held after the expiration of the fifteenth year and before the expiration of the seventeenth year after the inauguration of the government of the Philippine Islands.

The fact that this plebiscite is provided in the bill, and that the independence of the Philippines shall not be effective until voted by such plebiscite, is the strongest guaranty of the effective guidance of the United States in the islands during the continuance of the autonomous government and until independence. I take it that the reading of those powers in the mandatory constitution completely answers the charge of the Senator from Michigan that we are assuming responsibility without power.

Now we come down to the economic situation. We are under obligations to these people. Every President of the United States since 1900 has recognized our moral obligation. The moral obligation started before we ever accepted a cession of the Philippine Islands. The discussion of the acceptance of the cession of the Philippine Islands occurred before the treaty of peace with Spain was signed. It was debated in Congress, it was debated in the papers, it was discussed by the people generally, as to whether we would accept the cession, and under what conditions, whether the cession should be to us, or whether the people should just be relieved of Spanish sovereignty and domination. There was no doubt in the mind of anyone then, nor has there been any such doubt since, but that we accepted title to and possession of those islands as trustees, with the express understanding at the time between ourselves and the Filipino people that the time would come when we would execute that trust.

There was no more legal title in the United States to the Philippine Islands than I would have legal title should a warranty deed be made in my name, without condition attached, if it were understood between me and those who deeded to me that I was not to have the title for eternity, but that I held the title for some other person for certain purpose to be carried out later on for the benefit of the real party in interest.

We did not conquer the Philippine Islands. The Philippines had been conquered by the Filipinos when we got there. The Spanish were surrounded in Manila, and the water was cut off, and we were called on to bring in some ammunition. We were called on by the Spanish military commandant to come in and accept this surrender and protect the Spanish soldiers and the population against violence.

The situation is not identical with the situation as to Cuba at all. It is only similar to it in the fact that there was a moral understanding at all times that we were not going in for conquest. It was the understanding that we did not want any territory by reason of the Spanish-American War. It was the understanding that we would not incorporate either the Cuban people or the Philippine people into our citizenship. It was the understanding that we wanted those people to govern themselves, and we carried out that understanding with regard to Cuba.

I see pages and pages and pages of paid advertisements in the press here arguing the cause of Cuba. I am not an expert on the sugar question, but I have the figures as to the importations of sugar on my desk, from which I may draw my own conclusions. However, it seems to me that in the past I have heard our sugar producers in this country fighting the lobby of the Cuban sugar producers. Am I right or wrong? It seems to me I have heard that. Now I see an advertisement in the press to the effect that the local sugar producers and those of Cuba should get together and prevent the Philippine Islands from sending any sugar into the United States. Very well; suppose that were brought about. We produce in continental United States only 20 per cent of the sugar we consume in this country. Eighty per cent comes from outside of continental United States. It is true that 24 per cent comes from some of our other outside ter-



ritory, making 44 per cent. Around 44 per cent comes from Cuba and 12 per cent, according to the highest figures available, comes from the Philippine Islands.

It is all right for sugar to come in from Cuba, is it not? Under what obligations are we to Cuba? We freed the Cubans. We did by them what we should have done by the Philippine Islands at the start. We should have confirmed the victory of the Filipinos over the Spanish, but we did not.

The largest business of the Philippine Islands is the sugar business. We might as well admit that. It is true that away back in 1913, when Oscar Underwood was preparing the tariff bill in the House, afterwards known as the Underwood-Simmons bill, the Philippines were exporting to this country only 198,000 tons of sugar. But prior to that time our Government had given them a quota of 300,000 tons, because by compelling them to place a tariff on imports from foreign countries other than the United States we had made it impossible for them to import from other countries except the United States, and that condition still exists.

If it were possible to declare independence to-morrow, what would happen? What would happen, of course, would be this: That our tariff laws would become effective instantly, and the Filipinos would probably be excluded from sending their goods to the United States. If not, the tariff on sugar, at the present price, would be ruinous. If they paid 2½ cents to get their sugar into the United States, with sugar selling around 3 cents a pound, they would have a gross income of half a cent a pound, with an 8,000-mile haul that costs approximately that amount. They would be cut off from any possible profit from their largest crop. The national income would drop at least 50 per cent, probably 60 per cent, their largest industry ruined. The coconut-oil industry would be completely destroyed; health, sanitation, and schools would be necessarily abandoned. The credit of the islands would be disrupted and broken. Default in principal and interest of the government bonds would be almost inevitable, and remember we are morally responsible for these bonds. All that has been built up to our honor and glory and their good would be broken down. The honor of our Government and the security of our own people are involved in the pending measure.

They have not negotiated treaties with any other government. They can not make a treaty with any other government. Our Government alone can make treaties with other nations on behalf of the Philippines. They can not make a commercial treaty with China, Japan, or Australia for the sale of their sugar to the people of those countries. The market for their surplus sugar, over and above what we may let into the United States for a period of time free of duty, has to go to China, Japan, Australia, and Asia because the haul here is too great under such circumstances. They can not bring their surplus here. They can not pay 2½ cents a pound in the way of tariff duty and bring the sugar 8,000 miles to the United States and sell it. They have to look to the Orient, but to-day they have no authority to enter into any commercial treaty with any country.

We have tried for 20 years here in Congress to frame a bill which a majority of Congress would favor, and we have run against three obstacles. First, there was the enthusiastic man who was not interested in the economics, who wanted to have a bill passed to give the Filipinos immediate independence. Second, there was the man, sincere as he might be, who feared that without economic tutelage during a certain period of time under this Government the Filipinos would go into economic and financial chaos, followed possibly by physical chaos. There were those others, of course, like Secretary Hurley, who did not believe we should even consider the question of independence until possibly 25 or 30 years from now. But we were under a moral obligation to those people, entered into before the world, before the islands ever were ceded to us, by virtue of the very acts by which we got possession, by the declaration of every President of the United States for the last 30 years and by solemn act of Congress, to execute the trust, to turn the islands over to the people there, and give the people sovereignty.

We have tried for 20 years to accomplish that purpose, and really we have gotten down only to the question of economics, and out of the question of economics arise two queries. First, what is the time essential to bring about an economic adjustment which will not be injurious to the Philippine people or injurious to our own people?

I have read to the Senate a list of the things we export to the Philippines and what they export to us. That trade does not cover entirely the economic problem. We have for years been attempting in this country to build up a merchant marine, and that has been accomplished on the Pacific coast. There is a great fleet of ships on the Pacific coast, some going entirely around the world, others going to the Orient, to Asia, to the South Sea Islands, to South America. It is difficult for those ships to run in competition with British ships, the ships of Holland, of France, of Belgium, of Japan. Many of them doing business with the Orient could not meet that competition except for the Philippine Islands trade.

In China, in Siam, in Asia generally, in all the other countries, there is the most intense competition with the British, the French, the Dutch, and the Japanese; but in the Philippine Islands, by reason of the fact that under our laws, imposed on the Philippine people in 1909, we have placed a tariff against importations from every country except the United States, we have given our country the best of the business; and, as against all of those other countries, we are carrying 48 per cent of the trade of the Philippine Islands. Without the preferential situation which our Government forced upon the Filipino people our ships would be fortunate if they secured 10 per cent of such trade.

I have read a list of all the things we ship to the Philippine Islands under the tariff differential we have with them as against other people. Not only would the proposal of the Senator from Michigan bring about financial chaos in the Philippine Islands but it would probably throw most of the great steamships doing business with the Orient into the hands of receivers.

But that is not all. Of all foreign people, I wish to say, I have never seen a more peaceful people than the Filipinos. Certainly the Irish, when they were fighting for freedom, were not so peaceful. Somebody read something about two or three men who got hit on the head in a row in Moro. It would have been a disgraceful thing in Ireland at the time of their fight for freedom if only four or five men became engaged in that kind of a fight. The Filipinos have longed and fought for freedom as much as the people of Ireland have longed and fought for freedom or the people of Serbia have longed and fought for freedom, or the people of any other nationality have longed and fought and died for freedom. They were fighting the powerful Spanish Government at that time for freedom, when we dropped in to see them, and they had whipped the Spanish. We took them over for the purpose of educating them, of teaching them how to govern themselves. We taught them how to put on tariffs against other people and not against us.

Mind you, I do not want it understood that the American Government has not done wonderful things for the Filipino people. We have. We have given them the advantage of a knowledge of our form of Government. We have taught them how to build good roads, which of course are always needed in tropical countries and in countries we find in the Orient. We have made available for them education. We have taught them sanitation and the rules of health. These people are not ungrateful for that. They have never rebelled. They have never discussed rebellion. Their expressions, even in the most intense meetings and in fighting for freedom, have always been peaceful and filled with admiration for the American people and the American Government.

That is closed. I do not want to discuss those things now. Figures may differ; and when we get to the figures, we will take them up. But the committee finally decided upon certain principles and policies. We were almost unanimous in our decision that there had to be some definite, certain

time fixed when the question of freedom for the Filipino people could be determined by themselves. We had evidence relating to that time varying from 2 years up to 30 or 40 years. That is a question of individual opinion, of course. The committee asked each of its members to name the period of time to be fixed in the bill. Strange to say, without anything except the discussions that had been going on for weeks, we were substantially unanimous on the dates fixed in the bill. Such was the consensus of opinion of those who have been studying the question. We are just as fallible as other Senators. We are relying on the same evidence that any other Senator can get on this matter.

We could not, as a Senate committee, recommend the imposition of a tariff on the products of a people who were controlled and dominated by us and over whom we have sovereignty, and we never will do so. So we had to look to the time when we would cease to have sovereignty over them. But if we could induce them willingly to agree to a restriction of their exports to this country, that would be different. Finally it was agreed that by reason of the agricultural situation in this country they would themselves voluntarily do those things that we could not in morality and justice do, and that is that they would not increase exports to this country of their three major products upon which the prosperity of the islands depends; namely, sugar, coconut oil, and cordage. Populations may increase and demands may increase in the United States as they will, but nevertheless they agreed not to increase those exportations. Above the amount specified they would be subject to the tariff laws of the United States the same as all other countries.

If the United States should desire to exclude all further oil, all further sugar, all further cordage from abroad, it should apply to them over and above the quota so fixed.

To our minds it was such a fair settlement of a situation over which we as a committee and we as a Congress will exert no arbitrary control whatever that we deemed it worthy of recommendation. We could no more propose to control the importations from the Philippine Islands without their voluntary consent than we could propose in a sense through a law to attempt to work an injustice against the Territory of Alaska. We could not do it. So we were forced to a compromise because after 20 years we know that unless there is a give-and-take in a vital thing of this kind, there will be no legislation; and if there is no legislation, then the farm products of the Philippine Islands, instead of being stopped where they are, will increase as everything increases in quantity, and they will keep coming in greater quantities into this country. The Congress of the United States has demonstrated that they consider it dishonorable and immoral to try to stop that exportation into the United States as long as we have sovereignty over those people and over the islands, unless they will themselves voluntarily surrender their privileges and their rights. The same principle applies to immigration.

We of the committee strived harder at this last session to bring about action on this bill than anything of a similar nature I have seen in 20 years. The committee has worked for months and taken testimony and yet we have amendments offered on the floor of the Senate by those who have considered the question scarcely at all. They have the right to do that, but I wish to say to any Member of the Senate, whether he be Democrat or Republican, that before he offers such amendments he should sit down with a member of the committee and find out why we did this or that. We could tell why we did it. We might not be right because there is just as much of the fallible in us as in others.

So far as figures of production are concerned we adopted the principle of the status quo as to the three major products and agreed that we would not permit any further importations over and above a certain amount into this country except subject to our general tariff laws. Should that apply to the time we were framing the bill or should it apply to the time we passed the bill? If the bill is now defeated and shall be reintroduced at a new session of Congress and we adopt the status quo principle, and the exportation of sugar has increased, we will say, from 850,000,000 pounds to 1,250,000,000 pounds, does the status quo apply as of the time we accept it by passing the bill, or does it apply to 1930, 1931, or 1932? I will not answer for others. That is for Congress in its wisdom and justice to determine.

I have referred to the amount of butter that we ship to the Philippines, as well as to the amount of cotton and cotton goods we ship there. I venture to say—and this is only a guess—that there are more acres of land in cultivation in the United States sending products of an agricultural nature to the Philippine Islands than there are acres in cultivation in the United States producing sugar. That is but a guess, though I shall look it up and verify my guess because it is of interest. If the United States were producing 100 per cent of our sugar consumption, it would put us in a very different situation. It would make our sense of justice and honor creak. But that is not true. The United States long ago reached the limit of its successful production of sugar. It produces 20 per cent of the sugar consumption in the United States. We call on Cuba for 2,000,000 tons of sugar to help make up the deficit. We called on the Philippine Islands this year, as I understand it, though my figures may be wrong, for from 850,000 to 900,000 tons to supply the balance of our consumption. By this bill we propose to stop at that point.

Of course, the population of the United States is increasing, and the demand is increasing, just as the population of the world is increasing, and the world demand is increasing under normal conditions and times. To-day no one can make any profit on sugar. No one can make any profit on cotton. No one can make any profit on wheat. More than one-half the people of the world have nothing with which to buy. They can not buy sugar and they can not buy butter. That is another problem. At least, it is not sufficiently connected with this problem for me to desire to discuss it at this time.

But in conclusion on the matter of the general basis of the two bills I wish to say that we reached the conclusion, after getting all the expert testimony we could on the subject, particularly from those who know the economic situation in the islands, that there should be a period of 10 years in which there would be certainty at least as to the amount they are now exporting of the three major crops. That is what they brought before us.

There was another certainty in the matter, and that certainty was that there should be a continuance of our exports to the Philippine Islands without disturbance at least for the same period of 10 years; and that after that there should be a graded tariff tax. Some may think there is no other remedy, that there is no other way to work it out; but I wish to warn those who are interested in restraining importations from the Philippine Islands that they can not do it, they never will do it, unless they pass some act that does not reflect upon the honor of our Government, and which, at the same time, is just to a people that we unnecessarily took possession of and whom we have dominated and controlled in their local and physical life for thirty-odd years. The great divergence of opinion in Congress with regard to whether there should be 3 years of quota or 5 years of quota or 10 years of quota or 18 years of the present government in the Philippine Islands is unhappily threatening the opportunity, and the best opportunity we have had since I have been a Member in the Congress of the United States, of enacting legislation that will do justice to the situation and that will bring about some certainty, some limitation, and which will prepare the people of the Philippines for an independence that they may obtain at a certain date.

Mr. ROBINSON of Arkansas. Mr. President, I submit an amendment to the committee amendment and ask that the clerk state it. Then I shall ask for its consideration.

The VICE PRESIDENT. The amendment proposed by the Senator from Arkansas to the committee amendment will be stated.

The CHIEF CLERK. On page 35, after line 12, it is proposed to strike out the period, insert a comma, and add: "but such immigration shall be determined by the Department of the Interior on the basis of the needs of industries in the Territory of Hawaii."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the committee amendment.

Mr. ROBINSON of Arkansas. Mr. President, in the form in which the amendment is presented I do not think there can be serious objection to its adoption. It proposes to safeguard the opportunity of industries in Hawaii to secure necessary laborers, but protects against unlimited admission of persons who do not come there under passport.

Mr. HAWES. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON of Arkansas. I yield to the Senator from Missouri.

Mr. HAWES. I will say to the Senator from Arkansas that I have conferred with the chairman of the committee and other members of the committee, and there is no objection to the amendment which he has proposed.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee as amended.

Mr. LONG. Mr. President, I move an amendment, on page 28, line 5, to strike out the figures "200,000" and to insert in lieu thereof the figures "140,000."

Mr. President, I do not mean at this time to reply to the Senator from Nevada [Mr. PITTMAN]. There is considerable inaccuracy, however, I think in many of the statements that he has made, but we do not need in this particular instance to have much conflict.

In 1928 there were imported into this country from the Philippine Islands 290,000,000 pounds of coconut oil. That is about 140,000 long tons or less. In 1931—that is, last year—they increased that importation to 325,000,000 pounds, which is equivalent to about 155,000 or 160,000 tons. In other words, before agriculture in this country fell entirely off its feet in 1928—and it was not any too good then—the Filipinos only exported to the United States, under the prices prevailing for cottonseed oil as of 1928, 140,000 tons; and, as I have said, in 1931 they only exported to the United States from 155,000 to 160,000 tons.

The bill now proposes to allow the importation of 200,000 tons of coconut oil. In other words, it fails to equalize, as the Senator from Michigan said, the Filipinos in their agriculture with the Americans. The amendment which I am proposing will leave the Filipinos every advantage that they had in normal times. According to the provision reported by the committee, they will be allowed to export to this country from forty to fifty thousand tons more of coconut oil than they ever shipped here at any time previously, with the sole exception of one year, back in 1929.

So I move, Mr. President, to strike out the figures "200,000" and insert in lieu thereof "140,000," representing the normal imports but not allowing an increase.

I may say, Mr. President, that I have enjoyed the splendid speech of the Senator from Nevada [Mr. PITTMAN]. The emotion with which he pleads the cause of the Filipinos is bound to appeal to the heart and conscience of every Member of the Senate. It is a plea that is striking and significant, but the cotton farmers and the vegetable farmers and those producing flax and cotton and vegetable oils certainly ought not to be inflicted with a greater penalty than they are already suffering as a result of imports into this country of oil from the Philippine Islands.

This is a very fair amendment. I take it that no Member of the Senate, understanding the problems of the ordinary cotton and flax and vegetable oils farming class, would think of voting against the amendment; and I do not believe that those who may not be so familiar with it would think about increasing the quantity, and certainly should not do so. I ask that the amendment may be voted upon.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana to the amendment reported by the committee.

Mr. PITTMAN. If the amendment is to be voted on now, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cousens	Hull	Robinson, Ark.
Austin	Cutting	Johnson	Robinson, Ind.
Bailey	Dale	Kean	Schall
Bankhead	Davis	Kendrick	Schuyler
Barbour	Dickinson	Keyes	Sheppard
Barkley	Dill	King	Shipstead
Bingham	Fess	La Follette	Shortridge
Black	Fletcher	Logan	Smith
Blaine	Frazier	Long	Smoot
Borah	George	McGill	Steiwer
Bratton	Glass	McKellar	Swanson
Broussard	Glenn	McNary	Thomas, Okla.
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Moses	Tydings
Byrnes	Grammer	Neely	Vandenberg
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walsh, Mass.
Cohen	Hatfield	Patterson	Walsh, Mont.
Connally	Hawes	Pittman	Watson
Coolidge	Hayden	Reed	White
Costigan	Howell	Reynolds	

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is detained by illness.

Mr. LA FOLLETTE. I desire to announce the absence of the Senator from Iowa [Mr. BROOKHART] by reason of illness.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

DECISION OF COURT OF APPEALS IN CASE RECENTLY APPEALED FROM FEDERAL RADIO COMMISSION

Mr. WHITE. Mr. President, because of my purpose to discuss a matter not germane to the present bill, I shall endeavor to speak very briefly.

The senior Senator from Washington [Mr. DILL] during the past week called the attention of the Senate to a decision of the Court of Appeals of the District in a radio case involving the respective rights of radio stations in Indiana and Illinois, the findings and conclusions of the Radio Commission, and the congressional intent as expressed in section 9 of the 1927 radio act as amended by the act of March 28, 1928, commonly known as the Davis amendment.

I was disposed at that time to express my concurrence in what the Senator then said. I have no direct concern in radio stations in States distant from my own, but I am so impressed with the importance of this decision, so completely convinced that the opinion of the majority of the court speaks the disagreement of the court with the policy laid down by the Congress and the court's purpose to disregard this policy that I feel justified in bringing the matter to the notice of the Senate in somewhat more detail than did the Senator from Washington.

To appreciate the significance of this court decision Senators must have in mind the legislation by which the Congress has sought to bring about a distribution of radio services to all parts of the United States and the facts which focused the attention of the Congress upon this problem and justified the legislation.

Prior to the passage of the 1927 act the Secretary of Commerce, then issuing licenses, sought so to distribute stations as to minimize interferences between them. Court decisions and the opinion of the Attorney General in 1926 made it clear that under the law as it then was the regulatory powers of the Secretary of Commerce were wholly inadequate to deal with the situation.

Under the 1912 act he had no adequate power to force a distribution of services throughout the country. Because of this want of authority and because of the concentration of stations in narrow areas those responsible for the framing of the 1927 act incorporated in section 9 the direction

that the licensing authority in considering applications for licenses and for renewals of licenses should make such a distribution of licenses, frequencies, periods of time for operation, and of power among the States and communities thereof as to give fair, efficient, and equitable radio services to each of the same.

In the same section of the act was carried the limitation upon the life of licenses; and a reason for placing this limitation in the same section with the direction to work out this equitable distribution was that the licensing authority might the more certainly appreciate the opportunity for this redistribution which these expiring licenses furnished.

I regret to say that little attention was at first paid to this congressional direction as to distribution. No effective effort was made to this end during the year following the enactment of the legislation; the concentration of stations in the metropolitan areas continued, and the feeling that portions of the country were being discriminated against became pronounced. It was the conviction that the southern and western zones of the country were not receiving that fair and equitable distribution of services contemplated by the 1927 act that led to the passage of the amendment of March, 1928—the so-called Davis amendment.

I shall not undertake to describe the radio set-up of the country as a whole which gave rise to this sense of discrimination and resulted in the adoption of this amendment. For my present purpose it is sufficient to say that the concentration of stations in Chicago and Illinois, one of the States involved in the case, which I shall in a moment discuss, furnishes a persuasive argument for the Davis amendment.

At that time Illinois, with 1,000,000 less people, had 26 more stations than all New England. The city of Chicago alone had more stations than all New England, and all of New England was privileged to use but a little more than one-third the power permitted within Illinois.

Turning to the immediate neighborhood of Illinois, we found that the neighboring State of Wisconsin, with one-third the population of Illinois, had but one-fourteenth the power accorded Illinois. It had 1 station authorized to use in excess of 1,000 watts; Illinois had 13 such stations.

Ten Southern States, excluding Texas, with three times the population of Illinois and infinitely greater area, had but one more station than Illinois and were privileged to use only one-third the power of the stations in that single State. These 10 States had but 1 station of 1,000 watts or more; Illinois had 13.

Then, as we turned our eyes to the westward, to the great fifth zone, which comprised approximately 1,775,000 square miles, nearly one-half of the United States—an area almost three times that of the fourth zone, in which Illinois was situated—and compared its allocations with the fourth zone, we found that the fourth zone had 84 more stations than the fifth zone, had about three times the power allocated to the fifth zone, and nearly four times as many stations with over 1,000 watts as the fifth zone. These are but a few of the many examples which might be given of concentration of radio facilities in favored sections of the country, and of the complete failure to make an equitable distribution to all States and communities.

It was obviously certain that equality—the equality aimed at by the Congress—could not be brought about by increasing the number of stations, the permitted power, the frequencies, the period of operating time to the standard of the highest zone in these respects, nor was it the desire to reduce all to the level of the lowest. It was believed by the Congress that equality could be brought about by redistribution as licenses expired and as applications from under-quota zones and States were submitted. This the Davis amendment sought to effectuate through mandatory directions to the licensing authority.

The Davis amendment became law in March, 1928, as an amendment to section 9 of the act of 1927. It declared that the people of all the zones were entitled to equality of radiobroadcasting, and that in order to provide this the licensing authorities shall—this is the word of the statute—as nearly as possible make and maintain an equal allocation of licenses, of frequencies, of power, and of time of operation to each zone, and shall make a fair and equitable allocation to each of the States in any zone according to population.

That was the end to be attained. Then Congress directed that the licensing authorities should carry this purpose into effect by granting or refusing licenses, by changing times of operation, or by increasing or decreasing power, when applications were made for licenses or renewals of licenses.

There was retained in this amended section the limitation upon life of licenses, again making sure, as we believe, that opportunities would, from time to time, be presented to accomplish this purpose of distribution, and would not be overlooked.

Before commenting on the court decision, it seems pertinent to refer to one other statutory provision.

Section 16 of the 1927 act gave an appeal from decisions of the licensing authority to the Court of Appeals of the District of Columbia. It soon appeared to be the tendency for applicants, deeming themselves adversely affected by a decision of the commission, to appeal to the court, not alone upon questions of law but from determinations as to most involved questions of fact, and there were a number of instances in which it seemed that the court, however much others might doubt, did not question its own qualifications to pass upon technical radio problems, and to override the technical findings and opinions of the commission. It appeared to many that our court of appeals was substituting itself for the regulatory authority set up by the Congress to deal with this highly technical and rapidly changing art.

The Congress therefore, in June, 1930, amended this appeal section of the 1927 act and directed that the review of the court should be confined to questions of law, and that findings of fact by the commission, if supported by substantial evidence and if it should not clearly appear that they were arbitrary or capricious, should be conclusive upon the court.

This statement of the law and of the congressional purpose having been made, I now comment briefly on this decision.

The case came before the court upon appeal from a decision of the commission granting to an Indiana station license to use a frequency of 560 kilocycles, and terminating, in accordance with their conditions, the temporary license of two Illinois stations theretofore using this frequency.

The commission found, among other findings, that the State of Indiana was 22 per cent under its quota within the fourth zone, and that Illinois was 55 per cent over its quota. It rested its decision upon the grounds that the deletion of the two Illinois stations would not deprive persons within the service area of those two stations of any type of program then received by them from other stations; that objectionable interference is now experienced within the service area of the Indiana station through the operation of other stations on the same and adjacent frequencies—that is, on the 1,360-kilocycle frequency which the Indiana station was then using; that the granting of the application of the Indiana applicant would not increase interference within the good service area of any other stations; and that the granting of the Indiana application and the deletion of the Illinois stations would work a more equitable distribution of broadcasting facilities within the fourth zone.

Now, what did the court have to say as to these grounds for decision by the commission?

It made reference to but two of them.

The commission found that the granting of the Indiana application would not increase interference within the good service area of other stations. The court does not in terms refer to this finding of the commission, but it quotes from a report of a subordinate of the commission to the effect that "more objectionable interference" would result from the operation of this Indiana station on the 560-kilocycle frequency than from its operation on the 1,360-kilocycle frequency; and it apparently adopts this finding of the commis-

sion's subordinate and rejects the finding on this point by the commission itself. This was clearly a substitution of its findings—the court's findings—for those of the commission as to a matter of fact, notwithstanding the clear purpose of the Congress that the court should confine itself to questions of law.

The other reference by the court to the grounds upon which the commission rested its decision was to the finding by the commission that the granting of the application of the Indiana station would work a more equitable distribution within the fourth zone. The court said that the commission's only apparent reason for granting the Indiana application was that Indiana was under quota, and it dismisses this as of no weight or consequence. This is a most incomplete and inaccurate statement of the commission's grounds for its decision.

The commission rendered its decision upon the ground, among several others, that Indiana was under quota and that Illinois, where were located the two stations adversely affected, was over quota.

The record in the case discloses, as heretofore stated, that Illinois was 55 per cent over its quota, while Indiana was 22 per cent under its quota. Indiana had only 16 stations of any power, while Illinois had 37.

Indiana had but one station of 5 kilowatts, while Illinois had 11 with that power. In addition to this, all the power assigned to all of the stations in Indiana was exceeded by the power of any one of five stations in a single locality in Illinois.

That it was the purpose of the Davis amendment that the commission should act as it did in such circumstances is not open to question. The commission respected the law of Congress, but the court did not feel itself obligated to observe it.

I comment upon but one other feature of this decision. The court said, "The House committee report on the amendment states"; then it quoted from a House report. It is interesting, if not important, to note that this report was addressed to and was explanatory of the amendment in its original form and not in the form in which it became law. There was a report to the House by the House conferees and an explanation of the purpose of the final form of the amendment made to the House by the chairman of the committee submitting the conference draft; but in this court opinion these were passed over, and a report upon an amendment not adopted was made use of.

In this case, then, we find a court overriding the commission's findings of fact, which the Congress said should be conclusive unless they were arbitrary or capricious, which clearly they were not. We find a court overriding a decision of the commission carrying out the manifest purpose of Congress, and characterizing the decision as arbitrary and capricious.

This court's decision, if it stood, would nullify the congressional intent that the commission shall find the facts in these cases and, if followed, would render futile the effort of the Congress, through the adoption of the Davis amendment, to break down the excessive concentration of stations in limited areas and to bring about an equitable distribution of radio services throughout the country.

The majority opinion of the court in this case, in my view, discloses a studied purpose to repeal by judicial decision a congressional act. If this opinion stands, the Davis amendment has indeed become a dead letter.

I therefore join in the hope expressed by the senior Senator from Washington [Mr. DILL] that the case may go forward to the Supreme Court, to the end that the Congress may know whether this equalization amendment is to be respected or whether the congressional purpose has come to naught.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. LONG. Mr. President, I think we have agreed on a compromise by changing the figure "140,000," as it appears in my amendment, to "150,000."

Mr. PITTMAN. Mr. President, I have not before me the hearings and the data on which this figure was based. Such records as I have would indicate that that figure represented the exportations to the United States from the Philippines in 1931. I ask the chairman of the committee if he has any other data on that subject?

Mr. BINGHAM. Mr. President, the figures of imports and exports of copra, as copra, are given in the committee hearings on page 328.

Mr. LONG. This is as to the oil. Copra comes from several places.

Mr. BINGHAM. The figures as to oil are also given. Does the Senator wish to have the figures as to the net imports, or the total imports?

Mr. PITTMAN. I think we based the figure upon the total; that is, the total exports of coconut oil from the Philippines to the United States in 1931.

Mr. BINGHAM. In 1928 the exports were 145,000 tons, in 1929 they were 205,000, in 1930 they were 158,000, and in 1931 they were 162,000.

Mr. PITTMAN. From what table is the Senator reading?

Mr. BINGHAM. The table of the imports of coconut oil.

Mr. LONG. The totals I have were secured from the Finance Committee. Does the table from which the Senator from Connecticut has been reading state that the figures are for imports from the Philippines? I have in my hand the annual report of the chief of the Bureau of Insular Affairs for 1932, from which I read. It contains the statement of the shipment of coconut oil from the Philippine Islands, page 35, Appendix C—

	Tons
1931	146,383
1930	104,796

These figures check up with the figures I got from the Finance Committee; and I have every reason to believe that this bulletin, issued by the Bureau of Insular Affairs, is correct. In fact, I am sure it is. That being so, I have agreed to allow 4,000 more tons to be imported than were imported last year. In other words, we have allowed an increase which I think should have been a decrease, but in order not to delay the bill I have agreed to that.

Mr. BINGHAM. The difference, Mr. President, is due to the fact that in the figures furnished by the Bureau of Insular Affairs it is reported in long tons, and the table in the hearings refers to short tons.

Mr. LONG. The amendment covers long tons.

Mr. PITTMAN. Mr. President, as I have stated, the whole theory upon which this amendment is prepared is the maintaining of the status quo of exports of these major items; and not having an opportunity to examine the hearings, and not anticipating an opportunity to examine the hearings, I am compelled, on that theory, to make no objection to this amendment. Of course, I have no doubt that if we should—upon consulting with the Department of Commerce, to which I have phoned to find out if there was an error—discover that the figures are not correct, we could get unanimous consent to reconsider the vote.

Mr. LONG. Certainly.

Mr. KING. Mr. President, I was not in the Chamber when the amendment was offered. As I understand, it is to further restrict the amount of imports.

Mr. LONG. No; it allows a little more than last year.

Mr. KING. Nevertheless, it is a restriction upon importations.

Mr. LONG. Against an increase.

Mr. KING. Mr. President, entertaining the views which I have so imperfectly heretofore expressed, I shall feel constrained to vote against this amendment. The position which I have taken from the beginning, in brief, was and is this: We superimposed by military force our authority upon the Philippine Islands. I think that so long as the Filipinos are under our flag we have no right morally—and I shall not enter into the legalistic argument, the constitutional

argument—to impose upon them restrictions as to the amount or quantity of commodities which they may import into the United States, and we have no right morally to restrict immigration into the United States from the Philippine Islands. As long as the Filipinos are under our flag, I shall feel constrained to vote against any of these restrictive measures, as I should vote against any restrictive measures that sought to impose upon products coming from Puerto Rico or from Hawaii or from Alaska restrictive limitations. They are under the flag, they are entitled to constitutional protection, and I can not bring my conscience to support this amendment or any other provision in either of the bills now pending which would impose upon them restrictions in the matter of imports into the United States or in the matter of Filipinos entering continental United States.

Mr. BINGHAM. Mr. President, I may say that the reason, as I remember it, why the committee gave a larger limitation than was mentioned in the table of imports was this: There is no duty at all on copra. The amount of copra which can come in, to be made into coconut oil in this country, is unlimited. There is a small industry in the Philippines which, my recollection is, was built up by American capital, and is run by Americans, to press the copra out there and to send the coconut oil into the United States. That business has not been very profitable, and due to the depression the amount has not been as much as that little industry in the Philippines could produce. Therefore, the limit was put at 200,000 tons, as I remember it, because that was the limit of the mills now in existence, which are owned by Americans. If the limit is reduced, it will simply mean that more copra will come in to be used in extracting coconut oil by American mills in this country. If the limit is left as it is, this would benefit the Americans who have put capital in the Philippines.

One other point. The residuum, after extracting the oil from the copra, is in the form of oil cake, which is not needed in this country, but which is shipped to Europe from the Philippines, and it is to the advantage of the Filipinos to have that European market for the oil cake, rather than bring it to this country.

Briefly, those were the reasons, as I recollect them, which caused the committee to act as it did act.

Mr. LONG. Mr. President, I yielded to increasing this output above what it was, thinking I was getting a unanimous-consent agreement. I can understand the Senator from Utah, who is opposed to the bill, objecting to having anything in it of this kind. Of course, that is an argument not only against this amendment but that is an argument against everything else in the bill. In other words, the Senator's position is that he is against all the provisions except the amendment which he has offered, and which, by the way, I am not opposing.

The mere fact that there is American capital over in the Philippine Islands squeezing out the coconut oil with the labor of the Filipinos does not alter this case. It does not prevent them coming in here to-day, as they are doing and as they will do, and build this production up to a great deal more than it has been, and virtually destroying the market for cottonseed and vegetable oils and flax oils in the United States. That has been the result heretofore.

As to copra, it is true that copra does come in free but it is a raw product; which has to be manufactured in the United States. Not only that, but when a revenue bill comes before the Senate this year, we are in hopes that there will be hardly a man in the Senate who will vote against taking copra off the free list.

Of course, when we talk about taking copra off the free list, we are immediately met with the proposition that it is a useless thing to do, because of the fact that they are bringing in the coconut oil manufactured with cheaper labor than we have in America and selling it at a price that can not possibly be anything but a great deal lower than the price at which vegetable oils are sold in the United States.

In agreeing to the amendment which I have offered, we are not imposing anything unfair. I feel that rather than undertake to apologize for restoring cotton farmers and other farmers in the United States and putting them on an equality with the Filipinos, we should proceed as our judgment dictates. It seems preposterous to almost have to apologize in the United States Senate for allowing the Filipinos to increase the amount of exports they are bringing into this country when cotton farmers all over the United States are practically impoverished and their oil mills are shut down. We used to get $20 a bale for cotton. We would get $25 worth of cottonseed oil out of a bale of cotton, but they began to develop the coconut oil and bring it here to such an extent that eventually there was finally no competition at all. Certainly we ought not to allow the Philippines, whose independence we are now proposing to grant, to increase the amount of coconut oil which they are importing into this country above what it was last year; and yet, in order to get harmony, thinking we would have unanimity and speed the passage of the bill, I agreed that my amendment might be changed to 150,000 tons, which is 4,000 more than they imported in 1931. If there is such a thing as treating fairly, we ought to be willing to treat the farmers of the United States, and particularly the cotton and flax farmers, fairly on this proposition.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana to the amendment.

The amendment to the amendment was agreed to.

Mr. BROUSSARD. Mr. President, I sent to the desk this morning an amendment, on page 35 of the bill, which I ask may now be reported.

The VICE PRESIDENT. The clerk will report the proposed amendment.

The LEGISLATIVE CLERK. On page 35 of the committee amendment, strike out lines 1 to 17, inclusive, and through the word "report," on line 18, and insert in lieu thereof the following:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act.

So as to make the section read:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall withdraw and surrender all right of possession—

And so forth.

Mr. BROUSSARD. Mr. President, the committee print, in so far as I have moved to strike it out, reads as follows:

PLEBISCITE ON THE QUESTION OF PHILIPPINE INDEPENDENCE

SEC. 9. (a) At any time after the expiration of the fifteenth year and before the expiration of the seventeenth year after the inauguration of the government provided for in this act the people of the Philippine Islands shall vote on the question of Philippine independence. The legislature of the Commonwealth of the Philippine Islands shall provide for the time and manner of an election for such purpose, at which the qualified voters of the Philippine Islands shall be entitled to vote.

(b) If a majority of the votes cast are in favor of Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the President of the United States, who shall, within 60 days after the receipt of such report, issue a proclamation announcing the results of such election, and within a period of 2 years after such report—

In lieu of the part I have read, my amendment proposes to incorporate the language contained in the House text which is found on page 16, and which reads:

On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under a constitution provided for in this act—

And so forth. Those are the words I propose to insert in lieu of the 17½ lines on page 35 which I have just read.

Mr. President, I am a member of the Committee on Territories and Insular Affairs and attended practically all of its hearings. To-day I have listened very attentively and closely to the able argument made by the Senator from Michigan [Mr. VANDENBERG] in support of his substitute and the objections he had to the committee report, which is the pending bill. Then I heard the Senator from Nevada [Mr. PITTMAN] criticize the argument made by the Senator from Michigan.

When my mind was made up in the committee and I voted against the Vandenberg substitute, one of the principal objections I had to it was that we would proceed for 18 years without permitting the people of the Philippine Islands to draw up a constitution and at the expiration of 18 years they were to adopt a constitution. I do not think we are solving the problem of the Philippine Islands by leaving it to a vote to be taken in 15 or 20 years hence. There will then be altogether a different electorate; and between now and that time, and until the promulgation of the result of the vote on the adoption of the constitution and its approval by the President, the Philippine Islands will be in a situation more indefinite than to-day. To-day we know that the United States Government claims and exercises sovereignty over the Philippine Islands. It was for that reason I voted against the Vandenberg amendment.

I have the same objection to the plebiscite clause which I have proposed to strike out. If the criticism of the Senator from Nevada is correct that the constitution would be adopted only 18 years hence, then I submit that it is wrong to permit those people to adopt a constitution and submit it to the President and have it approved and then in 18 years permit the people of the Philippine Islands to set aside that constitution.

Neither of the proposals as presented to the Senate affords any just ground for the belief that we have solved this question. I think the plebiscite provision should be eliminated. I think the period is entirely too long. I agree with the provisions of the House text that after eight years the President shall be compelled, on the 4th of July following the expiration of the eight years after the inauguration of the government of the Philippine Islands to issue his proclamation and to surrender all right of supervision, jurisdiction, control, and sovereignty of the United States over the Philippine Islands. It is too long a time to wait, and between the two I do not see very much difference. If it is objectionable to permit those people to remain under the United States for 18 years without adopting a constitution, I see no difference between that and requiring them to adopt a constitution which they may set aside in 18 years. There could be no difference at all. I look upon both of the proposals as objectionable.

I hope the Senate will adopt my amendment, because it will take only a year for the formalities to be complied with before the constitution may be submitted to the President for approval and before the new government can be established. I dare say it will be more than 10 years under my amendment before the Philippine Islands have been afforded final and complete independence. I ask the Senate to consider and adopt the amendment.

Mr. HAWES. Mr. President, something ought to be left to conference on the subject. There is a disagreement between the House and the Senate as to time. There is some uncertainty about it. But if this amendment should be adopted, that would settle the matter entirely and for all time. It would not be discussed in conference. Therefore, I hope the amendment will be defeated for that reason.

The VICE PRESIDENT. The question is on agreeing to the amendment as submitted by the Senator from Louisiana [Mr. BROUSSARD] to the amendment of the committee.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Capper	Frazier	Johnson
Austin	Caraway	George	Kean
Bailey	Carey	Glass	Kendrick
Bankhead	Cohen	Glenn	Keyes
Barbour	Connally	Goldsborough	King
Barkley	Coolidge	Gore	La Follette
Bingham	Costigan	Grammer	Logan
Black	Couzens	Hale	Long
Blaine	Cutting	Harrison	McGill
Borah	Dale	Hastings	McKellar
Bratton	Davis	Hatfield	McNary
Broussard	Dickinson	Hawes	Metcalf
Bulkley	Dill	Hayden	Moses
Bulow	Fess	Howell	Neely
Byrnes	Fletcher	Hull	Norbeck
Nye	Robinson, Ind.	Smoot	Wagner
Oddie	Schall	Steiwer	Walcott
Patterson	Schuyler	Swanson	Walsh, Mass.
Pittman	Sheppard	Thomas, Okla.	Walsh, Mont.
Reed	Shipstead	Townsend	Watson
Reynolds	Shortridge	Tydings	White
Robinson, Ark.	Smith	Vandenberg	

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present. The Chair understands that the Senator from Louisiana desires a division on the amendment.

Mr. WALSH of Massachusetts. Mr. President, I ask that the amendment be again stated.

The VICE PRESIDENT. The clerk will again state the amendment.

The LEGISLATIVE CLERK. On page 37 of the committee amendment it is proposed to strike out from line 7 to the word "report," in line 23, and insert in lieu thereof the following:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act——

Mr. LONG. Mr. President——

Mr. BROUSSARD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BROUSSARD. I should like to have the amendment read over again. As drafted, it comes in on page 35, to strike out lines 1 to 17, inclusive.

The VICE PRESIDENT. The clerk advises the Chair that the Senator is referring to the wrong bill. The amendment has been stated at the proper place in the bill that is now before the Senate.

Mr. WALSH of Montana. Mr. President, I understand the purport of this amendment to be that whereas, under the bill as reported by the committee, the President of the United States is authorized at any time after 2 years following the expiration of the intervening period of 18 years to withdraw from the Philippine Islands, the effect of the amendment will be to retain possession for 8 years longer.

Mr. BROUSSARD. That is not correct at all.

Mr. BINGHAM. No; it cuts down the period from 18 years to 8 years.

Mr. BROUSSARD. The amendment as I proposed it, and I do not know why there should be so many prints of the bill before us, proposes first to strike out the provision for a plebiscite, which provides:

SEC. 9. (a) At any time after the expiration of the fifteenth year and before the expiration of the seventeenth year after the inauguration of the government provided for in this act the people of the Philippine Islands shall vote on the question of Philippine independence. The legislature of the Commonwealth of the Philippine Islands shall provide for the time and manner of an election for such purpose, at which the qualified voters of the Philippine Islands shall be entitled to vote.

(b) If a majority of the votes cast are in favor of Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the President of the United States, who shall, within 60 days after the receipt of such report, issue a proclamation announcing the results of such election, and within a period of two years after such report—

Then the President shall issue his proclamation.

I am proposing to strike out everything from line 1 to line 18, including the word "report," and to insert the language adopted by the House of Representatives in the bill passed by them in the following words:

On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act.

Then the President shall issue his proclamation.

Mr. President, for the benefit of those who were not here, let me say that I find it quite unnecessary and inconsistent to require the people of the Philippine Islands to adopt a constitution, to submit it to the President of the United States for his approval, and then to provide that 17 years after the government of the Philippine Islands has been inaugurated, the Filipino people by a plebiscite shall be free to set aside the constitution. The objection which I had to the

Vandenberg bill in the committee was that it deferred the adoption of the constitution for 18 years; and I see no difference between such a provision and one which would require them to adopt a constitution but leave to a new generation the right to set it aside. In other words, we are entering upon an era of 18 or 20 years of uncertainty, greater uncertainty than that which exists to-day, because by the passage of this measure as its stands and the adoption of the constitution by the Philippine people the Congress will be powerless to effect a change. So, if we are going to grant them independence, whatever action is taken by the Congress should be final on that question; and if they are prepared now to adopt a constitution, why permit a new generation, consisting of new voters, to come in 18 years afterwards and set it aside?

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Massachusetts?

Mr. BROUSSARD. I yield.

Mr. WALSH of Massachusetts. Does the Senator's amendment eliminate the requirement for a plebiscite?

Mr. BROUSSARD. Yes, sir.

Mr. WALSH of Massachusetts. And shortens the period of time in which this bill is to become operative from approximately 18 years to 8 years?

Mr. BROUSSARD. Yes; it shortens it to eight years.

Mr. WALSH of Massachusetts. May I inquire of the Senator if the members of the committee consulted with representatives of the Philippine Government in reference to the time when they recommended that this bill should become operative?

Mr. BROUSSARD. We heard from a number of people. Everybody who wanted to be heard was heard.

Mr. WALSH of Massachusetts. Did they, representing the people of the Philippine Islands, suggest a period of time when independence should become a fact?

Mr. BROUSSARD. The hearings disclosed that some people thought 20 years was too short a period; others believed a very few years would be sufficient; some believed in a very much shorter period; and I think a few even wanted immediate independence; but they were not numerous; in fact, they were very few in number.

Mr. WALSH of Massachusetts. My thought is that if the purpose of this bill is to carry out the pledges of our country and to grant the Filipino people independence, if a committee of this body has been conferring with representatives of the Filipino people and trying to reach an agreement leading to that end, and if one of the agreements which the committee has made with the representatives of the Filipino people was for not more than 18 years, we ought to adhere to it unless there is some exceptional reason for taking action to the contrary. If the Filipino people desire a period for testing out the provisions of this bill in order that they may have a proper comprehension of it, and believe that that period should be not more than 18 years, I think that we ought to give consideration to such views, because this mission must return and ask for its approval by their people.

Mr. BROUSSARD. May I say to the Senator that the language that I incorporate in lieu of language proposed to be stricken out is taken, word for word, from the bill which passed the House of Representatives, and provides for independence in eight years.

Mr. WALSH of Massachusetts. Regardless of that fact, if the representatives of the Filipino people and a committee of this body have agreed upon a time when this bill should become operative, whether 15 or 18 years, and have agreed then that there should be a plebiscite, it seems to me that we should uphold the representatives of the Filipino people and try to carry out that agreement.

Mr. BROUSSARD. There are Filipinos engaged in different activities and in various walks of life who do not agree as to the time.

Mr. WALSH of Massachusetts. Is there not a delegation here officially authorized to speak and act for the Filipino people?

Mr. BROUSSARD. I have read very recently, and I have received letters to that effect, that the action of the representatives of the Philippine people in agreeing to some of the provisions of the bill have been repudiated by the people of the Philippine Islands.

Mr. WALSH of Massachusetts. I do not think, in case of an agreement of this kind, we should take into consideration the opposition that may appear from minorities or others than the authorized officials of the Philippine Islands. It can be settled and determined when the question is submitted to the people at their constitutional convention, whether these delegates have usurped the power of the people and have assumed power they do not possess. It seems to me if these gentlemen, in good faith representing the Filipino government, have agreed with the committee of this body on the important provisions of this bill, one of which is the time when it shall go into effect, we ought to carry out that agreement.

Mr. BROUSSARD. I think I was at every meeting, and I do not recall that there was any such agreement with any representatives of the Philippine government.

Mr. HAWES. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. BROUSSARD. I yield.

Mr. HAWES. Mr. President, it would be very unjust to the Philippine mission——

Mr. WALSH of Massachusetts. There is a mission, is there not?

Mr. HAWES. Yes; a very able commission.

Mr. WALSH of Massachusetts. And properly delegated and authorized to speak for the government of the Philippine Islands?

Mr. HAWES. The commission is composed of the speaker of the Philippine House of Representatives, of the presiding officer of their senate, of the majority leader and the minority leader. I do not think any body of men could claim better to represent the Filipino people than that commission.

As I was about to say, it would be unjust to that commission to have its position falsely stated or misconstrued. The Filipino people want independence; that is primary. It can be given to them under favorable terms by the American people and the Filipino people, and it can be given to them under the most unfavorable terms that will hurt our people and will hurt their people.

Now, trying to answer the Senator's question, these representatives with a fixed idea of independence at a definite date, have not approved the 18-year plan nor have they approved the 8-year plan. They have left the question to the American Congress to decide, demanding at all times a definite assurance of independence; and all through their argument there is this thought: At the conclusion of our war with Spain we permitted Spain to have a 10-year period of readjustment. They say, and properly so, "If the United States gave such a period for readjustment with Spain, we are entitled to the same consideration as that given to the Spaniards, and we do not believe that in a short period we can adjust our affairs."

Mr. WALSH of Massachusetts. I thank the Senator. May I now ask whether they have requested a plebiscite at the end of the period?

Mr. HAWES. No, sir.

Mr. WALSH of Massachusetts. That is a suggestion of the committee for the purpose of having the Filipino people by their votes finally decide their action on independence?

Mr. HAWES. That is a suggestion of the committee.

Mr. WALSH of Massachusetts. So that the effect of adopting this amendment now pending would be that at the end of the period provided by the agreement the Filipinos would receive independence without any further action by the people of the Philippines?

Mr. HAWES. That is a part of it.

Mr. WALSH of Massachusetts. The purpose of a plebiscite, as I understand, is to permit the Filipino people during this probation period to fully realize what is likely to hap-

pen if they separate themselves from the United States; to give them a chance to appreciate what may be the effect economically, politically, and socially upon the people of the islands; and to afford them an opportunity through a plebiscite to say, "After this test and trial the American Government has given us we do or we do not want independence"?

Mr. HAWES. That is the philosophy back of the plebiscite.

Mr. WALSH of Massachusetts. But if the proposal of our good friend from Louisiana should be adopted, they have got to have independence without any action after the years of probation, even if they believe it is a great mistake to separate and desire to remain a part of the American Government?

Mr. HAWES. The Senator is correct.

Mr. WALSH of Massachusetts. I am pleased to have that statement.

Mr. BROUSSARD. The question that the Senator from Massachusetts asks, I will say to him, is the very reason why I am offering this amendment. They want something definite. What they want to have is permission to adopt a constitution; and the committee proposes to make that work for 18 years, and permit a new vote to be taken then.

Mr. WALSH of Massachusetts. But the Senator's amendment would give them no time to change their mind after these tests. There are tests in this bill and fundamental economic proposals in this bill, as reported out, that they must consider. You do not give them any chance to change their minds after they discover that these tests and trials are to their disadvantage.

Mr. BROUSSARD. I take it that we are trying to carry out the pledge we made to those people. Their demand is that they shall have independence. Some of them agree with the Senator from Utah [Mr. KING] that they ought to have immediate independence. I may say to the Senator that they are all afraid to testify to the committee what the time should be. They may say to us privately and individually, one at a time, what they think it should be, but they have not asked for any specified time. They have protested against the action of the House, which fixed the time at eight years.

Mr. WALSH of Massachusetts. It seems to me the time when independence should be realized could be advanced.

Mr. BROUSSARD. It should be advanced, but the plebiscite should not be held back. That leaves them more uncertain than they are to-day, and it ties the hands of the Congress during that period so that the Congress can not do anything to alleviate or relieve anything that might arise in that time.

Mr. WALSH of Massachusetts. The purpose of my inquiry, as the Senator knows, was to find out to what extent the representatives of the Filipino people entered into an understanding with this committee.

Mr. BROUSSARD. We have no understanding at all.

Mr. BINGHAM. Mr. President, may I say to the Senator from Massachusetts that the bill was drafted by the committee after very prolonged hearings and prolonged study. In my experience of seven years on this committee I never knew a bill to receive more careful consideration from the committee, or a better attendance at all meetings, than the bill introduced by the Senator from Missouri [Mr. HAWES] and the Senator from New Mexico [Mr. CUTTING].

It was felt that in justice to the Americans now living in the Philippines, and in justice to the Filipinos themselves, a period of 10 years after they have taken the first step when there shall be no change made except to maintain the status quo was a fair thing to give people a chance to get away from their commitments and to give the Filipinos a chance to turn around and make their own arrangements. Then, at the end of 10 years they begin to know what it means not to have free entry into the United States. The first year after the 10 years a 5 per cent tariff tax on their exports is to be charged; the next year, 10 per cent; the next year, 15 per cent; and so on, they learning each year gradually what it means to pay an import tax into the United States. Actually, it is an export tax for their own benefit, for the benefit of their creditors. At the end of 15 years—10 years being the status quo, 5 years being a steady increase in their tariff—they then are given a chance to say whether, under the circumstances, knowing what is likely to happen to them, they want independence or not.

Under the proposal offered by the Senator from Louisiana [Mr. BROUSSARD], a period of only eight years is given for anybody to turn around in. They have no actual, practical knowledge of what it is going to mean to their markets to pay a tariff on goods coming into the United States, or even a part of them; and it was felt that in justice to them, and in justice to American investors in the Philippines who have acted in perfect good faith, and in justice to those who have bought Filipino bonds who have acted in good faith more or less under the guaranty of the United States, a maximum period of 18 years was the shortest time in which justice could be done to all, and the least harm done to the Filipinos themselves; and I have been repeatedly told by members of the mission, as has the Senator from Massachusetts, that that time was satisfactory to them.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. WALSH of Massachusetts. Does the Senator feel that the members of the mission desire the plebiscite provision to be retained?

Mr. BINGHAM. They never have asked me to have it taken out, or indicated their opposition to it.

Mr. WALSH of Massachusetts. Was the committee practically unanimous in its action?

Mr. BINGHAM. The committee believed that it was the fairest thing to do to the 13,000,000 people who are our wards in the Philippines to let them experience some of the rigors of independence, some of its burdens, many of its blessings, and then vote, at the end of that time, as to whether or not they wanted to have independence.

Mr. BROUSSARD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Louisiana?

Mr. BINGHAM. I yield.

Mr. BROUSSARD. I wish to say that the two Commissioners from the Philippine Islands are here; and they say that they favored a 5-year period first, and accepted eight years when the House adopted it.

Mr. BINGHAM. Of course, as the Senator from Utah well knows, they favor immediate independence; and that has been the battle cry of both the political parties in the Philippines for years—immediate, absolute, and complete independence. The committee, however, were trying to act for the Senate as representatives of the trustees or guardians of the 13,000,000 people there; and with the exception of the Senator from Utah [Mr. KING], who voted against it, and the Senator from Louisiana [Mr. BROUSSARD], and the Senator from Michigan [Mr. VANDENBERG], who had a plan of his own, the rest of the committee favored the plan which was finally worked out of the bill as presented by the Senator from Missouri.

Mr. KING. Mr. President, I am prompted to submit a few observations by reason of the statements by the Senator from Louisiana [Mr. BROUSSARD] and the questions propounded by the Senator from Massachusetts [Mr. WALSH] and the replies thereto. First, may I remark that the House committee which reported the Hare bill and the Senate committee which has reported the measure now before us conducted exhaustive hearings and received the testimony of witnesses both from the Philippine Islands as well as from continental United States. They appreciated the magnitude of the questions involved, and were sincerely desirous of reaching a conclusion that would be just to the Filipinos and honorable to our Government. The questions involved were intricate, and it is obvious that no decision reached would be entirely satisfactory to all concerned. The committees had before them problems that affected not alone the United States but which were of vital importance to 13,000,000 of people living thousands of miles distant from our shores. The questions involved were not political and governmental

alone, but they were impressed with highly controversial economic and industrial features.

Congress experiences difficulty when it deals with tariff schedules imposed as claimed for the protection of American industries, but its responsibilities and burdens are materially magnified when it is called upon, as at present, to deal with alien peoples who are under the flag but who, as we all concede, are not an inseparable part of this Republic, but, indeed, are to be emancipated from the control of the United States.

The relations between the United States and the Philippines are unique; indeed, considering the form and nature of this Republic and the high place which it occupies among the nations and peoples of the earth, I think that it may be said that history does not furnish a situation such as that in which the United States finds itself. This Republic may not, under our theory of government, engage in colonial expansion, and acquire and hold territory for exploitation or in virtue of economic imperialistic policies. In my view there should be no territory brought under the flag which may not, in due time, be incorporated into States in order that the inhabitants thereof may enjoy all the rights, immunities, and privileges possessed by the inhabitants of all other States.

We may not, in my view, hold indefinitely under the flag the Philippine Islands and subject them to such form of government as Congress may determine. We may not subject them to policies at variance with the high ideals of the democratic institutions of this Republic. If the Philippines are to be retained, they are entitled to every right and privilege, individual, personal, and governmental, enjoyed by every other citizen of the Republic. But even if it were determined to accord to them these rights, and to incorporate the Philippine Islands into the United States with all of the privileges and advantages of statehood, it would be in contravention of our theory of government, and of the letter as well as the spirit of our institutions, to do so without the consent of the Filipinos. The Declaration of Independence is the basis of our political institutions, and it is the lodestar by which our political policies must be governed. When the Philippine Islands were brought under the control of the United States it was clearly indicated by the responsible authorities of our Government that annexation was not contemplated, but that the Filipinos were to be given their independence. Repeated promises were made by Presidents of the United States, as well as other high officials in the Government, that absolute and complete independence would be granted to the Filipinos. Some of these statements were to the effect that within a generation independence was to be obtained. Solemn promises were made that when a "stable government was established" the Philippine Islands were to be made a free and independent state.

Notwithstanding these declarations there have been no inconsiderable number of Americans who have opposed independence, or at least have made equivocal statements or urged conditions which, if adhered to, would have postponed independence for an indefinite period. In the brief remarks I made a day or two ago I referred to the fact that the Secretary of War in the present administration lays down conditions precedent to independence which, if adhered to, would inevitably delay that objective indefinitely.

The question before the Senate is not a simple one, as I have indicated. We may not consult alone our own wishes or our own interests. I submit that the question which transcends all others is, What is fair and just to the Filipinos? They did not invite the United States to take control of the Philippine Islands. We are not there by their invitation; indeed, our Government was there, as they believed, as a trespasser, and they, in defense of what they conceived to be their rights and liberties, waged a sanguinary conflict for a number of years. We imposed upon them by force of arms a military government which later yielded to a more humane and liberal and largely autonomous government; but nevertheless the Philippine Islands have been under the control of the United States, and the Filipinos have lived under laws enacted by the Congress of the United States. Their economic and industrial condition has been shaped and, indeed, directed by our Government.

The act of Congress of 1909, establishing free trade between our Government and the Philippines, was imposed upon the latter against the will of the Filipinos. That legislation particularly influenced the economic condition of the islands. It constituted a barrier to commerce with other nations and induced—if it did not compel—the Filipinos to develop certain agricultural products to the exclusion of many others, and that diversification of agricultural crops to which, in the future, the efforts of the Filipinos must be directed.

Notwithstanding the economic conditions of the Philippines have been so closely interwoven with the United States, owing to the policies and laws of the latter, the Filipinos, for many years, have insisted that they were competent to govern themselves, and were able to maintain an independent government competent to discharge its international obligations. Even before the Jones Act of 1916 the Filipinos were pleading for their independence; however, they accepted the Jones Act and resolved to demonstrate to even the most skeptical that they could "establish and maintain a stable government." They believed that the provisions of the Jones Act were a covenant which the United States would respect and that within a limited period their aspirations for independence would be realized.

As Senators know, their progress along political, educational, cultural, and economic lines was so satisfactory that President Wilson declared in the last message which he submitted to Congress that they had measured up to every requirement and were entitled to their freedom. From that day until this the Filipinos have insisted upon emancipation from the control of the United States. Every municipality in the islands upon various occasions has passed resolutions favoring immediate independence. All of the Provinces of the islands have likewise adopted resolutions in favor of absolute, complete, and immediate independence. Business associations and congresses attended by thousands have adopted resolutions of a similar character. The Legislature of the Philippine Islands has sent delegations to the United States to plead for the passage of measures providing for independence. I doubt whether history reveals a case where there has been such unanimity for independence; and these demands for independence have been made notwithstanding the economic ties existing between the United States and the Philippines, and, though it was understood that serious economic problems would confront the new government that would follow legislation providing for independence of the Philippines, the Filipinos were willing to submit to the risks and vicissitudes that independence would entail.

Important as was the economic situation, they believed that the independence of their country was infinitely of greater importance. One can not help but respect the ideals and aspirations of a people who covet independence and who are willing to pass through privations and hardships in order to enjoy the boon of national independence. There is something more important in this world than wealth or power or economic advantages. Progress has come to the world as a result of the struggles and, indeed, the sufferings, of those who sought freedom.

But, Mr. President, I shall not pursue this thought further but shall recur to the observations of the Senator from Louisiana and the questions which they provoked. The Senator from Massachusetts inquires as to whether the so-called Hawes-Cutting bill has the approval of the Philippine representatives here in Washington. The conclusion might be reached, from the statements just made in this colloquy, that the measure under consideration was approved by the Philippine delegation. I heard a part of the testimony adduced before the Senate committee and have read most, if not all, of the House as well as the Senate hearings, and I reached the conclusion that the delegation had not recommended the Hawes-Cutting bill or any particular measure. I think their testimony indicates that their

principal concern is in obtaining independence. I do not think they have shifted the position taken by the Filipinos during the past 20 years.

From their testimony, however, I reached the conclusion that they believed that immediate independence would create economic difficulties rather serious in character; but it was my interpretation of all of their combined statements that notwithstanding the economic disadvantages that would follow immediate independence, the Filipinos were ready to accept the responsibility. I think, however, that a fair interpretation of the hearings would be that a short period of readjustment before independence would be desirable, but that if confronted with the alternative of an indefinite postponement of independence, or immediate independence, with all of the economic difficulties that might follow, the Filipinos would, without hesitation, prefer absolute and immediate independence.

The amendment offered by the Senator from Louisiana—and I had intended to offer a similar one—will, in my opinion, make the bill far more acceptable to some Senators, and I believe more satisfactory to the Filipinos, than the measure under consideration. In my opinion, to postpone independence 17 or 20 years, as contemplated by the Hawes-Cutting bill, is unwise and possesses many elements of discord and, indeed, danger. We are experiencing difficulty in dealing with the problem now—difficulties greater than those which would have been experienced if the question of independence had been under consideration by the Senate 10 years ago or 20 years ago.

As the years have gone by new problems and difficulties have arisen and they have added to the perplexities of Congress in finding a just and proper solution to this question so vital to millions of people in the Philippines and of importance to the people of the United States. Can it be said that during the next 17 or 20 years conditions in the Philippines and in the Orient and in our own land will be more satisfactory than those existing to-day; that the international sea will be less turbulent, and the world be freer from controversial situations? Can it be said that the economic conditions in the Philippine Islands will be more favorable for launching a Philippine republic or government in 20 years than at the present time or within the next few years? It is conceded that the economic ties binding the Philippines to the United States have multiplied and increased in strength during the past 10 or 15 years; but the plea for a prolonged period before independence rests upon economic considerations and the averment and the contention that the economic relations between the two countries have been so interwoven that to grant immediate independence would create a catastrophic situation in the Philippines. Larger investments of American capital have taken place as the years have gone by, and it is reasonably certain that 17 or 20 years of further control by the United States over the Philippines will result in still further investments of foreign capital, and perhaps the development of additional economic or industrial chains, the breaking of which at the expiration of the period named would result in more serious economic difficulties than would flow from independence obtained within the next three to five years.

Moreover, can it be said with any degree of certitude that at the expiration of the 17 or 20 years efforts would not be made to prolong the control of the United States over the Philippines? As I have indicated, no one can predict what the next 20 years will develop in the Orient or in the Philippines or in other parts of the world. If the Philippines had obtained independence 10 or 15 years ago, undoubtedly they would have found markets not now open to them, and they would have so adjusted their industrial and economic life as to enable them with confidence, serenity, and safety to meet the situation of the present as well as the conditions of the future.

It is conceded, of course, that the policy of the United States is largely responsible for the increase in the production of sugar in the Philippines, and that such policy was an obstacle to the diversification and to the development of a broader and a more comprehensive industrial and economic life. It is also true that that policy has tended to the isolation economically of the Philippine Islands. Because the United States is responsible for this condition there is some justice in the claim urged by Senators that it is only fair that the Filipinos have a reasonable period within which to adjust their economic situation.

If I believed that it would be for the best interest of the Filipinos to have a period such as provided in the Hawes-Cutting bill much of my aversion to that measure would be dissipated; but I fear that the postponement of the hour of independence for so long a period as the bill contemplates will develop problems not now fully envisioned and create difficulties not now fully apprehended, so that the condition of the Filipinos then and thereafter will be less satisfactory than if independence is given to them within the next three to five years. In other words, the unforeseen dangers, the certainty of problems and difficulties arising during this long stretch of years which would prove dangerous to the Philippines may be averted by granting independence within a period of not exceeding five years.

The investment of additional American capital in the Philippines may not be an advantage. Cuba to-day lies prostrate in part due to the fact that American capital controls 70 per cent of the sugar lands and the sugar centrals. In Santo Domingo large investments in the sugar industry have been made by American capital. Undoubtedly there are temporary advantages, in some instances permanent advantages, which have resulted from these large foreign investments, but generally speaking I believe that the acquisition by foreign capital of large areas of land in countries such as Cuba and Haiti and Santo Domingo and the Philippines will prove disadvantageous to the inhabitants of such countries.

I opposed American capital's going into Haiti, believing as I did it would result sooner or later in a condition akin to peonage. Fortunately for the Philippine Islands the lands are largely held by the Filipinos. But if additional foreign capital were there invested it would be a menace to ultimate independence and to the economic and industrial progress and development of the islands.

Mr. LONG. Mr. President, will the Senator yield——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. KING. I yield to the Senator.

Mr. LONG. As a matter of fact, if we give 20 more years for American capital to go in and employ labor and tie it up, and then, after having one referendum, wait for another referendum, can anybody tell what is going to happen, regardless of what their will is to-day, in that kind of a situation?

Mr. KING. I think the question of the Senator answers itself. I have briefly referred to this point, but repeat that no one can foresee what will occur 15 or 20 years from now in the Philippines or in the Orient, or for that matter in the Western Hemisphere. The world is in a condition of flux. Not only the Orient has its troubles and eruptions, its political and economic disturbances, but the Occident is beset by a multitude of difficulties and is confronted by problems which the statesmen of the day are unable to solve. I think it may be said that the conditions in the world are dynamic, if not volcanic. What the conditions may be at the period when independence will come to the Filipinos under the Vandenberg bill or under the Hawes-Cutting bill, as indicated by the Senator from Louisiana, no one can foresee.

I do not make this statement for the purpose of encouraging Senators to vote for the independence of the Filipinos within the next few years in order that the United States may escape the possibility of being drawn into some oriental conflict. I do not anticipate that the United States will be drawn into any conflict with Japan or any other country.

If, however, as was pointed out by Theodore Roosevelt—to which reference was made in the address by the able Senator from Michigan—the Philippine Islands were still under the control of the United States, our Government would have a naval problem which it might have difficulty in meeting.

Senators will recall another statement made by Theodore Roosevelt—that in the event of a conflict the Philippine Islands would be our Achilles' heel and would constitute a most vulnerable point. Certain it is that in view of the treaty by which we are bound and which prevents the United States fortifying the Philippines, they constitute a source of weakness from a military and naval standpoint, and not an element or source of strength.

The bill before us calls for a plebiscite at the end of 17 years. That, to my mind, is objectionable, and, if there were no other reason, I would be inclined to support the amendment offered by the Senator from Louisiana. If a plebiscite is to be had, American capitalists having interests in the Philippines will—and it is only natural—endeavor to find means to prevent a favorable vote in favor of independence. They and those who may be opposed to the ultimate independence of the Philippines will have this long period in which to increase their capital investments and to covertly or otherwise seek to develop an anti-independence movement.

There are, as I understand, nearly 2,000,000 of persons dependent upon and connected with the sugar industry. There are a large number of persons connected with the coconut industry. There are persons having capital and investments, not Americans, who perhaps believe that their interests would best be served by the Philippines remaining under the control of the United States. Perhaps there are some Filipinos who have large interests in the islands who believe that their material and financial interests would best be served by a continuation of the present relations between the United States and the Philippine Islands.

There was no plebiscite in the Philippine Islands when the United States overthrew the republic which the Filipinos had established and forced them to submit to the control of the United States. There is no uncertainty as to the wishes of the Filipinos now. They have given unmistakable evidences of their desire for independence. If further evidence is required, it will be furnished when a constitution prepared pursuant to the provisions of the Hawes-Cutting bill is submitted for their approval or disapproval. If they vote affirmatively, as it is absolutely certain they will, there is incontrovertible evidence of their desire for independence. To require another plebiscite at the end of 17 years seems to me unwise and unfair.

I repeat that under the most favorable conditions there will be some discordant elements in the political and economic affairs of the Philippines; there will be some persons dissatisfied with existing conditions and with the political situation. That is inevitable. There are persons in the United States dissatisfied with our political system and with economic conditions. These discordant elements and dissatisfied persons in the Philippines, with the knowledge that a plebiscite is to be held, may intrigue to prevent the consummation of independence. I merely suggest these points for the thoughtful consideration of Senators.

The Senator from Massachusetts [Mr. WALSH] has just indicated, if I correctly interpreted his remarks, that a period of 10 years under the bill might not furnish sufficient experience to enable the Filipinos to determine whether they desired independence or preferred to remain under the control of the United States.

Mr. President, I have already indicated that if confronted with the alternative of immediate independence or a prolonged period of American control with uncertainty as to the outcome, they would not hesitate to declare for independence. I do not think they require 10 years to determine whether they desire independence or not. Mr. President, another reason why independence should be granted in the near future is found in the attitude of labor and agriculture in the United States toward this Philippine question. If independence does not come within a short time, demands will be made, and, indeed, they have been made, for legislation which, in my opinion, is at variance with our concepts of government—legislation which, perhaps, might contravene the Constitution of the United States. Demands are made for the exclusion of the Filipinos from continental United States, for the imposition of tariff duties upon Philippine products; and this legislation is asked for while the Filipinos remain under the control of the United States. I have, upon a number of occasions, both in the Senate and outside of this Chamber, declared that I was unwilling to support measures that treated the Filipinos as foreigners and outside of the protection of the Constitution of the United States while they were held under the flag of the United States. While they are under the flag they should have the protection of the flag.

Mr. President, let us dispose of this vital question now and dispose of it in a just and honorable way. Let us make a final disposition of it. That will be accomplished if we shall pass a measure under which the Filipinos may form a government in harmony with their own views and launch upon the great international sea their ship of state. The necessary procedure preliminary to the setting up of an independent Filipino state may be taken and completed within a very brief period.

Mr. WALSH of Massachusetts. Will the Senator yield?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. Will the Senator be willing to state the years he will provide for foreign legislation of this character?

Mr. KING. Mr. President, during the past 10 years I have offered measures providing for the independence of the Philippines. At the last session of Congress I offered a bill, which is now pending, under the terms of which Philippine independence may be obtained between three and four years. The measure has some flexible provisions so that the period might be shortened.

Mr. WALSH of Massachusetts. Does the measure provide a plebiscite?

Mr. KING. No. There is no such provision.

Mr. WALSH of Massachusetts. Just an act of Congress without any act of the Filipino people.

Mr. KING. The bill provides that upon its passage a convention shall be called by the Philippine Legislature, at which a constitution shall be formed. The convention may be called at any time after one year, but not later than 18 months. During this period ample time is given to the people to consider the form of government which they desire and to select such representatives as they desire to draft their constitution. The bill provides that after the constitution has been framed it shall be submitted to the people, who shall have the opportunity to vote for its adoption or rejection. If it be rejected, then under the bill that terminates the immediate effort for independence. If the constitution is adopted, the bill contains provisions for the calling of an election in order that officers provided for in the constitution may be chosen. After their election the President of the United States issues a proclamation and designates the time when the United States shall withdraw and surrender all rights of possession, jurisdiction, control, and sovereignty existing and exercised by the United States, and recognizes the independence of the Philippine Islands as a separate and self-governing nation.

The bill also provides that the President shall notify the governments with which the United States is in diplomatic correspondence of the action of the United States and invite such governments to recognize the independence of the Philippine Islands.

Mr. WALSH of Massachusetts. I am impressed with what the Senator says about the agencies that will be at work during the period of time that may be fixed in any legislation of this kind.

May I ask the Senator the question I asked a few minutes ago? Does he understand that the Filipinos who constitute the mission from the Filipino government to this country have agreed upon any terms in reference to the time when independence may become operative?

Mr. KING. Quite the contrary. I have talked with them and they have not, so far as I know, certainly not in my presence, indicated that there had been any agreement as to the time when independence should be granted.

Mr. WALSH of Massachusetts. I will say that I have reached that conclusion myself, after what has been said

upon the floor here, that they are not committed to any time.

Mr. KING. If the Senator will read the testimony submitted by the Filipino representatives, I think he will reach the conclusion that they are more concerned in having the question of independence disposed of than the question of the time when absolute and complete independence is obtained. In other words, they have stated that the Filipinos desire independence; that the Legislature of the Philippine Islands has upon a number of occasions adopted resolutions declaring in favor of immediate independence. They have stated, however, that if separation should come immediately there would be economic problems which the Philippine government would have to meet. I am inclined to think that a perusal of their testimony warrants the inference that they believe that it might be better for the Filipinos to delay independence for a few years, but, as stated, I have interpreted their statements to me, as well as their testimony, that the paramount question was the independence of their country; and that while they believed that a reasonable time should be allowed for adjustment of economic conditions, that reason should not be seized upon as a pretense or an excuse for a prolonged delay in granting independence.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. HAWES. I think it very important that the exact position of the commission should be made quite clear. I have observed from time to time statements from different factions in the Philippines advocating what they call immediate independence, but always qualified with a request that the Filipino people be given a reasonable time in which to adjust their trade relations with the United States. Usually that period was put at 10 years, because that was the length of time allowed to Spain for a like purpose.

The difficulty is this: Once we grant independence, then future relations of the Philippines with the United States pass out of the control of the United States, and out of the control of Congress. In order, therefore, to try to satisfy this desire for immediate independence, and at the same time provide a period of adjustment which American interests and Philippine interests seem to require, a bill was written with a time limit in it.

That bill was first prepared by Secretary of War Weeks, under the Coolidge administration, eight years ago. New elements were included in it by our committee. But our fundamental difference has always been this, that the Philippine Commission wants immediate independence. Every member of it wants immediate independence. But they were trying to couple with that a 10-year period, or some other period, in order to adjust their business relations with our country; but we could not write it into the law; we could not agree. The wish of the commission is for quick independence, immediate independence, if you please, but with a period after independence in which to permit them to adjust their commercial relations.

Mr. KING. Will the Senator pardon me a moment?

Mr. HAWES. I yield.

Mr. KING. Does the Senator think, when he says that they ask for immediate independence but time for the adjustment of their affairs, that that means that the period of adjustment must follow complete independence?

Mr. HAWES. Yes; that was their thought, but it could not be written into law, because it would conflict with some of our commercial agreements with other countries.

Mr. KING. May I say to the Senator, if he will pardon me, that I have never obtained the impression from the testimony which I have read, or from any of my contacts with representatives of the Filipinos, that they expected or desired, first, independence, and then some sort of an ephemeral or attenuated control by the Federal Government over them while they adjusted their economic conditions?

Mr. HAWES. I think that is what they all desire, a sort of gentleman's agreement to leave them alone for 10 years, that is to say, that the same consideration which we gave to Spain be given to them.

Mr. WALSH of Massachusetts. May I inquire of the Senator from Missouri whether any time would be required for the United States Government to adjust its affairs in the Philippine Islands before we granted them independence?

Mr. HAWES. The same period.

Mr. WALSH of Massachusetts. Are there problems which the United States Government would have to settle before it removes itself from complete control of the Philippine Islands?

Mr. HAWES. Yes; that is all very definitely set out in the bill.

Mr. WALSH of Massachusetts. I would assume so. How long do the experts of our Government say it would take to straighten out those matters?

Mr. HAWES. Our experts have never told us the length of time, but we know this: That if this sugar amendment, cutting down the imports to this country by 50 per cent and thereby cutting down the revenue of the Philippine people 50 per cent, is agreed to, they can not pay their bonds, they can not pay their bills, they can not save their basic industries.

Mr. WALSH of Massachusetts. I am under the impression that some years ago, when Mr. Weeks was Secretary of War, and some hearings were had upon this question, the War Department suggested that it would take about five years for the American Government to readjust itself to the granting of independence.

Mr. HAWES. The Senator's recollection is correct; but that was nearly 10 years ago, and a great deal of this business has developed during that period. The Filipinos have reduced their governmental expenses, they have cut down every expense, they are paying all Philippine government bills, and now we are going to limit the two great export articles upon which they live and cut their exportations in two. How can they live when that is done? The provision as to time, therefore, was inserted.

Mr. WALSH of Massachusetts. With due respect and regard for the rights of the United States Government in the Philippine Islands as well as the Filipinos' rights?

Mr. HAWES. Exactly, and it requires a period of time to do that.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. HAWES. I yield.

Mr. BROUSSARD. With respect to the statement the Senator just made, that these obligations, contracted 15 years ago, will not be paid, if we look up the records and see how much sugar they brought here, it will be found that there was no consideration of the sugar question, because up to 1929 they did not raise over half a million tons of sugar. Now that they are trying to get a million and a half, as the secretary of agriculture in the Philippines says, the question of these obligations contracted by the Filipinos is not one that involves a moral question, because they have doubled their production since Representative TIMBERLAKE and I, in 1929, tried to limit them to 500,000 tons.

Mr. HAWES. But the fact stands out clearly, it can not be disputed, that the American Congress imposed free trade upon the Filipino people over their protests voiced in resolutions, in the statements of their leading men, and in their newspapers.

The United States having forced free trade upon them and they having done the things that the American Congress seemed to want them to do, having built up their coconut-oil trade and their sugar trade, we now propose by one act to reduce that trade by 50 per cent. That would not be right or fair. It seems to me, when we are about to take national action, fulfilling the promises of the American Congress, fulfilling the promises of the Presidents of the United States, that we should do it graciously, we should do it honorably, and we should leave sugar out of it. If human liberty has come to be measured by sugar in the United States Senate we have sunk to a low estate. To-day America has trade with the Philippines. It has indeed a practical monopoly of their trade. They wear our shoes, our clothes. They follow our fashions. After we shall have

given them their freedom and we want to hold their trade, how do our American merchants expect to retain it if meantime we have done an ungracious thing to them?

THE SILVER QUESTION

Mr. KING. Mr. President, I have a letter written by a former Member of this body, Hon. Charles S. Thomas, of Colorado, on the silver question, being a letter written by him on the 20th of November to the President elect. It is a very able presentation of this vitally important question. I ask that it may be incorporated in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

DENVER, COLO., *November 20, 1932.*

To the PRESIDENT ELECT:

During the recent campaign you frequently stressed the expansion of purchasing power everywhere as the fundamental postulate of returning prosperity. This need is too obvious to require discussion.

Late in the campaign Senator WILLIAM E. BORAH emphasized and elaborated your statement in his vigorous fashion. He formulated a 4-point program designed to "take the sick world by the throat and shake it into good health," which involved restoration of world markets, adaptation of monetary systems to present conditions, tax reform, and debt reduction. The second of these proposals, however, essentially involves the remaining three.

For purchasing power is the equivalent of a sound and abundant monetary system endowed with the unqualified function of legal tender and safeguarded against undue inflation, yet capable of expansion under the operation of natural laws, in response to the increasing demands of human activity. This can be effected by a return to the old and time-tested system of bimetallism, whereby the monetary standard rests upon both gold and silver; a system beginning in the twilight of history and approved by Hamilton and Jefferson in 1789, functioned for 20 centuries until destroyed by a conspiracy of fraud and avarice, to the resulting misery of mankind, the only system whose reestablishment will return to the world that purchasing power so essential to its welfare. It is the only sound money system which ever existed, or in the fundamental nature of things ever can exist.

Since 1896 the term "sound money," then a campaign phrase, has become the equivalent of the gold standard. But neither gold nor any other single standard was ever sound. It should be called a shrinking standard, conceived, created, and used at given intervals since its birth to garrote the world's activities by destroying its values. The sinister establishment and expansion of monometallism, beginning with the close of the Napoleonic wars and advancing regularly with recurring ones in 1871, 1873, and 1926, is of modern origin. Its progress reminds one of recurrent eruptions of the Asiatic plague. For every statute establishing and extending it has been the inexorable forerunner of world-wide economic disaster. The India act of 1926, establishing the euphonic "gold bullion standard," and dooming the vast silver rupee currency to the melting pot, caused an immediate drop in the world price of silver from 65 to 27 cents per ounce, ran true to form and forecast the panic of 1929. The purchasing power of half a billion people dependent upon their silver for the necessities of existence suffered the loss of 60 per cent of their purchasing power at a single blow, and its repercussion upon that power the world over was quite as extensive. That shrinkage has been continuous and is still in progress. In the United States the shrinkage from 1929 to 1932 in security values alone exceeds $74,000,000,000.

The objective of the gold standard has been perfectly apparent since it was designed by the house of Rothschild. It was to restrict its volume to the dimensions of the world's stock of gold, thus automatically increasing the value of all forms of credit when valued in commodities, and requiring more and ever more of them for debt liquidation. It not only milks the cow, it keeps her perpetually dry. It also stimulates the expansion of gold credits, and by occasional hoardings of specie, forces seasonal times of artificial stringency. The expansion of credits has, therefore, long since reached and passed the danger point. The world stock of gold is little more than $11,000,0000,000. This constitutes the slender base for $750,000,000,000 of securities. Five per cent interest per annum on this sum is more than three times all the gold in the world. We are increasing the volume of these credits annually by 3 per cent against the annual increment of about 4 per cent to our gold supply. Not much longer can the people be deluded into stupid security by eulogizing the virtues of the gold standard. The end is just over the horizon, and gold hoarding has long become a business.

Of our gold stock, France and the United States own much more than half. They guard it in underground caves and vaults where moth and rust do not corrupt nor thieves break in and steal. The rest of the world must share the remainder as best it can, in competition with the two chief offenders. Gold is and is becoming more and more valuable as time passes. No people can pay in gold now or hereafter. Great Britain, shifting from the gold to the gold-bullion standard, was forced in 1931 to abandon both to her present and future advantage. It is but a question of time when we shall do likewise. Meanwhile France and Uncle Sam see visions whenever their gold is menaced or a dollar seeps across their borders. President Hoover at Des Moines confided to the public the terrible secret that recently the Government was only a fortnight from the flight of the gold standard, with destination unknown. He hoped the story would terrorize a nervous electorate; instead he aroused a challenge of its truth, wherein he was badly worsted. But he did know, as does every thinking man, that the gold standard has long been doomed unless the white metal comes to its rescue. And this need is no longer an academic problem, its need is vital to the future of industrial civilization.

How vital this is, you need, Mr. President, only to recall the intimate relation long observed between silver and wheat values in world markets. Except in the stress of war or widespread calamity, prices of wheat follow those of silver bullion with remarkable fidelity. This fact, regardless of its explanation, is of tremendous import at this time. Its last manifestation was in 1930, when the Indian currency act became effective and wheat values shrank with the rupee. Is it not reasonable, therefore, to assume that with the return of the rupee to its ratio value wheat will benefit by the increased purchasing power of Britain's vast dependency?

A paper currency is always under the menace of inflation. This is both disturbing and dangerous. Because of it, monometallism has never failed to assert that the double standard and inflation are identical; a charge that is wilfully untrue. Its only basis is that silver, having been reduced to a commodity, its value fluctuates in the market. But when it enjoyed the money function its changing value was as unthinkable as that of gold.

Silver, like gold, was originally selected as media of exchange for the same reasons. Neither could be counterfeited while nature rigidly limited and proportioned their production. Through the centuries of the past, man produced 14 pounds of silver for every pound of gold upon the average, and while both metals functioned together as money, the ratio of their value fluctuated within narrow limits around that imposed by nature.

It is quite as impossible to inflate silver as to inflate gold. The inflation of credit structures based upon them is easy as witness the dropsical expansion of gold securities. Hence the monetization of all available silver at or around the ratio prevailing in 1873, and to which our silver coinage conforms, would barely double the world's supply of metallic money. Yet the prophecy of silver inflation, the bugaboo of the gold men, was strong enough to defeat Bryan in 1896. They do not or will not comprehend that the only way to expand the money volume and to prevent undue currency inflation is to return to the double standard. We have it here in partial measure, thanks to the compulsory coinage acts. Where would America have been since 1929 without her more than $850,000,000 of silver currency, which less $100,000,000 has been 40 years in active circulation, in specie or in paper, hoarded by nobody and good for its face value everywhere?

When the Bland and Sherman Silver Acts were passed, Wall Street shrieked in protest and loudly proclaimed their unheard-of inflation of our money with its inevitable depreciation, of course, to the sole injury of the poor and needy. Efforts, indeed, were more than once made to make the forecast effective; but I affirm that never since our Government was established has a silver dollar fallen below its par value or been refused by an American citizen. Indeed, it commanded 101 cents in gold when the Congress degraded it in 1873.

Converts to the bimetallic doctrine have multiplied since 1900 and amazingly since 1929. Economists, publicists, and statesmen everywhere are now proclaiming it. Only yesterday Nicholas Murray Butler said to his party: "The question must be fairly faced as to whether the use of silver under international control as a basic monetary metal will not assist to relieve the present economic and financial situation." It must, indeed, and the Democracy must face it as well. The destruction of the world's purchasing power is largely due to the statutory dominance of the single standard. Experience and common sense, therefore, protest against its efficacy as a restorative. They also warn us against resort to the ordinary perils of paper inflation. Is there any other safe method for expanding the world's purchasing power than bimetallism? These counsellors reply in the negative.

You have recently said that your administration would probably disregard many precedents in reaching your objectives. All power to your arm. Let one of the first of those be that blind adhesion to the fetish of gold which has dominated the Nation for the past 60 years and well nigh ruined it.

Of course, this policy will enhance the value of silver. Otherwise it would be ineffective. Of course, silver will, as in 1919, rise to par, if not beyond it. That is as it should be. But wheat would also rise to its former scale of prices, so would cotton and hogs and corn and pig iron and labor and all of the products of man. These returning values would simply mean the just restoration of property wrested for more than a century from the people through the agency of an iniquitous monetary standard. Effect this change in the economic status, Mr. President, and the world will justly acclaim you as its greatest benefactor. In no other manner can your pledges and those of our party become effective.

C. S. THOMAS.

PAY OF CONGRESSIONAL OFFICERS AND EMPLOYEES

Mr. HALE. From the Committee on Appropriations I report back favorably without amendment the joint resolution (H. J. Res. 503) authorizing the payment of salaries of the officers and employees of Congress for December, 1932,

on the 20th day of that month, and I ask for its present consideration.

There being no objection, the joint resolution was considered, read, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, the office of Legislative Counsel, and employees paid on vouchers under authority of resolutions, their respective salaries for the month of December, 1932, on the 20th day of that month.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 3 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, December 13, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 12, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father of infinite wisdom and mercy, as our hearts are developed through loving and serving and our characters are strengthened by test and trial, we wait for Thy guidance. We are grateful to Thee for the promise and the presence of Him who was so divine in His humanity and so human in His divinity. Let us hear His voice and feel the touch of His outstretched hand. In the name of Him who was so tranquilizing in the revelation of the abiding realities of life, bless our souls with the fervor of divine aspirations. In the performance of duty, enable us to put into permanent form the wisest, the best thoughts and the hopes of man. The historic institutions of the land which have made for the Nation's stability and security, we pray that they may be fostered in the breast of every citizen. Keep our deliberations and conclusions of this day free from blame or blunder. Through Christ our Savior. Amen.

The Journal of the proceedings of Saturday, December 10, 1932, was read and approved.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On July 19, 1932:

H. R. 10372. An act to authorize the Director of Public Buildings and Public Parks to employ landscape architects, architects, engineers, artists, or other expert consultants; and

H. R. 12281. An act to encourage the mining of coal adjacent to the Alaska Railroad, in the Territory of Alaska, and for other purposes.

On July 21, 1932:

H. R. 10246. An act to fix the fees to be charged for the issue of domestic money orders;

H. R. 10494. An act to provide a postage charge on notices to publishers regarding undeliverable second-class matter; and

H. R. 9642. An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and expediting the public-works program.

On July 22, 1932:

H. R. 12280. An act to create Federal home loan banks, to provide for the supervision thereof, and for other purposes;

H. R. 12768. An act making an appropriation for the Federal Home Loan Bank Board for the fiscal year ending June 30, 1933; and

H. J. Res. 461. Joint resolution making appropriations to enable the Federal Farm Board to distribute Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

GOVERNMENTAL COMPETITION WITH PRIVATE ENTERPRISE

Mr. POU, from the Committee on Rules, reported the following resolution (H. Res. 312, Rept. No. 1788), which was referred to the House Calendar and ordered printed:

Resolved, That the special committee appointed pursuant to the authority of House Resolution 235 for the purpose of investigating Government competition with private enterprise shall report to the House not later than January 25, 1933, in lieu of December 15, 1932, the date specified in such resolution.

PAYMENT OF SALARIES OF OFFICERS AND EMPLOYEES OF CONGRESS

Mr. BYRNS. Mr. Speaker, I offer a joint resolution (H. J. Res. 503) authorizing the payment of salaries of officers and employees of Congress for December, 1932, on the 20th of that month and ask unanimous consent for its immediate consideration.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, the office of Legislative Counsel, and employees paid on vouchers under authority of resolutions their respective salaries for the month of December, 1932, on the 20th day of that month.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, we had a field week, I may say, last week in the matter of general debate. It is extremely important to get these appropriation bills through. Having had several days of general debate, I want to submit this unanimous-consent request with respect to the Treasury and Post Office bill. There is nothing unusual in this bill, if I may be permitted to say this, that I recall which is subject to a point of order, except the continuance of the economy bill and possibly a section relating to the bonus which is paid for reenlistments.

I ask unanimous consent that in the consideration of the bill all points of order on said bill shall be considered as waived.

I make this request for the reason that it is perfectly apparent that we can bring in a rule and consume time discussing the rule and put through the same proposition, but it seems to me this will give every Member of the House an opportunity to discuss the bill and the whole House an opportunity to pass upon the bill.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LAGUARDIA. There is a section of the bill, I do not remember the paragraph number, but perhaps section 4, which delegates a purely legislative function to the Director of the Budget. Regardless of the merits of the ends to be attained, surely this is something which no Member who takes his work seriously could submit to by a waiver of his right to raise the point of order. It is not only a wholly legislative question but, to my mind, it raises a constitutional question. I do not know that I have referred to the section correctly.

Mr. BYRNS. I do not find that in section 4. The gentleman is referring to section 5 with reference to the permanent appropriations.

Mr. LAGUARDIA. Yes; section 5.

Mr. BYRNS. That relates entirely to permanent, specific appropriations, and simply directs the Director of the Budget not to perform any legislative function but to do what Congress tells him to do and to reduce the specific appropriations by the amount provided in the economy bill, so called.

Mr. LAGUARDIA. True; but surely that is not wholly an administrative function, and it is not merely a clerical function.

Mr. BYRNS. It is purely an administrative or ministerial function if Congress simply directs him to reduce the appropriation a specific amount, as this section proposes. It is nothing but a ministerial function.

Mr. LaGUARDIA. It determines the appropriation; and I want to say, in all frankness to the gentleman, I deem it my duty to object to any such waiver. I believe it is a very dangerous precedent. If a rule is brought in and a majority approves the rule, then we are simply lashed in our limitations, and we can not help it, and of course I shall have to abide by the rule.

Mr. BYRNS. If the other provision is adopted with reference to salaries and other expenditures, I fail to see the point of the gentleman's objection to the reduction of these specific appropriations in the same amount. There is no way that the committee could accurately determine this, and the only thing that could be done was to direct some one in the Government to perform what I say is nothing more or less than a ministerial function, because Congress tells him what to do and how much the reduction shall be. There is nothing left to his discretion at all. Otherwise it would be left to the heads of the various sections, who might entertain different ideas.

Mr. LaGUARDIA. Congress could very well provide in any appropriation bill for a reversion to the Treasury of any unexpended balance, but to say to an administrative official that he shall reduce appropriations in this manner, it seems to me, is surrendering one of the very few powers remaining in the legislative branch of our Government under the Constitution.

Mr. BYRNS. I think the gentleman is seeing ghosts.

Mr. LaGUARDIA. I am. I am seeing a whole army of ghosts, I will say to my good friend from Tennessee.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. LaGUARDIA. I object.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that general debate be limited to the bill.

The SPEAKER. The Chair wants to state that before he recognizes the gentleman from Tennessee to move to go into the Committee of the Whole the Chair is going to recognize the gentleman from Massachusetts [Mr. TREADWAY] to ask unanimous consent to address the House for five minutes. In this connection the Chair wishes to say that the Chair hopes the Members will refrain from asking recognition to address the House during the consideration of the appropriation bill.

Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PAYMENT OF WAR DEBTS

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for five minutes on the question of the notes exchanged yesterday on the debt question.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, we have to-day an excellent illustration of the old adage, "It takes two to make a bargain." The note received by the State Department yesterday from Great Britain relative to the war-debt payment due on December 15 has interesting features. The payment as proposed therein might be described as a package containing $95,550,000 tied with indestructible bindings so that it can not be opened. These bindings consist of conditions being made by Great Britain which are unacceptable to this country and entirely beyond the scope of Great Britain's own action in signing the original debt-funding agreement which was duly enacted into law by the Congress. Briefly, these conditions are that this payment is not to be regarded as the resumption of annual payments contemplated by the existing agreement but as an advance capital installment on a new debt agreement to be agreed on later.

In the statement issued by President Hoover under date of June 21, 1931, direct reference was made to the fact that the moratorium, in order to be operative, must have congressional sanction. This was granted in December, 1931. On November 23, last, the President called to the White House Members of Congress of both political parties and informed them of the requests that had reached him relative to the payments due on Thursday of this week. Undoubtedly, in calling the conference he again had in mind that congressional sanction would be necessary for consideration of any delay in the December 15 payment. It was very apparent that such delay would not be approved. It therefore becomes quite important that in agreeing to make the payment on December 15, the largest debtor nation designates definite conditions without the slightest consideration of whether or not they will be approved by Congress. These conditions are so contrary to the original debt-funding agreement that I, as one Member of Congress and a member of the committee that would have jurisdiction over suggested legislation, would to-day vote to decline to receive the payment provided acceptance carried with it agreement with the conditions made by Great Britain. I believe it is the part of Congress to take no action in connection with these conditions. If this procedure is followed and unconditional payment is made on December 15, I feel that the request of Great Britain for a fairly prompt conference should be granted. It would only be the part of courtesy to a sister nation to accede to such a request without binding this country as to the final position it might take.

I very much doubt if such a conference can be held and any results reached before March 4. The meeting would, therefore, be more representative of the viewpoint of the new administration if the conferees were not appointed or any legislation passed regarding the subject until the President elect takes office. Between now and March 4 Congress has ample business to transact of a domestic nature.

It will be seen from paragraph 6 of the British note that it is the purpose of Great Britain "to treat the payment of December 15 as a capital payment, of which account should be taken in any final settlement," and that Secretary Stimson's reply emphasizes the fact that the Executive has no power to amend or alter existing conditions, and the Secretary therefore assumes that the British statement is in the form of a suggestion rather than a definite condition. Secretary Stimson's note properly represents the viewpoint of the administration, and I am confident it also represents the attitude of Congress. I would not even go so far as to say that the acceptance of unconditional payment would carry with it any agreement to a future conference, but personally I feel that such a request, originating after the payment is made, should receive the most courteous consideration.

The next step on the part of Great Britain will be awaited with interest. This country having declined the proposed conditions, the British Government now has the opportunity to show that its note of yesterday was a suggestion rather than a definite condition. However, sufficient unto the day is the evil thereof. To-day's business is to corroborate informally here the attitude which the President, through Secretary Stimson, has indicated to Great Britain, namely, that the payment due on December 15 will be accepted only in accordance with the debt-funding agreement signed by Ambassador Geddes at Washington on June 18, 1923, and authorized by act of Congress, Public, No. 445, approved February 28, 1923. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include in my remarks the note of the British Government of yesterday and the reply of Secretary Stimson, as they appear in the press to-day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to follows:

THE BRITISH NOTE

1. His Majesty's Government having received the note addressed to them by the United States Government on December 7 observe with satisfaction that the United States Government welcome the suggestion for a close examination between the two countries of the whole subject dealt with in the British note of December 1. His Majesty's Government feel that it will be appropriate to re-



serve for this joint examination their comments on certain of the views expressed in the United States note of December 7, but they think it right to state that after further careful consideration they see no reason to modify their general conclusions set forth in their note of December 1.

2. His Majesty's Government will, therefore, in the present communication, deal only with the last portion of the United States Government's note which relates to the immediate question of the payment on December 15. His Majesty's Government observe that the United States Government recognize the difficulties of effecting transfer, but they remain convinced that no solution other than suspension would obviate these difficulties. They note, therefore, with profound regret—notwithstanding the arguments contained in the British note of December 1—the United States Government have decided not to recommend this solution to Congress.

3. In view of this decision, His Majesty's Government have determined to make payment of the amount due on December 15, under the funding agreement of June 18, 1923, but they think it desirable to take the opportunity of stating clearly their position in regard to this payment and of explaining the circumstances in which they have arrived at that conclusion.

4. For reasons which have already been placed on record, His Majesty's Government are convinced that the system of intergovernmental payments in respect of the war debts as it existed prior to Mr. Hoover's initiative on June 20, 1931, can not be revived without disaster. Since it is agreed that the whole subject should be reexamined between the United States and the United Kingdom, the fundamental point need not be further stressed here.

5. In the view of His Majesty's Government, therefore, the payment to be made on December 15 is not to be regarded as a resumption of the annual payments contemplated by the existing agreement. It is made because there has not been time for discussion with regard to that agreement to take place and because the United States Government have stated that in their opinion such a payment would greatly increase the prospects of a satisfactory approach to the whole question.

6. His Majesty's Government propose, accordingly, to treat the payment on December 15 as a capital payment, of which account should be taken in any final settlement, and they are making arrangements to effect this payment in gold as being, in the circumstances, the least prejudicial of the methods open to them.

7. This procedure must obviously be exceptional and abnormal, and His Majesty's Government desire to urge upon the United States Government the importance of an early exchange of views, with the object of concluding the proposed discussion before June 15 next, in order to obviate a general breakdown of the existing intergovernmental agreements.

BRITISH EMBASSY,
Washington, D. C., December 11, 1932.

REPLY OF THE UNITED STATES

DECEMBER 11, 1932.

EXCELLENCY: I learn with satisfaction of the decision of your Government "to make payment of the amount due on December 15 under the funding agreement of June 18, 1923."

But in view of the statement in your note that "in the view of His Majesty's Government, therefore, the payment to be made on December 15 is not to be regarded as a resumption of the annual payments contemplated by the existing agreement," I must call attention to the fact that the Secretary of the Treasury has no authority to accept payments from your Government except as provided under the terms of the funding agreement.

As I pointed out in my note of November 23, 1932, there is reserved to the Congress of the United States the ultimate decision in respect of the funding, refunding, or amendment of these intergovernmental obligations under consideration. The Executive has no power to amend or to alter them, either directly or by implied commitment. Accordingly it should be understood that acceptance by the Secretary of the Treasury of funds tendered in payment of the December 15 installment can not constitute approval of or agreement to any condition or declaration of policy inconsistent with the terms of the agreement. The sum so received must be credited to principal and interest as provided therein.

I therefore assume that in paragraphs 5 and 6 of your note you are not proposing to make this payment otherwise than in accordance with the terms of the funding agreement, but that you are stating your views as to steps which your Government may desire to propose subsequently after a reexamination of the entire problem.

I have emphasized these facts with a view to avoiding any possible future misunderstanding. I believe that our future course, as pointed out by our correspondence, is clear. In your first note of November 13 you ask for an exchange of views at the earliest possible moment with respect to the régime of intergovernmental financial obligations, and in your second note you welcomed the expression of our willingness to facilitate such discussions, and referred to the desirability of a close examination between our Governments of the whole subject in preparation for the International Economic Conference. In my last note, of December 8, I replied that the President of the United States was prepared, through whatever agency may seem appropriate, in cooperation with your Government to survey the entire situation (in which the debt of the British Government to the United States necessarily plays a part), and to consider what means may be taken to bring about the restoration of stable currencies and exchange, the revival of trade, and the recovery of prices.

But in the meanwhile, as I informed you in my note of November 23, great importance is attached by our Government and people to the maintenance of the original debt agreement in force and that a satisfactory approach to the whole question would be greatly increased by the pursuance of such a policy.

It would seem to me, therefore, to be undesirable that any steps be taken which, by causing misunderstanding, would increase the difficulties that must be overcome in finding an ultimate solution satisfactory to both nations.

Accept, Excellency, the renewed assurances of my highest consideration.

HENRY L. STIMSON.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; and pending that motion, I wish to ask the gentleman from Indiana [Mr. WOOD] if we can not agree upon time for general debate. Debate is to be confined to the subject matter of the bill, and I suggest one hour to the side will be ample.

Mr. WOOD of Indiana. That is entirely agreeable to this side.

Mr. BYRNS. Then I ask unanimous consent, Mr. Speaker, that general debate be limited to two hours; one-half to be controlled by the gentleman from Indiana and one-half by myself.

The SPEAKER. Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13520, with Mr. MCMILLAN in the chair.

The Clerk read the title of the bill.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Chairman, ladies and gentlemen of the committee, I shall not use much time in discussing this bill. I will not attempt to discuss the entire bill. There are some portions of the bill, however, that I want to call to your attention because I feel that they are matters of vital importance. I shall confine my remarks to portions of the Post Office title in the bill.

This bill carries $717,033,378 for the Post Office Department. The appropriations for 1933 were $805,939,675.

The Bureau of the Budget recommended a cut of $81,811,518 under the current year's appropriation. Your committee went beyond that and cut off an additional $7,094,783 under the Budget estimate, making a total reduction under the current year of $88,906,297.

The provisions of the bill I want particularly to call your attention to, inasmuch as time is limited, are the provisions dealing with the transportation of foreign mail, both by steamship and by aircraft and the domestic transportation of mail by aircraft.

In this bill there is $35,500,000 carried for foreign mail transportatiton. The Budget cut under the appropriation for the current year is $1,245,600, and your committee cut under the Budget estimate an additional $1,950,000. Your committee felt, under the circumstances, we could not reduce that appropriation further.

We were bound by existing contracts under the Jones-White Merchant Marine Act, an act that enables and empowers the Postmaster General to make contracts for the carriage of foreign mail by steamship and air, not on the basis of services rendered but in the nature of a subsidy to the carrier.

I have taken the position on the floor of the House before—and from that position I have never had occasion to change my mind—that it is entirely improper for the Congress to delegate to any one man such sweeping powers as have been delegated to the Postmaster General in this merchant marine act.

We are in a financial crisis. We have been struggling along endeavoring to balance the Budget and to economize in expenditures. It became necessary in the last session of Congress to increase taxes very materially. This tax fell with a heavy hand on the people of the country. A portion of these increased taxes that we had to levy at the last Congress must necessarily go toward paying a subsidy to shipping interests for carrying foreign mail and to air-transport companies for carrying domestic air mail.

Mr. MOUSER. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. MOUSER. Does not the gentleman think that the increase of taxes on first-class mail was unfortunate, in that many people rebelled against the tax and service that was brought about in this way? Did not many concerns boycott the increased tax by delivering statements instead of sending them by first-class mail, because of the increased postage? Does not the gentleman think that such an increase was a mistake?

Mr. ARNOLD. That is aside from the question I am discussing. But I will say the Postmaster General takes the position that the additional revenue brought to the Government by reason of the increased postage from 2 to 3 cents on first-class mail is between $85,000,000 and $90,000,000 a year. So, if the Postmaster General is right, the increase in postage helps the Treasury to that extent.

Mr. PARSONS. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. PARSONS. These contracts with the steamships are for a period of 10 years?

Mr. ARNOLD. Yes.

Mr. PARSONS. And the act has been in existence for four or five years?

Mr. ARNOLD. I think so.

Mr. PARSONS. And when these contracts expire, we may expect to get away from the 10-year contracts?

Mr. ARNOLD. They are 10-year contracts, in the first place. In the second place, there is absolutely no limit to which the Postmaster General may not go in granting new contracts. Already 44 contracts for carrying ocean mail have been entered into by the Postmaster General, and the contracts that have been entered into are based on a sliding scale. In other words, as the speed of the vessel is increased and as the tonnage of the vessel is increased, the amount that is payable under these contracts is correspondingly increased. The speed range is from 10 knots to 24 knots per hour, and the price to be paid ranges from $1.50 to $10 per mile traveled, depending, as I say, on the speed and tonnage of the vessel.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. DIES. I am one that agrees with the gentleman, that these subsidies are indefensible. Is it necessary for us to make this appropriation to carry out contracts now valid and in existence?

Mr. ARNOLD. We went into that matter very carefully, and I made a rather careful study of it myself. It seems absolutely necessary. Congress can not avoid making the appropriation. The Postmaster General was authorized to make the contracts. The Postmaster General has made the contracts, and if we strangle those contracts by way of cutting off the appropriations, then the holders of those contracts may go into the Court of Claims, sue the Federal Government, and recover under their contracts.

Mr. DIES. They would be able to recover damages only. They would not be able to recover the entire amount.

Mr. ARNOLD. I do not know so much about that, as the contracts are not based on the value of the service rendered. It is purely a subsidy. The element of service, or the value of the service, has no place in these contracts. They are understood to be subsidy contracts and that is the way they are interpreted. Also, what would be the element of actual damages on the strength of the contracts? They have borrowed money from the Shipping Board and constructed larger and speedier new ships, and this new construction would probably be an element of damages.

The United States Shipping Board has advanced the shipping interests 75 per cent of the cost of constructing new vessels. That is Federal money which has gone into the construction of those new ships, and they say that if we strangle these foreign mail contracts by way of withholding appropriations, we also put ourselves in a position to lose the amount of money the Shipping Board loaned them.

Mr. DIES. The probabilities are that we are going to lose the money, anyway.

Mr. ARNOLD. Maybe.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. PARSONS. Is there no way of amending the act so that as these contracts expire in the 10-year period, the Government can stop the subsidy at the end of the contract?

Mr. ARNOLD. There is no question but that Congress can amend that act and can make it apply to contracts that are not yet executed; but so far as the contracts that are now executed are concerned, and performance is had under them by way of building new ships and transporting mail, I know of no way that we can impair the validity of those contracts.

Mr. PARSONS. But at the expiration of the 10-year period, of course, there would have to be a new contract.

Mr. ARNOLD. The only power that the Postmaster General has, under these contracts, is to limit to some extent the frequency of the sailings. In all other respects he has securely tied the Government.

The door is closed to relief from these obligations except by paying the amounts stipulated to be paid, as I see it.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. LAGUARDIA. There are two classes of contracts. There is one contract which I always felt was based on a fictional theory. For instance, where a line is purely intercoastal, where there is no foreign competition, the claim is made that foreign trade is created by reason of the fact that the vessel goes through the Panama Canal and stops at Panamanian ports. It seems to me that Congress could declare itself on that. Then there is the very obvious dubious contract of the Seatrain to which I have referred several times, and although we put a proviso in the law prohibiting the loan, that loan was made. Yet that contract has not been consummated.

Mr. ARNOLD. This law does not apply to coastwise shipping. The Seatrain contract the gentleman speaks of is the Seatrain carrying the mails from New Orleans to Habana. There has been considerable question about that. They have been paid nothing so far, and we have eliminated from this bill any appropriation for paying them.

Mr. LAGUARDIA. That is very gratifying.

Mr. ARNOLD. They are now seeking to and are plying their ships from Habana on to New York. I understand that they want this subsidy to apply to the sailings from Habana to New York. That will be in my judgment contrary to the spirit of the Jones-White Act, as it will amount to competition with other coastwise shipping. It will likewise be competition for the railroads of the country. I do not think the Federal Government should contribute one dollar to any of these transportation agencies that in any way enter into competition with coastwise shipping and with the railroads of the country. [Applause.]

Mr. LAGUARDIA. Would it annoy the gentleman if I ask him another question?

Mr. ARNOLD. It will not annoy me, but there is the question of time entering into it all.

Mr. LAGUARDIA. The gentleman has certainly stated a formula that ought to be followed. We have similar cases of steamship lines in purely intercoastal trade from New York to San Francisco, stopping at Colon or the other Panamanian ports, where they have been construed as being engaged in foreign trade and are receiving subsidies.

Mr. ARNOLD. I do not know which ones the gentleman has in mind in this particular bill. If there are any of that kind that are engaged in coastwise shipping, I for one would be in favor of eliminating the appropriation for that purpose.

Mr. KELLER. Is anything being done toward the repeal of the bad features of the Jones-White Act?

Mr. ARNOLD. I do not know of any bill pending in the Congress now. Of course, that matter would come up and be considered by the Committee on Merchant Marine, Radio, and Fisheries.

Something of that kind ought to be done. This ought to be curbed in some way.

Mr. DIES. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. DIES. For the gentleman's information, I introduced a bill for that purpose; but the question I want to ask the gentleman is, Has the committee investigated the law to determine whether or not, if Congress refuses to make this appropriation—and it seems to me that is the only way we will get any relief—the beneficiaries of these subsidies can go into the Court of Claims and recover anything except merely nominal damages?

Mr. ARNOLD. I can not understand how we can impair the validity of a contract, and that is what it would be if we should withhold these appropriations. We can not do that, as I understand it. I have given the matter considerable thought; and if the gentleman from Texas, in his wisdom, can devise some plan whereby that can be brought about, I, for one, would be very glad to have the benefit of his judgment and his investigation along that line.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. LANKFORD of Virginia. Under the Jones-White Act all ports of the country are supposed to have equal treatment, are they not?

Mr. ARNOLD. They are.

Mr. LANKFORD of Virginia. The gentleman's study of this subject will show a perfect network, a regular spider web, out of two ports of this country, and barely a line allocated to any of the other ports. Have the members of the committee discussed such a question, or has that been brought to your attention, how these other ports which have just as much right to consideration as New York and San Francisco can not get a line and can not have equal treatment under the Jones-White Act? I understand there are only two groups of lines in this country, one out of Hampton Roads and one out of New Orleans, which would complete all of the lines operated by the Shipping Board, and then the Shipping Board could be abolished and the Government would save three or four hundred thousand dollars a year on the operation. Was that discussed in the committee or can the gentleman give me any information on that?

Mr. ARNOLD. I can not give the gentleman any definite information on that score, except to say that the whole thing has been delegated to the discretion of the Postmaster General.

Mr. LANKFORD of Virginia. Could not the committee see that that provision is carried out and that the ports of the country have equal treatment?

Mr. ARNOLD. It would take legislation to do it.

Mr. LANKFORD of Virginia. The legislation is already there.

Mr. ARNOLD. The Appropriations Committee has no legislative powers.

Mr. LANKFORD of Virginia. But the legislation is already there, that they should have equal treatment, and two ports in this country have been preferred to the exclusion of all others.

Mr. ARNOLD. That is a matter that would have to be taken up with the Postmaster General. It is an administrative matter, as I understand it.

Mr. HASTINGS. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. HASTINGS. Will the gentleman give us the benefit of his judgment as to how much of this appropriation is pure subsidy and how much is for service and the amount that is involved? I understood the gentleman to say a moment ago that it was all subsidy.

Mr. ARNOLD. There are about $21,666,102.89 in subsidy, as I figure it, to the ocean carrying mail lines.

Mr. HASTINGS. How much service does the gentleman estimate is being rendered for this amount of money?

Mr. ARNOLD. I do not have those figures at hand, but I did know what it amounted to. We carry an appropriation of $35,500,000, and of that there is about $21,666,000 that is purely subsidy.

With reference to the foreign air mail, practically the same situation exists there. The Postmaster General is authorized to enter into these contracts; and when he makes these contracts, they are valid and binding, as far as the Government is concerned; and unless we go along and make the appropriation, the holders of these contracts can go to the Court of Claims and bring suit.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BYRNS. Mr. Chairman, I yield to the gentleman from Illinois five additional minutes.

Mr. ARNOLD. Now, with reference to the domestic air mail, we have cut down the appropriation carried in this bill to $19,000,000. We started just a few years ago in an experimental way, and we have gotten to the point where it has become one of the big items of expenditure of the Government. There, again, Congress delegated its power and authority to the Postmaster General to make contracts, subsidy contracts, for the development of aviation and encouragement of heavier-than-air transport companies. Now there is a bill pending, which passed this House at the last session of Congress, that extends this privilege to lighter-than-air craft. I opposed it then. The bill went to the body at the other end of the Capitol, and that body has not yet acted on it. I hope that you gentlemen, when that matter comes back to the House, if it does come back to the House, will give very, very careful consideration to it, because I do not think it is wise that this policy of delegating matters of this kind to an administrative department should be extended.

Mr. MOUSER. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. MOUSER. I would like to state that it is my understanding that the Goodyear people at Akron have lost approximately $6,000,000 in building two ships for the Navy. It is their hope to develop lighter-than-air craft for commercial purposes. If they do that, they will be able to carry first-class mail cheaper than the present rate, and they can not have any standing as commercial craft until they are recognized by congressional action.

Mr. ARNOLD. In the condition of the Treasury at this time, with the distressed condition of the taxpayers, it is no time to vote subsidies.

Mr. PARSONS. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. PARSONS. How much subsidy is in the air mail?

Mr. ARNOLD. Over and above revenues derived from that service, it is costing us from twelve to fifteen million dollars a year subsidy; that is, giving credit for all the revenues derived on account of air mail service, we pay through that method twelve to fifteen million dollars annually in addition.

Now, I wanted to talk for a short time of the last cost-ascertainment report. Some very interesting figures have

been compiled by the Post Office Department, and I think it would be of interest to the country generally to know where we have our gains and our losses in the Postal Service.

So, Mr. Chairman, I ask unanimous consent that I be permitted to extend my remarks in the RECORD by inserting a tabulated recapitulation of postal revenues and expenditures for the fiscal year 1932.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MOUSER. Mr. Chairman, reserving the right to object, may I inquire if the gentleman is going to show in his statement whether or not the first-class mail is self-sustaining? And is the gentleman going to show the revenue derived from the different classes of mail? Is the gentleman going into these details?

Mr. ARNOLD. Each and every class of mail separately.

Mr. MOUSER. Mr. Chairman, I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARNOLD. Mr. Chairman, I will extend my remarks and give the House the benefit of the information compiled in this report. It is very interesting. The country should know it, and I am sure the Members of the House will be glad to get this information. [Applause.]

[Here the gavel fell.]

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1932 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures

Fiscal year 1932	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
1	2	3	4	5
Classes of mail:				
First class—				
Other than local delivery letters	$223,796,273.05	$211,000,438.38		$12,795,834.67
Local delivery letters	86,529,197.59	65,712,823.66		20,816,373.93
Air mail	6,016,280.02	[1] 23,771,367.26	$17,755,087.24	
Total, first class	316,341,750.66	300,484,629.30		15,857,121.36
Second class—				
Publications exempt from zone rates on advertising under act of Oct. 13, 1917 (par. 4, sec. 412, Postal Laws and Regulations	2,052,800.49	19,047,383.48	16,994,582.99	
Zone rate publications—				
Daily newspapers	9,843,092.22	46,252,666.04	36,409,573.82	
Newspapers, other than daily	1,916,143.11	13,496,181.25	11,580,038.14	
All other publications	7,948,995.37	36,652,786.02	28,703,790.65	
Free in county, all publications		8,580,674.02	8,580,674.02	
Total, publishers' second class	21,761,031.19	124,029,690.81	102,268,659.62	
Transient	1,388,274.25	1,263,905.46		124,368.79
Total, all second class	23,149,305.44	125,293,596.27	102,144,290.83	
Third class	50,687,165.76	79,596,529.03	28,909,363.27	
Fourth class—				
Local delivery	1,907,127.76	1,853,259.80		53,867.96
Zones 1 and 2	37,079,213.49	62,945,656.73	25,866,443.24	
Zone 3	24,211,022.80	31,669,372.14	7,458,349.34	
Zone 4	22,495,277.33	23,443,531.50	948,254.17	
Zone 5	14,286,050.68	13,967,054.14		318,996.54
Zone 6	5,021,654.02	4,796,423.03		225,230.99
Zone 7	3,120,636.74	2,862,957.94		257,678.80
Zone 8	5,004,785.73	4,508,445.73		496,340.00
Library books	91,923.11	249,903.56	157,980.45	
Total, fourth class	[2] 113,580,337.21	146,296,604.57	32,716,267.36	
Foreign—				
Other than air mail	16,939,940.96	39,261,421.05	22,321,480.09	
Air mail—				
Postage revenues	557,378.66			
Service revenues	517,973.68			
Total, air mail	1,075,352.34	7,165,576.41	6,090,224.07	
Total, foreign	[3] 18,015,293.30	46,426,997.46	28,411,704.16	
Penalty—				
For the Post Office Department		5,238,471.21	5,238,471.21	
For other branches of the Government		4,504,239.92	4,504,239.92	
Total, penalty		9,742,711.13	9,742,711.13	
Franked—				
By Members of Congress		737,350.18	737,350.18	
By others		5,339.65	5,339.65	
Total, franked		742,689.83	742,689.83	
Free for the blind		122,190.48	122,190.48	
Total, all mail	521,773,852.37	708,705,948.07	186,932,095.70	
Special services:				
Registry—				
Paid registrations	[4] 10,333,509.20	19,689,984.60	9,356,475.40	
Free registrations—				
For the Post Office Department		2,571,974.93	2,571,974.93	
For other branches of the Government		257,480.27	257,480.27	
Total, registry	10,333,509.20	22,519,439.80	12,185,930.60	

[1] These items represent the payments made to contractors for the transportation of mail by airplane on domestic and foreign routes, respectively, together with the cost of transporting the mail to and from air mail fields and the cost of distribution in air mail transfer offices.

[2] Includes $362,645.55 revenue from special-handling service.

[3] Includes $1,136,711.76 receipts from foreign countries for handling foreign mail in transit through the United States and $281,208.17 revenue from miscellaneous special services in connection with foreign mail.

[4] Includes $889,011.20 revenue from return receipts for registered mail.

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1932 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures—Continued

Fiscal year 1932	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
1	2	3	4	5
Special services—Continued.				
Insurance	[1] $6,188,612.59	$9,071,275.41	$2,882,662.82	
C. O. D.	4,290,833.16	9,170,735.20	4,879,902.04	
Special delivery	9,495,621.90	9,974,712.15	479,090.25	
Money order	15,800,188.13	26,984,836.01	11,184,647.88	
Postal savings	4,066,437.00	3,231,424.88		$835,012.12
Total, special services	50,175,201.98	80,952,423.45	30,777,221.47	
Total, mail and special services	571,949,054.35	789,658,371.52	217,709,317.17	
Unassignable	15,992,104.83	3,838,615.42		11,253,489.41
Total related [2]	587,041,159.18	793,496,986.94	206,455,827.76	
Unrelated	1,916,503.68	2,346,506.71	430,003.03	
Grand total, 1932	588,957,662.86	795,843,493.65	206,885,830.79	
Revenue credits (act of June 9, 1930):				
Penalty matter, other than that of Post Office Department, including registration	9,151,899.00			
Franked matter—				
By Members of Congress	778,436.00			
By others	6,289.00			
Second-class matter—Free in county	631,647.00			
Free matter for the blind	133,641.00			
Publications exempt from zone rates	350,300.39			
Expense credits (act of June 9, 1930):				
Aircraft service		20,586,107.31		
Differential favoring vessels of American registry		21,066,102.89		
Grand total, 1932 (adjusted to the act of June 9, 1930)	600,009,875.25	753,591,283.45	153,581,408.20	

[1] Includes $18,408.69 revenue from return receipts for insured mail.
[2] Service of the United States, exclusive of the Territories and island possessions.

NOTE.—The above segregations of the computed total expenditures chargeable to first-class, second-class, fourth-class, foreign penalty matter, franked matter, and to registry service, and of the revenue from fourth-class matter have been developed by processes of approximation.

Mr. BYRNS. Mr. Chairman, I have only a very limited time in which to discuss this bill.

My idea in limiting the time of general debate, with the consent of the House, was that the provisions in the bill which are subject to controversy will come up under the 5-minute rule and, if we do not consume so much time in general debate, we can be more or less liberal in the discussion of these provisions when they come up under the 5-minute rule for immediate action.

A year ago when the general sales tax bill was pending before the House, I took the floor rather unexpectedly and for a very short period of about five minutes. In answer to some of the contentions that it was necessary to balance the Budget at that particular time, I made the remark that I thought not. I found that I was criticized in some quarters for having made that statement. Of course, I had no opportunity to explain just what I meant.

I am perfectly well aware, as everyone is, of the importance of balancing the Budget every year and of the absolute necessity of balancing the Budget and not permitting deficits to occur year after year. But it was in my mind at that time that if the Budget was not balanced at that particular time and there was some assurance on the part of Congress that appropriations would be made sufficient to meet the current expenditures of the Government, it would not interfere with the credit of the United States Government. Subsequent events proved that I was correct, because it has appeared that we did not balance the Budget in spite of the contentions that were made when the tax bill was passed. We are now confronted with a deficit in this fiscal year.

So we are told in the President's message of more than $1,100,000,000 by June 30, not taking into consideration the amount required for debt retirements. If you take into consideration something over $500,000,000 for debt retirements, the deficit on June 30, according to the present estimates of the administration, will be more than $1,600,000,000.

There are two ways of balancing the Budget. One is by reduction of expenditures. The other is by the imposition of additional taxes to meet the increased demands upon the Treasury. Of course, the most feasible and desirable way to take care of the Budget is to reduce the expenditures. It is my opinion, Mr. Chairman, that at this time, when the taxpayers are overburdened with taxes, we ought to see to it that taxes are not increased to any greater extent than is absolutely necessary to take our Government out of the red, in so far as actual current operations of the Government are concerned, and to that end we have reduced the President's estimates in this bill in the sum of $33,0000,000. When it comes to the great capital expenditures, when it comes, as it may during the succeeding months of this session or in the next session, to making appropriations by the hundreds of millions of dollars, either for increased construction in order to take care of unemployment or for the purpose of making loans to States and to cities in order to take care of local situations of unemployment, the Government could regard them as capital expenditures, so to speak, and there would be nothing improper in so far as those particular expenditures are concerned in the issuance of bonds with proper sinking-fund requirement which would take care of them in the course of the years. But I am not here to discuss that. In the few minutes I have I want to take note of certain things in the President's Budget message.

Mr. HASTINGS. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HASTINGS. Will the gentleman from Tennessee put the figures of the deficit on June 30 last in his remarks?

Mr. BYRNS. I have them. I am coming to them a little later.

The President in submitting the Budget for the fiscal year 1934 has incorporated on page V, which is the first page of the Budget message, a summary of the estimates of appropriations for 1934. This summary is in two columns. The first column is a total of the actual detailed estimates for the various departments and comprises the aggregate of the estimated items as they are pending for consideration in the Committee on Appropriations at this time. The total of this first column of estimates of appropriations, including all the

appropriations for the Postal Service and also the permanent appropriations, is $4,403,178,032.

The second column of the table shows the estimates as they would appear for 1934 if legislation which the President recommends be enacted for a further pay cut on civilian employees on the 11 per cent $1,000 exemption scale—estimated by him to save $55,000,000 additional to the furlough plan—and also if his proposal be adopted for a reduction in present benefits to veterans—estimated by him to save $127,000,000. These two sums total $182,000,000. By deducting them from the definite and specific estimates which he has included in the first column there is a total of this second or advisory column of $4,218,808,344.

The public mind and also the official mind are both confused as to just what the total of the 1934 Budget estimates really is. That doubt needs to be cleared up. The President has submitted two proposals to Congress in the Budget:

First. A request for the appropriation including the permanent appropriations and all the postal appropriations of a grand total of $4,403,178,032; and

Second. A recommendation for the enactment of legislation further reducing the compensation of civilian officers and employees of the Government—I call your attention to the fact it applies to civilian officers and employees—and decreasing the benefits to veterans, both of which, if enacted, would combine to reduce the estimates of appropriations, which he actually includes in the Budget, by $182,000,000. If the recommendations in these two requests for legislation should be adopted, the Budget figures which he has submitted to Congress as his estimates for running the Government for the next fiscal year would be decreased to $4,218,808,344.

The Committee on Appropriations in dealing with the Budget estimates must take as the basis of its work the detailed estimates submitted by the President in the Budget. These sums, combined with the permanent appropriations for the next fiscal year, aggregate $4,403,178,032.

The appropriations for the fiscal year 1933, including the permanent appropriations and all the postal appropriations, aggregate $4,800,731,979.

A correct comparison of the two years is as follows:

1933 appropriations	$4,800,731,979
1934 estimates of appropriations	4,403,178,032
Decrease	397,553,947

The President, in his annual message read before this body on December 6 last, left the general impression, in advance of the reading of the Budget message on December 7, that he had cut appropriations estimated for 1934 by $830,000,000 under those for 1933. It is true that he qualified this statement by saying that this decrease was modified by about $250,000,000 of increases not subject to administrative control, reducing the net reduction to $580,000,000 under 1933.

At the same time that he was careful to say that there were increases of about $250,000,000 not subject to administrative control he failed to say that the decreases, or the major part of them, were decreases that were not subject to administrative control.

The net decrease of $580,000,000, which he claims, is also on the basis of the enactment of the two pieces of legislation he suggests totaling $182,000,000. The real decrease on the basis of the figures actually included in the Budget is approximately $397,000,000.

Equally interesting are the factors by which this net reduction of $397,000,000 is accomplished. Practically all of it is on account of the reduction in construction appropriations, the elimination of nonrecurring items, and the subtraction from the 1934 estimates of the amounts saved under the economy act. The appropriations for the fiscal year 1933 were all made, or practically so, before the terms of the economy act were finally agreed upon. It was necessary during 1933, therefore, to impound in the 1933 appropriations the savings under that act as the appropriations had been carried in the bills on the old basis. With the extension of the provisions of that act into 1934, there was opportunity, in preparation of the Budget, to deduct those sums and thus make possible a showing of reduction between appropriations for 1933 and estimates for 1934 of approximately $100,000,000, which is more apparent than real.

The following are the principal reductions shown in the 1934 estimates under the 1933 appropriations:

Relief of unemployment by public works appropriations in the emergency relief and construction act of 1932, a nonrecurring item	$322,224,000
Federal Farm Board, appropriation for relief by the distribution of wheat and cotton through the Red Cross, a nonrecurring item	40,000,000
Economy act savings (impounded in 1933 and deducted in 1934)	100,000,000
Postal Service, loss of business, lowered commodity prices, savings in rentals, etc	34,611,514
Normal construction items:	
Boulder Canyon project	3,000,000
Veterans' hospitals	7,877,000
National forest highways	2,447,600
Federal-aid highways	60,185,613
National park roads	2,064,300
Naval airplanes and shore air stations	3,239,480
Alteration of specific naval vessels	9,600,000
Public buildings (regular program)	48,000,000
Military post construction	2,250,000
Military airplane construction (replaced by contract authority)	3,000,000
Rivers and harbors	20,611,871
Flood control	12,346,576
	671,500,000
Decrease for Civil and Spanish War pensions	5,920,000
	677,500,000

The outstanding increases in 1934 estimates over 1933 appropriations are as follows:

Veterans:	
Military and naval compensation	$39,798,200
Military and naval insurance	17,000,000
Adjusted service and dependent pay	2,850,000
Refund of internal-revenue taxes	68,000,000
Interest on the public debt	85,000,000
Public-debt retirements	37,341,843
Construction of naval vessels	20,782,000
Subsistence and transportation of the Army	5,533,087
Panama Canal	2,081,689
	278,500,000

These increases of $278,500,000 subtracted from the principal decreases heretofore stated, $677,500,000, leave a net decrease of $399,000,000, which is about the decrease shown on the basis of actual comparison of Budget figures—$397,553,947.

Among the decreases under 1933 is $60,000,000 on account of the Federal-aid highway system. These appropriations are customarily made after authorization acts have been passed. No authorization exists for new appropriations for 1934. This makes possible this reduction. The regular public-building program is approaching completion under present authorization. That makes possible the decrease of $48,000,000 in the regular public-building item. Classed also with these items are the economy act deductions of $100,000,000, the appropriation for wheat and cotton distribution of $40,000,000, and the total of $322,224,000 for public works for relief of unemployment in the emergency relief and construction act of 1932. These five special decreases, due to no especial virtue of administrative action, total $570,000,000. If it had not been for them the Budget estimates for 1934 would have shown a net increase over 1933 of more than $170,000,000.

The discussion of estimates of appropriations and appropriations should not be confused with actual or estimated expenditures. Expenditures for any fiscal year come not only from the appropriations for that fiscal year but also from some balances of appropriations from previous years. There is also a difference between the two sets of figures on account of the Postal Service. Appropriation totals usually include all postal appropriations. Expenditure figures include only that portion of postal expenditures classed as the postal deficit payable from the General Treasury.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. O'CONNOR. From the figures the gentleman has given us it would appear that there has been no saving whatsoever in the President's Budget requirements and in the conduct of any of the departments of the Government.

Mr. BYRNS. There have been savings in some of the departments and some reductions. But I am calling attention to the fact, in so far as the President's estimates are concerned, that when you take out nonrecurring items, and when you recall that he is not providing for additional construction, his estimates are $170,000,000 more than the appropriations for 1933.

I do not think in the entire history of Congress this sort of Budget has been submitted by any President of the United States, because, as I said at the outset, Congress is compelled to rely upon the estimates which he sent to Congress and which were made up during the months which have passed since July 1 and which are based on present law. Since the election the President has seen fit to set up this second column of figures as part of his Budget message, and in doing this he seeks to take credit for legislation, which does not exist upon the statute books, as effecting certain savings.

In framing estimates of expenditures for 1934 the President has again set up two columns of figures (Budget, pp. VI and VII)—

(1) Estimated expenditures in column 1 under the appropriations actually asked for in the Budget plus the expenditures under previous balances; and

(2) Estimated expenditures on the basis of the figures in column 1 minus the sums estimated to be saved by the enactment of the two proposals for further pay cuts and decreases in veterans' benefits, $182,000,000.

The estimated expenditures on the basis of the first column are $3,974,000,000. On the basis of the second column they are estimated at $3,790,000,000. On page VII of the Budget message the President states the estimated deficit for 1934 at $307,000,000. This deficit is on the basis of expenditures under the second column. If the deficit be stated on the basis of the first column, as it actually should, it amounts to $492,000,000. This is the estimated deficit on the basis of Budget estimates of appropriations incorporated in detail in the Budget.

Indeed the President makes it clear at one point that he believes $492,000,000 is the correct statement of the estimated deficit, for on page VIII of the Budget message, in his recommendations for additional revenue for balancing the Budget, he outlines two revenue proposals to raise a total of $492,000,000, instead of the $307,000,000 which he states the deficit to be.

This is just an indication of the fact that this second column of figures or this second arrangement of figures was hastily made because, as I have said, the President recommends revenues to meet a $492,000,000 deficit. When he comes forward with a so-called amended estimate in which he says it will be $307,000,000 he is in the attitude of asking Congress to levy additional taxes of $492,000,000 when, as a matter of fact, it will only take $307,000,000, according to his figures, to meet the deficit.

This is one of many evidences of hasty preparation and consideration of the Budget and message; some of it doubtless following the recent election.

In connection with any statement of the deficit it should be remembered that the other factor in the deficit beside expenditures is the estimate of revenues. In this period of shrunken income the estimating of receipts based upon income taxes is difficult. Increased rates of taxation are in effect for the calendar year 1932 and will be returned in the taxes to be paid, or at least the first installment of them, by March 15 next. A better idea of the revenue situation will be obtained after a survey of the payments made on that date than is obtainable at this time on long-range estimation. Any fluctuation of serious proportions in the estimate of this revenue will change the deficit accordingly.

One other matter to be drawn to attention is the statement of receipts, expenditures, and deficits for 1932, 1933, and 1934, on page VII of the Budget message, second table. Public-debt retirements chargeable against ordinary receipts are deducted from the total of expenditures payable from ordinary receipts before comparing the total of estimated expenditures with estimated receipts. In this manner the deficit for 1932 appears at $2,472,732,549, whereas the gross figure, including public-debt retirement from ordinary receipts, as customarily stated in the daily Treasury statement and in Treasury Department reports, is $2,885,000,000.

In like manner the public-debt retirements payable from ordinary receipts in 1933, estimated at $498,153,400, are deducted from the total of ordinary expenditures, thus stating the deficit at $1,146,478,307 instead of $1,644,631,707.

The estimated deficit for 1934 on the basis of $492,000,000 instead of $307,000,000 is arrived at by excluding these public-debt retirement expenditures, estimated in that year at $534,070,000. By including them the deficit is $1,025,000,000.

With huge deficits in past years, general revenue has not been sufficient to make the sinking fund actually effective. It has been a washing proposition. We have borrowed for the general running expenses of the Government—ordinary expenditures—far more than the sinking-fund expenditure, and so used borrowed money to retire debt through the sinking fund. In other words, we substituted new debt for old debt. This practice is proposed to be continued for 1934, but apparently it looks better to say that the deficit for 1934 is estimated at $307,000,000 or $492,000,000 than it does to say that it is $841,000,000 or $1,025,000,000, even though the plan is to continue to borrow to keep up debt-retirement expenditures.

Previous Budgets have included estimated public-debt retirement expenditures in the estimated deficit. In this Budget these expenditures are included in the total of estimated gross expenditures but are deducted from total expenditures just before subtracting the total estimated revenues from the total of estimated expenditures. The change in practice begins in this Budget. Even though it be proposed to continue to borrow to meet public-debt retirements chargeable against ordinary receipts, there may be some question as to whether the gross deficit ought not be stated and the disposal of it by both borrowing and new revenue purposes stated and explained accordingly.

Gentlemen can readily see that we are in the attitude now, and have been for the past two or three years, of actually borrowing money to operate our sinking fund. In other words, we are just substituting a new debt for an old debt, when, as a matter of fact, it should be classed as an expenditure, and if we are not to make the sinking-fund requirement entirely inoperative, revenues ought to be provided to furnish the money necessary for the sinking fund to take care of the bonds when they become due.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COCHRAN of Missouri. In that connection, I offered a bill the other day to make inoperative part 2 of the sinking fund act for three years. This is the provision providing for payment of interest on bonds which have been redeemed and canceled. We appropriate the money that would have been necessary to pay the interest, and this money goes into the sinking fund. I think at a time like this it might be a good idea to make that part of the sinking fund act inoperative for two or three years.

Mr. BYRNS. What we have to-day, as a matter of fact, is the selling of bonds or certificates to take care of our deficit, and increasing the amount by the amount necessary to take care of the sinking fund under the law, which I have just said has resulted in making the sinking-fund provision wholly inoperative.

The sinking fund ceases to be a sinking fund, except in name, so long as the money for its operation is borrowed. In his recommendations for balancing the Budget, the President does not suggest the raising of additional revenue to make the sinking fund operative. He does not discuss it. He disposes of it by deducting sinking fund and other debt retirement funds chargeable against ordinary receipts entirely from gross expenditures.

The value of a sinking fund can not be questioned. The query arises as to how long the Government should continue to borrow for public-debt retirements and allow the sinking fund to be inoperative. Apparently that problem is to be passed on to the next administration.

In his testimony before the Committee on Appropriations at the last session, Secretary Mills—then Under Secretary of the Treasury—stated:

Mr. Chairman, as a practical matter, the sinking fund today is inoperative, because the Budget is not balanced, and the deficit far exceeds the sinking fund. Therefore we are not retiring the debt, as provided by the sinking fund law, to the extent of the sinking fund, but we are increasing the debt by an amount which far exceeds what the law requires us to retire. Therefore, as a practical matter, we would accomplish nothing. But I feel very strongly, and the Treasury Department feels very strongly, that even if, as a practical matter, we are not actually retiring that amount of debt contemplated by law from current revenue, it is perfectly vital, in the interest of good faith and the maintenance of the credit of the Government, to continue the sinking fund as a charge against the annual expenditures of Government. I consider it in the nature of a contract made with the people who purchased United States Government bonds, and I consider that any tampering with the sinking fund in time of emergency is about as damaging an act as can be performed to the credit of any government.

Yet in this Budget estimate of the President, for the first time, he has failed to include the sinking fund as a part of our annual expenditures, and this in the face of what his own Secretary of the Treasury had to say in such strong and vigorous language a year ago.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. In the face of that statement, how does it happen that the amount under the second proviso again increased this year? It jumped from $175,000,000 last year to $179,000,000 this year. They certainly must have retired some bonds.

Mr. BYRNS. The gentleman refers to the increase?

Mr. COCHRAN of Missouri. The increase in the interest on bonds that have been retired.

Mr. BYRNS. That is due to the fact they have been borrowing money to take care of these deficits that have occurred for the last two or three years. They have been borrowing money and then retiring the old debt, but it has all been done by a process of borrowing, not only borrowing the money which we found to be the deficit at the end of the year, but adding to that the amount required for the sinking fund.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield the gentleman five minutes.

Mr. BYRNS. I should like to have had an opportunity to discuss some of the provisions of the pending bill, but probably this can be done later on under the 5-minute rule.

I said at the beginning that there was one way of balancing the Budget, and that was by reduction of expenditures. I want to call attention to the fact that this bill has reduced the President's estimates in the amount of $32,912,304. That makes a total reduction under the 1933 appropriations to the extent of $194,831,232.

If you examine the figures you will find that that is about 10 per cent of the Treasury estimates.

I notice in the papers that Secretary Mills said he had submitted some recommendations which he did not think JOE BYRNS was going to be able to cut. Well, I did not cut them but the committee cut them with my assistance. I suggest to the Secretary that when we cut his estimates more than $25,000,000 it simply proves that a Republican administration does not know how to reduce. It takes a Democrat to do that.

I want to say that in making these reductions we have not made a single reduction below the point where the administration in the next year will not be able to get along. You will recollect that in the reductions made a year ago one of our colleagues repeatedly on the floor of the House charged the Appropriations Committee and me by name with having cut the appropriations for political purposes, and he made the prophecy that we would have to put them all back after the election at the December session.

I am happy to say that in the estimates for deficits that have come to the committee there is but little over a million dollars in deficits throughout the entire department, excluding the $40,000,000 which we were told at the time would be necessary for tax refunds. That only shows that where there is a will there is a way, and I predict that when the next administration comes in under the pledge of economy it is going to be able not only to get along on this but be able to save even more in the administration of these various departments.

Now, I wanted to talk about the pay cut and the consolidation message of the President. I will not have an opportunity to do that but will do it at a later date.

Secretary Morrison, of the Federation of Labor, addressed to me a letter opposing the pay cut and asked me to present it to the House. I will not have the opportunity to do that, but I ask unanimous consent that I may insert it in the RECORD in compliance with my promise to him.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The letter is as follows:

WASHINGTON, D. C., *December 9, 1932.*

Hon. JOSEPH BYRNS,
Chairman Appropriations Committee,
United States House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: The American Federation of Labor speaking on behalf of the organized workers of our country and reflecting what we conceive to be the settled opinion of wage workers everywhere, hereby direct your attention to the existing Federal economy act, and the recommendation contained in the recent message of President Hoover urging in addition thereto the imposition of an 11 per cent wage cut.

In protest against the continuance of the economy act, or any policy of wage cutting, we respectfully call your attention to the following facts:

For the past 10 years throughout the world, and for the past 3 years in this country, a policy has been observed where through wage reductions and lessened purchasing power, resulting in widespread unemployment, futile attempts have been made to solve the difficulties of the existing depression.

Broad experience has shown the folly of attempting to restore prosperity by any such policy. It has done none of the things its proponents claimed it would do. It has caused a decline in annual wealth production in our own country of from ninety billion to forty-five billion dollars; it has dried up our sources of revenue until income-tax payments have dropped from approximately three billion to one billion dollars annually; it has caused vast expenditures for unemployment relief, which are certain to expand as this policy finds larger expression, and it has unbalanced our National Budget to a degree beyond precedent in the Nation's history.

Surely this hard experience must show the unwisdom of this Government on its own account, and as an example of now confirming a policy to cut the modest wages of Federal employees. It would be a sad mistake. This whole question of ruthless economy as applied to governmental finance, in this age of expanding machine production, is aptly summed up by J. M. Keynes, of England, perhaps the world's foremost economist, in the following terse statement:

"If we carry 'economy' of every kind to its logical conclusion, we shall find that we have balanced the budget at naught at both sides, with all of us flat on our backs starving to death from a refusal for reason of economy, to buy one another's services. Economy is only useful from the national point of view in so far as it diminishes overconsumption of imported goods. For the rest its fruits are entirely wasted in unemployment, business losses, and reduced savings."

Our country has not suffered and is not suffering for lack of manufactured goods or foodstuffs. Manufacturers have seen their business disappear, and the farmers have been forced to sell their product for less than it cost to produce or use it for fuel, because the people of our country as a whole did not have the means to purchase. We have found ourselves with more goods than the people could buy, so that manufactured goods can not be sold and farmers can not sell their produce, while the country is called upon to provide a living for eleven or twelve millions of unemployed.

The responsibility for this economic unbalance is not due to labor, but to the economic unwisdom of those who have been directing control of our financial institutions and our great industries. For the Government, under such conditions, to consider a reducing of wages and salaries of Federal employees would be to indicate an approval of the internal economic maladjustment which, more than anything else, brought on the depression in the United States.

We insist that for our Nation to embark on a wage-cutting policy is a mistake fraught with menace to the public welfare. There is no hope of any restoration of prosperity in the United States except on a basis of shorter working hours and high and steadily advancing living standards. The American Federation of Labor at its recent Cincinnati convention declared unqualified opposition to the continuation of the economy act in a resolution which was adopted unanimously and which is attached hereto.

In presenting this protest against a Federal wage cut, we insist that the overwhelming burden of evidence argues against such reduction. It will not promote the public welfare. In the finals, it will not aid in balancing the Budget. It will stimulate an economy complex throughout the Nation, and it will intensify this depression by further loss in consuming power.

The solution of this vexing problem, which now confronts our Nation lies the other way round, and we should center our efforts and intelligence in striving to steadily increase the national income by providing larger work opportunities and enhance the purchasing power rather than having the United States give its approval to a wage-reduction policy as applied to Federal employees.

Trusting that these representations will receive the favorable consideration of yourself and the members of the Appropriations Committee, I remain,

Yours sincerely,

FRANK MORRISON,
Secretary American Federation of Labor.

Mr. BANKHEAD. Will it disturb the gentleman if I ask him a question?

Mr. BYRNS. Oh, no.

Mr. BANKHEAD. As I understand, there is no material change in the provisions of this bill from existing law?

Mr. BYRNS. Except in section 7, which provides for furloughs by the Executive. It has been the belief of some of us that the President and the administration has the right to furlough employees where there is no need of their services rather than discharge them. But to make sure of this we have added the language in section 7:

Or in cases in which the number of officers and employees in any particular service is in excess of the number necessary for the requirements of said service, the heads of the several executive departments and independent establishments of the United States Government and the municipal government of the District of Columbia, respectively, are hereby authorized and directed, instead of discharging officers and employees in the service, to furlough without pay any of these officers or employees.

Mr. BANKHEAD. As a general proposition it carries out the provisions of existing law?

Mr. BYRNS. Precisely. I thank the committee. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, I ask the attention of the gentleman from Tennessee [Mr. BYRNS] for a moment. Before the gentleman commenced his address, I stated that we had no requests for time on this side. We had no requests at that time. While the gentleman was speaking the gentleman from New York [Mr. LAGUARDIA] asked me for a little time. If the gentleman from Tennessee objects to my granting it, I shall not grant it.

Mr. BYRNS. I shall not object if the gentleman will reserve me a little time and yield it to me in the event I shall want to reply to any statement the gentleman from New York may make.

Mr. WOOD of Indiana. That is very fair and I shall do so. I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, the debate is limited to the provisions of the bill, which is a very wholesome rule to adopt in the discussion of an important appropriation bill. I am going to address myself to the provisions contained on pages 53 and 54, making appropriations for salaries in the Post Office Department, and, I may say, my observations naturally are applicable to the whole question of the present policy in connection with Federal salaries. As I have stated so many times in the course of the discussion of appropriation bills, were it only a question of Federal salaries that is involved, the question of the reduction would not be so important; but in the period in which we are living, when reason seems to have been abandoned in desperate efforts to take the cost of the depression out of the pockets of the working people, this question of Federal salary reduction is directly connected with the whole wage structure of the working people of this country and can have but one result, namely, the lowering of the standard of living that it has taken us 50 or 60 years to build up.

The gentleman will recall that when the so-called economy bill was brought before us, it was discussed at length and was amended and then went over to the other body. After the other body had passed it, it went to conference. One afternoon it was brought back, an entirely new bill, which few Members of the House had opportunity to digest and study. As a matter of fact, the bill was so poorly drawn, so inartistically drawn, that over 250 decisions have been rendered by the Comptroller General of the United States, seeking to interpret and construe it. It is not the fault of the Comptroller General that he was compelled to make so many decisions.

The fault was entirely the fault of Congress that passed a bill so poorly drafted, so vague, so uncertain, so loose, that no one could tell what it meant. Some of us attempted to point out at the time when the conference report came back to the House that it required amendment; but no, we had to vote it up or vote it down. I believe 45 of us stuck to our guns and voted against it. No greater illustration of the loose manner in which it was drawn can be cited than that of the pay of substitute carriers and clerks contained in this bill. The gentleman from Tennessee [Mr. BYRNS] and the gentleman from Indiana [Mr. WOOD] know that we provide for postal clerks and carriers and for substitute clerks and carriers, and the economy bill under which we are now appropriating provides a certain reduction of 8⅓ per cent on salaries of $1,000 or over. This provision was so loosely drawn that the Comptroller General construed that to mean that deduction would have to be made if the employee was paid at the rate of $1,000 a year. So if a carrier or clerk pay was at a rate of 65 cents an hour, the deduction had to be paid, though he worked an hour or two a day. How proud the drafters of that bill must feel.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. In a moment. I am very sure that gentlemen on the floor to-day will be shocked when I tell them that we have men with families in the city of New York, who have been substituting for several years, who are now earning less than $10 a week, that have this 8⅓ per cent deducted from their pay. Every two weeks they draw a check of $16, or even less, and if I am wrong my colleague from New York [Mr. FITZPATRICK] will correct me.

Mr. FITZPATRICK. Some of them draw as low as $7 a week, and not only that but the substitutes in a certain post office had to purchase an automobile truck and keep it up out of their small salary of $10 a week so that they would not put more substitutes in, with the result that they would earn less money. Those trucks are going around with "U. S. A." on them; they have been paid for by the substitutes, and yet 8⅓ per cent is deducted from their salary of $10 a week.

Mr. LAGUARDIA. These substitutes must report every day and wait until they are sent out on duty. What a shame on the Government of the United States to expect a man to give all of his time, to wait on call every day, and then earn $8 a week less 8⅓ per cent deducted. That was not the intention of any individual Member of this House. I appeal to the gentleman from Tennessee to give consideration to an amendment which I expect to offer. I hope he will, though I feel he may be a little peeved at me for objecting to his unanimous-consent request this morning. I hope he is not. The amendment I shall propose is to section 4, page 66, to add at the end of line 20:

Provided further, That sections 101 and 105 shall not apply to any employee unless the aggregate compensation earned by such employee shall exceed $83.33 per month. The provisions of this paragraph shall not operate so as to reduce the aggregate compensation paid any employee below $83.33 per month.

That is only carrying out what every Member who voted for the economy bill believed he was voting for, that there should be no reduction on any salary below $1,000. It should not be necessary for a Member of the American Congress to plead to prevent a reduction of 8⅓ per cent from the salary of grown men seeking to support a family who are earning less than $10 a week.

To come back to the question of salary reduction, if the future prosperity of this country depends upon reducing the salaries of Federal employees, then the future is indeed dark and hopeless. The President in one breath talks about the reduction and loss of purchasing power and in the next breath recommends salary reduction. Last year the sponsors of the economy bill gave assurance that it was for a year only. Here it is back again. Every exploiter of labor, every salary squeezer will gloat as he uses this as an example for another reduction of his workers. Last year immediately after the Congress reduced the salaries of Government employees there was a general reduction of wages throughout the country.

Just as sure as we pass this bill this year, the same thing will happen again with workers in the industries and factories and banks and offices. They will get another reduction of 10 per cent. We have impoverished workers in the cities, and bankrupt farmers being driven into a state of slavery by having farms which have been in their families for generations foreclosed and they now are forced to work as peasant tenants.

Mr. BYRNS. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. BYRNS. I wish to assure the gentleman that I am not at all peeved at any objection the gentleman made. I always know the spirit that lies behind it when the gentleman makes objection.

Going back a moment to the amendment which the gentleman just read and the suggestion made, I think the gentleman knows that I did not originally favor the furlough plan. I believed then and I believe now that it would have been better and more in line with permitting the employees to know what they are going to get if we had adopted a straight pay cut plan, a graduated scale, beginning at a certain fixed salary and increasing as the salary increased.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield to the gentleman from New York five additional minutes.

Mr. BYRNS. But I will say to the gentleman that in so far as his amendment is concerned the committee discussed the economy bill as it applied this year. It discussed the further recommendation of the President, which sought to superimpose upon the economy bill another 11 per cent, and we decided that this particular Congress, having expressed itself so emphatically in favor of the furlough plan, we should report that back and permit Congress to indicate its change of mind, if it had any. In addition thereto, if we undertook at this time to go into any question of 11 per cent or 10 per cent or any other kind of cut, it would require several weeks of further hearings, and we would jam up these appropriation bills and have congestion in February, which would not make for economy and good government, it being the desire of everyone, I am sure, to pass these bills before the end of the present session.

When we came to consider the economy bill, we found there were numerous objections raised because of inequalities and injustices which it was claimed have resulted from its operation. It was impossible for the committee to open the doors and go into all those various modifications which were proposed. Therefore, we felt that under the circumstances, since the Comptroller General had passed upon this matter, since the heads of departments had been operating under it and would continue so until July 1, possibly less confusion would result if we simply recommended it to the House as it was passed for this year, and the heads of departments next year would then have information and experience gained this year in its administration.

Mr. LAGUARDIA. Permit me to say to the gentleman that all my amendment would do would be to carry out what Congress believed it was doing when it fixed the furlough or equivalent reduction in salaries, over and above $1,000, or left a minimum salary of $1,000. I know of no greater experience than the hardship and suffering of these men who are averaging $10 and less a week and getting an 8 per cent reduction in addition to that, because they can not be furloughed, since they are working on a day basis. I submit that my amendment would in no way conflict with the policy of the gentleman in carrying out or attempting to carry out for another year the provisions of the economy bill. I wish I could do so. I hope the gentleman will consider the necessity of the amendment between now and the time we reach that place in the bill.

Now, Mr. Chairman, in the very few moments remaining to me I want to point out that the functions of Government at this time are being impaired and the morale of the employees is being demoralized by this continuous harping and criticizing and harassing of the Government employees. After all, they did not bring on this depression. The depression was brought about by those who control the finances of this country, who to-day have not offered a single constructive suggestion, except to reduce wages and thereby lower the wage scale and standard of living of the country. That has been their one big contribution to their folly, to their greed, to their lack of vision, and to their utter lack of ability.

Mr. Chairman, this country has never been in a more pathetic condition than it is to-day. Not even during the darkest days of the Civil War was there such suffering and hardship and hunger stalking throughout the country. There is not one section of the country that is prosperous. There is no section of the country to-day, either agricultural or industrial, but has its problems of unemployment. Small business men are going to the wall all over the country. I want to appeal to the gentleman from Tennessee to at least give some consideration in the attempts that will be made to lessen the hardship we have brought about through the very careless way in which the law was drawn which would admit of no other construction than that given by the Comptroller General.

Mr. WOOD of Indiana. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, that there are faults in this furlough plan adopted by the Economy Committee first, and later adopted by Congress, goes without saying; but if the gentleman from New York [Mr. LAGUARDIA] and others had been just as zealous at the time we were considering this bill in their attempt to cure the evils that then might have been discovered by them as they were in their attempt to defeat the reduction altogether, it would have been much better for all concerned.

I agree with the gentleman from New York that, as far as I am concerned, as a member of the committee, I was of the opinion that those who were receiving less than $1,000 should not be affected. I believe that was the intention of Congress, and I am perfectly willing to accept such an amendment. But I do oppose the proposition made by the gentleman from New York that the clerks of the United States should not be made to reduce or to share with the rest of the people of the United States in making sacrifices. The gentleman talks about the functions of government. Is it the function of government to legislate solely for a favored class? Is it the function of government to keep those in high places and in low places at remunerative salaries when they are not needed while millions are walking the streets without employment, many of them, if you please, without the necessities of life? There is no evidence of depression to be found among Federal employees.

We have an army of 75,000 Federal employees in this town who devote more time to trying to get their salaries raised and to defeating any attempt to reduce them than they do to discharging the duties for which they are employed. That there are many exceptions to this is true; but I say, and have said it repeatedly, and wish to say it again, that if the employees of the Federal Government were compelled to do the work that like employees are compelled to do on the outside, the functions of this Government could be performed by less than two-thirds of the number that are employed to-day.

It is not the function of the Federal Government to provide salaries out of all proportion to those who happen to be in its employ. It seems we have come to this situation: That those who are in the employ of the Government think

the Government has nothing to do but to provide easy hours, high salaries, and most favorable conditions for the discharge of their work.

The gentleman from New York [Mr. LAGUARDIA] has said we are taking the money out of the pockets of the Federal employees. We are not doing it. We are taking the money out of the pockets of the taxpayers of this country who are groaning under the burden they are bearing. Farmers out through my country getting 10 cents a bushel for corn and 8 cents a bushel for oats, every day see a rural carrier go by their door getting from $2,600 to $3,000 a year, working three hours a day. No wonder they are mad. No wonder they are up in arms against existing conditions. And then for anyone here to defend against the reduction of the salaries of the Federal employees who are receiving more than employees outside the Government receive for like service any place in the United States, to my mind is beyond understanding.

The Federal employees two years ago were making the same kind of fight they made last year to attempt an increase in their salaries, and it was by the barest majority that this Congress defeated that attempt. Last year they made fun of those who first suggested the possibility and the practicability of reducing their salaries and thought they were so well fortified that such attempt would prove a failure. Now they are fighting, if you please, against a further reduction. I say to them now that they had better accept, and accept with good grace, the reduction that has already been made, or they may be coming here pretty soon begging not only for retention of what they have now but for jobs.

Every department of this Government is overmanned to-day, possibly with a few exceptions. We have more than 5,000 of them in the Post Office Department alone that are being kept on salary because of the fact that the Government does not want to turn them out upon a cold and pitiless world; and they were kept there during the last year in the hope that by staggering the work it would keep them in employment and at the same time save something to the Treasury of the United States and to the taxpayers who are bearing the burden.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. LAGUARDIA. The gentleman does not intend to say that the post office in the city of New York is overmanned, does he?

Mr. WOOD of Indiana. I do not know whether it is or not.

Mr. LAGUARDIA. They are employing substitutes.

Mr. WOOD of Indiana. But we have the testimony of the Postmaster General himself that there are more than 5,000 men in the employ of the Postal Department to-day whose services might be dispensed with; and it has been suggested that it be done.

This Government has been most generous to its employees. It is time they were showing a little appreciation of this generosity and a little consideration for the people of this country who are compelled to make extraordinary sacrifices and who have to pay the salaries of these overworked Federal employees. [Applause.]

The Clerk read as follows:

CONTINGENT EXPENSES, TREASURY DEPARTMENT

For miscellaneous and contingent expenses of the office of the Secretary and the bureaus and offices of the department, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings; newspaper clippings, financial journals, law books, and other books of reference; freight, expressage, telegraph and telephone service; purchase and exchange of motor trucks and one passenger automobile for the Secretary of the Treasury, and maintenance and repair of motor trucks and two passenger automobiles (one for the Secretary of the Treasury and one for general use of the department), all to be used for official purposes only; file holders and cases; fuel, oils, grease, and heating supplies and equipment; gas and electricity for lighting, heating, and power purposes, including material, fixtures, and equipment therefor; purchase, exchange, and repair of typewriters and labor-saving machines and equipment and supplies for same; floor coverings and repairs thereto; furniture and office equipment, including supplies therefor and repairs thereto; awnings, window shades, and fixtures; cleaning supplies and equipment; drafting equipment; ammonia for ice plant; flags; hand trucks, ladders; miscellaneous hardware; street-car fares not exceeding $500; thermometers; lavatory equipment and supplies; tools and sharpening same; laundry service; laboratory supplies and equipment; removal of rubbish; postage and other absolutely necessary articles, supplies, and equipment not otherwise provided for, $180,000: *Provided*, That the appropriations for the Public Debt Service and Internal Revenue Service for the fiscal year 1934 are hereby made available for the payment of items otherwise properly chargeable to this appropriation, the provisions of section 6, act of August 23, 1912 (U. S. C., title 31, sec. 669), to the contrary notwithstanding.

Mr. GOSS. Mr. Chairman, I reserve a point of order for the purpose of getting an explanation as to why the Public Debt Service and the Internal Revenue Service are exempted from the provisions of the act referred to here. The act, as I read it, deals with the purchase of supplies in this language:

And there shall not be purchased out of any other fund any article for use in any office or bureau of an executive department in Washington, D. C., which could be purchased out of the appropriations made for the regular contingent funds of such department or its offices or bureaus.

I want to find out why they exempt these two services from the provisions of this act.

Mr. BYRNS. These two services are excepted because they are such very large bureaus and such large appropriations are made for them that they are permitted to buy their supplies out of these particular appropriations. It is simply a bookkeeping proposition. The Internal Revenue has a large number of field offices, as the gentleman knows, and we make an appropriation of thirty-odd million dollars for that bureau. Its supplies are so much larger than the supplies for other services of the Treasury Department that they are excepted, and the same thing is true of the Public Debt Service.

Mr. GOSS. Then the gentleman feels that these bureaus should be exempted from the provision with respect to buying their supplies, including desks, and so forth, no matter whether other departments have such restrictions or not.

Mr. BYRNS. They are subject, of course, to the same rules and regulations.

Mr. GOSS. But we are exempting them by this provision.

Mr. BYRNS. They are exempted with respect to this small appropriation, and the gentleman can see that if we did not make this exception we would have to greatly increase this appropriation. Therefore, after all, it is a matter of simple bookkeeping.

Mr. GOSS. Mr. Chairman, I withdraw the point of order.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word.

I do this for the purpose of calling the attention of the committee to the fact that the appropriation to take care of the interest and sinking-fund requirements of the public debt is provided for by a blanket provision, in that it is a permanent appropriation. Am I correct about this?

Mr. BYRNS. That is true, under the statute.

Mr. LAGUARDIA. There is an increase this year of $13,168,621 on the sinking-fund requirements and $85,000,000 increase in interest requirements. So next year there will be a still further increase in the sinking fund as well as an increase in interest. This covers, of course, the money appropriated by Congress for the Reconstruction Finance Corporation; in other words, that is thrown into the public debt. Am I correct about that?

Mr. BYRNS. Yes.

Mr. LAGUARDIA. In other words, we did not have the cash for the $500,000,000, so it was just that much added to the public debt.

Mr. BYRNS. Yes; but they say there will be a return on account of interest of about $30,000,000 for the Reconstruction Finance Corporation.

Mr. LAGUARDIA. That is the estimated amount.

Mr. BYRNS. Yes; and that is an offset to this particular item.

Mr. LAGUARDIA. Assuming those interest payments are met when due. So far, I understand, they have been paying the interest out of the money which was lent, in the case of a great many of these financial corporations. In addition

to this, the Reconstruction Finance Corporation was authorized to issue bonds to the extent of $2,500,000,000.

Mr. BYRNS. $3,300,000,000.

Mr. LaGUARDIA. That is, under the two bills.

Mr. BYRNS. The gentleman is speaking about the first Reconstruction Finance Corporation act?

Mr. LaGUARDIA. Yes; $1,500,000,000 was appropriated.

This is what I want to ask the chairman of the committee in charge of the bill. If the Reconstruction Finance Corporation does not receive sufficient money from the borrowers to pay interest as it accrues, is not that a charge on the United States Government?

Mr. BYRNS. Undoubtedly.

Mr. LaGUARDIA. And that applies to the bonds as well as to the $500,000,000 that was appropriated.

The point I want to make is this: I want to emphasize that under the first Reconstruction Finance Corporation act the Government undertook to assist these financial corporations and railroads mentioned in the bill, and limited in the bill, and the interest on that money, as well as the principal, in the event of any default, is a charge upon the United States Treasury; and as far as the first Reconstruction Finance Corporation act is concerned, I venture the statement that it has not put 1,000 men to work, and yet when some of us even suggest the necessity of guaranteeing some economic security to the producers of this country, in the way of fixing prices for agriculture and providing unemployment insurance for the industrial workers, we are immediately howled down and criticized as being unsound, unwise, and are oftentimes called radicals.

I simple wanted to emphasize at this point the fact that you now have this item and you will have a recurring item of this sort every year to pay the interest and part of the principal of the loans being made to financial institutions in order to bolster securities that have defaulted in interest, under the guise of bringing about relief and getting the country out of the depression. It will not do anything of the kind.

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

The gentleman from New York [Mr. LaGUARDIA], true to form, is still harping on the functioning of the Reconstruction Finance Corporation. The gentleman indulged in his tirade of abuse of the Reconstruction Finance Corporation on more than one occasion during the last Congress.

He is again venting his wrath against it without any showing whatever that the Government has up to this time lost one cent of principal or one cent in interest on loans made to these respective institutions—railroad corporations, banks, insurance companies, and the like.

The fact is, and he knows it, because he is a walking encyclopedia of the functions and instrumentalities of the Government, that all these loans are made on good security. Loans made to insurance companies, banks, and other institutions are made on adequate security for the respective loans. He knows that of the loans that have been made millions have been repaid by the borrowing institutions.

The latest report of the Reconstruction Finance Corporation shows that many of these institutions have, by reason of improved financial and business conditions, withdrawn their calls for loans from the Finance Corporation. There is no denying that every loan that has been made to insurance companies, banks, building and loan associations, and railroads has been made on adequate security, and yet here is this Napoleon of Finance still venting his wrath against the Reconstruction Finance Corporation, which everyone admits, except this gentleman and others of his kind, has been a life-saver to the very industrial, commercial, and financial life of this country. [Applause.]

The Clerk read as follows:

No part of any money appropriated by this or any other act shall be used during the fiscal year 1934 for the purchase of any standard typewriting machines, except bookkeeping and billing machines, at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: Ten inches (correspondence models), $70; 12 inches, $75; 14 inches, $77.50; 16 inches, $82.50; 18 inches; $87.50; 20 inches, $94; 22 inches, $95; 24 inches, $97.50; 26 inches, $103.50; 28 inches, $104; 30 inches, $105; 32 inches, $107.50; or for standard typewriting machines distinctively quiet in operation the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: Ten inches, $80; 12 inches, $85; 14 inches, $87.50; 18 inches, $95: *Provided*, That standard typewriting machines distinctively quiet in operation purchased during such fiscal year by any such department, establishment, or municipal government shall only be purchased on the written order of the head thereof.

Mr. LaGUARDIA. Mr. Chairman, I reserve a point of order. I want to ask the gentleman from Tennessee if these prices on typewriters will stifle all competition?

Mr. BYRNS. They will not and never have.

Mr. LaGUARDIA. I withdraw the point of order.

Mr. STAFFORD. I want to ask the gentleman from Tennessee if the prices stated in the bill for the purchase of typewriters have been changed from those carried last year?

Mr. BYRNS. The prices of typewriters have never been increased. They were standardized before the prices increased on all commodities.

Mr. STAFFORD. Did the committee give consideration to any change in the schedule of prices due to the depression?

Mr. BYRNS. No; for the reason that there was never any increase.

Mr. STAFFORD. The gentleman knows that the price of typewriters has gone down like the prices on all other commodities.

Mr. BYRNS. My information is that a private individual can not buy a typewriter as cheap as these prices set forth in this bill.

Mr. STAFFORD. I agree with the gentleman that a private individual can not. But I am inquiring whether the committee took into consideration the general fall in prices in making the prices stated in this provision.

Mr. BYRNS. I will agree that if there had been any increase in the last several years a decrease would have been proper, but since there was no increase at that time there has been no reason for a decrease. I would say, however, that the price of the noiseless typewriter has been decreased by the company itself.

Mr. STAFFORD. They are looking for customers, and particularly the Government, which buys a large quantity.

The Clerk read as follows:

Distinctive paper for United States securities: For distinctive paper for United States currency, national-bank currency, and Federal reserve bank currency, not exceeding 2,000,000 pounds, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees, and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty; in all, $550,000: *Provided*, That no part of this appropriation shall be expended for the purchase of such paper at a price per pound in excess of 32¼ cents: *Provided further*, That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1934 between the two bidders whose prices per pound are the lowest received after advertisement, but not in excess of the price fixed herein.

Mr. GOSS. Mr. Chairman, I reserve the point of order on the second proviso on page 10, to inquire if there is any other department of the Government that is fostering competition where it allows of a split of the award instead of it going to the lowest bidder, as is usual under the law?

Mr. BYRNS. The trouble is that there is no other department of the Government where there is a monopoly to deal with, as there is in this case.

Mr. GOSS. Oh, I would not say that necessarily.

Mr. BYRNS. There are one or two companies that propose to furnish a certain amount of distinctive paper, but there is no company that has ever yet offered to furnish the full amount needed by the Government, and we are, therefore, confronted here with what amounts to a monopoly, and on that account we have felt it entirely proper, since competition could not result, to place an upset price.

Mr. GOSS. I am not making the point of order to the first paragraph. I am reserving the point of order to the second proviso beginning with line 5 and ending with

line 11. The gentleman just said that there is more than one manufacturer. Why should we by law split the award instead of giving it to the lowest bidder?

Mr. BYRNS. That is exactly for the purpose of trying to secure additional bidders, because if we do not have a provision of that sort, there will be only one company in the United States which can bid.

Mr. GOSS. Which can bid?

Mr. BYRNS. Which will bid. For instance, take the Collins Paper Manufacturing Co.——

Mr. GOSS. Where is that concern located?

Mr. BYRNS. That concern bids for a small part, but they say they have their private customers, and that they can not afford to bid for the full amount the Government needs, and at the same time supply their private trade. The result is, when these bids are taken, we find that company, and possibly another, bidding for a certain portion of the amount of the paper that is used, while there is one other company that bids for the full amount.

Mr. GOSS. Has the gentleman any idea what proportion that other company can bid on?

Mr. BYRNS. They bid on about 200 tons. They bid on about one-fifth of the required amount.

Mr. GOSS. Does the gentleman assure us that there are only two companies in the United States able to supply this?

Mr. BYRNS. No; I would not give the gentleman any such assurance as that, but I will say that according to my recollection there are only two companies that have ever placed bids, and those are the Crane Co. and the Collins Paper Co.

Mr. GOSS. Where is the Collins Co. located?

Mr. BYRNS. In Massachusetts. Both are Massachusetts concerns. The Collins people, my recollection is, have bid for about one-fifth the amount of the paper used, but they are not in a position, they say, to furnish the full amount and at the same time take care of their private business.

Mr. GOSS. And the splitting of the award is left up to the Secretary of the Treasury? He can give them one-tenth if he wants to, or one-fifth, or whatever he wants to?

Mr. BYRNS. As a matter of fact, in the actual operation of this provision, which was carried last year, the supply of paper was not split. One company got it all, but it did serve, I think, to reduce the rates. Last year we proposed this provision, and first I want to pay due deference to my friend from Indiana [Mr. WOOD], who has been giving attention to the amount of paper that has been needed for some years and who is entitled to great credit for the savings effected. The Crane Co. was furnishing paper at an average of 42 cents. The Collins Co. has bid 38 cents for a part of the paper needed, but they were not awarded the contract; they could not be. Therefore this provision was inserted, and there is a provision in the present current bill providing that the Government should pay not exceeding 38 cents. As a result the Crane people, instead of submitting a bid for 42 cents, as they did the year before, submitted a bid for 32¼ cents, and that is what we are paying for paper now.

Mr. GOSS. I have no objection to the first proviso; it is the second one that I am interested in.

Mr. BYRNS. If the gentleman can succeed in eliminating the second proviso, he would eliminate the only competition that can arise in the purchase of this paper, because that proviso was put in simply to give outside companies which can not supply all the paper the right to get together if they wanted to and come in and submit a bid to supply the need to the Government.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. TREADWAY. Is it not a fact that if that second proviso to which the gentleman from Connecticut [Mr. Goss] is referring is allowed to stay in the bill the cost of distinctive paper to the Government will be greater than with it out?

Mr. BYRNS. Oh, no. I fail to follow the gentleman's reasoning.

Mr. TREADWAY. Is it not a fact that any business concern will bid less for a large order than it will for a split order, and does it not stand to reason that there will be a higher bid for a small quantity than if one company is in a position to carry the whole bid? I think that is a business proposition that any business man would agree to.

I remember this same matter was considered last year. I remember very well that the winning bid was much lower, provided the entire contract was let, rather than having it split up. Now the gentleman is endeavoring to put into the law a provision that will absolutely be without precedent, so far as I know. I have never seen a contract of this nature proposed. All Government contracts go to the lowest bidder except for the provision that is put in this bill.

Mr. BYRNS. As a matter of fact, this exact language is carried in the current law. This is no change in existing law. It is simply carrying into next year the same language that was carried this year, and as a result of placing it in the bill making appropriations for this year we are now paying 32¼ cents instead of 42 cents as we did heretofore.

Mr. TREADWAY. That is not altogether the reason you are paying less.

Mr. BYRNS. Oh, I beg the gentleman's pardon. Here is the proposition in a nutshell. Up to this time there has been only one paper company that has ever offered to furnish all the paper that is needed by the United States. That means that there is a monopoly when it comes to supplying all the paper. There are a number of companies, like the one to which I refer, which can furnish a portion of the paper needed. This will simply permit those companies, if they wish, to get together and have one company take so much and another company so much, and afford us at least a semblance of competition.

Mr. TREADWAY. Then the gentleman is practically admitting there is not any monopoly. When the gentleman says the several companies could combine and carry this load he is admitting that there is not a monopoly. Why do they not get together and offer a competitive bid?

Mr. BYRNS. For the reason that we are giving the Secretary of the Treasury the right to say to one company, "If you will take 200 tons, I will give it to you," or to another company, "If you take 300, I will give it to you."

Mr. TREADWAY. And not to the lowest bidder then?

Mr. BYRNS. Why certainly, to the lowest bidder.

Mr. TREADWAY. It is contrary to the method of letting bids.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. FITZPATRICK. If the language is taken out of the bill, the only company that can bid on it is Crane & Co., of Massachusetts.

Mr. BYRNS. The gentleman is entirely correct. The whole object of this language is to prevent a monopoly controlling the price of paper supplied to the United States Government.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. STAFFORD. The language, as the gentleman has pointed out, leaves it to the discretion of the Secretary of the Treasury to award portions of the contract. There is nothing mandatory.

Mr. BYRNS. No; nothing mandatory.

Mr. STAFFORD. If, in his judgment, he believes it to be the best interest of the Government, of course, he will split the award; otherwise he will not.

Mr. BYRNS. Yes.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LAGUARDIA. I want to point out that we did exactly the same thing in the purchase of coal for the Alaskan Railroad.

Mr. BYRNS. This same provision is carried in the present law.

Mr. GOSS. Mr. Chairman, I make the point of order that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard?

Mr. BYRNS. On what part of the bill is the point of order made?

Mr. GOSS. On the language from line 5 down to and including line 11, the second proviso only.

Mr. BYRNS. Mr. Chairman, I presume it is subject to a point of order, but I wish to say to the gentleman that he is costing the Government thousands and thousands of dollars by striking it out.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

BUREAU OF CUSTOMS

Collecting the revenue from customs: For collecting the revenue from customs, for the detection and prevention of frauds upon the customs revenue, and not to exceed $10,000 for the securing of evidence of violations of the customs laws, for expenses of transportation and transfer of customs receipts from points where there are no Government depositories, not to exceed $48,392 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. V, title 5, sec. 118a), not to exceed $720 for any one person, not to exceed $5,000 for the hire of motor-propelled passenger-carrying vehicles, not to exceed $500 for subscriptions to newspapers, and including the purchase (not to exceed $25,000), exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary for official use in field work, $19,900,000 of which such amount as may be necessary shall be available for the cost of seizure, storage, and disposition of any merchandise, vehicle and team, automobile, boat, air or water craft, or any other conveyance seized under the provisions of the customs laws, and $435,000 shall be available for personal services in the District of Columbia exclusive of 10 persons from the field force authorized to be detailed under section 525 of the tariff act of 1930: *Provided*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in the District of Columbia except one for use in connection with the work of the customhouse in Georgetown.

Mr. BYRNS. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: On page 11, line 15, strike out "$48,392" and insert in lieu thereof "$35,000."

The amendment was agreed to.

The Clerk read as follows:

BUREAU OF INTERNAL REVENUE

Collecting the internal revenue: For expenses of assessing and collecting the internal-revenue taxes, including the Commissioner of Internal Revenue, General Counsel for the Bureau of Internal Revenue, an assistant to the commissioner, a special deputy commissioner, three deputy commissioners, one stamp agent (to be reimbursed by the stamp manufacturers); and the necessary officers, collectors, deputy collectors, attorneys, experts, agents, accountants, inspectors, clerks, janitors, and messengers in the District of Columbia, the several collection districts, and the several divisions of internal-revenue agents, to be appointed as provided by law, telegraph and telephone service, rental of quarters outside the District of Columbia, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and other necessary miscellaneous expenses, including stenographic reporting services, and the purchase of such supplies, equipment, furniture, mechanical devices, law books and books of reference, and such other articles as may be necessary for use in the District of Columbia, the several collection districts, and the several divisions of internal-revenue agents, $30,800,000, of which amount not to exceed $8,275,000 may be expended for personal services in the District of Columbia: *Provided*, That no part of this amount shall be used in defraying the expenses of any officer designated above, subpœnaed by the United States court to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts": *Provided further*, That not more than $100,000 of the total amount appropriated herein may be expended by the Commissioner of Internal Revenue for detecting and bringing to trial persons guilty of violating the internal revenue laws or conniving at the same, including payments for information and detection of such violation.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word.

I would like to ask the chairman of the committee if this limitation of $100,000 in any way interferes with the proper detection and prosecution of income-tax evaders? How is that amount fixed? Will that hamper or hinder proper detection and prosecution of tax evaders?

Mr. BYRNS. Quite the contrary. This sum is appropriated for the purpose of enabling the commissioner to pay a sum to informers as to violations of the revenue laws.

Mr. LAGUARDIA. But it does not read that way. It reads—

For detecting and bringing to trial, persons guilty of violating the internal revenue laws, or conniving at the same.

Mr. BYRNS. But it reads—

including payment for information and detection of such violations.

Mr. LAGUARDIA. Exactly. What I fear is that there is a limit to the amount which he may have to expend for the detection.

Mr. BYRNS. Oh, no. This limitation does not affect that. This has been carried in the law all along. No one will know how much will be necessary during the year for the purpose of paying informers for information concerning violations.

Mr. LAGUARDIA. In other words, there is nothing herein to limit the proper prosecution after detection of income-tax evaders?

Mr. BYRNS. By no means.

Mr. LAGUARDIA. There are a great many running at large at this time.

Mr. BYRNS. Of course, this sum would not be sufficient for that purpose, and this is not offered with any such view. It has been carried for years and years.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I would like to ask the chairman of the Committee on Appropriations whether or not the decrease in this appropriation is simply the amount which was saved through the operation of the economy act, or is it a decrease beyond that?

Mr. BYRNS. Yes; $2,579,040 represents the amount saved under the economy act, so called.

In addition there is $270,000. The committee has made a cut with the idea that by proper economy they will be able to get along with it just as they did last year with a cut of more than $100,000.

Mr. COCHRAN of Missouri. Mr. Chairman, I think it is unwise economy to reduce the appropriation of the governmental agency that collects the taxes. I made some investigation in reference to the operation of the Bureau of Internal Revenue, especially in regard to the unit which the gentleman from New York [Mr. LAGUARDIA] seems to be thinking of, the intelligence unit.

Mr. BYRNS. Will the gentleman from Missouri permit an interruption?

Mr. COCHRAN of Missouri. With pleasure.

Mr. BYRNS. My answer to him was not exactly accurate. One hundred and fifty thousand dollars of this $270,000 represents savings in rent and traveling expenses made possible. One hundred and twenty thousand nine hundred and sixty dollars the committee eliminated with a view to having the bureau effect further economies. We thought out of an appropriation of $31,000,000 they could certainly save $120,000 by the use of proper economy.

Mr. COCHRAN of Missouri. I want to express the hope that the new Commissioner of Internal Revenue who will soon take office will learn something about the bureau of intelligence as soon as he assumes control. He will find it his most valuable asset in administering the laws.

In the fiscal year 1932, ending June 30 last, this unit was allowed $626,000, and it brought into the Treasury of the United States $27,322,555. The head of that unit, while testifying before a House committee of which I was a member, made the statement that if he could get additional men to run down the frauds that have been perpetrated against the Government he could bring in millions and millions of dollars to the Treasury. It seems to me when by the appropriation of a few hundreds of thousands of dollars we can bring into the Treasury millions of dollars that belong to it, it is unwise not to do so. [Applause.]

I want Members of Congress to know something about the activity of this branch of the service.

I have gathered some information in regard to the work of the intelligence unit that is interesting and gives an idea of its operations.

The unit was created as of July 1, 1919. The commissioner's order which effected this organization defined its duties as, primarily, the investigation of charges, usually of a criminal nature, such as the acceptance of bribes and extortion of money from taxpayers, against employees in the Internal Revenue Service, and the investigation of willful attempts to defraud the Government of taxes due under the respective revenue acts. There have been added to the duties of the unit since that time the investigation of charges against attorneys and agents practicing before the Treasury Department, the investigation of offers in compromise of tax liability in order that the bureau may intelligently determine whether such offers should be accepted, and such special investigations as may be desired by the commissioner or other officers of the Treasury Department.

Since the organization of this unit there have been separated from the service of the Bureau of Internal Revenue, including the Prohibition Service from the period of its organization, January 16, 1920, to April 1, 1927, 1,547 employees as a result of investigations by agents of the intelligence unit. Of this number 569 were indicted on criminal charges and there were 286 convictions, 98 acquittals, and there are now pending in the courts 94 cases. There have also been investigated 752 cases of charges against attorneys and agents admitted to practice before the Treasury Department, as a result of which 98 agents and attorneys have been disbarred from practice and 278 have been otherwise punished. A brief statement of the causes for punishment in each of these latter cases is published in the weekly bulletins issued by the Bureau of Internal Revenue and broadcasted throughout the country. The results of these two classes of work have, undoubtedly, benefited the Government in that they have tended to keep the service personnel clean and have reduced to a minimum improper approaches to employees of the Internal Revenue Service by dishonest practitioners.

By far the principal work of the unit consists in the investigation of income-tax fraud cases. This work is performed in cooperation with internal-revenue agents and deputy collectors and has increased steadily during the last few years. For the period from July 1, 1919, to June 30, 1932, there have been investigated 6,729 tax-fraud cases—approximately 27,200 tax years. There have been 1,114 indictments for these offenses and 568 of these cases have actually been disposed of in the courts, resulting in the conviction or plea of guilty of 508 individuals. There have been 60 acquittals and 297 cases are now awaiting trial. This means that approximately 91 per cent of convictions have been obtained in those cases which have been disposed of in the courts. In addition there were pending in the penal division of the office of the general counsel of this bureau approximately 100 cases in which recommendations had been made for criminal prosecution and which are being given consideration by attorneys in that division with a view to determining whether such action shall be taken.

These figures relate particularly to the disposition of the criminal phases of tax-fraud cases. It must be borne in mind, however, that as a result of the joint investigations by officers of the intelligence unit and revenue agents or deputy collectors of cases of this character large amounts of taxes are assessed and collected. During the period from July 1, 1919, to June 30, 1932—13 years—the total amount of taxes and penalties recommended for assessment as a result of investigations of this character was approximately $286,242,458. For the 6-year period ended June 30, 1932, the total amount recommended for assessment as a result of investigations of this kind was $182,106,064. It has not been possible to keep within this unit statistical records of the actual collections in all of these cases, but it will be interesting to note the following:

During the year 1927 there was one case in which the collections amounted to approximately $3,300,000 and another of $925,000. During the year 1928 three cases in which the collections amounted to approximately $1,400,000, $1,175,000, and $580,000, respectively. In 1929 there were four cases totaling $563,000 and ranging from $92,000 to $175,000. During 1930 there were six cases in which the collections amounted to over $1,580,000. These cases ranged in amounts from $97,000 to $261,000, and during the year 1931 there were collections in four cases ranging from $107,000 to $1,055,000 and totaling $2,270,000. Thus far during the year 1932 there have been six cases in which the actual collections were $300,220, $291,822, $275,000, $206,651, $115,000, and $102,171, respectively, and totaling $1,290,864. These are among those cases in which they have actual records of collections. Those enumerated are only 25 in number, covering the period of six years and totaling $13,102,864. As stated above, the total recommendations for assessment in all tax-fraud cases during this 6-year period amounted to $182,106,064. Therefore, the cases cited represent only a small part of the actual cases investigated and recommended for assessment during that period. It will be noted that the average for the 13 years ending June 30, 1932, of recommendations for assessment on cases investigated jointly by special agents and revenue agents, or deputy collectors, was approximately $22,018,000. The average for the last six fiscal years has been about $30,351,000. In addition to the collections by the Bureau of Internal Revenue in taxes, penalties, and interest, there are large amounts gathered into the Treasury by way of fines imposed in criminal cases; in fact, in some jurisdictions the courts have imposed an additional penalty by requiring the defendants to pay the costs of the investigations; that is, the salaries and expenses of the agents incurred during the period of the investigations. It might be of interest to note also that during this period there have been turned into the miscellaneous accounts of the Treasury $156,000, which represents money offered to Government employees as bribes in cases handled by this unit and which have been confiscated and made a part of the revenue of our Government.

These facts and figures all deal with direct results, but immensely of more value are the indirect results—that is, the effect on the taxpayers who might be inclined to cheat but who are restrained because of fear resulting from the publicity given the work in fraud cases. For instance, in the city of Chicago, where tax cases have been vigorously prosecuted for the past two years, resulting among others in the conviction of Alphonse Capone and six other leaders of his gang, together with a member of the State legislature and a member of the Cook County Board of Tax Assessors, the increase in delinquent taxes paid into the Treasury in 1931 over 1930 was approximately $1,000,000. Incidentally, in this connection two certain taxpayers came into the internal-revenue offices and paid voluntarily $235,000 and $200,000, respectively, in taxes, stating that they were making these delinquent returns because of their fears resulting from these prosecutions. They were individuals on whom there were no cases for investigation at the time of their visits.

These investigations have not been confined to any particular locality nor to any particular class of individuals. They have ranged from the otherwise honest business man to the most vicious hoodlum, running the gamut of manufacturers, actors, brokers, utility magnates, amusement operators, operators of steamship companies, gamblers, bootleggers, and racketeers, and the field of investigation has been from coast to coast.

The work of the intelligence unit has been performed by a yearly average of 77 special agents, including special agents in charge of divisions, with a present enrollment of 102. The present annual cost of this unit is $604,080, and the average annual cost has been approximately $425,000.

Elmer L. Irey, chief of the intelligence unit, is one of the outstanding investigators of the country. He was formerly in the Post Office Department, and has served the Government for many years. I have only met Mr. Irey on two occasions, once when he appeared before the Economy Com-

mittee and once in St. Louis when he was there on official business. One can not help but be impressed with the man and immediately recognize his ability.

I am told he has made many enemies, and any number of powerful men have attempted to have him dismissed from the service.

Not only Irey but his men are threatened by those who are affected by the unit's investigations. This is to be expected when their contact is with those who would defraud the Government.

As previously stated, the value to the Government is not shown in dollars and cents collected. While that is a tremendous sum, still every case results in additional sums, due to other taxpayers making proper returns who might otherwise have failed to pay to the Government all to which it was entitled.

The following shows for the past three fiscal years the total cost of the intelligence unit and the amount of taxes and penalties recommended for assessment as the result of investigations made by special agents of the intelligence unit in cooperation with revenue agents and deputy collectors:

Fiscal year ended—	Cost	Taxes and penalties
June 30, 1930	$889,210	$24,200,606
June 30, 1931	612,350	37,676,788
June 30, 1932	626,280	27,322,555

Again I state there should be no economy in the office of the intelligence unit of the Bureau of Internal Revenue. The Congress would do well to increase this force by at least 50 men. Lack of sufficient help has resulted in many escaping who should have been required to make additional payments to the Government. When the Congress finds, in a case such as this, that by increasing the personnel it can increase the revenue many times over the cost of administration, it is folly for us not to provide for additional facilities.

The citizen who, through the protection of the Government, is able to earn a large income should abide by the laws of the country and pay such assessments as the statutes provide; and when they do not, it is the duty of the Government to see that they not only pay but that they be punished for evading our tax laws. The record of this unit in the past justifies the statement that, if given proper personnel, the dishonest citizen will not escape.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last two words.

I notice the committee, for the first time I believe in several years, has eliminated the salary of the Commissioner of Internal Revenue as well as the salary of counsel for the bureau.

Last year we placed a $10,000 limit on the salary of these respective officials.

I do not wish to ascribe to the gentleman any far-seeing vision that this is for the benefit of the next incumbent who may fill the office of Commissioner of Internal Revenue or general counsel referred to by the previous speaker, but can the gentleman inform us as to the real purpose in eliminating the amount of salary for each?

Mr. BYRNS. These salaries are fixed by permanent statute; and they can not be raised or lowered in an appropriation bill, as my friend well knows.

Last year the economy act was passed. That portion of the salary which came within the purview of the economy act was impounded. Now we are recommending that the economy act be continued. Of course, the salary will be reduced to the extent provided by the economy act; in other words, 10 per cent for salaries of this kind.

We did not write into this law that his salary should be $9,000, nor did we write into it that it should be $10,000, because we expected it to be reduced and we did not want to get into difficulty and possibly bring about a situation where the salary would not be reduced.

The salary having been fixed by statute, and it having been provided that the economy act should apply to him and all other officials of the Government, we saw no necessity for referring to it.

Mr. STAFFORD. Has any confusion in interpretation arisen through the fact that the salary was stated in the appropriation bill at $10,000 to these two respective officials?

Mr. BYRNS. No; for the simple reason that the current act, or the economy act for this year, as the gentleman will remember, provided that all sums should be impounded. Now, we are not impounding funds for next year; we are taking them out in advance, and there is no provision in this recommendation for a continuance of the economy act that any funds be impounded. We are taking them out now and not making the appropriation. So it will be necessary, of course, to reduce this officer's salary by the amount it will be reduced by the economy act.

We did not write into the bill that his salary should be $9,000, and we did not write into the bill that it should be $10,000, although, as a matter of fact, we do not expect him to draw more than the $9,000. However, the fact remains that his permanent salary as fixed by law is $10,000. And, of course, if another year the economy act were not continued, he would draw his regular $10,000; but he will not draw it next year if the provisions of the economy act are continued during that year.

Mr. STAFFORD. And he has not drawn it in the pending year either.

Mr. BYRNS. Oh, no, no.

Mr. STAFFORD. The economy act applied to salaries regardless of whether the salary was stated in the act or not.

Mr. BYRNS. Exactly, but it was impounded, as the gentleman understands. Now, next year it is not going to be impounded.

Mr. STAFFORD. This is the first time I have heard the word "impounded" applied to anything but dogs. I did not know that it was a technical expression applied to salaries as well.

Mr. BYRNS. Impounded, yes; that is a common phrase, I will say to my good friend, the gentleman from Wisconsin. I am surprised he does not know that, for he knows everything else.

Mr. STAFFORD. I have heard it applied to water and to dogs, but not to salaries.

The pro forma amendments were withdrawn.

The Clerk read as follows:

Refunding taxes illegally or erroneously collected: For refunding taxes illegally or erroneously collected, as provided by law, including the payment of claims for the fiscal year 1934 and prior years, $55,000,000: *Provided*, That a report shall be made to Congress by internal-revenue districts and alphabetically arranged of all disbursements hereunder in excess of $500 as required by section 3 of the act of May 29, 1928 (U. S. C., Supp. V, title 26, sec. 149), including the names of all persons and corporations to whom such payments are made, together with the amount paid to each.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, I believe that if the suggestion just made by the gentleman from Missouri [Mr. COCHRAN] to add a little strength to the intelligence unit of the Internal Revenue Bureau were heeded, perhaps the revenue of the Government would be greater.

I can not understand just how it is that every year we are compelled to refund millions of dollars. Heretofore we have had hundreds of millions of dollars of refund on the old war tax.

It seems to me the trouble is that there is not a sympathetic understanding of our tax laws on the part of the United States Treasury. In other words, as taxes are imposed by Congress and increased from time to time, or as new taxes are added, it seems to me the Treasury Department interprets the law as they believe it ought to be, or as near as they can so interpret it and get away with it. The result is that we have to refund hundreds of millions of dollars every year.

It is futile to provide that the department shall furnish the names and addresses of all taxpayers who receive a



refund, because the damage by that time is already done. I have yet to know of the Congress reducing the appropriation carried in this item.

Mr. GOSS. This is reduced $13,000,000.

Mr. LaGUARDIA. From last year.

Mr. GOSS. Yes.

Mr. LaGUARDIA. That means nothing, for every year we have a recurring item. The fact we get the names and the amounts to be paid to each taxpayer, I say, up to date has served no practical purpose.

Mr. GOSS. Does the gentleman think we should refund illegally collected taxes?

Mr. LaGUARDIA. Yes, I do; and everybody does, of course.

Mr. GOSS. What difference does the amount make if the taxes are found to be illegally collected?

Mr. LaGUARDIA. Because the Treasury Department has encouraged this system of rebates and refunds. My objection is to the manner in which the law is being construed. In many instances the taxing policy of Congress has been frustrated by the Treasury Department and by the courts.

We had this instance cited in the course of a hearing which we had before my committee when the matter of a certain tax refund was before us as a collateral issue. In an application for refund there was on the margin of the papers this significant notation: "This is a Mellon company." Of course, when it reached the head of the bureau he would not permit anything like that to stand, so he took his pen and he drew a line across the notation, but it was perfectly visible all the way through—if you get what I mean.

I submit that when Congress enacts a tax law it should find sympathetic enforcement on the part of the tax-collecting authorities, and when we have that we will have less of this kind of appropriation every year. There is nothing that will throw a budget out of balance more than a refund on anticipated or estimated revenues.

I withdraw the motion, Mr. Chairman, which was a pro forma one.

Mr. HOGG of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOGG of Indiana: On page 16, in line 10, after the word "*Provided*," insert "That no part of this amount shall be paid as interest and."

Mr. GOSS. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill.

Mr. BYRNS. And it changes existing law.

Mr. GOSS. Yes; it changes existing law.

The CHAIRMAN (Mr. McMILLAN). The Chair feels that this is a limitation on existing law and is therefore in order. The Chair overrules the point of order.

The question is on the amendment offered by the gentleman from Indiana.

The amendment was rejected.

Mr. SABATH. Mr. Chairman, I move to strike out the last word. I listened with a great deal of interest to the remarks of the gentleman from New York [Mr. LaGUARDIA] and I disagree with the gentleman when he states they do not try to enforce the provisions of the law.

I think that they did enforce it fully and that the tax had been levied in accordance with the provisions of the law and the intent of Congress complied with, especially during the real Democratic prosperous years, namely, 1917, 1918, 1919, 1920, and even 1921.

But after the Government had collected its rightly imposed tax and revenue, which was large because business had been good and the profits tremendous, the pseudo patriotic interests who had long been accustomed to unload the cost and burdens of the Government on the people, began to feel that the amounts that they had paid to the Government were altogether too large, although in no instance were they above the amounts actually due under the law, and to fear that our national debt, which was rapidly being reduced with the aid of this tax, would be paid too speedily.

Consequently, they came to the conclusion that they must come to the aid of the Government and relieve it of the recurring annual surpluses so that it would not find itself, in a few years, free of any indebtedness.

They engaged some of the shrewdest lawyers and accounting firms to devise schemes by which that could be brought about. In this they have succeeded, and are succeeding now, even though, instead of the tremendous surpluses that the Government enjoyed under the Democratic administrations and some years thereafter, we have had within the last three years deficits totalling over $5,000,000,000, and, within these first six months, notwithstanding the additional taxes that we have levied upon the people and the reductions that we have made in salaries, a deficit amounting to $780,000,000, and I am satisfied that before the Hoover administration ends there will be a deficit for the eight months of this fiscal year of nearly $2,000,000,000.

In view of these conditions, I feel that we should put an end to this extracting process on the part of the big influential corporations, who, up to the first of the year, have received refunds of over $3,000,000,000 during the Harding, Coolidge, and Hoover administrations.

The chairman of the committee, perhaps, can give me the correct figures as to how much has been refunded in this way during the last 10 years. Is it not over $3,000,000,000?

Mr. BYRNS. I am informed by my friend here, the gentleman from Michigan, that it is $1,345,000,000.

Mr. SABATH. One billion three hundred and forty-five million dollars?

Mr. KETCHAM. One billion three hundred and forty-five million dollars from 1917 up to and including the first quarter of 1932 on collections of $5,800,000,000.

Mr. SABATH. So we have refunded 25 per cent of the taxes we have collected?

Mr. KETCHAM. These are excess taxes that are collected. We have refunded practically 25 per cent of the excess that we have collected.

Mr. SABATH. Mr. Chairman, I have just been furnished with the exact amount that has been refunded by the Treasury of the United States to these big interests, and I wish to say that it amounts to the tremendous sum of $3,876,164,016. Therefore the gentleman from Michigan [Mr. KETCHAM] is in error and has been misinformed when he stated that only $1,345,000,000 has been returned to corporations from the year of 1917 on. I repeat the amount that has been refunded as credits and abatements or refunds is $3,876,164,016.

Personally, I do not care what you call this refunding of money, but that is the amount of money that has been returned to these corporations and individuals after it had been paid by them into the Treasury. Is there anyone so foolish as to believe that when these payments were made any of these large institutions, like the United States Steel Corporation and other Morgan-Mellon corporations, with highly paid staffs of experts and accountants, were reckless enough to overpay their taxes by millions and millions of dollars? Certainly not. These concerns have not overpaid a dollar to the Government; in fact, I am confident that a real and honest investigation would disclose that they have evaded paying millions of dollars.

How is it, then, that they have succeeded in securing from the Government these tremendous sums of money which they originally paid? In the interest of those who always resent these charges that we make against this mulcting of the Government and who insist that these refunds are on the square and that they actually were overpayments, may I be permitted to ask them whether it is not a fact that these shrewd, conniving specialists and large accounting firms have secured the services of former employees of the Revenue Bureau—men who originally imposed the tax in accordance with the law—and used them and their intimate knowledge of the law and its defects to secure rulings from the newer appointees in the bureau that the

original construction of the law by and the intent of Congress was erroneous and that the law did not mean what it said. It was these rulings and the new construction of the law that made it possible to secure refunds.

Mr. Chairman and gentlemen, some day, some one somewhere may give this House and the country the real inside functioning of this racket that has robbed the Government of the tremendous sum of three thousand five hundred million dollars conceding that the difference between this figure and $3,876,164,016 may have been and no doubt has been composed of justifiable refunds to individuals and small concerns who do not have the services of expert accountants to make out their returns.

I am satisfied that the men who originally construed the law were honest and sincere and capable men and that the Government did not willfully and deliberately collect more than was the intent of Congress.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. LAGUARDIA. Will the gentleman point out that a large portion of the refund was made on a purely theoretical question of accountancy in the matter of depreciation and obsolescence?

Mr. SABATH. Yes; and it was a technical construction on the part of certain gentlemen after they were out of the Government service and in the employ of these larger interests and corporations. I honestly believe the time has come when this dishonesty should be stopped. I think it is an outrage and a shame that we should permit these interests, because they are capable of engaging former employees of the Revenue Bureau and certain special attorneys, to mulct the Government out of millions and millions of dollars each year.

As I said before, I am satisfied that the revenue department has honestly construed the provisions of the law, and that these refunds are made upon a slight technicality. Therefore I feel that something should be done so that in the future we would preclude and prevent this outrageous practice.

I would like to have the names of the special attorneys that have secured millions and millions of dollars in refunds under conditions in some instances where they have received, I am informed, 33 per cent for collecting these refunds. I think it is a matter that should receive the serious attention of this House.

Mr. BLANTON. Mr. Chairman, I move to strike out the words "For refunds."

I do this to call attention to the vicious system of propaganda that has been incited by the Joint-Stock Land Bank in San Antonio, Tex., and I understand that these banks in other States have sent out the same propaganda. I have received numerous letters from farmers in my own district, and I have received within the past two weeks several hundred letters from farmers living in other districts in Texas, saying that the Joint-Stock Land Bank in San Antonio has written to them saying in effect that Congress had granted $125,000,000 to the Federal land banks to enable them to extend farm mortgages and asking the farmers to write us and get Federal loans for the joint-stock land banks.

That is improper propaganda.

Mr. STRONG of Kansas rose.

Mr. BLANTON. I am sure the gentleman from Kansas has received such letters from farmers in his State. Here is the truth of the matter: When we tried to stop the Federal land banks from foreclosing mortgages during the three years of depression, they came in and said that they were not Federal institutions, that they were not even quasi-Federal institutions, and that Congress had no control over them; and yet they had us appropriate $125,000,000 for them to use in granting some relief on foreclosures, and the Federal land banks have not given the farmers the benefit of that money. And so the joint-stock land banks claim to be private banks and that Congress can not give them orders, yet they want Federal money.

Now the Joint-Stock Land Bank at San Antonio comes in and tries to fool the farmers, when they know that we did everything we could to get them to extend their mortgages. They are fooling the farmers in leading them to believe that it is the fault of Congress. It was the fault of the administration that would not permit the $125,000,000 to be used for stopping foreclosures on farms. And every one of these joint-stock land banks can borrow money from the Reconstruction Finance Corporation.

It has come to pass that the Federal land banks and the joint-stock land banks in my State and other States have taken so many farms now that they can not rent them. They have foreclosed on so many farmers that they can not rent the farms. It is an awful condition, and I hope these joint-stock land banks will not be able to fool the farmer any longer.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. STRONG of Kansas. The gentleman might also add that they have been taking this money that they might have loaned to the farmers and buying stock at 50 cents on the dollar.

Mr. BLANTON. The gentleman knows that there were several bills, one of which I introduced, to stop these foreclosures, and every member of the Banking and Currency Committee was favorable and would have reported the bill out and passed if it had not been for the Treasury Department stopping it from being reported.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes; I yield to the Banking and Currency Committee member, who can not deny that, because it is a fact.

Mr. STRONG of Kansas. I think that is hardly fair. The trouble is that these farm land banks are depending on their receipts to make loans, and if we were to stop the collection of interest, they would have to close their doors.

Mr. BLANTON. Is it not a fact that when we provided the $125,000,000 for the Federal farm land banks, it was understood by the Members of Congress that they would use that money to stop these foreclosures?

Mr. STRONG of Kansas. Not altogether. It was understood that $25,000,000 was to be used for extensions. I do not think it was ever stated by any Member or to our committee that the $125,000,000 was to be used wholly for that purpose.

Mr. BLANTON. Then it was understood by the gentleman and his committee that $25,000,000 was to be used for extensions?

Mr. STRONG of Kansas. Yes.

Mr. BLANTON. Well, they have foreclosed hundreds of farms. They have sent to every farmer in the State of Texas the bald statement that if he does not pay, they are going to take his farm, notwithstanding the farm in many cases has been worth five or six times the amount of the loan.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. RICH. The Joint-Stock Land Bank of Detroit is sending out the same propaganda. I have got dozens of letters from people in my district. They have sent me the original letters, direct from the bank, stirring up propaganda of that kind.

Mr. BLANTON. It takes the time of one person to answer these letters. It is an outrage that these banks should deceive the people in that manner. They should borrow from the Reconstruction Finance Corporation, as we passed a law authorizing those joint-stock land banks to do, and they should grant extensions to farmers.

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the amendment. Before leaving this item of refunding taxes illegally and erroneously collected, I want to congratulate the incoming administration on the fact that the taxes collected have been so small the last one or two years, and probably will continue so in the next year or two, that gentlemen on that side of the House will not have these large amounts to talk about through the coming years, and I imagine they may boast under the forthcoming administration that they did not allow any of these large refunds.

Of course there will not be any very large refunds. I think the parties most aggrieved in all this matter are those parties who have had taxes illegally assessed and collected and from whom a refund has been withheld so long. I note in the recent list of taxes refunded many small amounts are granted to people scattered all over the country. Those people have been very patient indeed throughout this long period when those refunds have been withheld from them. On this side of the House we have had to sit practically silent because it has been a Republican administration which has had to refund some very large amounts. But after many years of this constant nagging by the Democrats and the frivolous and slurring remarks regarding officials of the Revenue Bureau, the Secretary of the Treasury, with no backing up of the statements, and not proving in a single case where any large amount has ever been erroneously returned, I at this particular time repeat that the taxpayers aggrieved have been very, very patient indeed, and they are the ones that ought to have been criticizing the Government and not gentlemen on the Democratic side of the House who have continuously harped at the administration because it has handed back large amounts in some cases.

The gentleman who preceded me called attention to a return on which was a notation, "This is a Mellon company." Maybe that notation was made so that the officials would be more than ever careful lest they should not give the matter careful consideration and exact justice, so as not to reflect on Mr. Mellon. I, for one, rather think that if it was a Mellon company, they did give it more careful consideration than any other, but I close by reminding you Democrats that the country is in that shape that we have had no large amounts paid in lately, so that you can boast in the future that you will not have to return any such large sums as we have in the past.

Mr. LaGUARDIA. As a matter of fact, the refund was made in those cases.

Mr. GIFFORD. I sincerely hope so, if it was erroneously assessed and illegally collected. The amount does not matter, but you are going to make a lot of it, that the large amounts that were paid during the Republican administration were allowed. I remind you again that you have not ever proved a single case was erroneously refunded, but you have indulged year in and year out in what I call frivolous remarks and condemnation of the refunds generally.

The Clerk read as follows:

Salaries and expenses: For expenses to administer the applicable provisions of the national prohibition act as amended and supplemented (U. S. C., title 27) and internal revenue laws, pursuant to the act of March 3, 1927 (U. S. C., Supp. V, title 5, secs. 281–281e), and the act of May 27, 1930 (U. S. C., Supp. V, title 27, secs. 103–108), including the employment of executive officers, attorneys, inspectors, chemists, assistant chemists, supervisors, storekeeper-gaugers, clerks, messengers, and other necessary employees in the field and in the Bureau of Industrial Alcohol in the District of Columbia, to be appointed as authorized by law; the securing of evidence of violations of the acts; the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; the purchase of such supplies, equipment, mechanical devices, laboratory supplies, books and such other expenditures as may be necessary in the several field offices; cost of acquisition and maintenance of automobiles delivered to the Secretary of the Treasury for use in administration of the law under his jurisdiction; hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary, for official use in field work; and for rental of necessary quarters; in all, $4,000,000, of which amount not to exceed $325,000 may be expended for personal services in the District of Columbia: *Provided*, That for purpose of concentration, upon the initiation of the Commissioner of Industrial Alcohol and under regulations prescribed by him, distilled spirits may be removed from any internal-revenue bonded warehouse to any other such warehouse, and may be bottled in bond in any such warehouse before or after payment of the tax, and the commissioner shall prescribe the form and penal sum of bond covering distilled spirits in internal-revenue bonded warehouses and in transit between such warehouses.

Mr. CELLER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman what the reductions were concerning the department presided over by the Commissioner of Industrial Alcohol. I understand from page 12 of the committee report that the reductions were $525,000, of which $326,000 represented furlough deductions. Will the chairman indicate what the other reductions were in that department?

Mr. BYRNS. There is $100,000 involved in the elimination of 12 positions and other administrative savings.

Mr. CELLER. What were those 12 positions?

Mr. BYRNS. They were employees at varying salaries in the field. Vacancies occurred, and they will not be refilled. They total about $30,000. Then there are some administrative savings, which include rents and general supplies, it being anticipated that they either would not need so much space or if they did they would be able to get it more cheaply, and in many cases would be able to occupy some of these new Federal buildings that are going up all over the country. Then we cut off $98,000, with the idea that they would be able to effect an economy throughout the year and save that amount.

The Clerk read as follows:

BUREAU OF NARCOTICS

Salaries and expenses: For expenses to enforce the act of December 17, 1914 (U. S. C., title 26, sec. 211), as amended by the revenue act of 1918 (U. S. C., title 26, secs. 691–708), the act approved February 9, 1909, as amended by the act of May 26, 1922 (U. S. C., title 21, secs. 171–184), known as the narcotic drugs import and export act, pursuant to the act of March 3, 1927 (U. S. C., Supp. V, title 5, secs. 281–281e), and the act of June 14, 1930 (U. S. C., Supp. V, title 5, secs. 282–282c), including the employment of executive officers, attorneys, agents, inspectors, chemists, supervisors, clerks, messengers, and other necessary employees in the field and in the Bureau of Narcotics in the District of Columbia, to be appointed as authorized by law; the securing of evidence of violations of the acts; the costs of chemical analyses made by others than employees of the United States; the purchase of such supplies, equipment, mechanical devices, books, and such other expenditures as may be necessary in the several field offices; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, storage, and disposition of property under the internal revenue laws when the same is disposed of under section 3460, Revised Statutes (U. S. C., title 26, sec. 1193); hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary for official use in field work; and for rental of necessary quarters; in all, $1,400,000, of which amount not to exceed $185,000 may be expended for personal services in the District of Columbia: *Provided*, That the Secretary of the Treasury may authorize the use by narcotic agents of motor vehicles confiscated under the provisions of the act of March 3, 1925 (U. S. C., title 27, sec. 43), as amended, and to pay the cost of acquisition, maintenance, repair, and operation thereof: *Provided further*, That not exceeding $10,000 may be expended for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, purchase of newspapers, and other necessary expenses in connection therewith, and not exceeding $1,500 for attendance at meetings concerned with the work of the Bureau of Narcotics: *Provided further*, That moneys expended from this appropriation for the purchase of narcotics and subsequently recovered shall be deposited in the Treasury to the credit of the appropriation for enforcement of the narcotic acts current at the time of the deposit.

Mr. STRONG of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I feel that I ought to rise to the defense of our farm-loan bank in Wichita, Kans., which I understand is largely officered by members of the party who are opponents of the party I represent. I do so for the reason that I have written them a great many letters complaining of what I thought was a failure to carry out the intention of Congress in the extension of loans. I received information back from them, both by letter and by conference at Washington with the president of the bank, in which it was pointed out to me that in every case where an extension was justified it had been made. Not only that, but that many new loans had been made. The president of the Federal Land Bank of Wichita pointed out that under the law as written, unless they made collection of the interest due on their loans to farmers, they could not meet the interest due on their bonds, and if they did not meet that interest their bonds would be depreciated and the bank would fail.

I criticized the manner of their notices, because I thought they were somewhat on the Shylock order. They demanded immediate payment or threatened foreclosure. The president admitted that was somewhat harsh but that it was necessary to call the attention of the debtor sharply to the fact that the interest must be paid. I have checked up on

some of the statements made by the president of the land bank at Wichita, and I find they have made a great many loans, and I find they have extended a large number of loans.

Mr. BLANTON. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. BLANTON. And if the gentleman will investigate closely enough, he will find that they have made several hundred foreclosures.

Mr. STRONG of Kansas. Oh, yes. And I have also found that in those cases it was hopeless to extend the loan. The debtor was not in a position to make payment and not in a position to pay future payments if the loan were extended. I have failed to find any case which I investigated—and I investigated many of them—in which I thought the bank had not some good justification for its action.

Mr. BLANTON. And the gentleman says the officers are Democrats?

Mr. STRONG of Kansas. I think all of them are Democrats.

Mr. BLANTON. And the gentleman permitted that while he has been chairman of the Committee on Banking and Currency?

Mr. STRONG of Kansas. I have never been chairman of that committee and I have never camped on the trail of Democrats when they did not agree with me.

Mr. BLANTON. I am surprised that the gentleman would allow Democrats to hold positions down there at Wichita, Kans.

Mr. STRONG of Kansas. Well, that is not Texas. That is Kansas.

Mr. BLANTON. I will be frank with the gentleman and say that when the time comes I want to see every Republican office holder in Texas replaced with a good Democrat.

Mr. STRONG of Kansas. Well, I think that may be so, but we do not play that kind of politics in Kansas. [Laughter.]

Mr. MANLOVE. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. MANLOVE. Is it not a fact that the present administration has been the most liberal, as far as stepping across political lines and accepting employees of the other party?

Mr. STRONG of Kansas. Well, I do not want to talk politics. I want to talk about these joint-stock and Federal farm-loan banks.

There is a vast difference between a joint-stock land bank and a Federal farm-loan bank. The joint-stock land banks are privately organized, owned, and conducted for private profit. Under no consideration do they turn any percentage of their profits into the Federal Treasury.

Mr. BLANTON. Well, why are they begging for Government money if they are privately owned and operated? Despite the subsidies they enjoy, why are they proposing propaganda to get money out of the Federal Treasury?

Mr. STRONG of Kansas. Because they think they can get men to write to Congressmen to make the Congressmen believe that they ought to appropriate the taxpayer's money to this private institution. That is what I want to call attention to. There is no occasion for Congress to appropriate money to a private bank because it is in trouble with its customers. The joint-stock land banks are privately owned banks. There is no justification for our furnishing them funds to extend their loans. We could not appropriate money from the Federal Treasury for such purpose to a private concern. These joint-stock land banks already have a privilege that they ought not to have as a private institution, and that is the right to issue tax-free bonds. Instead of our yielding to their propaganda we ought to take that right away from them.

[Here the gavel fell.]

Mr. STRONG of Kansas. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BLANTON. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. BLANTON. I wish the gentleman, in connection with his remarks, would show just how many subsidies the Government has given the joint-stock land banks. It is not merely the one the gentleman mentions. There are nearly a dozen subsidies that these so-called private joint-stock land banks enjoy.

Mr. STRONG of Kansas. I did not know they had that many; but I want to make this point clear: If it is desired to help the Federal land banks that are owned by farmer-borrowers and operated cooperatively with their board of directors and the Federal Land Bank Board, we had better do so by appropriating money to buy the bonds of the farm-loan banks, just as we did under the administration of President Wilson, when money was appropriated to buy $200,000,000 worth of bonds of the Federal land banks, which was afterwards paid and returned to the Treasury. That is a legitimate way to help those banks; but to say, "We will give a moratorium to every debtor, and we will destroy your bank by taking away from you the revenue of your banks," is entirely wrong. We should make it possible for them to protect their banks by paying the interest on their bonds. If we take away from those banks their earning power, so that they can not pay the interest on their bonds, what will happen? Their bonds will go below par, and they will never be able to sell any more bonds to get any more money to loan to the farmers. It would destroy the system.

Mr. MAPES. Will the gentleman yield?

Mr. STRONG of Kansas. I will be glad to.

Mr. MAPES. As I understand it, those interested in this joint-stock-bank proposition have in mind an appropriation which we made to the Federal land banks in the last session of Congress of $25,000,000.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. These two banks were authorized by the same law. Personally I think it was a mistake to authorize under the same law two banks that resemble each other so much. I can see how the investors in the bonds of the joint-stock banks and others thought they were getting some protection from the Government. But, whether there was any reason for any such thought or not, I wish the gentleman who is a prominent member of the Committee on Banking and Currency would answer in a word why similar help should not be given to the joint-stock banks as was given to the Federal land banks by this appropriation of $25,000,000?

Mr. STRONG of Kansas. I was not in Congress when the law was passed. I think it was passed under a Democratic administration. I understand that the granting of charters to the joint-stock land banks which are privately owned, and are corporations operated for personal profit was the result of a compromise in the committee.

I do not think the joint-stock land banks ever should have been permitted to organize. Certainly they should not have been permitted to issue tax-free bonds, and I think every member of our committee so believes. They were organized as private institutions and now they are trying to have it held that the Government ought in some way to take care of them because we took care of the semi-governmental Federal land banks that are operated cooperatively between the Government and the farmer-borrowers, which are operated without profit and which return to the Treasury any surplus profits they make.

Mr. MAPES. The gentleman will concede, will he not, that investors in the bonds of these joint-stock banks have been deceived to some extent?

Mr. STRONG of Kansas. They have been deceived by the owners of the banks, not by the Federal Government, and the taxpayers should not be made to pay penalty because of the deception of the owners of the joint-stock banks.

Mr. MAPES. Except perhaps the Government was lax in passing legislation which made it possible for the promoters of these banks to deceive the investors.

Mr. STRONG of Kansas. No; the Government did not; and if the gentleman will read the law it is very clear that these joint-stock land banks have no right to claim protection from the Government. They are entirely private corporations.

Mr. MAPES. I understand the gentleman's point of view, but my recollection is, from looking over this act Saturday, that there is specific language in it which refers to the fact that the Government has some sort of supervision over these banks.

Mr. STRONG of Kansas. Certainly.

Mr. MAPES. I can not put my finger on the provision that I have in mind just this minute.

Mr. STRONG of Kansas. But in no greater terms than we have supervision of the national banks. Would a stockholder of a national bank claim the Government should make good its losses?

Mr. MAPES. Personally, I think we made a mistake in creating these two banks in the same act.

Mr. STRONG of Kansas. That may be, but they were permitted to organize as private corporations and in competition with the Federal land banks, but that is no reason why the taxpayer should make good the losses of these privately owned banks.

Mr. MAPES. I was not trying to argue the question with the gentleman. I was anxious to get his answer as a member of the Committee on Banking and Currency to the propaganda we are receiving that this same aid ought to be applied to the joint-stock banks that was applied to the Federal land banks.

Mr. STRONG of Kansas. Is my answer satisfactory?

Mr. MAPES. It is to me, but I am afraid it is not to the stockholders, the farmers, and the bondholders.

Mr. STRONG of Kansas. No; and it will not be satisfactory to the stockholders of the national banks of this country who lose money and ask us to make good such losses at the expense of the taxpayers.

Mr. HOGG of Indiana. Mr. Chairman, I rise in opposition to the pro forma amendment.

I do not desire that this discussion end without pointing out the fundamental differences in the operation of the Federal land banks and the joint-stock land banks as carried on in the part of Indiana from which I come. The help which Congress has given the Federal land banks has enabled them to stop foreclosing mortgages on farms in northern Indiana. There are no foreclosures by the Federal Land Bank of Louisville on any farm in northern Indiana where the borrower has not willfully repudiated his obligation.

In regard to the joint-stock land bank it is altogether different. It is not for the sake of the joint-stock land banks alone that Congress owes this matter serious attention but of the borrower as well. In the vicinity where the farmer on one side of the road has secured an extension from the Federal land bank, his neighbor just across the road has been threatened with foreclosure procedure by the joint-stock land bank unless he can pay the interest and part of the principal. The joint-stock land bank points out that without these payments it can not survive.

These two different procedures do place a duty upon the Congress of the United States to help the farmer who, through no fault of his own, is about to be driven from his home by the joint-stock land banks, which have their own obligations to meet.

I do not desire at this time, in the discussion of the present bill, to offer a solution of this difficulty, but I do want to emphatically say that this problem deserves the attention of the Congress—not for the sake of the joint-stock land banks but for the sake of the farmers who are being threatened with foreclosures by the management of these banks.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOGG of Indiana. I yield to my distinguished friend from Texas.

Mr. BLANTON. I wish our good colleague would send the system of operation of his Indiana bank down to Houston, Tex., because I have in mind the case of a man named Sherrill, where they are not only seeking to foreclose his land, which is subject to foreclosure, but are also proceeding against his 200-acre homestead, and they are forcing him to go 600 miles from Taylor County down to Harris County at Houston to defend his exempt homestead against foreclosure.

Mr. HOGG of Indiana. I may say to the gentleman that there are many capable men in Indiana who might be glad to manage the proposition.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. HOGG of Indiana. I yield.

Mr. STRONG of Kansas. If the gentleman's theory is correct, then an insurance company that has a mortgage on a farm in Indiana would also have the right to ask the Government to give them funds to extend such a mortgage.

Mr. HOGG of Indiana. I am not going that far. Our National Government did not organize the insurance companies.

Mr. MAPES. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if the gentleman from Kansas [Mr. STRONG] will give his attention, I have found the provision of the law which I had in mind during our colloquy which seems to me to give investors in the bonds of these joint-stock land banks some reason for believing that there is more to their supervision than the supervision that is made of the ordinary private bank, and this is it:

> Each joint-stock land bank organized under this act shall have authority to issue bonds based upon mortgages taken by it in accordance with the terms of this act. Such bonds shall be in form prescribed by the Federal Farm Loan Board, and it shall be stated in such bonds that such bank is organized under section 16 of this act, is under Federal supervision, and operates under the provisions of this act.

I agree with the gentleman that that language does not guarantee anything, but I do think it misled a lot of investors in these bonds.

Mr. STRONG of Kansas. That is all right, but suppose a national bank advertised that it was under the supervision of the Government and that therefore its depositors should be protected. Would they not be just as justified in doing that as the joint-stock land banks?

Mr. MAPES. I agree with the gentleman to some extent, although these joint-stock land banks are a little different. They were organized under the same act that authorized the Federal land banks, which are under the control of the Government.

Mr. STRONG of Kansas. If the gentleman will read the provision creating the Federal farm-loan banks, he will find there is a lot of difference.

Mr. MANLOVE. Will the gentleman yield?

Mr. MAPES. Yes.

Mr. MANLOVE. There is no question in my mind but what the investors in this country were seriously fooled into buying these bonds under the language the gentleman has just quoted. There is no question in the world in my mind about that, but now we are receiving these propaganda letters; and has the gentleman any proposal to present, so far as Congress is concerned, with regard to relieving this situation? Would it be the idea of the gentleman to relieve the bondholders? If not, in what manner could the Congress relieve the farmer who has a mortgage on his farm?

Mr. MAPES. I think I am in the same position as every other Member of Congress in that respect. I am looking for light.

Mr. HOOPER. Will the gentleman yield for a question?

Mr. MAPES. Yes.

Mr. HOOPER. It is stated, quite specifically, in the law, is it not, that the United States Government and the State

governments have not the power to purchase shares of stock in these joint-stock land banks?

Mr. MAPES. Yes; I believe so.

Mr. HOOPER. Does my colleague think that, perhaps, that ought to be sufficient notice to the investor in these banks or the borrowers from them that the Government does not supervise them in the same way it supervises the Federal farm-land banks?

Mr. MAPES. Perhaps that is sufficient notice as far as the very careful investor and the good lawyer are concerned, but I do think that the average investor has been misled by the provision I have read.

Mr. MANLOVE. If the gentleman will permit, is it not true that there is a lot of merit in what the gentleman from Indiana [Mr. Hogg] has just said, that the borrowers in this country see a man on one side of the road who borrowed from the Federal land bank and the bank is able to extend his loan, while on the other side of the road there is a man who is having his mortgage foreclosed and the farmers are looking to Congress because they are mystified and can not understand the difference?

Mr. MAPES. The farmer who is having his mortgage foreclosed is not looking to any nicety of law in that respect.

Mr. MANLOVE. That is it exactly.

Mr. KETCHAM. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, while I do not desire to enter into any discussion of the joint-stock-land-bank problem which has just been claiming our attention, I thought possibly it might be of some value in connection with it to present the actual figures with respect to what has been undertaken by the Federal farm-land banks in the way of relieving the pressure for extensions to which our attention has just been called. Bear in mind the distinction between the Federal farm-land banks and the joint-stock land banks; I am talking about Federal and not stock banks. I have just called the Federal Farm Loan Board and have obtained the figures as of October 31, 1932, the latest available ones. Under the authorization made by the Congress last year of $25,000,000, which was earmarked for this particular purpose, I find that 78,090 farmers have been granted extensions on their payments, either of installments or interest, or both, to the amount of $19,994,722 out of the $25,000,000 that was originally authorized.

The gentleman from Texas [Mr. BLANTON] a few moments ago, inadvertently, referring to the situation in his own State, mentioned the fact that he knew of no farmers in the State of Texas who had received any assistance; in fact, I think he was rather positive in his assertion that no assistance had been granted. Due to the fact that the State of Texas is in one of the Federal land-bank jurisdictions, I was able to get the figures for that State.

Mr. BLANTON. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. BLANTON. The very notices that the joint-stock land bank in San Antonio, Tex., is sending to the farmers, and I have several of them that the farmers have sent to me, contain the statement that it has not made any extensions, because it had not any money, and that it was not going to make any extensions.

Mr. KETCHAM. The gentleman will recall my previous statement that I am trying to differentiate between the joint-stock land banks and the Federal farm-land banks.

Mr. BLANTON. The gentleman will find out that the joint-stock land banks have not made an extension.

Mr. KETCHAM. I understood the gentleman to include the Federal farm-land bank in his general complaint. The only purpose I had was to indicate that the Federal farm-land banks had been granting these extensions under the authority of Congress.

Mr. BLANTON. What does the gentleman say about the joint-stock land banks that are inciting all this propaganda?

Mr. KETCHAM. I think the Federal Farm Loan Board has no authority to grant such extensions, because they were not included in the law.

Mr. BLANTON. And yet my friend from Michigan knows full well that the joint-stock land banks have the privilege of getting money from the Reconstruction Finance Corporation just like insurance companies and every other loan agency in the United States.

Mr. KETCHAM. I have no quarrel with the gentleman about that.

Mr. BLANTON. They have the same authority, have they not, I will ask the gentleman from Kansas?

Mr. STRONG of Kansas. Yes.

Mr. BLANTON. They have the same authority as any other banking institution?

Mr. STRONG of Kansas. And they have made such loans.

Mr. KETCHAM. Mr. Chairman, may I ask that, of course, I am in entire sympathy with a provision of that sort if it can be arranged through the Reconstruction Finance Corporation, because I regard the farm mortgage situation as one of the most critical problems we have to face in this particular session of Congress, but I thought a statement ought to be made drawing a distinction between the action of the Federal farm-land banks and the joint-stock land banks, and in the State of Texas I find this to be true. Seven thousand five hundred and ninety-eight farmers in the State of Texas have been granted extensions by the Federal farm-land banks, and the amount of money granted them is $1,631,280.

Mr. BLANTON. Over what length of time?

Mr. KETCHAM. The entire period since such extensions were authorized by Congress a few months ago, up to October 31, 1932. So it seems to me that when you differentiate between the two classes of banks, you will find that the Federal farm banks have met this situation to the extent of the money and authority given them by Congress.

Mr. BLANTON. Is it not a fact that in addition to the $25,000,000 given the Federal land banks by Congress to use in granting extensions, the Federal land banks have also borrowed $55,000,000 from the Reconstruction Finance Corporation?

Mr. KETCHAM. I do not recall that, but I do recollect the appropriation of $125,000,000 for the capital structure of Federal farm land banks and $25,000,000 for the purpose of extending the farm loans where applications were made.

Mr. BLANTON. I will ask the gentleman from Kansas if that is not the fact, that the Federal land banks have borrowed $55,000,000 from the Finance Corporation?

Mr. STRONG of Kansas. They have borrowed $55,000,000, and I understand the joint-stock land banks have also borrowed, but I do not know the amount.

The Clerk read as follows:

The services of skilled draftsmen and such other technical services as the Secretary of the Treasury may deem necessary may be employed only in the office of the Coast Guard in connection with the construction and repair of Coast Guard vessels and boats, to be paid from the appropriation "Repairs to Coast Guard vessels": *Provided*, That the expenditures on this account for the fiscal year 1934 shall not exceed $11,100. A statement of the persons employed hereunder, their duties, and the compensation paid to each shall be made to Congress each year in the Budget.

Mr. RICH. Mr. Chairman, I move to strike out the last word. I would like to direct my remarks to the chairman of the Appropriations Committee. Being on the Shannon investigating committee, we have had some complaints come up in our investigation by men who represent salvage concerns along the seaboard cities of this country. They claim that the Coast Guard, after they have extended aid to some vessel, spend their time in salvaging ships. The men who have complained to us do not object in any way to the Coast Guard's saving life or taking care of the immediate needs of property, but they do complain of the fact that the Coast Guard spends its time in salvaging ships which have been insured and do it at the expense of the American taxpayer by not charging the owner of the vessel or the insurance company for such work. It is the committee's desire to continue to save Government money. We are not desirous of trying to hinder the saving of life, but do complain of the Coast Guard salvaging vessels. I want to ask the gentleman from Tennessee if that practice is going to be continued by

the Coast Guard and the country pay for the work which should be paid by the insurance companies?

Mr. BYRNS. I will say to the gentleman that to what extent the Coast Guard is engaged in the practice to which he refers I do not know. I do know that it is a very necessary and very efficient organization. I do know that the law which created the Coast Guard provides that it shall save lives and save property of American citizens. Of course, saving of lives is its principal work. Of course, in the last few years there have been added duties which have greatly increased the appropriation for the Coast Guard. I do not know to what extent it salvages ships, but I do know that they are charged with the duty of saving lives and also of saving property.

Mr. RICH. Understand, these complaints are not lodged against the saving of lives, nor are they lodged against the Coast Guard doing something that can be done at the moment which will save property; but the complaint has been made about where ships go on a sand bar and the Coast Guard stands by and works with them for three or four days or a week at a cost to the American taxpayer. America, we are informed, is the only country that does this work. Other countries have that work accomplished by salvage firms.

Mr. BYRNS. I doubt very much, although I have no information on the subject, that it costs the American taxpayer a dollar, because if the Coast Guard were not engaged in salvaging ships, they would be housed up in their stations doing nothing. It seems to me, where a wreck occurs, when there are people on the wreck and lives are in danger, it would be most unusual for the Coast Guard to go to work and rescue those who are perishing and then turn around and leave the ship to be destroyed and pounded by the waves, when possibly it could be saved. I can see the point the gentleman raises with reference to insurance. It may be that the very point which the gentleman raises ought to be considered by the proper legislative committee. If the law does not so provide, perhaps there should be some provision that would bring about reimbursement to the United States for what it has done toward saving the property of individuals, but it would appear to me that we ought not here or even in the law to say that the Coast Guard should not save property.

Mr. RICH. We do not claim that, but we think that if the proper legislative branch of the Government would make a charge because of the fact that these vessels are practically all insured and the majority of them by foreign insurance companies, I think there would be some protection to the American taxpayer.

Mr. BYRNS. I hope the gentleman will look into that, and if that is the case, he can propose some legislation which may be considered by the proper legislative committee having jurisdiction of it.

Mr. HARLAN. Mr. Chairman, I rise in opposition to the amendment to ask the chairman of the Committee on Appropriations what proportion of the $25,000,000 and odd appropriated for the Coast Guard is being used for the additional burden that he spoke of a moment ago, which I assume to be the enforcement of the prohibition law. Is there any way that we can even approximate that at this time?

Mr. BYRNS. The gentleman refers now to the amount necessary to carry on antismuggling work?

Mr. HARLAN. Antismuggling work, so far as alcoholic beverage is concerned.

Mr. BYRNS. My recollection is that the head of the Coast Guard stated that he estimated it would be about $9,000,000.

Mr. HARLAN. Nine million dollars out of $25,000,000.

Mr. BYRNS. Out of the full appropriation.

Mr. HARLAN. In 1920 the appropriation for the Coast Guard, as near as I can figure out, at a time when salaries were very much higher than they are now and when everything else was very much higher than now, was $12,000,000. Since that time we have taken on these additional duties. A few years ago we raised the appropriation to $35,000,000 to maintain the Coast Guard. It has now dropped down to about $25,000,000 of which $9,000,000 is for the enforcement of a law which nobody seems to want enforced. We are maintaining the seventh largest navy in the world under our Coast Guard. I can not see why anyone should be criticized in this House who would refuse to vote an appropriation for this purpose, $9,000,000 of which, or one-third of which, is to enforce a law which this body has told the people of the United States they shall not have the right to reconsider, so as to express themselves upon it by a vote. The failure to appropriate money to enforce laws leads to anarchy, but the action of this Congress in arrogating to itself the final and sole word as to what the people of the United States shall vote on and what they shall not, seems to me will lead to something worse than anarchy, and I for one can see where no one will be criticized for refusing to vote in favor of any appropriation bill that contains money to be expended for that purpose, at least until the people are granted the right to vote on whether or not they want to continue that law and continue to maintain this second navy which we are now maintaining.

Mr. SCHAFER. Mr. Chairman, the Treasury has a great deficit. The American taxpayers are burdened with a load that is almost unbearable. Nearly all of the candidates running for office pledged themselves to economy. Both great parties were pledged to economy and reduction in the cost of government. You have an opportunity to help reduce the cost of government and assist in lifting the burdens from the taxpayers to the tune of $9,000,000 if you support the pending amendment.

The amendment is not unreasonable. The chairman of the Appropriations Committee has indicated that approximately one-half of the expenditures of the Coast Guard is used to enforce the prohibition laws. For a considerable number of years after the eighteenth amendment was embodied in the Constitution and the Volstead law enforcing that amendment placed upon the statute books the Coast Guard did not enforce prohibition. They had a life-saving work to perform. Prohibition fanatics, without any respect for the burdens of taxation upon the American people, drove through legislation to place upon the Coast Guard the duty of enforcing prohibition, which departed from its heroic work of life-saving and added to it that of life-taking in enforcing the prohibition laws.

No Member of this House can vote against this amendment on the ground that it is nullification, because for several years after the adoption of the eighteenth amendment and the Volstead Act we had no appropriation from the taxpayer's Treasury for prohibition enforcement by the Coast Guard.

Let us get down to facts at the beginning of this session and practice the economy that was preached during the last campaign. Furthermore, in view of the fact that since the Coast Guard was changed to a prohibition-enforcement agency, as well as a life-saving agency, the personnel has increased over 50 per cent and the appropriation necessary to run this branch of the Government has increased over 50 per cent. Then why, in these days when the American people have indicated they want the eighteenth amendment repealed, when the party which is going to be in power for the next four years promises that this amendment will be repealed, and in view of the fact that half of the Coast Guard personnel is used in enforcing the prohibition law, why burden the taxpayers at this time with additional burdens not only to try to enforce these unenforceable laws but to train officers for the Coast Guard? The repeal of the eighteenth amendment will stop the Coast Guard from being vested with the authority and jurisdiction of enforcing the prohibition law and will naturally result in a reduction of about 50 per cent of the officer personnel. Why should we now provide appropriations to train additional Coast Guard officers who will only have partially completed their training when we start to reduce the officer personnel of the Coast Guard in compliance with the wishes of the American people that the eighteenth amendment be repealed?

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment.

The gentleman is of the opinion that there will be much more smuggling after the eighteenth amendment is repealed. I want to disabuse the gentleman's mind. After we have sane legislation and the eighteenth amendment is repealed and we are able to manufacture wholesome, good liquor at the right price——

Mr. MANLOVE. Exhilarating but not intoxicating liquor.

Mr. SABATH. Yes; at the right price, there will be no danger of smuggling in cheap imitations from Canada or from any other country. I have the utmost confidence that the people in this country can manufacture as good a whisky or brandy as can be manufactured anywhere in the world, and although we put on a tax that will bring in a very large revenue to the Government, I feel it will not pay the bootleggers to bootleg any of that Canadian or foreign stuff with which the American people have been poisoned in the last 12 years.

Mr. MANLOVE. Will the gentleman yield, in all seriousness?

Mr. SABATH. Yes. I am serious.

Mr. MANLOVE. In all seriousness, if the people of this country should legalize liquor again and repeal the eighteenth amendment, the gentleman refers to the fact that the Government would undoubtedly impose a right heavy tax upon the American manufactured liquor. As the gentleman from Tennessee, chairman of the committee, says, would it not be more of an incentive for the smuggling of illicit liquor into this country than at the present time?

Mr. SABATH. No; because liquor is now prohibited and the price that the bootleggers obtain for it is tremendous. I understand they get as much as from $50 to $75 a case—gentlemen close by, who, I judge, ought to know, say $100 a case—and even though we may put on a tax of $6 or $8 a gallon we will still be able to buy liquor at a price that will not pay the bootleggers to buy expensive speed boats and use airplanes in importing this Canadian stuff, if I may say it, which is nowhere near as pure or as good as the liquor that can be manufactured in this country. [Laughter and applause.]

I am informed that good liquor can be manufactured for 40 cents a gallon, and by placing a reasonable tax of $5 this will enable people to buy it for less than $18 a case, or about 75 cents a pint.

Mr. HARLAN. Will the gentleman yield?

Mr. SABATH. Yes; I yield.

Mr. HARLAN. Is it not true that before we had prohibition we had a considerable tax on whisky and liquors and we had a tariff on liquors, and yet we did not have this smuggling problem, and there is no need, except on a small scale, to anticipate or fear that any more than we did before?

Mr. SABATH. Surely, the gentleman from Ohio [Mr. HARLAN] is correct. I believe that it is unnecessary to fear any smuggling after the eighteenth amendment is repealed and we adopt sane regulations which will be lived up to and be properly administered.

I believe in law, and I disagree with the gentleman from Wisconsin [Mr. SCHAFER].

Mr. YON. The gentleman does not intend to retard or obstruct the operation of the Coast Guard for life-saving purposes?

Mr. SABATH. Oh, no. The gentleman knows my views and my sentiments. However, I do not know how or why it occurred that we have the shortage in officers that he provides for in this bill. May I ask the chairman whether some of these gentlemen have acquired enough wealth during that service for them to retire, or to what is the shortage due that we are asked to provide for new and additional men? I wish some enlightenment on the matter.

[Here the gavel fell.]

Mr. MANLOVE. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MANLOVE. Seriously speaking, is it not a fact that by reason of the changed conditions of Europe and of the people of the rest of the world, the incentive for smuggling into our country is very much greater than it ever was before?

Mr. SABATH. Now, yes; but it will not continue.

Mr. MANLOVE. And is it not the fact there has been opium smuggling into this country in the last few years and the tendency has been to increase such illegal importations?

Mr. SABATH. Yes; and, unfortunately, it is all due to the prohibition law. If we had never had this foolish law and had never passed the Volstead Act, we never would have had so much trouble.

Mr. MANLOVE. Will the gentleman yield?

Mr. SABATH. I can not yield now. The country not only would not have had trouble with this smuggling that the gentleman and others complain of, but I am satisfied that if we repeal the eighteenth amendment and sound laws are enacted the practice will cease and that we again will be able to enforce not only such laws as we need to control liquor traffic but all other laws that we have been unable to enforce while the prohibition law has been in effect.

Mr. MANLOVE. May I ask the gentleman from Illinois if we have not at all times had a law against the smuggling of opium, and also ask him why there has been a tendency toward an increase in the smuggling of opium?

Mr. SABATH. It is all because of prohibition. The use of opium has increased. The gentleman knows that.

Mr. MANLOVE. But we have had a prohibition against opium all the time, have we not?

Mr. SABATH. The gentleman ought to know. Why, our old friend, Captain Hobson, who was a great advocate of—yes; the leading prohibitionist in the years of 1916 and 1917—realized and recognized his mistake. Since he has devoted himself to the task of restricting the use of habit-forming drugs he has learned that prohibition has brought about an increase in the use of opium and other habit-forming drugs.

I am satisfied that if the gentleman from Missouri [Mr. MANLOVE] would investigate the underlying reasons for the increase of opium and other habit-forming drugs, he would come to the same conclusion that Captain Hobson arrived at, to wit, that prohibition is responsible in great measure for the increase in this and other dangerous drugs. Personally, I am satisfied that by eliminating prohibition and by granting the people the right to enjoy a wholesome glass of beer or wine and, under strict regulations and for medical purposes, a pure drink of liquor, the use, and thereby the smuggling, of these dangerous drugs would be reduced very much within a short time; and the sooner this is accomplished, the better it will be for the country.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

For pay and allowances prescribed by law for commissioned officers, cadets, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, surfmen, substitute surfmen, and two civilian instructors, and not exceeding $6,000 for cash prizes for men for excellence in gunnery, target practice, and engineering competitions, for carrying out the provisions of the act of June 4, 1920 (U. S. C., title 34, sec. 943), rations or commutation thereof for cadets, petty officers, and other enlisted men, mileage and expenses allowed by law for officers; and traveling expenses for other persons traveling on duty under orders from the Treasury Department, including transportation of enlisted men and applicants for enlistment, with subsistence and transfers en route, or cash in lieu thereof, expenses of recruiting for the Coast Guard, rent of rendezvous, and expenses of maintaining the same; advertising for and obtaining men and apprentice seamen; transportation and packing allowances for baggage or household effects of commissioned officers, warrant officers, and enlisted men, $18,900,000.

Mr. SCHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Page 21, line 15, strike out "$18,900,000" and insert in lieu thereof "$9,900,000: *Provided*, That no part of this amount shall be expended for the enforcement of the national prohibition act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHAFER].

The amendment was rejected.

The Clerk read as follows:

For retired pay for certain members of the former Life Saving Service authorized by the act entitled "An act providing for retired pay for certain members of the former Life Saving Service equivalent to compensation granted to members of the Coast Guard," approved April 14, 1930 (U. S. C., Supp. V, title 14, sec. 178a), $120,000.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

I wish to call attention, Mr. Chairman, to the item of the retired pay for certain members of the former Life Saving Service. In the present law there is a provision which is inequitable and unjust, and it has caused me—representing, as I do, a district with a very long coast line—a great deal of annoyance. In consequence I rise at this time to evoke, if possible, some general interest in the subject which may be made manifest when we appear before the proper committee on the bill H. R. 7006, which I introduced at the last session, to amend and liberalize the present retirement law.

I may say in passing that we have found it somewhat difficult to get the extremely busy committee on Interstate and Foreign Commerce to take up this matter, and possibly it might be referred to some other committee which could give the time for hearings at an earlier date.

It took many years to get this legislation enacted; and since it was a new departure in some respects, we had to agree to the insertion of a provision to the effect that a former life-saver should not be entitled to the benefits of the act unless he should have been continued on the rolls for an aggregate period of 12 months after he received his disabling injury. Thus an arbitrary and mandatory rule was established which in certain highly deserving cases has worked a great hardship. The cases in which relief has been denied under this provision of the existing law are, fortunately, not many, but they are distressing, since there is no way in which a man may be placed on the pension list on account of service-incurred injury if for any reason whatever his name was not kept on the roll for a full 12 months after the date of the accident. In this connection I would remind the House that there are only 191 of these old life-savers receiving this pension for their services, and the number will rapidly decrease by reason of deaths, and the benefits will soon cease entirely, so it will be readily seen that no serious harm could come from a liberalization of the existing law.

I have had many of these old heroes in my district—most of them are now gone, unfortunately—and I desire to pay them a brief tribute and let them know that we appreciate their gallant service of former days and feel that some of them have been unfairly treated in the matter of this long-postponed pension.

For the provision in the act to which I have referred is obviously unfair. A man's name may have been dropped from the roll for any number of legitimate reasons. In some cases there was active work for them only in the summer months, and it was natural for them to take other positions during the interim. Yet if the official records show that their service was broken during the year succeeding their injury, they are automatically deprived of the benefits which they surely earned. I might add that the Treasury Department is not opposed to my bill, and the Secretary has stated that the proposal is desirable and should be eventually enacted into law. He hesitated to recommend it during the last session only because of the country's financial situation, but I feel that it has to-day been shown that the amount called for in the appropriation for this purpose is relatively so small that we need have no great concern on that score.

Hence I hope that before this session is ended we may have my liberalizing bill given sympathetic and favorable consideration by the committee to which it was naturally referred, or by some other if that one is too busy to give it such consideration.

I realize, of course, that it is not possible to ask for such an amendment as a part of the present appropriation bill, but I request that the House join in removing this unfortunate limitation in the near future and granting justice to the men who suffered injury in the old Life Saving Service.

I withdraw the pro forma amendment, Mr. Chairman.

The Clerk read as follows:

Total, Coast Guard, exclusive of commandant's office, $25,431,950.

Mr. BOYLAN. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. BOYLAN: On page 23, line 8, strike out the figures "$25,431,950" and insert in lieu thereof the figures "$15,000,000."

Mr. BOYLAN. Mr. Chairman, no one has greater respect for the life-saving corps of the Coast Guard than I have. We have in the State of New York, along the Long Island coast, a run of about 125 miles of ocean front, the entire length of Long Island, where splendid services have been performed by the life-saving corps. We have many excellent men in this service, and many of them have complained to me during the past 10 years because their duties have been changed from that of life-savers to prohibition-enforcement agents. This, I think, should be remedied, and now is about as good a time to remedy it as any other.

In 1920 we appropriated for the Coast Guard the sum of $12,649,349. This sum was fairly indicative of the needs of the Coast Guard prior to the advent of prohibition.

In 1931 the amount was raised to the large sum of $35,-312,000, for 1933 we appropriated $28,172,000, and this year we propose to appropriate $25,431,950.

I have taken the sum that we appropriated in 1920, which was $12,649,000, approximately, and to that I have added a normal increase of 15 per cent, amounting to about $2,000,-000. This would make a gross sum of about $15,000,000, which, to my mind, would represent the fair amount that we should spend for the activities of the Coast Guard for the year 1934.

I think, therefore, especially at this time when we require additional revenue and when we need to save every dollar we can in order to avoid cutting the salaries of the underpaid Federal employees, we should seize every opportunity to cut unnecessary appropriations. I think this is an excellent one, and by doing this we will restore to the members of the Coast Guard that splendid heritage which is justly theirs; a fame that has been built up by them since the year 1789 for the performance of hazardous duties and that has made their service an honored and revered one in the estimation of the Nation. We will have them go back to perform their original work and divest themselves of the duty of acting as prohibition-enforcement agents.

I think, therefore, that we should embrace this opportunity to commence activities that should result in a splendid saving to the Government and also act as a protection against the cuts that I have spoken about which are sought to be levied on the low-salaried employees of our Government. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BOYLAN].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Suppressing counterfeiting and other crimes: For expenses incurred under the authority or with the approval of the Secretary of the Treasury in detecting, arresting, and delivering into the custody of the United States marshal having jurisdiction dealers and pretended dealers in counterfeit money and persons engaged in counterfeiting, forging, and altering United States notes, bonds, national-bank notes, Federal reserve notes, Federal reserve bank notes, and other obligations and securities of the United States and for foreign governments as well as the coins of the United States and of foreign governments, and other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; hire,

maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary; purchase of arms and ammunition; traveling expenses; and for no other purpose whatever, except in the performance of other duties specifically authorized by law, and in the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, $539,984: *Provided*, That no part of this amount shall be used in defraying the expenses of any person subpœnaed by the United States courts to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts."

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word, and I do so for the purpose of inquiring of the distinguished chairman whether the reduction of the appropriation of $10,015 will in any way impair this service.

The Secret Service of the Treasury Department is as fine, competent, and as able a service as we have in the United States Government.

I have learned recently that counterfeiters are using boys of tender years, boys 15 or 16 years of age, to pass counterfeit money. In New York and vicinity recently we have had several cases—10 or 12 of them that I know of, mere boys being given this money to go out and pass. Of course, they were caught; they were arrested, and as far as I have been able to ascertain the real culprits, the persons who made the counterfeit money, have not been apprehended.

In times like these there may be a tendency to commit such crime. If these persons are using this new method of circulation for their counterfeit money I believe that attention ought to be called to the condition and the real culprits who are making this counterfeit money brought to justice. Here is one service that is necessary, and I wonder if this reduction is justified, and I want to ask the gentleman if it will impair the service?

Mr. BYRNS. I will say that really this is an increase. They are really getting an increase of $29,400, because during the present year, under the economy act, $25,000 has been transferred to the Bureau of Industry. This continues the employees.

Mr. LAGUARDIA. Then, as I understand, the force will not be reduced?

Mr. BYRNS. On the contrary, they will have seven more men the next year.

Mr. LAGUARDIA. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

For freight, transportation, and traveling expenses, including allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C. Supp. V, Title V, sec. 118a), not to exceed $8,175; the expenses, except membership fees, of officers when officially detailed to attend meetings of associations for the promotion of public health, and the packing, crating, drayage, and transportation of the personal effects of commissioned officers, scientific personnel, pharmacists, and nurses of the Public Health Service, upon permanent change of station, $36,175: *Provided*, That funds expendable for transportation and traveling expenses may also be used for preparation for shipment and transportation to their former homes of remains of officers who die in line of duty.

Mr. BYRNS. Mr. Chairman, by direction of the full committee, I offer the following amendment.

The Clerk read as follows:

Page 27, line 9, strike out the sum of "$8,175" and insert in lieu thereof "$7,635, not to exceed $720 for any one person."

The amendment was agreed to.

The Clerk read down to and including line 19 on page 29.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MCMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, and had come to no resolution thereon.

POST OFFICE AND TREASURY DEPARTMENT APPROPRIATION BILL

Mr. BANKHEAD, from the Committee on Rules, reported the following resolution, which was read and referred to the House Calendar:

House Resolution 314

Resolved, That in the consideration of the bill H. R. 13520 all points of order on sections 2 to 8, both inclusive, shall be considered waived.

Mr. BANKHEAD. Mr. Speaker, I give notice that, with the consent of the Speaker, we expect to call this up to-morrow the first thing after the reading of the Journal.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 13, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Tuesday, December 13, 1932, as reported to the floor leader:

WAYS AND MEANS

(10 a. m.)

Continue hearings on beer bill.

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on various subjects.

POST OFFICE AND POST ROADS

(10.30 a. m.)

Hearings—Crane air mail report.

SHANNON SPECIAL COMMITTEE

(11 a. m.)

Continue hearings on Government competition with private enterprise.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

798. A letter from the Secretary of the Navy, transmitting a letter to request that action be taken to restore the limit of cost provided by act of February 12, 1931, for the construction of naval hospital buildings at Philadelphia, Pa.; to the Committee on Appropriations.

799. A letter from the Acting Comptroller of the Currency, transmitting the annual report of the Comptroller of the Currency covering the activities of the Currency Bureau for the year ended October 31, 1932; to the Committee on Banking and Currency.

800. A letter from the Secretary of the Navy, transmitting a draft of a bill to increase the statutory limit for repairs and alterations to capital ships of the Navy; to the Committee on Naval Affairs.

801. A letter from the Librarian, transmitting annual report as Librarian of Congress, together with that of the Register of Copyrights, for the fiscal year ending June 30, 1932; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU: Committee on Rules. House Resolution 312. A resolution extending the time within which report shall be made by special committee appointed pursuant to House Resolution 235; without amendment (Rept. No. 1788). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 314. A resolution providing that all points of order be waived on certain sections of H. R. 13520, a bill making appropriations for the Treasury and Post Office Depart-

ments for the fiscal year ending June 30, 1934, and for other purposes; without amendment (Rept. No. 1789). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRENCH: A bill (H. R. 13556) to amend the furlough provisions of the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, approved June 30, 1932; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 13557) to provide for the rehabilitation of the Big Lost River irrigation project in Custer and Butte Counties, Idaho, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 13558) to provide for the filing of notice of location and assessment work of mineral claims in land offices of the United States; to the Committee on the Public Lands.

Also, a bill (H. R. 13559) authorizing the Secretary of the Interior to enter into a cooperative agreement or agreements with the State of Idaho and private owners of lands within the State of Idaho for grazing and range development, and for other purposes; to the Committee on the Public Lands.

By Mr. LONERGAN: A bill (H. R. 13560) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture.

By Mr. McLEOD: A bill (H. R. 13561) to restore the 2-cent postage rate on first-class mail; to the Committee on Ways and Means.

By Mr. DAVIS of Tennessee: A bill (H. R. 13562) to amend the second paragraph of section 4 of the Federal farm loan act, as amended; to the Committee on Banking and Currency.

By Mr. DAVIS of Pennsylvania: A bill (H. R. 13563) to procure a site for a courthouse in Philadelphia, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. KVALE: A bill (H. R. 13564) to amend section 20 of the act of June 10, 1922, as amended by the act of July 2, 1926; to the Committee on Military Affairs.

By Mr. KERR: A bill (H. R. 13565) to restrict the exportation of tobacco seed and to provide a penalty for the unauthorized exportation thereof; to the Committee on Agriculture.

By Mr. SABATH: A bill (H. R. 13566) to amend section 13 of the Federal reserve act by making notes of finance and credit companies subject to discount; to the Committee on Banking and Currency.

By Mr. CHAVEZ: A bill (H. R. 13567) to further extend the benefits of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. LaGUARDIA (by request): Resolution (H. Res. 315) disapproving certain sections of the Executive order dated December 9, 1932, pertaining to the act of September 7, 1916, and amendments thereto providing for compensation for civilian injuries be transferred to Labor Department; to the Committee on Expenditures in the Executive Departments.

Also (by request), resolution (H. Res. 316) disapproving certain sections of the Executive order dated December 9, 1932, pertaining to the longshoremen's and harbor workers' compensation act and transfer of same to Labor Department; to the Committee on Expenditures in the Executive Departments.

By Mr. DIES: Resolution (H. Res. 317) to disapprove of Executive order in creating the Division of Public Works; to the Committee on Expenditures in the Executive Departments.

By Mr. O'CONNOR: Joint resolution (H. J. Res. 504) authorizing the President to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States in 1935; to the Committee on Foreign Affairs.

By Mr. CABLE: Joint resolution (H. J. Res. 505) proposing an amendment of the Constitution of the United States to provide a method of amendment thereof by popular initiative and referendum; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 13568) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation; to the Committee on War Claims.

By Mr. AYRES: A bill (H. R. 13569) granting an increase of pension to Mary C. Snyder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13570) granting a pension to Martha Ella Downing; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 13571) to refund to Caroline M. Eagan income tax erroneously and illegally collected; to the Committee on Claims.

By Mr. COCHRAN of Missouri: A bill (H. R. 13572) for the relief of George E. Stuckey; to the Committee on Military Affairs.

Also, a bill (H. R. 13573) for the relief of Chester Preston; to the Committee on Military Affairs.

Also, a bill (H. R. 13574) for the relief of Harry Pusateri (Puscateri); to the Committee on Military Affairs.

Also, a bill (H. R. 13575) to extend the benefits of the United States employees' compensation act to Victor C. McKenzie; to the Committee on Claims.

Also, a bill (H. R. 13576) for the relief of Herman Schierhoff; to the Committee on Claims.

By Mr. CONNERY: A bill (H. R. 13577) granting a pension to Ellen M. Kilgore; to the Committee on Invalid Pensions.

By Mr. DAVIS of Tennessee: A bill (H. R. 13578) granting an increase of pension to Nancy Martin; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 13579) granting a pension to Daisy Vredenburgh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13580) for the relief of A. K. LaMotte; to the Committee on Claims.

By Mr. ERK: A bill (H. R. 13581) for the relief of James S. Hare; to the Committee on Military Affairs.

By Mr. FIESINGER: A bill (H. R. 13582) granting a pension to Thomas H. Moore; to the Committee on Pensions.

By Mr. FISH: A bill (H. R. 13583) granting an increase of pension to Anna N. Osterhout; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 13584) for the relief of Harry B. Walmsley; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 13585) granting a pension to Mary E. Duffy; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 13586) granting an increase of pension to Margaret J. Miller; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H. R. 13587) granting a pension to Eliza Dawson; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 13588) granting an increase of pension to Margaret E. Feuerhelm; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 13589) granting an increase of pension to Harriett A. Drury; to the Committee on Invalid Pensions.

By Mr. LINDSAY: A bill (H. R. 13590) for the relief of Archie J. McKee; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 13591) for the relief of Alfred A. Wittek; to the Committee on Naval Affairs.

By Mr. PARSONS: A bill (H. R. 13592) for the relief of Henry Raley; to the Committee on Claims.

By Mr. PERSON: A bill (H. R. 13593) granting a pension to Ella Beedy; to the Committee on Invalid Pensions.

By Mr. PRATT: A bill (H. R. 13594) granting an increase of pension to Cora E. Wadsworth; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 13595) granting a pension to Josephine Fegley; to the Committee on Invalid Pensions.

By Mr. SANDERS of Texas: A bill (H. R. 13596) granting death compensation benefits to Lena Klotz; to the Committee on Claims.

By Mr. TURPIN: A bill (H. R. 13597) granting a pension to Mary Shoch; to the Committee on Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 13598) granting a pension to Sarah M. H. Nickerson; to the Committee on Invalid Pensions.

By Mr. WOLVERTON: A bill (H. R. 13599) granting an increase of pension to Anna J. Flick; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8825. By Mr. BLOOM: Petition of the New York Academy of Medicine, urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

8826. Also, petition of United National Association of Post Office Clerks, opposing a continuation of the furlough act or any other form of wage reduction at the expense of Government employees until it becomes a necessity and a last resort; to the Committee on the Civil Service.

8827. By Mr. BUCKBEE: Petition of Helen H. Doane, Sycamore, Ill., president of the Young Women's Missionary Society of Sycamore, together with 19 others, calling upon Congress to establish a Federal motion-picture commission which would be empowered to regulate the motion-picture industry and the interstate and foreign commerce pertaining to this industry; to the Committee on Interstate and Foreign Commerce.

8828. By Mr. CAMPBELL of Iowa: Petition of the Woman's Home Missionary Society of Sioux Rapids, Iowa, urging the establishment of a Federal motion-picture commission to regulate motion pictures; to the Committee on Interstate and Foreign Commerce.

8829. Also, petition of the Woman's Home Missionary Society of Sioux Rapids, Iowa, urging prompt action on the ratification of the World Court protocols and support of same; to the Committee on Foreign Affairs.

8830. By Mr. CONDON: Petition of Edmond F. Byrnes and 74 other citizens of Rhode Island, requesting that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on World War Veterans' Legislation.

8831. By Mr. CULKIN: Petition of sundry citizens of the thirty-second congressional district of New York, comprising the counties of Lewis, Madison, Oswego, and Jefferson (numbering 118 names), protesting against the return of beer or any legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

8832. Also, petition of the Sandy Creek Woman's Home Missionary Society, of Sandy Creek, N. Y. (25 signatures), urging the establishment of a Federal motion-picture commission to censure and regulate motion pictures; to the Committee on Interstate and Foreign Commerce.

8833. By Mr. DAVENPORT: Petition with signatures of 2,067 citizens of the thirty-third congressional district of New York, opposing the return of beer, and opposing any legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent for beverage purposes; to the Committee on the Judiciary.

8834. By Mr. ERK: Petition of McNaugher Memorial United Presbyterian Church and the Bellevue United Presbyterian Church; to the Committee on Ways and Means.

8835. By Mr. GARBER: Petition of 2,000 residents of the State of Oklahoma, protesting against any change in the prohibition laws; to the Committee on Ways and Means.

8836. Also, petition of the members and attendants of the Baptist Church, Beaver, Okla., urging opposition to any repeal or modification of the Volstead Act or the eighteenth amendment; also petition of the members of the Woman's Christian Temperance Union, Carmen, Okla., requesting support of the prohibition laws and opposition to their amendment or repeal; to the Committee on Ways and Means.

8837. Also, petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

8838. By Mr. HANCOCK of New York: Petition signed by Inez C. Hill and other residents of Cortland, N. Y., opposing the return of beer; to the Committee on the Judiciary.

8839. Also, resolution signed by Anne Harbottle Whittic, chairman of the Syracuse branch of the National Woman's Party, favoring the so-called Lucretia Mott amendment to the Constitution, and other resolutions in opposition to any discrimination between men and women on account of sex; to the Committee on the Judiciary.

8840. By Mr. HOOPER: Petition of Women's Home Missionary Society of Charlotte, Mich., urging the enactment of a law to establish a Federal motion-picture commission, and requesting the support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

8841. Also, resolution of residents of Eaton County, Mich., favoring entrance of United States into World Court; to the Committee on Foreign Affairs.

8842. By Mr. KELLY of Pennsylvania: Petition of citizens of Brackenridge, Allegheny County, Pa., protesting against changes in the eighteenth amendment; to the Committee on the Judiciary.

8843. Also, petition of citizens of Harrison Township, Allegheny County, Pa., protesting against changes in the eighteenth amendment; to the Committee on the Judiciary.

8844. By Mr. LEAVITT: Petition of various citizens of Fairview, Mont., protesting against change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8845. Also, petition of various citizens of Fairview, Mont., protesting against change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8846. Also, petition of various citizens of Baker, Mont., protesting against change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8847. By Mr. LINDSAY: Petition of Military Training Camps Association of the United States, New York City, opposing reduction of Citizens Military Training Camps appropriations; to the Committee on Military Affairs.

8848. Also, petition of American Federation of Government Employees, Lodge No. 36, Brooklyn, N. Y., opposing further reduction of salaries; to the Committee on Appropriations.

8849. Also, petition of C. L. Poole & Co. (Inc.), New York City, favoring repeal of the agricultural marketing act; to the Committee on Agriculture.

8850. Also, petition of New York State Ladies' Auxiliary to New York State Association of Letter Carriers, New York City, favoring repeal of the economy act; to the Committee on Appropriations.

8851. Also, petition of Colonial Daughters of the Seventeenth Century, Brooklyn, N. Y., favoring appropriations for the continuance of the Reserve Officers' Training Corps, Citizens Military Training Camps, national rifle matches, National Guard, and Organized Reserves; to the Committee on Appropriations.

8852. Also, petition of John H. Baker, 48 Wall Street, New York City, favoring revision of the so-called war debts; to the Committee on Ways and Means.

8853. By Mr. MILLARD (by request): Petition addressed to the House of Representatives by residents of Westchester and Rockland Counties, in the State of New York, opposing the return of beer; to the Committee on Ways and Means.

8854. Also, petition presented at the request of members of the Wesleyan Service Guild of the Methodist Episcopal Church of White Plains, N. Y., urging the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8855. By Mr. NIEDRINGHAUS: Petition of 23 citizens of St. Louis, transmitted by the St. Louis Woman's Christian Temperance Union, protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8856. By Mr. RICH: Petition from the Woman's Christian Temperance Union of Salladasburg, Pa., protesting against any change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8857. By Mr. ROBINSON: Petition signed by Eva Landgraf, 617 Lime Street, and several other citizens of Waterloo, Iowa, protesting against the proposed legislation taking away from the veterans the disability allowance for non-service-connected disability; to the Committee on World War Veterans' Legislation.

8858. Also, petition signed by Edith Ward and 16 other Lamont, Iowa, citizens, urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Census.

8859. By Mr. RUDD: Petition of Colonial Daughters of the Seventeenth Century, Brooklyn, N. Y., favoring appropriations to continue the present training schedules and activities of the National Guard, Organized Reserves, Reserve Officers' Training Corps, citizens' military training camps, and the national rifle matches; to the Committee on Appropriations.

8860. Also, petition of C. L. Poole & Co. (Inc.), New York City, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8861. Also, petition of John H. Baker, New York City, favoring revision of the so-called war debts; to the Committee on Ways and Means.

8862. By Mr. SUMMERS of Washington: Petition signed by Mrs. A. L. Tefft and 14 others, of Pomeroy, Wash., urging support of Senate bill 1079 and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8863. Also, petition signed by Nettie D. Maltby and 18 others, of Selah, Wash., urging support of Senate bill 1079 and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

8864. By Mr. SUTPHIN: Petition supporting Senate bill 1079, on the Senate Calendar, and Senate Resolution 170, now before the Interstate Commerce Committee; to the Committee on Interstate and Foreign Commerce.

8865. Also, petition supporting Senate bill 1079, on the Senate Calendar, and Senate Resolution 170, now before the Interstate Commerce Committee; to the Committee on Interstate and Foreign Commerce.

8866. By Mr. SWICK: Petition of Mrs. Thomas L. Berger, R. F. D. 1, Ellwood City, Pa., and 32 members of the Happy Hour Class, Slippery Rock Church, opposing all legislation to legalize manufacture and sale of beer or light wines; to the Committee on Ways and Means.

8867. By Mr. TARVER: Petition of Mrs. M. Benton and 20 other citizens of Cave Spring, Ga., opposing the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8868. Also, petition of Mrs. Paul Wright and a number of others, of Rome, Ga., opposing the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8869. By Mr. KELLY of Pennsylvania: Petition of citizens of Tarentum, Pa., protesting against changes in the eighteenth amendment; to the Committee on the Judiciary.

8870. By Mr. WYANT: Petition of Mrs. J. A. Conway, western director, American Legion Auxiliary, representing 55 units, comprising 6 counties in western Pennsylvania, protesting against legislation sponsored by so-called Economy League and like agencies tending to deprive war veterans of relief, care, and hospitalization; to the Committee on Ways and Means.

8871. Also, petition of Mrs. J. A. Conway, president Unit 240, the American Legion Auxiliary, Scottdale, Pa., representing 100 members, urging defeat of any measure of economy which would materially affect widows and orphans of veterans and disabled veterans of our national defense; to the Committee on Ways and Means.

8872. By the SPEAKER: Petition of citizens of Missouri, protesting against any change in the present prohibition laws; to the Committee on the Judiciary.

SENATE

TUESDAY, DECEMBER 13, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

J. HAMILTON LEWIS, a Senator from the State of Illinois, appeared in his seat to-day.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal of Thursday, December 8, Friday, December 9, and Monday, December 12.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of PETER NORBECK, chosen a Senator from the State of South Dakota for the term beginning on the 4th day of March, 1933, which were ordered to be placed on file and to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA,
STATE OF SOUTH DAKOTA.

CERTIFICATE OF ELECTION

This is to certify that on the 8th day of November, 1932, at a general election held throughout said State, PETER NORBECK was duly chosen by the qualified electors of the State of South Dakota to the office of United States Senator for the term of six years, beginning on the 4th day of March, 1933.

In witness whereof I have hereunto set my hand and caused the seal of said State to be affixed at Pierre, the capital, this 8th day of December, 1932.

WARREN GREEN, *Governor.*

By the governor:
[SEAL.] ELIZABETH COYNE, *Secretary of State.*

Mr. ASHURST. Mr. President, I present the certificate of election of Hon. CARL HAYDEN, Senator elect from the State of Arizona, and ask that it be printed in the RECORD and placed on file.

The certificate of election was ordered to be placed on file, to accompany credentials laid before the Senate by the Vice President on the 7th instant, and to be printed in the RECORD, as follows:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, Scott White, secretary of state, do hereby certify that the official canvass of the returns of the votes cast at the general election held on Tuesday, November 8, 1932, in the State of Arizona, as certified to by the boards of supervisors of the several counties, show that CARL HAYDEN, a candidate on the Democratic ticket for United States Senator, was the candidate receiving the highest number of votes cast for this office, and having complied with all provisions required by law for candidates is therefore declared elected and entitled to hold this office, all of which is shown by the original records on file in this department.

In witness whereof I have hereunto set my hand and affixed my official seal. Done at Phoenix, the capital, this 28th day of November, A. D. 1932.

[SEAL.]

SCOTT WHITE,
Secretary of State.

SIX-HOUR DAY FOR RAILWAY EMPLOYEES

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Interstate Commerce Commission, transmitting, pursuant to Public Resolution No. 13, Seventy-second Congress, approved March 15, 1932, a report of the investigation of the commission in re the effect upon operation, service, and expenses of applying the principle of a 6-hour day in the employment of railway employees, which, with the accompanying report, was referred to the Committee on Interstate Commerce and ordered to be printed.

REPORT OF THE COMPTROLLER OF THE CURRENCY

The VICE PRESIDENT laid before the Senate a letter from the Acting Comptroller of the Currency, submitting, pursuant to law, the text of the annual report of the Comptroller covering the activities of the Currency Bureau for the year ended October 31, 1932, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORT OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the thirty-fifth annual report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1932, which, with the accompanying report, was referred to the Committee on Printing.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 40) to provide for the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives on House Joint Resolution 123, relating to moratorium on foreign debts, was referred to the Committee on Printing.

DESTRUCTION OF USELESS PAPERS

Mr. SMOOT. Mr. President, the Secretary of the Treasury sent to the Congress a communication requesting that certain papers which are not needed in the transaction of public business and which have no permanent value may be destroyed. On the 6th instant the papers were referred to a special joint committee on the disposition of useless papers in the Treasury Department. The committee recommends the granting of the request of the Secretary of the Treasury with reference to the destruction of the papers.

The VICE PRESIDENT. That order will be entered.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Brousard	Goldsborough	McNary	Townsend
Bulkley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

Mr. BYRNES. I wish to announce that my colleague [Mr. SMITH] is necessarily absent, owing to the death of a relative.

Mr. WAGNER. I desire to announce that my colleague [Mr. COPELAND] is absent to-day because of serious illness in his family.

Mr. TRAMMELL. I desire to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is necessarily detained from the Senate. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is detained by reason of illness.

I also wish to announce that the junior Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate.

Mr. METCALF. I desire to announce that my colleague [Mr. HEBERT] is unavoidably detained.

Mr. LA FOLLETTE. I desire to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is necessarily detained from the Senate by illness.

The PRESIDING OFFICER (Mr. FESS in the chair). Eighty-seven Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Mr. BARBOUR presented petitions of the Woman's Home Missionary Society of Dunellen; the Woman's Home Missionary Society of the Methodist Church of Westwood; and the Evening Auxiliary of the Woman's Home Missionary Society of the Methodist Episcopal Church of Ocean Grove, all in the State of New Jersey, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of St. Paul's Auxiliary of the Woman's Home Missionary Society of Atlantic City; the Ladies' Auxiliary, Methodist Church, of Ridgewood; and the Woman's Home Missionary Society of St. James Methodist Episcopal Church, of New Brunswick, all in the State of New Jersey, praying for the passage of legislation providing for the supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

Mr. CAPPER presented petitions of the Woman's Home Missionary Society of Attica; the Woman's Home Missionary Society of Caldwell; the Woman's Home Missionary Society of the Methodist Episcopal Church of Council Grove; the Woman's Home Missionary Society of Rice; the Woman's Home Missionary Society of Stockton; and the Woman's Home Missionary Society of Talmage, all in the State of Kansas, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented memorials, numerously signed, of sundry citizens of Fredonia, Highland, and Dickinson County; the Antelope Woman's Home Missionary Society of the Methodist Episcopal Church, of Junction City; and members of the Allen County Enforcement League, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

REPORT OF THE COMMITTEE ON PRINTING

Mr. SHIPSTEAD, from the Committee on Printing, to which was referred the concurrent resolution (H. Con. Res. 40) to provide for the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives on House Joint Resolution 123, relating to moratorium on foreign debts, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

Mr. JOHNSON. Mr. President, I ask unanimous consent to introduce a bill, at the request of the War Department, and have it referred to the Commerce Committee.

The PRESIDING OFFICER (Mr. FESS in the chair). The bill will be received and so referred.

By Mr. JOHNSON:

A bill (S. 5167) in reference to land in the Bonnet Carre floodway area; to the Committee on Commerce.

By Mr. BARBOUR:

A bill (S. 5168) for the relief of John Henry Tackett; to the Committee on Claims.

By Mr. HALE:

A bill (S. 5169) granting an increase of pension to Charlotte W. Stevens (with an accompanying paper); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 5170) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; to the Committee on Agriculture and Forestry.

By Mr. PATTERSON:

A bill (S. 5171) authorizing and directing the Secretary of the Interior to enroll on the tribal rolls of the Choctaw and Chickasaw Nations all Choctaw and Chickasaw claimants whose names appear in the citizenship cases hereinafter mentioned and who were duly and legally enrolled by the Federal court, and the heirs now living of all such claimants, born prior to the closing of said tribal rolls by an act of Congress; to the Committee on Indian Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 5172) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof; to the Committee on Education and Labor.

A bill (S. 5173) granting a pension to Ellen Mullis Baker (with accompanying papers);

A bill (S. 5174) granting a pension to Frank Burcham (with accompanying papers);

A bill (S. 5175) granting a pension to Amos B. Poling (with accompanying papers); and

A bill (S. 5176) granting an increase of pension to Ida A. McDowell (with accompanying papers); to the Committee on Pensions.

By Mr. REED:

A bill (S. 5177) to authorize the appointment of Harrison Schermerhorn Markham as second lieutenant in the Regular Army; to the Committee on Military Affairs.

By Mr. HAYDEN:

A bill (S. 5178) granting a pension to Lewis G. Simpson; to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 5179) granting a pension to Robert W. Vawter; to the Committee on Pensions.

By Mr. McNARY:

A joint resolution (S. J. Res. 214) authorizing a further modification of the adopted project for the Columbia and Lower Willamette Rivers, between Portland, Oreg., and the sea; to the Committee on Commerce.

INVESTIGATION OF RENTAL CONDITIONS IN THE DISTRICT

Mr. CAPPER submitted the following resolution (S. Res. 302), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 248, agreed to June 27, 1932, authorizing and directing the Committee on the District of Columbia, or a duly authorized subcommittee thereof, to investigate rental conditions in said District of Columbia and to report the results of same, with recommendations, to the Senate not later than December 15, 1932, hereby is continued and extended in full force and effect until January 10, 1933.

POSITIONS NOT UNDER THE CIVIL SERVICE

Mr. McKELLAR submitted the following resolution (S. Res. 303), which was ordered to lie on the table:

Resolved, That the Civil Service Commission be, and it is hereby, directed to furnish the Senate with a full and complete list of all offices, positions, places, and employments, listing the same by departments, bureaus, boards, commissions, and independent establishments, including the government of the District of Columbia, unofficial observers, special attorneys or special agents, and Federal employments of all kinds, with the amount of salaries of each attached, under the Government of the United States and not under civil-service rules and regulations.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 503) authorizing the payment of salaries of the officers and employees of Congress for December, 1932, on the 20th day of that month, and it was signed by the Vice President.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

STUDY OF BATTLEFIELDS IN THE UNITED STATES

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Military Affairs:

To the Congress of the United States:

In accordance with the provisions of section 2 of the act of June 11, 1926, I transmit herewith for the information of the Congress the report of the Secretary of War of progress made under said act, together with his recommendations for further operations.

HERBERT HOOVER.

THE WHITE HOUSE, *December 13, 1932.*

DEPORTATION OF SO-CALLED BONUS MARCHERS

Mr. McKELLAR. Mr. President, on yesterday I introduced a resolution (S. Res. 301) and asked that it be printed and lie on the table. As it calls for an expenditure of money, it requires action by the Committee to Audit and Control the Contingent Expenses of the Senate. Therefore, the resolution will have to go to that committee. I ask unanimous consent that it may be referred to that committee.

Mr. McNARY. Mr. President, has the standing committee which has jurisdiction reported on the proposal?

Mr. McKELLAR. No. This is a Senate resolution, and it was not referred to a standing committee. It asks for the appointment by the Vice President of a special committee, and naturally it would not go to a standing committee.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). May the Chair suggest that the Senator from Tennessee could accomplish the purpose he has in mind if he would ask unanimous consent that notwithstanding the provision of the rule the resolution be referred directly to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. McKELLAR. Very well; I will make that request.

The PRESIDING OFFICER. Is there objection?

Mr. BINGHAM. Mr. President, I hope the Senator will let the resolution go to the Committee on the District of Columbia. I am not a member of that committee.

Mr. McKELLAR. Let it go to the Committee to Audit and Control the Contingent Expenses of the Senate, and we can discuss that question afterwards.

Mr. BINGHAM. May I say to the Senator that usually the Committee to Audit and Control the Contingent Expenses of the Senate reports resolutions out for immediate action without reference to their merits.

Mr. McKELLAR. I do not think this resolution would go to the District Committee. I have my doubts about whether it would go to that committee.

Mr. FESS. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes.

Mr. FESS. I did not get the full force of the resolution.

Mr. McKELLAR. This is the resolution which I introduced yesterday, seeking the appointment by the Vice President of a special committee of five Senators to investigate the so-called riot in connection with the expulsion from Washington of the ex-service men last summer.

Mr. FESS. The Senator will recall that the rule adopted recently would require that kind of a resolution to go to the standing committee, which would be the District of Columbia Committee.

Mr. BINGHAM. It might be the Committee on Military Affairs, since it concerns the Army.

Mr. FESS. It might. The Committee to Audit and Control the Contingent Expenses of the Senate can not pass on the merits of any of these matters.

Mr. McKELLAR. No; all that the Committee to Audit and Control the Contingent Expenses of the Senate can do is to furnish the money for the investigation.

Mr. FESS. That is all we could do.

Mr. McKELLAR. That is all that can be done. My purpose was to bring it up in the Senate itself.

Mr. FESS. As a member of the Committee to Audit and Control the Contingent Expenses of the Senate, it seems to me the resolution involves some question which ought to be discussed before a standing committee before it comes to our committee. I wish the Senator would let it go to a regular committee—either committee he may suggest.

Mr. BINGHAM. Will not the Senator let it go to the Committee on Military Affairs?

Mr. McKELLAR. No; I believe I will amend my resolution by striking out the provision for the appropriation, for the present, and let it lie on the table as it is; and I shall call it up to-morrow.

FUNERAL EXPENSES OF THE LATE SENATOR JONES

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 294, submitted by Mr. DILL on the 7th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Wesley L. Jones, late a Senator from the State of Washington, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

FUNERAL EXPENSES OF THE LATE SENATOR WATERMAN

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 295, submitted by Mr. COSTIGAN on the 7th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Charles W. Waterman, late a Senator from the State of Colorado, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

MARY F. M'GRAIN

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 296, submitted by Mr. WATSON on the 7th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Mary F. McGrain, widow of John J. McGrain, late the Deputy Sergeant at Arms and Storekeeper of the Senate, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PROBLEMS BEFORE THE SHORT SESSION OF CONGRESS

Mr. SWANSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the problems before the present session of Congress delivered by the Senator from Arkansas [Mr. ROBINSON] during the National Radio Forum, arranged by the Washington Star and broadcast over a National Broadcasting Co. network on Monday night, December 12.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SOME OF THE PROBLEMS BEFORE THE SHORT SESSION OF CONGRESS

There is no one within the sound of my voice who is not concerned in quickening the return of prosperous conditions.

The one all-absorbing question is, How may deprivation be ended and the shadow of suffering which darkens the whole landscape be dispelled? The country, through the mandate expressed so overwhelmingly at the polls in November, has turned to the Democratic Party for guidance touching measures and methods of a political character designed to aid in recovery. The faith expressed by the electors imposes a responsibility, an obligation, which must be promptly considered, sanely weighed, and adequately discharged

The remedy for existing economic conditions does not rest entirely in legislative enactments. The application and enforcement of existing laws, the direction which administrative agencies take, and the coordination of effort in the various branches of the Government must be made to contribute to that kind of national control which is essential to the creation of confidence and the restoration of healthy general conditions.

The American people as a whole are profoundly interested in the wise and quick removal of the causes which have brought depression. The Democratic Party, through its platform and its candidates, impressed the American people that it was best fitted for this task. The platform and the candidates were equally frank in the declaration of policies. It now becomes the task of the legislative bodies to carry out these pledges. The first step has been taken by a conference of Democratic Senators through the formulation of a program, the general features of which were unanimously agreed to.

Everyone who understands the fundamental principles of our Government recognizes the necessity for compromises as to conflicts of opinion when one branch of the Congress is Democratic and at the same time the other and the executive departments are controlled by the party in opposition. To dispose of the program referred to during the short session will prove a very difficult task. The details pertaining to the requisite measures will provoke differences of opinion among those who are in accord as to general purposes. Quite naturally one charged with responsibility for the coordination of efforts touching legislative proceedings in the immediate future is moved by anxiety for the success of the undertaking. If time does not permit of the completion of this program between now and the 4th of March, it will be vigorously pressed when the new Congress in which Democratic control is assured becomes dominant. It is fundamental that the remedies which may be proposed and enacted under the new mandate of the people will not have magic powers and clear away overnight the clouds of adversity which have brought us all under the shadow of despair and distress. Let it be understood that opportunity must be given for them to become effective. The ailment from which our affairs have been and are still suffering is too severe to be cured at once, even though the best remedies discoverable are prescribed.

RETRENCHMENT

In spite of the passage last session of an internal revenue act which added many new and some quite vexing forms of taxes, due to the continued shrinkage in the Government income because of the paralysis of business, additional efforts to establish a proper relation between Government revenues and costs seem imperative. All plans in contemplation look first to substantial reductions in the Budget. This in normal times is exceedingly difficult because of the unwillingness of influential groups to look at the problem as a whole and to accept changes and inconveniences which sound business principles require. In times of general unemployment, when millions are impoverished because of inability to secure the opportunity to engage in remunerative labor, it becomes necessary to use public funds to prevent widespread suffering and misery. Advances for such purposes must be made from the Federal Treasury when the burden on charity and local government agencies threatens to become overwhelming so that the task before the Congress of maintaining the national credit is augmented by the additional obligation of providing amounts indispensable to the national safety and welfare. In all likelihood before the present winter closes the $300,000,000 provision in the emergency relief bill of last session will appear inadequate and call for supplemental sums, the exact amount of which can not just now be anticipated.

Everyone agrees that the Federal Government should economize and retrench as an abstract proposition. It is when details as to methods are to be worked out and adopted that differences of opinion arise, so deep-seated and far-reaching as to threaten failure in the accomplishment of ends commensurate with generally accepted standards of reform. The undertaking, it must be understood, is not alone to balance the Budget. It is also to



find large amounts not embraced in the Budget which everyone familiar with the state of the Union realizes may be essential to proper functioning.

Furloughs and salary cuts may aid, but they can not be regarded as adequate. The consolidation and abolishment of bureaus contemplated by the President's recent message, with such deletions and enlargements as the legislative department may approve, will not make up the aggregate which must be lopped from the current cost of the National Government if the Budget is to be balanced and even meager provision is to be made for the destitute and needy. Even if suggestions for repealing non-service-connected disability benefits for veterans should prevail—and this will encounter well organized and powerful resistance—there will be necessity to authorize the levying of more revenues than are now in prospect under existing laws.

BEER TAX

Some have advocated a tax on beer as a practical method of adding to the Government's income. Any tax of this nature, to be fruitful, must be preceded or accomplished by changes in the Volstead Act, increasing the alcoholic content of beer within the constitutional limits. There has been no authoritative definition of what actually constitutes "intoxicating beverages" with respect to beer. A substantial increase is possible without coming in conflict with the eighteenth amendment; but the amount of the increase which is so permissible has not been definitely decided upon.

The question has also arisen as to the amount of revenue which such a tax will yield. In no sense claiming expert knowledge on the subject, one may be justified in saying that it probably will be much less than many proponents of the beer tax have claimed, but it certainly will be substantial. Without doubt it will add materially to the effectiveness of efforts to overcome the deficit. No one fairly can assert that a beer tax alone will make up the requirements of the National Treasury unless there should come a marked, and it may be said, somewhat unexpected revival of business and increase in earnings in the early future.

Aside from the constitutional question already referred to, there is no such complexity in the subject as justifies delay or indecision in dealing with this question. Undoubtedly the manner of administering the law will give rise to issues which are both important and complicated, but such troubles inhere in the liquor problem, and no ideal way of dealing with them is likely to be found even should the lawmaking authority procrastinate. The legislation should be brought forward and disposed of as speedily as practicable to the end that if a beer tax is not to be relied upon other methods of raising additional money may be resorted to.

While the present session of Congress is not likely to undertake a general revision of the tariff or income-tax schedule with a view to increasing the revenues, it is clear to me that the incoming administration may find it necessary to deal with these subjects in order to balance the Budget and find whatever amount may be wanting if the results of economy measures and other plans in prospect have been adopted and their effects on the Treasury have become known.

There is much ground upon which to rest the conclusion that national expenditures for capital account may be passed on to the future in the form of bond issues in so far as this may be done without defeating the purpose to sustain the Government's credit. This proposal might be made to apply to some three hundred or four hundred million dollars in our necessary annual expenditure. Since the Government debt is already very heavy and daily on the increase, any new legislation which seeks to pass on to the future the costs of present operations should be scrutinized with care lest in the long run it increase, rather than diminish, the difficulty of the problem pertaining to the deficit.

ACUTE PROBLEMS OF AGRICULTURE

The situation respecting agriculture is acute. Due to decline in the prices of agricultural products out of proportion to other commodities, there has been a breakdown of agricultural credits which if permitted to go on will indefinitely postpone and prevent the return of prosperity. This breakdown of credit has made it impossible for farm producers to meet their obligations. Their lands are heavily mortgaged. Values have declined so that the foreclosure of real-estate mortgages is becoming alarmingly general. Millions of farmers during the last few years have seen the savings of a lifetime swept away and find themselves facing the task of earning a livelihood for themselves and their dependents when advancing years and generally prevailing conditions are exceedingly discouraging, almost hopeless. Whether any arbitrary plan, such as the debenture, the equalization fee, or the allotment, if fairly tried out will prove effective, can be determined only by experiment. The result hinges on the possibility of restoring prices to a fair and compensatory level, and this seems tied up, in so far as markets are concerned, with the disadvantage the American farmer labors under in competing with foreign producers due in large part to depreciated currencies and the situation respecting foreign exchange. This subject of itself is of sufficent importance to claim separate consideration.

That that subject must be dealt with legislatively is undeniable. The Congress is devoting itself to the study of the problem with a view to the preparation, presentation, and passage of relief measures which will be designed to accomplish two chief purposes: First, to cause a rise in the prices, particularly of staple agricultural products. Second, to refinance farm-mortgage indebtedness so as to give the farmer a reasonable period of time in which to begin recovery by reducing interest rates and postponing installments of principal for a period of, say, two years and by spreading the installments with due consideration to the time that recovery may require.

A fair inquiry into the subject will reveal that neither the Federal nor joint-stock land banks have desired to pursue a policy oppressive to their borrowers. These banks have their own obligations to meet—obligations in the form of bonds which have been widely scattered through the markets. Of necessity they must collect a sufficient amount in the aggregate of the installments due them to meet their own bond maturities or pass into receiverships, which will cause conditions almost intolerable to borrowers.

Any plan which deals with this subject which does not take into some account the large amount of loans outstanding held by insurance and by private farm-mortgage companies will prove incomplete, however beneficial it may be to the particular class of borrowers affected by the legislation.

Contrary to the misunderstanding which has become almost general, joint-stock land banks are not foreclosing a proportionately greater number of mortgages than are the Federals and the private-loan companies. Plans and proposals are now being drafted to ease the pressure on loans through the land banks No one need expect the matter to be quickly disposed of. Experience should be taken advantage of and the farm-loan system should be reorganized so as not to penalize any class or group, but in such a manner as to strengthen our agricultural credits in the interest and for the welfare of deserving borrowers who have been caught between the upper and the nether millstone and are being crushed because of the breakdown in the prices of their products and lands.

Time does not permit me to discuss at length the program for the submission of an amendment pertaining to the repeal of the eighteenth amendment to the Federal Constitution. Many who champion repeal overlook the fact that ratification by the States and not merely the submission by the Congress of the resolution of ratification is the controlling process in accomplishing a change from national prohibition. Action by three-fourths of the States, either in conventions or through their legislative departments, will by no means follow the submission of the amendment. It is exceedingly doubtful, in my judgment, whether they would approve the repeal of the eighteenth amendment with no safeguard against the return of saloons, or with no protection to the dry States against the gangsters who thrive by unlawful business in liquor. The form of the amendment and the language to be submitted are of primary importance. With this in mind, let all who would like to have a test of public opinion on the subject cooperate in efforts to have the annoying and difficult issue acted upon as promptly as the necessary deliberation and the proper dispatch of business may warrant.

There are other subjects for legislation which must be dealt with during the present short session of Congress which if not disposed of will likely go over for action and contribute to the forces which make for an extraordinary session of the Congress.

It has been my effort to condense these remarks so as to cover several important topics. It has been impossible to give a comprehensive or exhaustive discussion. The effort has been to touch upon some of the most outstanding subject-matter for legislation and to point out the necessity for as prompt and decisive action as may be consistent with wisdom and prudence.

What I have had to say has, I hope, convinced my hearers that the Democratic Party is prepared, as it said it would be during the campaign, to take active and constructive steps toward the solution of the problems and difficulties which confront the Nation. Let it be understood that there is one motive which will actuate representatives of the Democratic Party, and that is service to the people and to the country in conformity to the principles of the platform.

In full recognition of the mighty task before us and with a sense of personal humility which is the outgrowth of a consciousness of responsibilities exceedingly difficult, let me conclude with the assurance that while the result may not always be as immediate as might be wished, every possible effort will be made to pursue a sound and constructive policy designed and calculated to rebuild in time a structure of renewed confidence and improved conditions.

PROPOSED CANCELLATION OF EUROPEAN DEBTS

Mr. HULL. Mr. President, some time ago there was published in the Literary Digest an article on war debts, by my colleague Senator McKELLAR, and also there was published in the newspapers a short subsequent article on the same subject. I ask that both of these articles may be published in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Literary Digest]

THE PROPOSED CANCELLATION OF EUROPEAN DEBTS

Stripped of all sugar coating, the proposal to cancel our foreign debts means the transfer of this enormous indebtedness of over $11,500,000,000 from the backs of European taxpayers and placing the burden on the backs of American taxpayers. Put in another way, it would allow European countries to cancel substantially all of their remaining public debts and graciously permit the

United States to pay the same. Put in still another way, notwithstanding that the public bonded debts of the United States now aggregate the enormous sum of about $24,000,000,000, notwithstanding an imposition of more than a billion dollars of additional taxes by the last Congress; notwithstanding there was nearly a billion dollar deficit in our Treasury two years ago, and nearly $3,000,000,000 deficit last year; and notwithstanding an estimated deficit in the Treasury this year of perhaps $3,000,000,000, judging by the deficit of the first two months of the fiscal year amounting to $393,236,000; in other words, notwithstanding an empty United States Treasury and tremendously decreasing tax returns we are now asked by these European nations and by our own international bankers and by those of our citizens who were misled by these international bankers to invest their money in foreign securities to their great loss, and against the best interests of this Republic, we are now asked solemnly to tax our people again in order to make a gift to European nations of $11,500,000,000 in this time of depression. The purpose is, of course, to prevent European nations from being hereafter bothered in any way by public debts, and to give these international bankers and these foreign security holders a better chance to collect their speculative investments.

American investors bought these foreign securities after the war with their eyes wide open. No doubt they were misled into doing so by our international bankers; but surely this forms no reason why the American people should be taxed in the mere hope that these private securities will be paid. Even if we should release all these debts, there is hardly a chance that these European nations would pay to the holders of these private securities what is due them. The present all-pervading propaganda means simply that the holders of these privately bought securities and the international bankers who by questionable methods sold them, and the European nations involved, have combined and confederated together in their own interest and to the detriment of the American taxpayers to bring about a cancellation of these public debts justly due the American Government.

HISTORY OF THESE DEBTS

The propagandists constantly speak of the debts due us as "war debts." This statement is not accurate. The "war debts" have substantially all long ago been canceled and the debts now owed us are for the most part for money borrowed since the war for the purpose of rehabilitating their countries, for increasing their armies and navies, for paying their own ex-service men cash bonuses, and for other general governmental purposes.

THE OFFICIAL RECORD

Belgium

Total indebtedness refunded (act of April 30, 1926) $417,780,000. Of the foregoing, $246,000,000 in round numbers, represent postwar advances. On page 168 of its Combined Annual Report the World War Foreign Debt Commission said:

"Repayment of the postarmistice debt, amounting at date to about $246,000,000, has been arranged on the general lines accorded to other countries."

France

Total indebtedness refunded (act of December 18, 1929), $4,025,000,000. Of the foregoing, $1,655,000,000 represents postwar advances. On page 272 of the report Secretary Mellon, under date of July 16, 1926, made the following statement:

"For obligations incurred by France to America after the war ended, France owes us to-day $1,655,000,000. The present value of the entire French-American settlement, at the rate of interest carried in France's existing obligations, is $1,681,000,000." In effect, therefore, America has canceled the obligations of France for all advances during the war, and France, in the Mellon-Berenger agreement, has undertaken only to repay the advances and obligations subsequent to the armistice. No other creditor of France has accorded such generous treatment.

It will be remembered that France bought from America after the war $2,000,000,000 worth of property and supplies that America had in France when the war was over. She bought these at 20 cents on the dollar and has never paid even that. This item was juggled into the settlement.

Italy

Total indebtedness refunded (act of April 28, 1926), $2,042,000,000. Of the foregoing, $616,869,197.96 represents postwar advances. Mr. Mellon, in his letter on page 304 of said report, showed that the present value of Italy's settlement was $426,000,000, about two-thirds of the postwar advances after canceling all the war loans.

Great Britain

Total indebtedness refunded (act of February 28, 1923), $4,600,000,000. Of the foregoing, $581,000,000 represents postwar advances. Concerning this, Secretary Mellon, on page 304 of his report, said:

"Let us see what relation the burden of our debt settlements bears to our loans after the armistice. In the case of England postarmistice advances with interest amounted to $660,000,000, and the present value of the entire debt settlement is $3,297,000,000. It must be remembered that England borrowed a large proportion of its debts to us for purely commercial as distinguished from war purposes—to meet its commercial obligations maturing in America, to furnish India with silver, to buy food to be resold to its civilian population, and to maintain exchange. Our loans to England were not so much to provide war supplies as to furnish sterling for home and foreign needs and to save England from borrowing from its own people."

It will thus be seen that the official report shows that we have canceled all of the "war debts" and in the cases of Belgium and Italy, scaled down tremendously the postwar debts. The other European nations which owe us—Poland, Czechoslovakia, Estonia, Finland, Hungary, Latvia, Lithuania, and Yugoslavia, all, of course, created after the war and all their indebtedness was postwar indebtedness.

Before our allies began borrowing from us in 1917, they had been borrowing money wherever they could get it at enormously high rates of interest. To be able to get it from us at 5 per cent in 1917 was a veritable godsend to our allies, and they willingly and enthusiastically gave us their obligations for same bearing 5 per cent interest. After Armistice Day they borrowed every dollar they could get. Our Government appointed a Debt Funding Commission, and foreign nations sent their representatives here to settle these debts. The result of this was a settlement in which the United States canceled all the "war debts."

In addition the United States reduced the average interest rate to about one-half that they had formerly agreed to pay. A striking result of this settlement was that the money value of this eleven and a half billion dollars of debts was really only a little less than six billions of dollars.

No debtors were ever treated more generously than the United States treated her allies in these settlements. The United States had lent this money without stint or limit. We had borrowed it from our own people at an average of more than 3½ per cent of interest, and we remitted more than one-half of the principal of the debt, and we reduced the rate of interest to a rate far less than our own Government was required to pay on the remainder. We let these countries fix the time in which they were to pay—very small capital payments and an exceedingly small interest rate over a period of 60 years. They had hardly started real payments before they entered upon a campaign to have the United States cancel the remainder of these debts.

THE ALLIES' SETTLEMENT WITH GERMANY

Compare our more than generous settlement with the Allies with the settlement of the Allies with Germany. In the first settlement the Allies required Germany to agree to pay them an aggregate amount in cash of $60,000,000,000. They also required, and received, many billions more in reparations in kind. In addition to that, France, Great Britain, and Italy received veritable empires in territories and peoples. Nations like Poland were constituted outright. Germany has already paid billions in cash and billions in kind. The Allies have bled her white. These extortions were so great that they held another conference and were compelled to reduce the aggregate amount to $26,000,000,000 under the so-called Young plan. Last spring when they found that Germany was likely to go into revolution if these exorbitant payments were exacted, they met again secretly and agreed to cancel all of Germany's debt except about $700,000,000, provided—and here is the milk in the coconut—that the United States would cancel all of the allied debts.

This last settlement of the Allies with Germany was conditioned solely upon the cancellation of these debts due America.

If this buccaneering scheme is carried out, European nations, Germany included, will have escaped all of their war indebtedness and America will be left holding the bag. Surely the American public will not be gullible enough to permit it. America is always outtraded in international conferences. This is proverbial. But surely she will not permit herself to be bunkoed again in reference to these debts.

SPECIOUS ARGUMENTS USED

American propagandists now present the specious argument that a cancellation of these debts would help to do away with the depression and immediately restore prosperity to the American people.

They claim it would help the American farmer sell his cotton, his wheat, his cattle, his hogs, and all other products at higher prices, and bring about his unexampled prosperity.

They also claim it would start steel mills going, reopen automobile factories and all other factories, and immediately reemploy all the unemployed.

They are printing tons of material, claiming that even the retail stores would sell more goods; theaters would sell more tickets; increase the price of labor, and that every workman and farmer in America would be carrying full baskets to picnics and that a financial millennium would ensue.

One is reminded by this propaganda of certain prophecies made some time ago, that if a certain election contest was settled favorably to the speaker, there would be two chickens in every pot, two automobiles in every garage, all poorhouses would be abolished, and that an economic condition would arise where every man and woman in America would, without work, be rich, prosperous, and happy.

The answer to all these fallacious and ridiculous assertions is that, with the present high tariff walls around our country and the retaliatory tariff walls placed around European countries as a consequence of our high tariffs, it would make it impossible for our farmers, producers, merchants, business men, or even picnickers, to be benefited in the slightest degree by the cancellation of these debts.

Another answer is that even if we raise the prices of our commodities by cancellation as claimed, we would still simply be tax-

ing all our people to pay the increased prices, and no one would be actually benefited.

To my mind one of the greatest causes of the depression in America was the unloading of these foreign securities upon a susceptible and avaricious American investing public by the international bankers. These bankers apparently looked alone to the high commissions that they made out of the transaction. According to the Johnson report of an investigation on this subject, these bankers made countless millions of dollars in commissions. They took money that should have been invested in America and sent it to Europe. Later on the investors found out how they had been overreached, and now they have combined and confederated with the international bankers and the European nations in an effort to cancel these debts, in the hope that by canceling them their own private securities may be made better.

It is indeed a fallacious argument. Instead of helping the American people to end the depression, it means the placing of enormous additional tax burdens upon them and a consequent continuation of the depression.

TO REDUCE EUROPEAN ARMAMENTS

A distinguished peace enthusiast in the Senate says he would be willing to vote for a reduction of these debts if our debtors would agree to reduce their military and naval forces and their preparations for war. Verily he has faith in the peaceful intentions of our European friends that would remove mountains. His confidence is wholly misplaced.

WHAT NATIONS SPEND ON ARMS

(Expenditures for the last fiscal year, as compiled by the World Peace Foundation from the League of Nations Armaments Yearbook)

Austria	$14,507,320
Belgium	33,303,200
Czechoslovakia	51,189,000
Estonia	5,520,000
Finland	16,457,500
France	466,960,000
Germany	171,923,040
British Empire	726,731,065
Greece	21,340,800
Hungary	20,200,000
Italy	248,946,500
Latvia	7,860,000
Lithuania	5,680,000
Poland	92,072,000
Rumania	53,657,200
Yugoslavia	50,458,000
Total	1,986,799,625

These figures were for the year before last. For the last year Great Britain, without her colonies, spent on armaments $535,000,000; France, $455,000,000; Italy, $260,000,000. Other allied nations prepared and spent for war in proportion. All together they spent $2,250,000,000 on war last year, and will no doubt spend more on war this year; yet, with all these vast expenditures for future wars, they come with figurative tears in their eyes and say they are unable to pay these just debts. It would take only about 12 per cent reduction in their war preparations to pay these debts due America as and when they fall due. In doing so they would contribute just that much to the peace of the world.

THE CASE OF GERMANY

The very recent action of Germany in demanding that the Versailles treaty be amended so that she may expend an additional $100,000,000 on armaments furnishes a true index of what will happen in the case of other European nations if these debts are canceled. Think of it! As yet Germany has only a conditional agreement for the cancellation of her debts. Indeed, just a hope of having America pay her war debts, and yet she is thus immediately asking vastly to increase her naval and military forces. If we should cancel these debts, other European nations like Germany would all inevitably increase their armed establishments. We would just be contributing to their several war chests. We might as well contract with them to reduce their daily rations of food as to contract with them to reduce their armed forces. We would, or should, know that any such contract on their part would be a mere scrap of paper to be violated at will. We could only enforce it by going to war.

CANCELLATION AND PROSPERITY

Advantage is taken of the depression for these propagandists to claim that the world, including America, would be immediately restored to prosperity if these debts are canceled. In view of one notable historical fact the claim is absurd. That proposal was tried out in the celebrated Hoover moratorium last year, and it not only did not help Germany but had no appreciable economic effect on America or any other nation. In America it just added to our deficit that much, for these foreign nations had the money in New York ready to pay when they were notified that America did not want the money.

It must be remembered that these annual payments amount to only a little more than 1 per cent of the aggregate foreign trade of these several nations—not enough to have any appreciable affect upon their prosperity or ours.

WELSHING

Lastly it is claimed by these propagandists that these nations are not going to pay us anyway, so that we might as well cancel. The answer to that is that no modern nation can last after repudiating its debts. Of course, these nations will pay unless we voluntarily cancel. They have too much at stake to refuse.

But assume they do not pay—America will certainly not be any worse off; we will still hold their unpaid obligations and it will be much harder for them to borrow money to enter upon other wars. These unpaid obligations will be wonderful guaranties of peace.

THE RIGHT TO CANCEL

I do not often quote Andrew W. Mellon, but Mr. Mellon in his debt-funding report on this subject has this to say, which is worthy of quoting:

"Public officials, whether in the legislative or executive branch of the Government are essentially trustees. They are trustees for the citizens of their own country. They are not free to give away the property of the beneficiaries of the trust. An individual can do what he will with his own property. A public official, however, must keep firmly in view that he is dealing not with his own property but the property intrusted to his care by the citizens of his country."

Again:

"When cancellation of debts is viewed from the standpoint of the United States, you fail to recognize that the Debt Commission, the President, and the Congress act, not in their individual capacities according to sentiment, but as trustees for those whom they represent, the American people. If these foreign debts are canceled, the United States is not released from its obligations to pay the very bonds which were sold to our citizens to make the advances to the foreign governments. We must collect through taxation from our people, if our debtors do not pay us."

Again:

"The United States is creditor only; and every dollar of debts canceled by the United States represents an increase by just that amount of the war burden borne by the American taxpayer" (pp. 305 and 631).

ANOTHER MORATORIUM UNTHINKABLE

Our sacrifices for Europe already made will amount to not less than $50,000,000,000. Our own people are weighted down with city, county, State, and national taxation as never before. Unless all signs fail, our public debt will be larger on the 1st of next July than it has ever been in our history. Our Treasury has been empty for years, and we have been carrying on by borrowing. It has been estimated that the private debts of our people amount to perhaps a hundred billion dollars. Mortgages are being foreclosed on homes and farms over our entire country. Real estate has virtually no value. Incomes have been tremendously lessened and perhaps in the majority of cases have disappeared. More than 10,000,000 of our people are unemployed. Under these circumstances are we to neglect our own people and declare a moratorium for foreign peoples? Are we to let mortgaged farms be foreclosed, mortgaged homes be foreclosed, lands of every kind sold for taxation here in our own country without a moratorium, and again give another moratorium to European debtors who do not need it; who do not appreciate what we have already done for them, and which will not in the slightest degree benefit us?

Let us be just to American citizens before we are generous to foreign peoples who do not appreciate our generosity.

If the un-American Americans who fatuously advocate "debt cancellation" would embark instead on a campaign for "payment by American taxpayers of Europe's just debts," if they would constantly urge "transfer of European debts to American shoulders," they would then be putting the matter in its true light. There can be no cancellation. Liberty bonds are outstanding, payable by Americans, for what Europe borrowed. If Europeans do not pay, we must.

KENNETH MCKELLAR.

[For release for Saturday morning papers, December 3, 1932]

STATEMENT BY HON. KENNETH MCKELLAR, UNITED STATES SENATOR FROM TENNESSEE

The newest bold effort of the debtor nations of Europe combined against America to escape payment of their just obligations to us, as shown in the last British note, reveals a situation that will be truly astonishing to the rank and file of the American people when that note is analyzed.

I observe in the British note the following:

"The initiative in devising a settlement of reparations was taken by the creditor Governments of Germany at Lausanne with the cognizance and approval of the United States Government."

Compare this remarkable statement with the statement of President Hoover in his letter to Senator BORAH, appearing in the CONGRESSIONAL RECORD of July 15, 1932, as follows:

"I wish to make it absolutely clear, however, that the United States has not been consulted regarding any of the agreements reported by the press to have been concluded recently at Lausanne and that, of course, it is not a party to nor in any way committed to any such agreements."

Those are the two statements. Is President Hoover's statement true or is the statement of Mr. MacDonald, speaking through the embassy, true? It is a question of veracity between them. If the American Government was not consulted about the secret Lausanne agreements, then I hope President Hoover will properly characterize this statement of the British Prime Minister.

But Mr. MacDonald, in this embassy statement, says these payments ought not to be made because "these loans were blown to pieces."

The embassy's statement on this subject is "blown to pieces" by the undisputed facts.

Confessedly, $660,000,000 of the sums due us were postwar debts; and on page 299 of the report of the World War Debt Commission we find the statement from Secretary Mellon that $1,682,000,000 represents "exchange and cotton purchases"; and the following statement was made:

"The greater part of this expenditure was for the maintenance of sterling exchange not necessary for purchases in America."

Thus we see that at least $2,342,000,000 of this indebtedness had nothing to do with war purchases, notwithstanding the statement of the embassy note to the contrary; and this, with interest, is all that we are asking Great Britain to pay.

England's new-found concern for Germany is wholly disingenuous. If it is morally wrong to pay these international debts now, it has been morally wrong for Great Britain to have received payment of reparations all these years from Germany, and she and her new combination against the United States should restore these wicked payments to Germany before asking America to cancel.

The embassy statement is disingenuous again when it does not refer to the vast sums that Great Britain is now spending for armaments to be "blown to pieces" while claiming inability to pay. If she would reduce slightly her appropriations for armaments for the purpose of blowing people to pieces, she would have ample money to pay her honest debts already incurred.

The statement claims that further payments would weaken Great Britain's credit and injure the price of her pound. She started her pound falling by going off the gold standard for trade benefits against us, and it is remarkable that when she announced yesterday that she was going to make these payments her pound went up 3 cents in price. The one way in the world by which she could ruin her credit is by adopting the policy of repudiation.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on the amendment of the senior Senator from Louisiana [Mr. BROUSSARD], which will be reported for the information of the Senate.

The CHIEF CLERK. On page 37 of the committee amendment, strike out all after line 7 to and including the word "report" in line 23 and insert in lieu thereof the following:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act.

So as to read:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

Mr. BORAH. Mr. President, as I understand the effect of the amendment, it is to shorten the time within which Philippine independence shall be granted. I know full well the time and study which the members of the committee have put upon the Philippine independence bill. I understand that the time which is agreed upon is the result of compromise. I hesitate to disagree with the committee as to the time. I am not going to discuss the matter at length, but I want to offer a suggestion or two as to why I should like to see a shorter time fixed. I understand the amendment will have the effect of limiting it to eight years.

There is an element of injustice in undertaking to limit importations from the Philippines during the time that they are still a part of the territory of the United States. If we undertake to put a limit upon the amount of products—coconut oil, sugar, and cordage—which they may import, it can hardly be defended as a matter of justice. And yet, Mr. President, if the long time of 18 years is to elapse between the passage of the bill and the independence of the Philippines there must necessarily be a marked limitation upon all imports from the Philippines. That is true with reference to sugar, which has been discussed at length. That is also true with reference to coconut oil and other products. It seems to me that the way to avoid doing a signal injustice of that kind, and at the same time avoid doing a great injury to agriculture in the United States is to limit the time within which they may have their independence, give them their status as soon as it can possibly be given, and give them then the attributes of an independent nation. The long period will work an injustice to Filipinos and a great injury to agriculture in the United States.

Mr. President, I wish to invite attention to a statement which appears in an address made by Mr. Frederick E. Murphy, publisher of the Minneapolis Tribune, on the question of the importation of coconut oil and the serious effect which it has upon the agricultural interests of the United States. He said:

One has but to observe the increased use of such a product as coconut oil to realize the change that has taken place. The average importation of coconut oil, 1921 to 1925, was 392,000,000 pounds, which had increased in 1930 to 655,000,000 pounds. The average of palm and palm kernel oil, 1921 to 1925, was 89,000,000 pounds; for 1930 it was 250,000,000 pounds. And while we are importing these oils, the American farmer is forced to export a billion pounds of animal fats each year. In 1934 the United States was exporting more oils, oil materials, animal and vegetable fats than we were importing. But in 1929 our imports exceeded our exports by approximately 1,000,000,000 pounds. This, of course, is what is driving the dairy, the hog, and the cattle producers into a frenzy. The increase in world production from 1923 to 1929 amounted to 5,000,000,000 pounds.

Coconut oil has fallen in price from 18 cents in 1918 to 4½ cents in 1931. During the same period cottonseed oil has fallen from 24 cents to 7 cents, tallow from 17.9 cents to 4.3 cents. Other vegetable and animal oils and fats have shown the same price decline.

The world production of vegetable oils in 1929 was not far from 20,000,000,000 pounds, or ten times the butter production in the United States. The American farmer not only has to compete with the Tropics but with the ocean as well. In 1931 the world production of marine-animal oils is estimated at 1,750,000,000 pounds. Of this nearly 1,500,000,000 pounds was whale oil. Whale oil is now used for the making of butter substitutes in Europe and to a small extent in the United States, otherwise it chiefly goes into soapmaking.

The American farmer finds himself in desperate competition with the fecundity of the Tropics and the teeming animal life of the ocean, while he struggles with the less bountiful soil along the forty-fifth parallel of latitude.

The American farmer also finds himself at a grave disadvantage in the matter of transportation. A large percentage of our industrial and commercial population lives on or near the seaboard and is more accessible to foreign markets for food and industrial raw materials than it is to the center of our agriculture. A very large proportion of American agricultural products comes from the Central States, which average a thousand miles from seaboard, in contrast to Argentina, Australia, and other countries, where most agricultural products are produced relatively close to tidewater. Ocean rates are extraordinarily low. In contrast to these low water rates are the high domestic railroad rates which must be paid on the mass of agricultural products from the farms of the Mississippi Valley. Flax is grown a few hundred miles from the seaboard in Argentina and laid down at New York at a price which the North Dakota flax grower can never hope to meet. New Zealand sells butter in San Francisco.

Mr. President, there has been provided a limitation of 150,000 long tons. I think an agreement was made to that effect yesterday afternoon. That is better than 200,000 tons, although I do not think the effect is very materially different.

Mr. PITTMAN. Mr. President, may I interrupt the Senator at that point?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. Yes.

Mr. PITTMAN. The writer of that statement is dealing with world production of fats.

Mr. BORAH. Yes.

Mr. PITTMAN. The only pertinent question so far as the pending legislation is concerned is the quantity of such products coming from the Philippine Islands——

Mr. BORAH. Exactly.

Mr. PITTMAN. Because the question of excluding or limiting other world production is another matter.

However, I wish to call the attention of the Senator to the fact that the total consumption of all edible fats in the United States in 1931, according to the Bureau of the

Census, was 5,666,000,000 pounds. The total edible coconut-oil consumption in the United States was 220,000,000 pounds, or approximately 3.8 per cent of the total. That, however, does not tell the entire story, for the reason that over half of that 3.8 per cent came into this country from other countries than the Philippine Islands, coming here in the form of copra, which is the meat of the coconut. So when we analyze it, we find that only one-half of 3.8 per cent, or 1.9 per cent, of the total consumption of butterfats in the United States came in from the Philippine Islands. That is the point I am getting at. That matter of 1.9 per cent of the coconut oil that comes in, and at which figure the imports from the Philippines are to be limited forever, no matter how much our population may expand, is insignificant to us but important to the Filipinos. I am only comparing the significance of it to our farmer with the importance of our doing justice to a people who must depend on us to do whatever we want to do.

Mr. BORAH. Mr. President, I quite agree with the Senator. As I indicated in my opening remarks, we have a duty to perform, and we ought to deal justly with the Filipino people. My opinion is that the Filipino people, if they are equipped for self-government, are equipped for it within the next five years. I feel that five years would give time enough to make preparation for their new status. We are proceeding upon the theory that they are fitted for self-government, and that it is only necessary to give time to arrange for the new responsibilities.

Mr. PITTMAN. I agree with the Senator to this extent: My observation from two trips to the Philippines, one in 1925 and one last summer, is that the Filipinos are far better equipped for self-government, mentally and by experience, after 30 years of government under American auspices than are most of the Latin American countries. I must say, however, that there is a branch of government they have not had much experience with and that is the branch having to do with financial and economic matters, because we ourselves have actually taken care of all such questions for them.

Mr. BORAH. If we have not done it any better there than we have here, we have not done anything to brag of.

Mr. PITTMAN. In some respects it has been done better there. We had one administrator there who seems to have been an economist and financier, and the work has been done very well. In determining when independence should take effect one of the principal considerations was the period of time, according to the best expert opinion, needed for a readjustment of conditions. Opinions may differ as to that.

Mr. BORAH. I got the impression that the provision in regard to 18 years was the result of a compromise between those who wanted a much shorter time and those who did not want to grant independence at all.

Mr. PITTMAN. I am frank to say to the Senator that that is largely true. As I said the other day, some of them wanted an intervening period of 25 years and some of them wanted independence to come in as short a space as two years. With all the varying degrees of thought in the Congress, we tried to get a sufficient majority to agree on something. But there was still another thing about it. I would not like to leave the question as though conclusions have been reached in a careless manner.

Mr. BORAH. Oh, no; I did not so indicate.

Mr. PITTMAN. There were two phases of it. First, however, let me refer for just a second to what Aguinaldo said. I think Aguinaldo probably is the most independent man in the islands, because he holds no office and wants no office and is looked upon as the elder statesman. His proposition was to give them freedom in 5 years, and after the 5 years to continue for 10 years the same commercial arrangements with the United States as now exist, so that they could in those 10 years find a market in lieu of that which we would otherwise take away from them or largely restrict by imposing our tariff duties on their products after independence was granted. In other words, he wanted free trade with the United States for 10 years after the 5-year period. Then the quota suggestion was made for the purpose of preventing them from increasing their production, as far as we are concerned, and limiting their exports to us so that we would know just where we stood, at least during the 10-year period.

Those who are deeply interested in the Filipinos felt there were two reasons why we should put a progressive tariff on their products, first to teach them the necessity of hunting other markets, for so long as they were allowed a quota of free imports to the United States it was felt that they would not learn the necessity of finding such new markets. So it was said, "Let us put a progressive tariff on them for 5 years after 10 years."

Let us see what it means to them. That was advocated by very strong friends of the Filipinos who wanted to teach them to take care of themselves, but there was another group who wanted that same thing for an entirely different reason. They wanted it in order to accumulate a fund for the purpose of paying the bonded indebtedness of the islands, for which we are morally responsible. They said this tariff which will be put on in the form of a duty during that five years shall go into a fund which may not be touched for any purpose except to amortize the bonds, so that at the end of five years, when they have absolute independence, if they shall vote for it, payment of such bonds may be provided for.

We now find in the bill the period of 18 years. Fifteen years could be spoken of just as well, because they have a right to have their plebiscite at any time after 15 years, but we think it might take two years to conduct the plebiscite. We do not know as to that; it might not take more than a month. So we might just as well say 15 years as 18 years.

Mr. BORAH. Mr. President, I will say to the Senator from Nevada that I intend to vote for whatever bill is ultimately presented which looks to the independence of the Philippines, because I am very anxious at some time or other that they shall have their independence; but I do think it is unfortunate that we should hold these people for 18 years and control and dominate their business practically for all that time, limit their exports and limit therefore their development and limit therefore in a measure their growth during that time. In other words, they are a part of the United States for 18 years. And while we are doing them an injustice in this respect we are working great injury to American agriculture.

Mr. PITTMAN. Mr. President, we do not limit their exports.

Mr. BORAH. We limit their exports of sugar and coconut oil.

Mr. PITTMAN. We limit their exports of sugar and coconut oil and cordage to the United States.

Mr. BORAH. That is about all there is to it.

Mr. PITTMAN. I will admit until they find some other market that is largely true.

Mr. BORAH. I said "limited the amount," because I thought the United States was practically the only market.

Mr. PITTMAN. It is now practically the only market.

Mr. BORAH. And during the time we are holding them under our control I say we are putting a limitation upon their development. I think that it is infinitely better to shorten the time and to reach the time as speedily as possible when they may go forward with their development in their own way and according to their own ability. I do not think that at this time the Filipino people are capable of self-government in the sense that we use that term with reference to ourselves, but I think they are capable of self-government which will be in their interest and for their welfare much more than will be tutelage under the United States. Therefore I would rather take the chance of giving them their independence a little earlier than to take the chance of limiting them in their development for the next 18 years and, at the same time, in a large measure, putting them in competition with the agricultural interests of the United States. We can not escape doing some injury some-

where. We can not tear peoples apart without some pain. It seems to me, for all concerned, that the operation be as speedily performed as possible.

Mr. PITTMAN. Mr. President, of course I agree with the Senator that it would be unthinkable so long as we dominate them to deprive them of the privileges to which they are naturally entitled unless they themselves agree to it; but of course they have agreed to this limitation.

Mr. BORAH. Yes; but Mr. President, the Senator knows that when you put up to a man a certain condition on one side and on the other side his independence and his liberty he will agree to pretty nearly anything in order to get the latter. Any Filipino will confirm that statement as I have made it. They have to agree to these things. They were not free to have their own way about it. The Senator will agree with me, I am sure, upon that proposition.

Mr. PITTMAN. Not entirely so. In the opinion of those who understand the Philippine question as does the commission which is here they would have to take one of two alternatives. The two alternatives are simply these: The minute they get freedom of course they are subject to all our tariff laws. They do not expect anything different to be accorded them when they get freedom. They know that if they get freedom to-morrow they would have on their hands sugar and coconut oil and commodities of that kind which they could not sell, and they would become bankrupt. They do not want that. They do not want freedom to-morrow with our laws moving against them. They do not want it in less than five years if our laws move against them; but they want and they must have our market for at least their present exportation to this country for a period of time, because freedom without that would mean bankruptcy.

So to say that they were forced into it is not exactly true. They themselves may think—and I do not doubt they do—that if they had six years of free trade or the quota applying to their present products they could get out of it by finding some market for their surplus in China and Japan. They might not agree exactly on the time, but I assure the Senator that those who understand the financial and economic condition of the government of the Philippine Islands do not want what is called immediate independence. So this thing has not been forced on them. They want the quota arrangement until they can get out of it. As I have said, they differ possibly as to the time it will take them to do it. Some of them think that 5 years will suffice, some 6, some 8, and some 10.

Mr. BORAH. Mr. President, no people ever acquired the capacity for self-government without a vast amount of serious experience, and the Filipino people, it does not make any difference when we release them, will have to go through that experience. They will stumble many times and they will fall many times before they actually are capable of self-government. That is the history of every people, even the proud Anglo-Saxon. What a period of test and trial they had! There is no such thing as stepping from dependency to independence and self-government without sacrifice.

If this does not prove true as to the Filipino people, they will prove to be the most exceptional people in the world. They will certainly be different from our own ancestors.

I should like to see an earlier period of independence. I say this in the belief that they will be much better off 18 years from now or 20 years from now should we give them a shorter period of time, and give them the full quota of development during that time. Let them have the full right which they have now of exporting to the United States, but give them their independence. Within that time they can certainly arrange their affairs if they are capable of self-government, as I believe they are.

Therefore, while I do not desire to discuss the matter at length, I feel that the time of granting independence ought to be shortened; and I feel that if the committee had not been embarrassed by those who were determined that there should be no independence at all, it would have been shortened.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. BORAH. I do.

Mr. BINGHAM. I merely desire to ask the Senator whether I understood him correctly that in voting for a shorter period of time he was at the same time desirous of expressing himself as being opposed to any limitations during that period.

Mr. BORAH. If the time could be limited to five years, I think it would be infinitely better for the agricultural interests of the United States to give them their full rights as they have them now with reference to exporting to the United States; and I should be perfectly willing to do that, although I know that there are a great many who have a different opinion.

Mr. BINGHAM. Is the Senator familiar with the fact that if no limitation is placed upon them, the chances are that next year the amount of sugar exported to the United States from the Philippine Islands will amount to 1,200,000 tons, or nearly twice as much as last year?

Mr. BORAH. Perhaps it is so, which illustrates how unjust we are to these people in clamping down on them and refusing them the right to develop and to grow. We are holding them to the United States, and during that time we are refusing them the natural development and growth to which they are entitled. If we are going to give them their independence, if the time has arrived when it is well to discuss the question of independence, if they have reached the point where they are fit for independence, let us give it to them as quickly as we can, and then give them all the attributes of an independent nation. Let us do justice to them as nearly as possible even if it is costly to our own people. But let us not prolong the agony.

Mr. BINGHAM. The Senator was basing his argument largely on the benefit to American agriculture from this proposal. I was endeavoring to call his attention to the fact that even if we voted to-day to give them their definite independence in five years, and left the door open for the next five years, the damage to American agriculture during that period would be enormous.

Mr. BORAH. Then, correspondingly, the damage to the Philippines must be enormous when we refuse to permit them to do so.

Mr. BINGHAM. No, Mr. President. The damage to the Philippines if we follow the bill as worked out in the committee, which would permit the status quo to be extended for about 10 years and then gradually accustom them to a loss of the American market by placing a certain percentage of our tariff duties in effect as export duties from the Philippine Islands, as the Senator from Nevada has explained, increasing them every year for five years would give them a chance gradually to become accustomed to economic independence; whereas the plan proposed by the Senator from Louisiana, which the Senator from Idaho has just expressed himself in favor of, means total and complete disaster for them at the end of eight years, and also disaster for American agriculture in the meantime.

Mr. BORAH. I can not quite agree to that; but the Senator must recognize the fact that there is an element of supreme injustice in refusing these people the privileges of Americans while they are held as Americans. They are part of the United States now.

Mr. BINGHAM. I agree with the Senator to a very large extent; but I do not see any reason why we should continue to give them a free market under the present circumstances, and why we may not say, "You have gone far enough now, and you must continue under the status quo for the next few years."

Mr. BORAH. If I did not think the Filipino people were fit for self-government at this time, I should not be at all interested in this bill. I think they are, and I think that if the time is shortened and they are spurred up to taking hold of the matter that much earlier, they will do so.

Eighteen years, as proposed in the bill, is a long time. Think what has happened to the governments of the world

in the last 18 or 20 years! We are proposing to carry the matter along here for practically 20 years with a certain amount of responsibility, but without any real power, and we are proposing to limit them in their right to development during that time and the right to build up their country during that time.

Mr. BINGHAM. Not any more than or nearly as much as we would by giving them immediate independence.

Mr. BORAH. Of course, that is a difference of opinion.

Mr. BINGHAM. Mr. President, if we gave the Filipinos immediate independence it would result in complete bankruptcy in the islands. The National Bank of the Philippines in Manila, which is their chief bank, and which came to the verge of bankruptcy a few years ago when Governor Harrison was there, and turned over the affairs of the bank to a committee of three Filipinos, from which we have finally rescued it and put it back, so that it is at the present time solvent, has its chief investments in sugar plantations—62 per cent, I am informed by the Senator from Michigan [Mr. VANDENBERG]. If we were to give them immediate independence we would force those sugar plantations into bankruptcy. The Bank of the Philippines would be forced into bankruptcy. Their ability to pay their debts, or to carry on as an economic country, would be hampered to such an extent that it is difficult to paint the picture.

The Senator from Idaho pictures them as fit for independence. I agree with him that, so far as concerns their political sagacity, their mentality, their education and so forth, they are fit for independence; but, as the Senator from Nevada [Mr. PITTMAN] has pointed out, in their experience in finance they are a long way from being able to look after their own people as we should like to see them do it or as they themselves would like to do it.

Mr. BARKLEY. Mr. President, will the Senator yield there? Are they alone in that condemnation?

Mr. BINGHAM. Just a minute. If we grant them independence and place them where they will have to compete with other Asiatic nations we shall see them competing with the Chinese and the Javanese, because in southern China and in Java the products are similar to those of the Philippines. If the Senator thinks that after having raised them to a standard of living that is entirely different from that of their neighbors it is a part of our duty as their guardians, looking after 13,000,000 people as our wards, to place them suddenly where they must compete with the people of southern China, whose daily wage is 10 or 15 cents, and the people of Java, who are in a state of almost serfdom, where their crops and everything else are entirely under government supervision, where their wages are not more than 10 or 15 cents a day—if the Senator thinks it is fair to them to force them suddenly to compete with southern China and Java in the markets of the world and reduce the Filipino population to the level of their neighbors, the Senator, of course, is entirely within his rights.

Mr. BORAH. Of course, I am within my rights; and the Senator has proven conclusively that this bill ought to be indefinitely postponed.

These people have been under our tutelage, if I may use that term with reference to a people, for the last 30 years. They have not acquired during that time, thinks the Senator, any real knowledge with reference to finance; but they are going to acquire this knowledge within the next 15 or 16 years, so that they will be perfectly capable. Not having acquired any knowledge sufficient to enable them to go ahead in 30 years, in the next 15 or 16 years they will acquire sufficient knowledge concerning this intricate problem to enable them to go forward.

The Senator, I am sure, realizes that as a people they will not acquire sufficient information concerning that subject in that time if they have not done so during the last 30 years.

Mr. BINGHAM. Mr. President, there is another aspect of this matter which has not been touched upon, and that is the provision of the bill which enables the people of the Philippines by a plebiscite at the end of the period of experimentation to determine whether or not they want to be independent.

It is the belief of many of us who have been there and who have studied the question very carefully for many years that although it is quite true that the great majority—possibly 98 per cent—of the people of the Philippine Islands to-day would like to see immediate independence, it is chiefly because they do not appreciate what that will do to them economically. Most of them think in terms of Americans.

Mr. BORAH. That is precisely what the King of England said to us.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. BINGHAM. I do not follow the Senator from Idaho in his historical reference.

Mr. SHORTRIDGE. Mr. President, at some time I want to say something on this subject.

Mr. BINGHAM. I have not the floor. I have been speaking only by the courtesy of the Senator from Idaho.

Mr. SHORTRIDGE. Mr. President, a point of order. Who has the floor?

The PRESIDING OFFICER (Mr. FESS in the chair). The Senator from Idaho has the floor.

Mr. SHORTRIDGE. I thank the Chair.

Mr. BORAH. Mr. President, when the Senator from Connecticut gets through I shall be glad to yield to the Senator from California.

Mr. BINGHAM. May I say to the Senator that one of the provisions of the bill which the committee believe in is the plebiscite at the end of the period, because we think that at the end of the period the people of the Philippine Islands themselves, the great mass of the common people, will come to an understanding of the economic cost of independence. If they then want independence in view of what it is likely to cost them they will at least be voting with their eyes open, instead of with their eyes closed as at the present time.

Mr. BORAH. I really do not understand why the Senator should say they have their eyes closed at the present time. They have been demanding independence since the day we went in there. They have been schooling themselves into the idea that they were fit for independence. They have been equipping themselves for independence. They have had 30 years in which to consider the matter. Their eyes certainly were not closed. The Senator can not find any Filipino leader or otherwise who would admit that to be a fact. Indeed, they practically enjoyed independence when we went to the Philippines and took over the administration of their affairs.

Mr. BINGHAM. It has been called to our attention that Aguinaldo says he would like to see independence in 5 years, and have a period of 10 years of free trade. He knows what putting up a tariff barrier is going to do to those people. The Filipino leaders who are wise in the matter to-day do not desire independence with a tariff wall.

Mr. BORAH. I think Aguinaldo is exceedingly wise in the position he takes. He wants his people to be free and independent as soon as possible, to have all the attributes of independence, and he naturally wants the favor of a great country like the United States. What country does not? We know of two or three countries now that are particularly interested in favor from the United States. What country would not want that? Aguinaldo, in my judgment, is a wise leader in making the suggestion. He does not want to delay independence, because he knows perfectly well that no people ever acquired the capacity of self-government under any tutelage; it does not make any difference how kindly and beneficent that tutelage is. They have to learn it. As Woodrow Wilson well said, we can not hand democracy to a people. If we should grant independence to the Philippines 50 years from now, they would still have to go through the same experience, which is necessary to equip them for self-government, before they would be fit for it.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I do.

Mr. BARKLEY. The Senator from Connecticut suggested that at the end of 18 years the people of the Philippine Islands might vote in a plebiscite with their eyes open with reference to the cost of the Philippine government. As I understand, the Philippine people have been paying the cost of their own government for many years. They levy their own taxes. Their own legislature levies taxes for the support of the Philippine government. To that extent for a number of years they have had that experience, and already have their eyes open, have they not, as to the cost of their government?

Mr. BINGHAM. If I said "the cost of government," I misspoke myself. I meant the cost of a tariff wall. I did not mean the cost of government in the sense in which the Senator from Kentucky is using it, but rather the cost to their economic system of the loss of the free-trade market of the United States.

Mr. BARKLEY. Are not their leaders sufficiently farsighted to discount that at present, so that they may form some accurate estimate as to what that cost will be, if it is a cost?

Mr. BORAH. Mr. President, I yield the floor.

Mr. PITTMAN. Mr. President, I have to say once again there is no doubt in my mind that the Philippine people are educated to govern and are capable of better government than most of the Latin American peoples. I do say, however, that they are not completely trained, since they have not had the business experience in the financial end of government, because our Government has had practically exclusive control of them.

I wish to say another thing: That it is not only a wise thing in Aguinaldo to ask for 10 years of free trade with our country, but, in his opinion, it is a necessary thing, absolutely necessary. The view expressed by the Senator from Idaho that the experience of people in government must be their own experience and not somebody else's experience is also true, and those people would have been much better off if we had allowed them to go on with their government in 1898, a government which they organized, under a constitution which contained practically every safeguard to be found in our bill of rights. But we did not do it; that is the fact.

Mr. BORAH. And have we not in the meantime subtracted something from their capacity for self-government?

Mr. PITTMAN. We have not only subtracted something from their capacity for self-government but by the laws we have forced upon them we have put them in a worse position, so far as self-government is concerned, than that in which they were before 1898. I mean by that that in 1899, after we had given the Spanish free trade in those islands for 10 years—that is, their ships and commerce being admitted on the same conditions as were ours—then we commenced to exploit the Philippine Islands.

Mr. SHORTRIDGE. Mr. President, may I ask just one question?

Mr. PITTMAN. Allow me to finish this sentence.

Mr. SHORTRIDGE. Have we been a blessing or a burden to those people?

Mr. PITTMAN. There goes the Senator again on that.

Mr. SHORTRIDGE. I claim we have been a blessing to the Philippine people.

Mr. PITTMAN. It is a complex situation that I am trying to explain. In one sense, yes; in another, no.

We commenced to exploit them in 1899; how? We placed a protective tariff against importations from any country except ours. In other words, we said, "We want you to do business with nobody but us." The inevitable result and the natural result of that was that as other people could not sell to them, other people did not buy from them, and the trade was all between us and them.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. PITTMAN. In one moment. To-day 95 per cent of all the revenue business of the islands is exclusively with the United States, and they have no markets anywhere else; and if we give them independence under any theory, that will destroy their market here until they have time to build something else, and we will not be doing them an injustice, but we will be doing the most inhuman, cruel thing that was ever done, based upon the exploitation of our Government.

Now I yield to the Senator from Kentucky.

Mr. BARKLEY. On yesterday either the Senator from Nevada or some other Senator made the statement that the Philippine people over a period of years had bought some 67 per cent of their imports from the people of the United States. In view of the Senator's statement just a moment ago, that we forced them to levy tariffs against every other country except our own country, I am wondering whether that 67 per cent of purchases by the Philippine people from us was voluntary or involuntary.

Mr. PITTMAN. It was so natural that it is easily understood. When they sold their products here, they bought here.

Mr. BARKLEY. Of course they could import, without any tariff duties upon products coming from the United States. Of course they could export out of their country, and bring into the United States Philippine products, also free of tariff. I was just inquiring as to what extent their large purchases from us were voluntary, because yesterday I understood it was used as an argument in favor of the Philippine people that they had given us a very much larger proportion of their trade than they had given to any other country.

Mr. PITTMAN. It was very much larger. The figures I put in the RECORD yesterday.

Mr. BARKLEY. That would be perfectly natural, if they did not have to pay a duty on products from our country and had to pay duty on all products from other countries.

Mr. PITTMAN. People buy generally where they sell. They sold for gold in the United States and used the money to buy what they had to buy. But they have been forced to become a part of our economic and financial structure. That is where we stand. We did not want to do it. In 1899, when we proposed to place the Philippine Islands on a free-trade basis with us and proposed to require them to put a duty against every other country in the world except the United States, they opposed it in their legislature by a unanimous vote; but we made them do it anyhow.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. LONG. Suppose that in the pending eight years we permit the Filipinos to level the tariff wall on goods coming to the islands and just carry along our restrictions; would that encourage them to shorten the period?

Mr. PITTMAN. It might help things; I do not know to what extent. If we allowed them to reduce their tariff wall so as to come in competition, other people might start to buy from them, but I have heard no indication in the Congress whatever that we desire to give any other country the benefit of the trade in the Philippine Islands; nor do I think any such thing could pass.

Mr. LONG. I make the suggestion.

Mr. PITTMAN. I know there are many bright things suggested; but the Senator probably could not get the votes to carry it. The way things are drifting, from what we hear around Congress as to what the Members of Congress think is the best thing to do, I doubt right now whether any bill for Philippine independence will pass.

A bill passed the House which provided for independence in a short time. The amendment offered by the Senator from Louisiana [Mr. BROUSSARD] is practically the same as the House bill in the matter of time, providing for independence after eight years. If Senators vote for the amendment of the Senator from Louisiana, they vote for the House bill. We may as well understand that. But if the period of eight years is agreed to, as provided in the House bill, then we will have to change this whole bill, and we might as well proceed

to take the House bill instantly, without any change, if we are going to do it, because the provisions of the pending bill would have to be entirely altered. There would be no progressive tariff. That would go out entirely.

Mr. BORAH. Mr. President, will the Senator yield for a question?

Mr. PITTMAN. I yield.

Mr. BORAH. When I was speaking I had in mind a simple change in the time provision. The Senator says the entire bill would have to be rewritten. What are the material differences, then, between the House bill and the pending Senate bill?

Mr. PITTMAN. The material differences are, in the first place, that under the House bill at the end of eight years we would proceed to divest ourselves of sovereignty. The quota system in the meantime would be substantially the same—I think exactly the same. The pending Senate bill provides for 10 years, the House bill for 8 years.

After 10 years, under the Senate bill, they would proceed to have a tariff on the quota provided. A progressive tariff would be applied over a period of five years, steadily rising up to the maximum. Of course, that not being in the House bill, it will be dropped; we will have none of that.

Those are the two main distinctions. A plebiscite is provided for in the pending bill; that is, at the end of 15 years they would have a plebiscite to determine whether or not they wished to continue under the autonomous government that is established in the bill, and in the House bill, or whether or not they desired entirely to dissociate themselves. Those are the differences.

Mr. BORAH. If the Senate bill should be passed, and the entire matter should go to conference, would it be practicable then to so adjust the measures as to limit the time?

Mr. PITTMAN. I think I may say something that is so naturally to be expected that it is a violation of no confidence. We know that there is to be an adjustment in the conference committee between the House and the Senate, and we know that it will result in a shortening of the time. We know that. I say it is known; I suppose that is far enough to go. But if the Senate adopts the Broussard amendment, it not only throws the question of time out of conference but there are a lot of little details of the bill which it will throw out of conference. Of course, if the Senate is going to do that, if there are not to be left any questions for conference between the House and the Senate, and if the Senate adopts the Broussard amendment instead of attempting to try to push this bill, with its various little differences, we might just as well then substitute the House bill and adopt it and quit. That is a matter for the Senate to determine. I think we could work out a lot of these things much better in conference.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. McKELLAR. As I understand it, the pending bill is entirely satisfactory to the independence organizations as represented by the Filipinos here. Is that correct?

Mr. PITTMAN. It is.

Mr. McKELLAR. And they are entirely satisfied to have the Senate pass this bill. I want to say to the Senator that I am one of those who believe that independence ought to be granted at the earliest possible moment. On the other hand, I conceive the situation which the Senator has just pointed out, and it seems to me he has done it splendidly, namely, that there are certain relations, business and financial relations, existing between this country and the Philippines, the disregarding of which might be very hurtful to the Philippines, if we granted them immediate independence, and it does seem to me that a bill along this line, satisfactory to those who are asking for independence in the Philippine Islands, we might well pass. Therefore, though I am one of those who believe, and have long believed, in the immediate independence of the Philippines, if it could be properly adjusted, I think we ought to follow the recommendations of the committee in this case and pass the committee bill and settle the matter along the lines the Senator has indicated, in the conference between the two Houses.

Mr. PITTMAN. I thank the Senator. I said practically all I wanted to say yesterday, and I know the Senator from California wants to speak on this subject, but I want to add one thing.

It is unfair to the Philippine delegation to attempt to commit them to a bill. The speech of Speaker Roxas, one of the delegation, before the House committee, so clearly explained their position that none of us should attempt to elaborate on it. The members of this delegation come here representing the Filipino people, elected by their legislature. The facts with which they are dealing are the same as those with which we are dealing. They want independence at the earliest possible date. In connection with that earliest possible date, they look to us to protect, for a certain period of time—as said by Aguinaldo, 10 years—their existing trade with the United States. Exactly how we are to do that they have not directed us. If, as Aguinaldo said, we give them independence in 5 years and free trade for 10 years afterwards, that would be far preferable to the provision found in this bill; but if we could not do that, they still want 10 years of free trade, and if the period of actual freedom must be moved up so as to get their 10 years of free trade, they have to take that. Consequently, we can not bind these gentlemen to say that they favor any particular bill.

As a matter of fact, when the committee of the House agreed on the House bill the members of the commission said, "The commission has done the best it can. We hope our friends in the House will support this bill." When it came over here to the Senate and the committee had done the best it could with it, the members of the commission said, "We have done the best we can. We hope the bill will pass. Then we would have the two bills go to conference and the question of time may be adjusted."

I have never known as able a commission to appear in Congress on behalf of any government as the one composed of these men. They are the ablest men of the Philippine Islands.

I have never known any more courageous or fearless men to be on a commission. Knowing the intense desire of their people for immediate independence and yet knowing the impossibility of carrying on an independent government without cession from our Government, they are unwilling to accept immediate independence in the face of a condition that would be destructive. It took courage to take that stand. If there are any men who know the individual sentiment of every Congressman and every Senator on the question of the legislation, they are the individual members of that commission. They are more interested in the enactment of legislation in this Congress than they are in the details of the bill. They know that some things can get a majority vote in this body and some things can not get a majority vote. They would not sacrifice the enactment of legislation that would result in the independence of their island people for the purpose of carrying out an academic suggestion, no matter how sweet it might sound to their ears. They are practical legislators. Let me read the list of names:

Hon. Sergio Osmena, acting president of the Philippine Senate; Hon. Manuel Roxas, speaker of the Philippine House of Representatives; Hon. Pedro Sabido, majority leader Philippine House of Representatives; Hon. Ruperto Montinola, minority leader Philippine Senate; Hon. Emiliano Tirona, minority leader Philippine House of Representatives; Hon. PEDRO GUEVARA and Hon. CAMILO OSIAS, Resident Commissioners.

The highest type of men in the islands have been selected to work with us all during the session, as they have done. They laid down the fundamentals of the legislation they desire looking to independence, and said, "We realize that minds differ, and we have to get what the majority will agree to."

Mr. LONG. Mr. President, did they not agree to the House bill?

Mr. PITTMAN. Exactly—as I said. When their representatives were asked what kind of legislation they wanted, they said, "We are legislators. You have 435 men here whose minds differ. There are two things we want. We want independence, and we want it under conditions that will not make it impossible for our government to operate when we get it. We do not want you ever to have to come back there to protect your people and what you call your property. We want you to put us in a position of justice, and you know what justice is, so that when we take hold of it we will have an opportunity to conduct the government."

When the House committee worked out the bill they said to their friends in the House, "This commission has done the best it can, and we hope you will pass the bill." The bill came over here to us and was considered, and we submitted a report, and they said to their friends in the Senate, "The commission has done the best it can, and we hope you will pass the bill."

Mr. LONG. Either one would satisfy them?

Mr. PITTMAN. They have expressed no preference.

Mr. LONG. Either one would satisfy them; but if we get down to what is really in their heart of hearts, does not the Senator think they prefer the shorter time?

Mr. PITTMAN. I should say some might want it, but I have no way of ascertaining. One's stand would always depend on the thought in the mind of the man as to how long he believed it would take to substitute a market for that which they now have. If I had charge of the Philippines, it would be a desperate thought to me, because I doubt how long it will take them to find a market to compete with China and Japan.

Mr. LONG. I ask the Senator if in his own heart of hearts he does not honestly believe a majority of those persons would prefer the shorter time, if they were to speak what truly is in their hearts?

Mr. PITTMAN. I can not say that. I tried to find out myself. They will not discuss it.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Maryland?

Mr. PITTMAN. I yield.

Mr. TYDINGS. I have an amendment in my hand to make the time 10 years. It is restrictive in that it allows 800,000 tons of raw sugar. It fixes a limitation of 10 years. I know the Senator has devoted much more time to a study of this question than I have, and I am reluctant to offer the amendment unless he thinks it is worthy of being considered.

Mr. PITTMAN. I have no doubt the Senator has given careful thought to the amendment. So far as I am concerned, I could give an opinion very quickly without reading it.

Mr. TYDINGS. May I offer it as a substitute and ask that it be read after the Senator from Nevada yields the floor?

Mr. LONG. Mr. President, I want to submit a parliamentary inquiry. We are considering an amendment proposed by the committee. The senior Senator from Louisiana [Mr. BROUSSARD] has submitted an amendment to the amendment. Is an amendment to the amendment to the amendment at this stage in order?

The VICE PRESIDENT. It is in order under Rule XVIII.

Mr. PITTMAN. I would like to ask for information if by unanimous consent all after the enacting clause of the bill passed by the House was not stricken out and the Senate text substituted?

The VICE PRESIDENT. The Chair is advised that that is the pending question; that it has not been agreed to.

Mr. PITTMAN. I thought there was an agreement to substitute the Senate committee text for the House text.

The VICE PRESIDENT. The present occupant of the Chair is advised that that was not done. He was not in the Chair at the time the question was raised.

Mr. TYDINGS. Mr. President, what is before the Senate? Is it the amendment which I just offered?

The VICE PRESIDENT. The amendment before the Senate is the amendment of the Senator from Maryland to the amendment of the Senator from Louisiana.

Mr. PITTMAN. I would like to know exactly what is the parliamentary situation.

The VICE PRESIDENT. The question now is on the substitute proposed by the Senator from Maryland for the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. COSTIGAN. Mr. President, essential statements made in to-day's remarks by the eloquent Senator from Idaho [Mr. BORAH] were refreshing. They tended to lift the discussion to a higher level than that on which it was proceeding toward the close of yesterday's debate. In line with what the Senator from Idaho has said I desire to read one paragraph from an editorial in to-day's Washington Daily News, as follows:

> We should free the Philippines now. They want independence. Whether it would be altogether to their advantage to have it is not the issue; they have the right of self-determination.

I ask that the entire editorial be incorporated in my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

The editorial is as follows:

[From the Washington Daily News, Tuesday, December 13, 1932]

PHILIPPINE INDEPENDENCE

We should free the Philippines now. They want independence. Whether it would be altogether to their advantage to have it is not the issue; they have the right of self-determination.

Ever since the Wilson administration we have been promising them independence whenever they were ready for it. They are as ready now as they ever will be.

Of course, we have a responsibility to them. We can not fairly cut them off economically from the United States overnight after having made them largely dependent on free trade with us. There should be a brief period—say five years—in which they could continue to have tariff preferences for approximately the same amount of exports as now. That will give them time in which to readjust their economic life on an independent basis.

But under no conditions should we retain or accept any political responsibility for the islands after the grant of immediate independence. That should be made definite and clear in the legislation.

We can not be responsible for that over which we have no control—otherwise we might be plunged into all kinds of dangerous international complications.

Two objections have been raised to the course we outline. Some say that Japan would take the islands when America lets go of them. On the contrary, there are good reasons to believe that Japan does not want them for colonization and that she would join in any international guaranty of their sovereignty.

Some others have objected to giving the Philippines a trade preference, even for a brief transitional period, on the ground that it would injure our sugar growers and other farmers. In our judgment, any such temporary economic loss would be more than outweighed by the large naval economy the United States could achieve by drawing in its defense lines from the far Pacific.

To the United States the Philippines are a political, economic, and naval liability. If they wished to remain under our flag, it would be our duty to keep them regardless of the liability. But since they want independence, the sooner we give it to them and relieve ourselves of the heavy responsibility the better.

Mr. COSTIGAN. Mr. President, unfortunate reflections were cast yesterday on motives animating alike some friends and some opponents of the pending measure. It is to be hoped that we have heard the last of insinuating criticisms, which enrich no argument. Colorado is one of the States in which sugar beets are grown and converted into sugar, but so far as is humanly possible I trust that its votes will be governed by one consideration only, and that—the early grant of Philippine independence under reasonable safeguards to their deserving people.

It is true that various commercial interests are contending for and against the pending measure. That is to be expected. The important fact is that the Senate faces a dilemma. The able Senator from Utah [Mr. KING] wishes to emancipate the islands from American domination within three years, which may entail heavy economic burdens. At the other extreme we have a suggestion of the surrender of sovereignty in approximately 20 or 25 years. There is danger that the entire subject of Philippine independence will be cast aside unless the Senate proceeds on lines of moderation in keeping with American traditions.

Mr. LONG. Mr. President, will the Senator from Colorado yield?

Mr. COSTIGAN. I yield.

Mr. LONG. Inasmuch as the Senator is discussing the amendment of the Senator from Maryland [Mr. TYDINGS], I wish to renew my point of order on the matter and ask a ruling of the Chair.

The VICE PRESIDENT. Will the Senator from Colorado continue his discussion until the Chair has an opportunity to examine the amendment, which he has not yet had?

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Maryland?

Mr. COSTIGAN. Certainly.

Mr. TYDINGS. I dislike to interrupt the Senator, but in order to clear up the parliamentary situation I withdraw my amendment and offer as an amendment to that pending on the desk as a substitute for the Broussard amendment, to insert the word "ten" instead of "eight" where it relates to the years.

The VICE PRESIDENT. Without objection, that may be done.

Mr. TYDINGS. I thank the Senator from Colorado.

Mr. COSTIGAN. Mr. President, I trust the time finally fixed for independence will be shorter than that urged by the respected Senators from Missouri [Mr. HAWES] and Nevada [Mr. PITTMAN] because of the substantial fear that a prolonged postponement with a plebiscite at the end of some 20 years may be fatal. Powerful economic forces, entrenched in the Philippine Islands and elsewhere, and military and naval supporters, desiring to use those islands for military purposes, might be able thereby further to postpone and perhaps prevent the achievement of the objective most of us here to-day presumably have in mind.

Mr. President, the effect on world prices and competitive conditions of stimulated production in the Philippine Islands under our steadily advancing tariffs has long been recognized. Successful production in those islands has responded so definitely, and even in excess of prediction, to that stimulus that it has even been logical to urge that with duty-free imports from those islands our domestic sugar industry would be better off with somewhat lower rather than higher tariffs. Nevertheless, our tariffs within the last dozen years have advanced successively to higher figures. With each such advance in our sugar tariff the sugar industry in the Philippine Islands has expanded and our tariff bounties to Philippine sugar producers have become more substantial until it is increasingly important to consider the desirability of granting bounties under a modified tariff to our continental beet and cane growers as a feature of American farm relief.

It is true, as already suggested, that a desire to reverse this course has brought certain domestic sugar interests into the camp of those who are pressing for freedom of the Philippines on commercial grounds. Philippine investors in sugar, on the other hand, are pressing at this hour for the postponement of independence and the retention of all possible duty-free advantages. Personally, as one of those who have long been impressed by the economic interpretation of history, I have welcomed the impulse of events toward Philippine freedom, not because I put economic interests first but because the invaluable blessing of liberty rises far above such interests. It should be added that, even if certain domestic interests in Colorado, as elsewhere, are at this time urging Philippine independence for what they consider their material gain, the people of Colorado as a whole are, above all else, wedded to justice for its own sake to the Philippine people. Certainly our mountain-inspired citizens are as liberty loving as any sons and daughters of the seven seas.

Liberty is worthy of sacrifices. Our forefathers paid for colonial independence with blood and treasure. The Philippine people will be fortunate if, as we hope, minor economic readjustments are the principal problem before them after our national trusteeship shall have been happily and voluntarily terminated in accordance with our national promises.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Maryland [Mr. TYDINGS] to the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. HAWES. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulkley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. DILL. Mr. President, I shall not detain the Senate by any extended address; but I desire to explain my position regarding this bill and the pending amendment.

The question of Philippine independence is a burning question on the Pacific coast. The people who live there have problems growing out of Philippine immigration and Philippine imports that are much more acute than in other sections of the United States. For my part, I should like to vote for Philippine independence at the earliest possible date that will not be seriously destructive of American interests in the Philippines; I should like to vote for an intervening period of five years instead of eight years; and yet I am constrained by the judgment of Senators on the committee who have made a long and careful study of this question. Therefore, I am willing to accept the 8-year amendment of the Senator from Louisiana [Mr. BROUSSARD].

It seems to me that if we intend to give the Philippine people independence at all, an 8-year limitation is, indeed, a considerable period of time, and to extend it to the period of 18 years as provided by the Senate bill would be such an extension that it would make the bill practically worthless from the standpoint of independence. There may be in the measure other features which are desirable, but certainly from an independence standpoint it becomes worth very little. So I have concluded to vote for the amendment of the Senator from Louisiana providing Philippine independence after eight years. My first intention was to try to amend the amendment so as to assure independence after five years, but, for the reasons I have stated, namely, the careful consideration given to the question by members of the committee and their decision, I am constrained not to attempt to do that. If I vote for the amendment of the Senator from Maryland providing independence in 10 years and that shall be adopted, of course it will preclude us from adopting the 8-year amendment. So I shall vote against the 10-year provision, in the hope that it will be defeated and that we may adopt the 8-year provision.

Mr. BINGHAM. Mr. President, will the Senator from Washington yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Connecticut?

Mr. DILL. I yield.

Mr. BINGHAM. Does the Senator from Washington feel with the Senator from Idaho [Mr. BORAH] that there should be no restrictions at all during that 8-year period?

Mr. DILL. I am not so concerned as the Senator from Idaho is probably, as to that phase of the question; but I believe that we shall never prepare the people of the Philippines for independence so long as we bind them too closely and too rigorously under rules of this Government.

Mr. BINGHAM. Does the Senator favor the committee's position that there should be a graduated year-by-year scale of increasing tariff arrangements in the shape of an import tariff so as to help the Filippinos pay off their bonded indebtedness?

Mr. DILL. I think that provision is a good provision, but I think it has been entirely overdone in this bill.

Mr. BINGHAM. Does the Senator desire that there shall be a 5-year step-up rather than a 10-year period when nothing is done?

Mr. DILL. I object to the proposal that there should be 18 years taken in order for us to get ready to get out of the Philippines.

Mr. BINGHAM. The Senator realizes that the 18 years consist of a 10-year period of economic adjustment and status quo, 5 years of a step-up and 3 years merely is to accommodate the Filipinos in shaping their own legislation and holding a plebiscite.

Mr. DILL. I think the second plebiscite is absolutely unnecessary. I think it is a mistake to have a second plebiscite. That is one of the principal reasons why I am in favor of the amendment of the Senator from Louisiana.

As to the 18-year period, I have no way of knowing what conditions will be 18 years hence. I can judge but little of the possibilities of what will develop in 18 years by looking backward 18 years; and when I look backward 18 years I find myself away back at the beginning of the World War.

Who could have foreseen 18 years ago—aye, even 12 years ago—the world conditions that now exist? So, from my viewpoint, it is little short of ridiculous to talk about a bill that grants independence 18 years from now.

Mr. BINGHAM. I was not asking the Senator about that. I was asking the Senator whether he favored a gradual step-up period, with the export duties attached, which would help the Filipinos to pay off their bonded indebtedness. That is one of the principal features of the bill, as worked out by the Senator from Nevada and the Senator from Missouri, which is absolutely destroyed by the amendment of the Senator from Louisiana.

Mr. DILL. I do not favor the provisions as advocated by the Senator from Nevada and the Senator from Missouri, I will say to the Senator. My desire is to have a set time at which independence will actually arrive and be declared, without going through the process of having an election and having the American interests that have already fastened themselves on the Philippines preparing for that election during all this period, getting ready for that election, that they may defeat the plebiscite. I think that in itself is one of the worst things that could exist in the Philippine Islands during the period in which they prepare themselves for independence. It will be to the interest of those who want to prevent the plebiscite from succeeding to make the government of the Philippines a failure, so far as possible, in order that the plebiscite may fail. That is why I am so strongly in favor of the amendment of the Senator from Louisiana, which proposes to grant independence after a stated and fixed period.

Mr. BINGHAM. The Senator realizes that under the ægis of the United States Government a very large number of Americans in this country have invested in Philippine bonds, which were offered at a rate of interest comparable to that of the bonds of States and Territories, because it was believed that the United States was under a certain obligation to see that those bonds were paid. If independence is granted at the end of eight years, as the Senator desires, there is no assurance that the bondholders in this country will receive their obligations. If the bonds had been sold on a basis of independence, the Senator realizes that the rates of interest would have been comparable to those of the bonds of most Central or South American countries, namely, 8, 10, or 15 per cent.

Has the Senator any suggestions to make as to how the bondholders in this country who bought their bonds after advertisements by the War Department may be protected?

Mr. DILL. When the Senator brings up the question of South American bonds and compares them to the Philippine bonds, I want to say to him that he has gone into a field of conjecture and of lack of soundness of investment that I do not now want to discuss. I do not think it is worth discussing here. I believe that the Philippine republic will be able to pay its bonds; and I refuse to have a large section of the United States—in fact, I believe the great mass of the people of the United States—burdened with a continuation of our sovereignty in the Philippines under the excuse of helping a few bondholders who purchased their bonds knowing that the promise of independence had already been made by the Congress of the United States.

Mr. BROUSSARD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. DILL. I yield to the Senator.

Mr. BROUSSARD. Is it not a fact that these bonds were issued and sold in the face of the Jones resolution pledging the Congress to give the Philippines their freedom, in the face of the declaration officially made by President Wilson that they were ready for self-government and should have it, and in the face of the limitations which have been repeatedly sought to be imposed upon the Philippines since 1928, during which period since 1929 they have increased their production 100 per cent and now are asking us, after receiving these subsidies for many years, to continue that amount of importations into this country free of duty?

Mr. DILL. The Senator is exactly right. That leads me to refer to my own experience in connection with the Philippine question when I was a Member of the House of Representatives in 1916.

In that year the Senate passed a bill providing for the independence of the Philippines, and setting, as I recall, a fixed period for independence to go into effect. That bill came to the House of Representatives. It was passed; but a certain segment of the Democratic Members of the House at that time insisted that the fixed period—I think it was a two to four year period—should be stricken out and the number of years left indefinite, using the argument that it was not safe to fix a time for the end of American control. When that amendment was adopted, the same majority proceeded to appoint conferees and instruct them that they should not yield on that proposition.

Then and there the doom of Philippine independence for many years to come was sealed. The effort in this legislation is to seal again the doom of independence for the Philippines, not by expressly saying that we will not give them independence, but by fixing a date so far distant that nobody knows what conditions will be, either in the Philippines or throughout the world; and, worst of all, providing for a plebiscite which every monetary interest that wants to stay in the Philippines will be working to control during all of the 18-year period.

It seems to me that the committee bill as it comes here is designed by those who are opposed to independence to set up certain conditions that will make it practically impossible to bring about independence, even at the end of 18 years. That is why I want to see in this bill a definite time—8 years or 10 years, if we must have it, but a definite time—when American control of the Philippine Islands will end.

I believe we shall never get out of the Philippines until we fix a definite date, upon certain conditions to be performed by the Filipino people themselves, when we will withdraw our control. I believe it is in the interest of the Filipino people, I believe it is in the interest of the American people, I believe it is in the interest of the world, that we should get out of the Philippines and get out on a definite date.

Mr. SHORTRIDGE. Mr. President, it is much to be regretted that the Senator from New York [Mr. COPELAND] is not with us to-day, called away as he has been by a filial duty.

I listened respectfully, with much interest, to the argument of that Senator in respect of our constitutional power to withdraw our sovereignty over the Filipino people. With unfeigned respect for that learned Senator, and assuredly with great respect for the memory of Mr. Daniel R. Williams, who discussed that question with great learning, I am not in agreement with them.

Without elaborating my views or giving my reasons in support of them, I content myself by stating that I am of firm opinion that we have the constitutional power to withdraw our sovereignty over the Philippines; or, to express my view in this way, that we have the constitutional power to grant absolute, complete independence to the eleven or twelve millions of people inhabiting those islands away yonder across the Pacific. In a word, I think we have the constitutional power to pass, enact into law, a bill such as the one now before us.

History may take note of what goes on here to-day, and therefore for the official RECORD I read a sentence from what the Senate of the United States said when it advised and consented to the ratification of the treaty with Spain, after the Spanish-American War—the war that took us into the Orient. The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended, by approval of the cession of the Philippines by Spain, to—

> Incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor * * * to permanently annex said islands as an integral part of the United States; but * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands.

And here I wish to emphasize my firm belief that it is our duty to consider first the welfare of the people of the United States—not that I am indifferent to the welfare of the people of the Philippine Islands; far from that. I wish them peace, prosperity, and happiness. I wish them liberty of lip, and of hand, and of the press. I wish them all the blessings of freedom; but I think my first duty and our first duty is to consider and hold uppermost the welfare of the people of the United States of America.

I have sat here with patience and respect listening to figures, to arguments, to remarks of and concerning trade, commerce, money. Trade and commerce and money are important things, but liberty is more important. Independence is more important.

I do not recall that Patrick Henry, yonder in Virginia, spent much time in discussing money or trade with Great Britain when he stood up and uttered his immortal speech, closing with those sublime words, "Give me liberty or give me death!"

I do not recall that Thomas Jefferson spent hours in discussing the trade relations between the thirteen Colonies and Great Britain when he was drafting the immortal Declaration.

I do not recall that Warren, who died on Bunker Hill, nor any of the patriot fathers who met in convention and passed our and their Declaration of Independence were moved entirely by trade or commercial or money considerations.

It is true, sir, that there were some Tories in New York, perhaps in Boston, perhaps in Philadelphia, perhaps elsewhere, who opposed independence upon commercial grounds. But enough of that. I merely allude to it to indicate that while I am not indifferent to this subject matter of trade between the Philippine Islands and the United States, I am holding as more important our duty to carry out our promises and to give liberty, independence, to a people who struggled for 300 years for liberty and independence.

In 1916, Mr. President, Congress, as Senators all recall, in the preamble to the Jones law, declared that—

> It is * * * the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and recognize their independence as soon as a stable government can be established therein.

I undertake to say that there is a stable government in the Philippine Islands. I go farther, and, with respect to other nations north or south or east or west of us, state that there is as stable a government in the Philippine Islands at this hour as there is in many other independent countries of the world. If we were deferring the granting of independence to the Filipino people until the establishment of a stable government, that stable government exists, and the time is ripe for us to act and grant the independence promised.

Mr. FESS. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. With pleasure.

Mr. FESS. I do not think that I differ from what is being said by the Senator when he says that we ought to consider American interests first; but I have wondered whether, when we announced our policy originally, which seemed to be the only thing we could do, we did not have what we regarded as the best interests of the Filipino primarily in mind rather than our own, and whether in all these years all that we have done has not been primarily for the benefit of the Filipino, as we see it, rather than the benefit of the American people.

Mr. SHORTRIDGE. I think I can agree with the thought expressed by the suggestions of the Senator. We have indeed been altruistic, and I repeat what I said a moment ago, that we have been a blessing, an unmixed blessing, to the Filipino people. We gave and guaranteed to them the same rights that we enjoy—free lips, free hands, a free press, equality of opportunity, and protection to life and property. That is our splendid record.

Mr. FESS. If the Senator will permit further, being in the House of Representatives when the Jones bill was under discussion, and being on the Insular Affairs Committee, on which I served from the time I entered the House, that was my only concern. I thought it was the only thing we could do, follow a policy we had already inaugurated, and that we could not do anything short of that. For that reason I questioned the wisdom of the Jones bill at that time. But I confess to the Senator and to the country that, with the agitation which has gone on, I have about reached the conclusion that it would be better for the United States for us to give the Filipinos their independence as soon as we can do it.

Mr. SHORTRIDGE. Mr. President, what I say may be forgotten within the hour, but I am going to recall what others have said, which has not been, and never will be, forgotten. In 1793 George Washington warned the United States to keep out of Europe, and thus far the United States has heeded and followed the wise, far-seeing advice of the Father of his Country.

In 1823 James Monroe warned Europe to keep out of America, and hence the Monroe doctrine; and thus far Europe has deemed it prudent to heed the advice of James Monroe. It is true that Great Britain once threatened to violate that doctrine, but Grover Cleveland was in the White House, and Great Britain was persuaded to desist.

It is true that Germany once threatened to violate that doctrine; but, thank God, Theodore Roosevelt was in the White House, and Germany deemed it prudent to desist that Monroe doctrine.

Washington, as I have said, warned us to keep out of Europe and Monroe warned Europe to keep out of America, and if I, humble as I am, may presume to advise my country, I this day advise the United States to get out of the Orient; and, if without presumption I may warn the United States, I warn her, when she gets out of the Orient to keep out of the Orient.

We do not wish, nor did our fathers wish, to be entangled in the international, century-old controversies, slumbering animosities, as among or between European nations; and since the United States was the inspiration for the freedom of Central and South America, our fathers did not wish, we do not wish, great, powerful European nations to invade America and interfere with the independence of the republics of the New World.

At the expense of repetition, I do not wish the United States of America to become involved in oriental politics. I want her to keep out of the Orient, to withdraw from the

Orient, to come home, and grow and develop here on this continent.

Wherefore, I am in favor, and for years I have been in favor of granting independence to the Filipino people. We listen here to argument and discussion as to whether they are capable of independence, capable of being free. They struggled for 300 years to be free. They petitioned Spain, they prayed to God, they fought, they died in order to be free.

Providentially, out of the Spanish-American War we, the United States, were able to break the chain of Spain, to break the yoke, and we promised that we would then give to the Filipino people that which Spain had refused to grant for all those centuries.

I do myself the pleasure of saying that I once thought that the Filipino people would forever bless us. I thought then that the Filipino people would be proud, would be happy, to find freedom beneath the Stars and Stripes, that they would be happy and grateful to walk under the banner of this Republic, to be granted freedom of speech, freedom of the press, freedom to worship, freedom to toil, freedom to live, and freedom to die.

I thought as perhaps the American people thought and believed. But I overlooked something. Temporarily I forgot something. I overlooked, I forgot, that there is inherent and ineradicable in the heart of a separate people a desire for independence, a desire to be free, a desire to shape their own destiny, to control their own affairs. I overlooked that. So it came about that no sooner had we established ourselves in the Philippines, no sooner had the Filipino people been given shelter under our flag, than there arose the demand for independence—natural, as natural as it is for man to desire to live; and from that hour until this day they have pleaded for independence with masterly argument, and with an eloquence which excites our envy. They have great scientists, they have great artists, they have great lawyers, and, as we know, they have great orators. Indeed, one of them, speaking before our Finance Committee, brought not only conviction to us, but to me tears, when he spoke of his native land, of liberty, of the right of his people to be free.

I want my country, Mr. President, to have the honor and the glory of granting independence. I do not wish to have it extorted from us. I want it granted by the pen rather than to have it torn from us by the sword. To repeat, I want the United States of America to have the honor and the glory of freely giving and granting independence to the Filipino people. Nor do I wish to delay that independence indefinitely, until you and I and all of us have gone on the long journey. I want to give them independence not 20 years from now but speedily. Wherefore I am with those Senators who wish to shorten the period, the so-called transition period. I would limit it to five years, for within that period of time the economic, the trade relations can be so adjusted as to do no injustice to the Filipino or to the American investment. I do not wish it understood here today, nor have myself misrepresented elsewhere, as being indifferent to the investments of Americans in the Philippine Islands, nor to the investments of the Filipinos since we took over jurisdiction of those islands. But I venture to say that within five years those investments can be adjusted in such manner as to work no injustice either to the Filipino residents or to the American citizen.

We know the origin of our sovereignty over the Philippine Islands. We know what we have done. I repeat what I said, that we have been a blessing to the Filipino people. We have not been a burden to them. Upon the contrary, they have prospered commercially, if that is what we mean by a blessing. They have prospered commercially since we took over jurisdiction. We have not been a burden on them. I wish to emphasize that fact, because I do not wish the record to be misstated; I do not wish to have the assertion that we have been a burden on the Filipino people to go unchallenged, undenied. Our record in the Philippines does us honor and should inspire gratitude in the hearts of those people.

Mr. FESS. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Ohio?

Mr. SHORTRIDGE. Certainly.

Mr. FESS. I appreciate the sensitiveness of the bond argument. I do not see how that can be solved. I am looking ahead and seeing the time when there will be many claims come in against the Government, setting up certain claims that we did so-and-so, and therefore the Government is responsible.

Mr. SHORTRIDGE. The United States Government?

Mr. FESS. Yes.

Mr. SHORTRIDGE. Does the Senator think the Filipino government will violate their obligations or will fail to carry out in good faith the obligations which they will assume?

Mr. FESS. I am referring to the bondholders.

Mr. SHORTRIDGE. I do not care particularly what the bondholder does. If he gets his money, that is all he wants.

Mr. FESS. If he does not get his money, will he come to the United States Government and claim we are responsible for it?

Mr. SHORTRIDGE. If he should, I think he would be denied; but I do not go upon the theory that the Filipino government to be set up will not take care of those bonds. I think it will.

Mr. FESS. But if it does not?

Mr. SHORTRIDGE. I think the Filipino government will be as honest as France or Great Britain—perhaps more so. I think they will observe their bond, their agreement, and pay without reservation or desire to cancel or indefinitely continue or postpone.

Mr. FESS. Why does the Senator mention France and Great Britain?

Mr. SHORTRIDGE. By way of illustration. I think that France owes the United States a certain amount of money, solemnly agreed upon, some presently due and payable, some to become due and payable during the coming half century. I think that France should, and I hope will, pause before she forfeits and loses her reputation by failure to observe her plighted promise. That is what I think and to which I made vague reference.

Mr. FESS. I think the Senator probably misinterpreted what I had in mind. What I have in mind is that while I sympathize with the bondholders, I do not see that that is a legitimate argument against taking action here, because whatever we do if the bondholder is not satisfied, he will probably make an appeal to this Government, but it certainly should be without avail. I think the Senator misunderstood what I had in mind—that the argument on the bond question has some interest, but I do not think it can be determining at all.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Tennessee?

Mr. SHORTRIDGE. I yield.

Mr. McKELLAR. The Senator had something to say about France and Great Britain and what they are thinking about their obligations. Does not the Senator recall that 15 or 20 years ago both France and Great Britain had a great deal to say about Germany treating a certain treaty as a "scrap of paper"?

Mr. SHORTRIDGE. Indeed, I do.

Mr. McKELLAR. It looks like they are following in the footsteps of Germany in treating their own obligations as very inconsequential scraps of paper.

Mr. SHORTRIDGE. Of course, Mr. President, any remarks touching those two great peoples have no direct bearing upon the bill before us, but when we are talking of bonds or agreements as between or among nations I perhaps am or will be justified in adding this, in view of the suggestions of the Senator from Ohio and my learned friend the Senator from Tennessee. We advanced, loaned to France and to Great Britain, our former allies in the great tragic World War, in amount vast sums of money. Later those great nations, through accredited representatives, entered into fixed, definite agreements with us in

respect of the moneys advanced severally to them. I undertake to say that we were not a heartless creditor. In any event the agreements were entered into. They were understood. There was nothing indefinite, there was nothing ambiguous, there was nothing unintelligible in the agreements severally entered into between us, the United States and Great Britain and France.

Those agreements were entered into knowingly, not under compulsion. We did not force those agreements, not with sword in hand at the throat of France or of Great Britain, nor with bayonets at their breasts, but as former allies, as friends, we sat with them and entered into these agreements. I said the other day, and I here now say, that I can not believe they will part with their reputation by violating the agreements entered into. I said then—and, of course, those who know me know my great admiration for the land of Shakespeare, my great admiration for the land of Lafayette—that there is honor even among thieves, and assuredly there is honor among honorable nations. I assume that they, Great Britain and France, are honorable nations. Therefore I can not believe that they will violate their agreements.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from California yield to the Senator from Tennessee?

Mr. SHORTRIDGE. I yield.

Mr. McKELLAR. The Senator spoke of agreements made some years ago and about their being solemnly made by those nations, with their eyes wide open and under no duress, all of which is entirely true.

In addition to that, I want to invite his attention to the fact that so far as the war debts were concerned the war debts of France and of Italy and of Belgium were all canceled, and more, by those very agreements. While the agreement with Great Britain did not cancel all of the prearmistice debts, as Mr. Mellon stated in his report and as all of the commissioners stated in their reports, the amounts that Great Britain now owes us are not war debts at all but are part postarmistice debts and the other part debts for money that was used for commercial as contradistinguished from war purposes. So that by the agreements to which the Senator referred, which were entered into several years ago, all the war debts of those nations have already been absolutely canceled and the debts we now hold against them are commercial debts made for the purpose of carrying on their governments, of building up their armies and navies, of looking after their soldiers—even giving them a cash bonus out of money borrowed from this country—and for other governmental purposes. Therefore the statement so often made that these are war debts is wholly a misnomer. They are commercial debts which they now owe to us.

Mr. SHORTRIDGE. My remarks will apply not only to Great Britain and France but to Italy and all the other nations of Europe who owed us money and agreed to pay us at certain times.

It may be recalled that I made a vain attempt to have Uncle Sam loan a little money to Liberia. It may be remembered that we had loaned $5,000,000 to little Latvia, up there on the Baltic, and I undertook to have this Government loan a little money to Liberia, the colored Republic on the west coast of Africa.

Mr. McKELLAR. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Tennessee?

Mr. SHORTRIDGE. Yes, sir.

Mr. McKELLAR. And much ado was made about it in the newspapers, as will be remembered, and yet Liberia is one of the few nations that have paid back to this country the money borrowed by them.

Mr. SHORTRIDGE. Precisely. I know, as we all know, that this Nation had taken a lively, disinterested interest in the little Republic of Liberia, and I thank the Senator from Tennessee for putting here of record the fact that Liberia has honored her agreements and paid, as I understand, what she owed us.

Mr. President, I said at the outset that I had listened respectfully to arguments touching our constitutional power to withdraw our sovereignty from the Philippine Islands. I wish to add this: There has been an argument made that we can only withdraw sovereignty by or through treaty arrangements, the treaty, of course, under our Constitution, to be entered into on our part by the President and the Senate. Not to discuss that legal point, my view is that the Congress, by way of a bill passed through the other House and the Senate and approved by the President may grant independence or surrender sovereignty over territory and its people, as the pending bill proposes to do.

So, Mr. President, I content myself this day with again calling the attention of the Senate and of the country to the century and more old policy of the United States. That policy has been to follow the advice of Washington and keep out of Europe, expressing his views thus briefly. Under that policy and the policy of James Monroe, which, in brevity, was that Europe should keep out of America, we have grown and become what we are, a great Republic, from 13 to 48 quasi-sovereign States. I hope it will not be considered presumptuous on my part to advise the United States to get out of the Orient, and, being out, to remain out.

Our people do not wish, as a people, to go to the Orient, and, for racial reasons, we do not wish the orientals to come to this country. That attitude is not taken in hostility to them. Not in hostility to China did my valiant colleague [Mr. JOHNSON] and I years ago in California fight for the exclusion of the Chinese; not at all. Neither of us hated the Chinese. The American people do not hate any oriental people. We do not hate any nation, any people. The nation and the man who have hate in their hearts have made a nest of vipers of their hearts. We of California fought against Chinese immigration for racial and economic reasons, having uppermost in mind the welfare of our country. Later, as we know, we passed a law excluding all peoples not eligible to United States citizenship; not that we hate those peoples but out of first regard for our own country under our form of government.

I do not wish the Senate or our people to forget the fact that our national naturalization policy has been, with one exception, to limit the right of naturalization to what I may speak of as the white race; but when Chinese or Japanese or Filipino or Malay or any branch of those races, man or woman, comes hither, if permitted to come, children born of them are citizens of the United States; and there is the embarrassment of the parents owing allegiance to a foreign country and children owing allegiance to the United States; embarrassing, perhaps, in time of peace, but certainly embarrassing should trouble arise as between the nations. So I want our people to keep out of the Orient and I want the Orient to keep out of the United States. We can have trade relations; we can be friends; but I do not think it is for the interests of this country nor, indeed, for their interests that there should be a mingling of these essentially unassimilable peoples here in the United States.

I earnestly hope that, after argument has been concluded, we may limit the time of giving complete, unrestricted independence to the Philippine people. I think five years is ample to work out this transfer, so to speak, of sovereignty, and then let them shape their own destiny. They petition, they clamor, they appeal for independence. Let us give them independence. I hope they will prosper. I hope they will continue independent. I hope they will develop in all the ways of enlightened civilization. I hope they will reap what is the end and the aim and the aspiration of every people, and that is happiness. In any event, we will not be responsible for their destiny. If they reach an earthly paradise or falter and fall, retain or lose their independence, it is their affair; we will not be responsible.

I shall favor the amendment proposed by the Senator from Louisiana [Mr. BROUSSARD], which, as I understand, is now pending, subject to the proposed amendment of the Senator

from Maryland [Mr. TYDINGS]; but I shall favor limiting the time to eight years, which I understand to be the limit under the amendment proposed by the Senator from Louisiana.

Mr. BROUSSARD. That is the time limit provided.

Mr. SHORTRIDGE. Begging pardon of Senators for having detained them, I now yield the floor.

Mr. SHIPSTEAD. Mr. President, in view of what the Senator from California [Mr. SHORTRIDGE] has said in regard to government debts, I wish to call attention to a practice that has been going on in the conduct of our international affairs for some time, a practice to which I have called the attention of the Senate heretofore but which I am going to call to its attention again, because I think it bears repetition. It has to do with delegations, sometimes secret, sometimes covert, of private citizens going to Europe, sitting in conference with representatives of foreign governments ostensibly as private citizens, though in the publicity organs of this country and of Europe it is given out that they, at least semiofficially, represent the Government of the United States.

There is something in what Premier Herriot said in the French Chamber the other day to the effect that we mixed in European questions when the Government of the United States permitted General Dawes and Mr. Young to go to Europe and "put over" the Dawes plan and the Young plan. While they went over as private citizens, and we understood they were going as such, other countries were of the opinion that they represented the United States Government. So there is undoubtedly some reason why those nations should have expected that we would continue to connect interallied debts with reparations; and when they saw how the moratorium had been arranged, when the Senate was not in session but could be voted by telegraph instead of by being called into extraordinary session, as the Constitution provides, it was natural that they should believe that the executive department of our Government had the power and authority to deal in the matter, as they seem to think the Executive had pledged them to certain action as to which they say are now welshing.

I hope the time will come when we will follow the course originally intended, and that we shall deal as a Government openly and above board through the regular channels of the Diplomatic Service. If our Foreign Service is composed of men of such lack of ability that they are not capable of sitting in these conferences, wherever we ask them to sit in, we had better get men in the Foreign Service who are capable of representing the Government of the United States as it should be represented. So far as I am concerned, I do not think that is necessary, for I believe that our Foreign Service is fully capable of representing the Government of the United States.

However, I think it should be pointed out that these people who go out as individuals represent private interests here; and it is a policy that casts reflection on the Government of the United States, on our Foreign Service, and brings us into trouble, because when these deals are made with foreign governments by private citizens, while they may be called unofficial, sooner or later the Government of the United States is asked to underwrite these deals officially; and when the Congress refuses to do so we are accused by the rest of the world of not playing fair and welshing.

So I think a good deal of this misunderstanding has come as a result of these unofficial private commissions that go out, and ostensibly the world is at least led to believe they speak for the American people.

So far as the Philippine bill is concerned, I want to say that I always have been for the freedom of the Philippines. I doubt very much that there will be any Philippine independence under this bill, however. Under it, freedom for the Philippines can be accomplished only through a very cumbersome process. They must have five different plebiscites. If I had wanted to write a bill—and I say this with all due respect to the members of the committee and the supporters of this bill—to prevent freedom of the Philippines being accomplished, I would have written this kind of a bill.

I am going to vote for the amendment of the Senator from Louisiana [Mr. BROUSSARD], the amendment that is now before the Senate. I wish the time had been three years. As a result of carrying the Philippines all these years, our farmers have sustained the greatest part of the burden. The products of the Philippines come in here in overwhelming quantities in competition with farm products. At the last session of Congress, when the tax bill was before the Senate, I offered an amendment to tax these products. That amendment was voted down because it was felt by the Senate that we should not tax the people of the Philippines, or put a tariff on our imports from there, because of the fact that they were under the flag of the United States.

I do not believe that the question of freedom for a people should be determined upon the quantity of sugar or copra or coconut oil that comes into this country. The principle of freedom for the Philippines is involved here, as the freedom of all people; and involved here is also the question of making good the promises we have made to the Filipino people. But why wait 18 or 19 years to do it? And if we are going to give them their freedom, why undertake to do it by a process so complicated, and extending so far into the future, that it is very doubtful whether or not, in the end, Philippine independence will be accomplished?

The Senator from California [Mr. SHORTRIDGE] very appropriately called the attention of the Senate to the fact that we should get out of the Orient, and politically that we should also keep out of Europe.

The Philippines are the weakest link in our position of self-defense. They have been more so since the Washington armament agreement. I think they have been more so since the time when, instead of consulting the signatories to the 9-power treaty, when the territorial integrity of China was threatened a year ago, we ran over to the League of Nations. I think the Philippines then became an additional source of weakness to the defense of the United States. We have made some mistakes in the past, and that makes it necessary to do what we can to rectify them.

I ask to have printed in the RECORD a series of editorials affecting the Hawes-Cutting bill, published in the Minneapolis Tribune of Minneapolis, Minn.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Without objection, it is so ordered.

The editorials are as follows:

[Wednesday, April 6, 1932]

FREEING THE PHILIPPINES

The support given the Hare bill for Philippine independence by the House, in passing it by a vote of 306 to 47, was a surprise even to the most ardent advocates of freedom. Although one may seriously question the wisdom with which debate on the bill was gagged and limited to 40 minutes, and while it is possible to see where steps to free the Philippines at this particular time may have some bearing on our position in the Far East, it can not be denied that the Hare bill is a step in the right direction.

It will be difficult for anyone to question seriously the ability of the Filipinos to govern themselves and the 10 years allotted by the Hare bill for the transition period should be adequate to launch the islands under strong self-government. The Senate already has before it a bill which would accomplish much the same things for the Philippines as the Hare measure proposes, but it would require 17 years before granting complete independence.

The Hare bill is headed for opposition not only in the Senate but probably from the administration as well. The chief objection to freeing the Philippines at this time, or of even considering the matter, as expressed by Secretary of State Stimson, is the unsettled state of affairs in the Far East and our relations with countries on the western side of the Pacific Ocean. But the underlying factors in the far eastern situation have not been materially altered since the Jones Act was passed. The rise of Japan to dominance has been more rapid than was anticipated, but it has always been inevitable. That a free Philippines would endanger our position in the Far East is not entirely obvious.

In one important particular the Hare bill fails to meet a consideration that should be essential in any proposal for Philippine autonomy. It makes no specific provision for tariffs on products from the islands that compete unfairly with domestic products and industries. Although the bill does provide for a quota on principal exports from the Philippines to this country, these quotas are placed so high that, in most instances, they will admit even greater quantities of these products than are now being received on a free-trade basis. The quota provisions make no men-



tion of copra, which, with coconut oil, is now being permitted to enter this country to the detriment of our own dairy industry. The quota limit placed on coconut oil is fixed by the Hare bill at 200,000 tons, and in 1928 the total production of the islands of this product was only 191,000 tons. Any measure that would ultimately free the Philippines should give more adequate consideration to this vital American interest than does the Hare bill.

[Monday, April 18, 1932]

TAX TROPICAL OILS

The clean-cut statement of Dr. Alonzo Taylor, world-famous economist, to the effect that it was the imperative duty of the United States to protect the American farmer from the importation of tropical oils is both significant and timely. The present bill which proposes to grant freedom to the Philippine Islands in the future is of little present interest to the American farmer. The American farmer is primarily and exclusively interested in the economic effect of our political relationship with the Philippine Islands. It is an incontrovertible fact that 600,000,000 pounds of coconut oil and copra come into the United States every year from the Philippine Islands and drive out of our market at least as many pounds of American-produced animal and cottonseed fats. Doctor Taylor makes it plain that there is not the faintest economic reason to sustain this policy, and that there is every economic reason for a policy that will protect the American farmer.

Those who maintain that we have a moral obligation to protect and cherish the Filipino may argue on a basis of morality to their hearts' content. But there isn't any morality in making the American farmer sustain the burden of our Philippine philanthropy. Doctor Taylor is as famous as a chemist as he is an economist. Doctor Taylor says that only a small percentage of our soap needs coconut oil as an ingredient. This is a specialized soap not in general use. The American farmer is entitled to protection from tropical plantations to the same extent that the American working man is entitled to protection from oriental labor. We have raised the bars on foreign immigration for the protection of the American laborer and it is impossible to conceive the mental process of the legislator who can not see the same necessity for the protection of the American farmer from the rapidly increasing flood of tropical oils that is pouring into this country every year. America has a surplus of the animal and cottonseed fats. Animal fat is a drug on the market to-day. The swine raiser is penalized by the packer for the excess fat on his hogs. The dairyman, with the price of butter down to a ruinous level, is forced to compete with the margarine made from Philippine oil importations. When Doctor Taylor, as a chemist, says that there is not any reason why American-produced fats should not be used in the manufacture of our soaps, no fair-minded person would question his statement.

Giving the Filipinos their freedom 8 or 10 years hence is a fine, generous gesture which may or may not be translated into a reality, but this does the American farmer no good to-day. In his present state he has not the time nor the inclination to clap his hands in glee over the spectacle of the Filipinos waving the flag of independence. It means little or nothing to him. What the American farmer wants is protection from the coconut oil from the Philippines and protection from the other oils of the Tropics against which he is unable to compete any more than is the American manufacturer able to compete with the low wage and low standard of living of foreign countries. If there is any right or justice, if there is any political or economic expediency in a protective tariff, that tariff should be imposed on the oils from the Tropics that compete with cottonseed, peanut oil, and animal fats produced in the United States.

[Tuesday, April 19, 1932]

THE FARMER IS FORGOTTEN

The bill recently passed by the House and now before the Senate which proposes to grant political freedom to the Philippines at the end of an 8-year period will be of no benefit to the American farmer.

The bill will permit the Philippines to send more coconut oil into the United States free of duty for the next eight years than is now coming in. Paragraph 2 of section 6 of the bill provides:

"There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons the same rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries."

This provision is supposed to put a limitation on the oil imports from the Philippines in the interests of the American farmer. The joker in the provision is this—that the Philippines have never yet sent as much as 200,000 long tons of coconut oil to the United States. Therefore, instead of putting a limit on this duty-free oil that would tend to remedy the present ruinous condition of the American fat market, it actually permits a greater importation.

Two hundred thousand long tons of oil equals 448,000,000 pounds. In 1930 the Philippines sent us 322,000,000 pounds. Under this bill the Philippines could import free of duty an additional 126,000,000 pounds of oil to compete with American-produced cottonseed oil and animal fats. In 1929 the coconut-oil importation reached its peak of 415,000,000 pounds, some 33,000,000 pounds less than the limit permitted by the present bill.

It is obvious from these figures that for eight years at least the American farmer will get no relief, if the present bill becomes a law. It is equally plain that the bill provides an opportunity to make the situation even worse than it now is to the extent, at least, of 126,000,000 pounds of oil. Under the present tariff law coconut oil imported from other countries than the Philippines pays a duty of 2 cents a pound. But there is likewise a joker in this, because copra, from which coconut oil is extracted, comes into the United States duty free from all countries.

In 1930 the importations of oil and copra in terms of oil reached the staggering sum of 518,161,000 pounds. In 1929, the high point of importation, oil and copra importations together were equivalent to 597,836,000 pounds. The admission of copra duty free into the United States is for the benefit of the copra-crushing mills on the Pacific coast. The oil produced on the Pacific coast affects the American farmer to exactly the same degree as the duty-free oil from the Philippines.

Between the Smoot-Hawley tariff law and the Philippine independence bill, the American farmer, dairyman, swine and beef raiser are deprived of the American markets for fats. The dairyman suffers grievously from the production of margarine, which is sold at a lower price than butter. The swine raiser and the cattleman are in the same predicament, as is the cotton grower of the South, who loses the market for his cottonseed oil.

The bill now before the Senate is not a bill conceived in the interests of the American farmer, but exclusively in the interests of the political aspirations of the Filipinos. The very best the American farmer can hope for is the possible limitation to the damage that may be done to him in the next eight years. This limitation is a possibility only and by no means a probability. Under this bill the Philippines can add some 25 per cent to their present imports before they are required to pay a duty, and should their imports reach 200,000 long tons a year, at which point a duty of 2 cents would be imposed on their oil, they still have the opportunity to ship into the United States free of duty all the copra that this country can consume, at the expense of the American farmer.

Any bill providing for the independence of the Philippines can be of no economic interest to the American farmer unless it reduces drastically the coconut-oil imports, and in turn there can be no reduction of coconut-oil imports as long as copra is permitted to come into this country free of duty. The interest of the American farmer in the Philippine Islands is not a political one, it is strictly economic. The issue involves a much vaster area than the Philippine Islands. The issue is that of tropical oils of any description which are used in the United States as substitutes for food fats and for vegetable oils produced in this country. The question will not be settled by the passage of the Hare bill. Should it pass the Senate and receive the President's signature, it will not affect the American farmer in the least. It will leave him in the same or in a worse position than he now is for the next eight years.

The American farmer wants and should have ample protection from coconut oil and copra and from all tropical oils which are now so disastrously competing with him in the American fat market. The Hare bill gives him no protection whatever.

[Thursday, April 21, 1932]

TROPICAL OILS AND THE FARMER

The Hare bill, giving freedom to the Philippines, which is now before the Senate, is no doubt drawn in the interest of the Filipinos' political aspirations. But it gives little or no consideration to the American farmer whose market for the vegetable and animal fats produced on the American farms has been taken away from him.

The bill provides that for the next eight years the Philippines will be permitted to send America duty free 200,000 long tons of coconut oil. This is an amount excessive of any importation from the Philippines up to the present time. The bill provides that the American farmer shall be in the same position in regard to his market for fats and oils for the next eight years as he is now.

To make the situation of the American farmers still worse, copra from all countries is admitted duty free into the United States. Even if the Philippines should reach the maximum amount of duty-free oil importation they would still have the opportunity to send duty free into the United States an unlimited amount of copra which would be ground into coconut oil by the Pacific coast mills.

It makes no difference whatever to the American farmer whether the copra is ground into coconut oil in the Philippines or in the United States, he is robbed of his market just the same.

Congress and the two dominant political parties will be obliged, if they make any pretense of doing anything for the American farmer, to consider the whole field of tropical oil production.

Is it anything but absurd that we should be compelled to export 787,000,000 pounds of animal fats, while at the same time we import into this country 1,800,000,000 pounds of oils and fats?

It is true that we have a duty of 3 cents a pound on lard, but what does that amount to when we export 787,000,000 pounds? When we break down these figures of imports and exports the absurdity grows. While we export 787,000,000 pounds of animal fats which we are forced to sell in Europe at any price Europe chooses to offer us, we admit into this country 1,300,000,000 pounds of vegetable oils grown in the Tropics. We import free of duty

nearly twice as much vegetable oil as we export animal fats. While we are sending this 787,000,000 pounds of animal fats begging to the markets of Europe, we are bringing into this country copra, coconut oil, palm oil, Chinese wood oil, tung oil, inedible olive oil, palm-kernel oil, cod-liver oil, cod oil, vegetable tallow, sweet almond oil, croton oil, and rapeseed oil, free of duty to a total of 1,300,000,000 pounds.

What has been the effect of this tremendous flow of tropical oils into the United States? The figures show that in the last 30 years, despite our tremendous gain in population, the number of hogs on American farms has not increased. In 1900, when the population of the United States was 76,000,000, we had 62,868,000 hogs on the American farm. In 1930, when the population of the United States was 122,000,000, the number of hogs on the American farm had decreased to 53,238,000.

In the face of these figures can anyone seriously maintain that the American farmer has been given the American market, as has been promised him in every presidential campaign?

Mr. CAPPER. Mr. President, I desire to have placed in the RECORD a communication from representatives of eight of the leading farm organizations of the United States relative to the pending bill. Representatives of these national agricultural interests, in conference here in Washington, have outlined the following principles, which they believe should apply to the pending legislation affecting the Philippine Islands:

First. That complete independence should be provided within a period of five years.

Second. That trade relationships between the United States and the Philippine Islands should be adjusted within this 5-year period either by fixing a quota of imports which, beginning with the adoption of a constitution by the people of the Philippine Islands, will be gradually reduced each year until complete independence, or by a gradual application of tariff rates which will be increased each year until final independence.

Third. That provisions in pending bills for trade conferences prior to the end of the transition period which contemplate or imply further trade concessions should be eliminated.

Fourth. That they oppose any provision to reopen the question of final independence after the Philippine people have adopted their constitution.

This declaration of principles has been approved by Fred Brenckman, for the National Grange; Chester H. Gray, for the American Farm Bureau Federation; John Simpson, president of the Farmers Educational and Cooperative Union of America; A. M. Loomis, for the National Dairy Union; Fred Cummings, for the National Beet Growers' Association; Clarence Ousley, for the Tariff Committee of the Texas and Oklahoma Cottonseed Crushers' Association; C. J. Bourg, for the American Sugar Cane League; and Charles W. Holman, for the National Cooperative Milk Producers Federation.

I wish to add, Mr. President, that I heartily concur in the declaration of these farm organizations.

As I see it, the Senate owes a first and complete duty to the farmers of the United States. The free importation of products of the Philippines, competing with home products which are so sadly in need of the domestic market, is one of the factors in the agricultural depression of the last decade, which now has extended to all the business and industrial and financial and labor circles.

I am entirely in sympathy with the desire of the people of the Philippines for independence. I will vote to give it to them. I want to give it to them soon, not only as a matter of justice to their people but as a matter of justice to the farmers of the United States.

Exports to the Philippine Islands are a remarkably small part of the foreign trade of the United States. In 1929, the last year for which figures are available, Philippine purchases in the United States were only 1.66 per cent of our foreign trade. In other words, no substantial injury would be done our exporters even if the Philippines exacted tariffs commensurate with those necessary to protect American farmers from tropical competition.

Since the beginning in 1909 of reciprocal free trade between the mainland and the islands, the United States has waived $512,000,000 in duties that might have been collected on Philippine products. In the same period the islands waived only $240,000,000 in duties on shipments from the United States. The difference between these two figures is $271,540,000. Thus, in the matter of duties waived, the United States has matched the Philippines more than 2 to 1.

Mr. President, a further point in the waiving of duties should be considered. The Hawes-Cutting bill would allow 850,000 tons of sugar to come into the United States for a period of 15 years. If the full rates of duty were applicable to these imports, the United States would be nearly $800,000,000 better off than it will be if the Hawes-Cutting provisions are enacted. This outright gift of $800,000,000 is in addition to the $512,000,000 of tariff preferences which have already been extended to the islands.

Without any appreciable income from the islands, the United States has literally poured money into the Philippines since the Spanish-American War. A recent calculation indicates that through the War Department, the Navy Department, the Bureau of Insular Affairs, the Coast and Geodetic Survey, the Public Health Service, and the Department of Agriculture these expenditures on account of the islands have reached the staggering total of $792,370,000.

The exemptions and duty-free privileges incorporated in the Hawes-Cutting bill guarantee that the American farmer will have no effective protection against his tropical competitor. This becomes clear by a study of the provisions of the bill which would permit 850,000 tons of sugar to come into the United States free of duty. Anything above the 850,000 tons would pay the full rate of duty; but if the Filipinos produced twice the 850,000 tons—that is, 1,700,000 tons—the effective rate of duty would be cut in half, since the cost of the tariff could be distributed over the entire crop. In the case of sugar, half the world rate of duty is $1.25 a hundred pounds. This would give the Filipino producers an advantage of 75 cents a hundred over the Cuban producers, who now pay $2 a hundred. What is true in the case of sugar is true of vegetable oils and other commodities on which a duty is collected if they are imported into the United States from any country other than the Philippine Islands.

Farmers of the United States are urged on every hand to diversify their agriculture. There is no reason in the world why the same practice should not be of value in the Philippines. The provisions of the Hawes-Cutting bill are a constant invitation to the Filipinos to neglect all other agricultural pursuits and to concentrate on the expansion of sugar and vegetable oils. Unless Congress forces a readjustment through proper limitations in the Philippine independence bill, the Filipinos are destined for the same experience as the Cubans, who are now paying the penalty for devoting all their efforts to a single crop.

Mr. President, the menace of Philippine competition with the American farmer has not nearly reached its peak. The possibilities for expanding the production of tropical oils and sugar are almost unlimited. Thirteeen years ago, in 1919, the Philippine Islands sent into the United States only 78,000 tons of sugar, or about 2.5 per cent of all sugar imported during that year. In 1930 this tonnage reached 708,689, or 20.4 per cent of all our sugar imports. This year—1932—the imports of sugar will reach a million tons; and still more will come next year and the year after if Congress fails to enact some effective restriction.

The American farmer can not compete successfully with these Philippine products, which I understand are produced on 35-cens-a-day labor. I shall support amendments to the measure which will be proposed in line with the recommendations of the American farm organizations, and express the hope that these amendments will be approved by the Senate. Otherwise I fear the measure will be of little benefit to those at this time most in need of protection—the farmers of the United States.

I ask unanimous consent to have printed in the RECORD the statement of the eight farm organizations recording their stand as to the pending bill, in opposition to some of its provisions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

To the Members of the United States Senate:

Representatives of national agricultural interests in conference at the Capitol to-day agreed upon the following statement of principles which should be applied to the pending legislation in Congress for Philippine independence:

First. That complete independence should be provided within a period of five years.

Second. That trade relationships between the United States and the Philippine Islands should be adjusted within this 5-year period either by fixing a quota of imports which, beginning with the adoption of a constitution by the people of the Philippine Islands, will be gradually reduced each year until complete independence, or by a gradual application of tariff rates which will be increased each year until final independence.

Third. That provisions in pending bills for trade conferences prior to the end of the transition period which contemplate or imply further trade concessions should be eliminated.

Fourth. That we oppose any provision to reopen the question of final independence after the Filipino people have adopted their constitution.

The National Grange, by Fred Brenckman; American Farm Bureau Federation, by Chester H. Gray; Farmers Educational and Cooperative Union of America, by John Simpson, president; National Dairy Union, by A. M. Loomis; National Beet Growers' Association, by Fred Cummings, president; Tariff Committee of the Texas and Oklahoma Cottonseed Crushers' Association, by Clarence Ousley; America Sugar Cane League, by C. J. Bourg; National Cooperative Milk Producers Federation, by Charles W. Holman.

DECEMBER 9, 1932.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. TYDINGS] to the amendment presented by the Senator from Louisiana [Mr. BROUSSARD].

Mr. CUTTING obtained the floor.

Mr. WALSH of Montana. Mr. President, will the Senator yield, so that I may suggest the absence of a quorum?

Mr. CUTTING. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulkley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is necessarily absent owing to illness.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, there is a qorum present.

Mr. CUTTING. Mr. President, the amendment which has been offered by the senior Senator from Louisiana [Mr. BROUSSARD] goes to the heart of the pending bill, and it is not remedied in any substantial way by the substitute suggested by the Senator from Maryland [Mr. TYDINGS].

Most of the argument to-day has been based on the assumption that this amendment of the Senator from Louisiana merely seeks to change the time the Philippine people will have to wait for independence. That is not the case. It changes everything else which was suggested by the Senate Committee on Territories and Insular Affairs.

At the last session the House passed and sent over to the Senate a well-considered measure, based on a certain theory. If the Senate agrees in the main with that theory, rather than the theory which was expounded by the Senate committee, then I submit that the fair and decent and consistent thing to do is to pass the bill which passed the House, and reject the Senate amendments in toto.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. LONG. I have talked with some of the Senators who are members of the committee, and I would like to ask the Senator from New Mexico, what is the serious objection to taking the bill which passed the House? There would only be the necessity of beginning to graduate the tariff, would there not?

Mr. CUTTING. I intend to try to explain that, if the Senator will give me the opportunity. The bill as it passed the House provided that the Philippine people were to have independence. The House provides an interim period of eight years during which there is to be a limitation on imports. After that 8-year period is over the Philippine Islands will receive their independence automatically.

The theory of the Senate committee is based on the desire of the Philippine people. It refuses to give them independence unless they have stated in the most forcible way open to them that they desire it.

At three points in the process the question is to be submitted to the Philippine people. First, the measure is not to go into effect until it shall have been ratified by the Philippine Legislature. Second, after the adoption of the constitution, that constitution is to be submitted to the Philippine people for their ratification. That, Senators will understand, is the constitution which is to be in force during the interim period. At the end of the interim period, a plebiscite is to be held, at which, after experimenting with the various tests which the Senate committee thought should be laid down, the people of the islands again are to decide whether or not finally to sever their connection with the United States.

The theory of the committee was based in the first place on the consideration that we had gone into the Philippine Islands and assumed the government thereof without the wish of the Philippine people, and that it was not fair to step out until it had been demonstrated that the Philippine people after considering the pros and cons decided that they wanted to go on alone, regardless of any economic disadvantages which might come to them from so doing.

I will say just a word about the question of time, because I do not think the question of time is the vital one. In the first place, the senior Senator from Missouri [Mr. HAWES] and I introduced a bill granting the Philippines independence in five years. We heard a great deal of evidence submitted to the Senate committee. A great deal of additional evidence was submitted to a subcommittee, of which the Senator from Missouri [Mr. HAWES], the Senator from Nevada [Mr. PITTMAN], and the Senator from Rhode Island [Mr. METCALF], and others, were members, and at the end of the discussion we had a complete and intensive analysis of the bill before the whole committee.

The suggestion of a period of limitation of imports, plus a period of graduated export taxes to pay the Philippine debt, was concurred in by a very large majority of the committee. Thereafter we voted on what seemed to be the best term of years to adopt. Although there had been no previous discussion of the matter, I think all the members of the committee except three agreed on the term of 15 years.

Mr. BINGHAM. Except two.

Mr. CUTTING. Except two, the Senator from Connecticut says, and I am sure he is correct.

So much for the question of time. The reason for providing a longer period of time than would seem natural to the average member of the Senate, certainly a longer period of time than would have seemed desirable to me when I first went into the matter, was simply that these people have been upheld in their standard of living by the tariff barriers against the rest of the world, combined with their free-trade relations of the United States. Their standards of living have been placed almost on an occidental basis. They are so much higher than the standards of living of the rest of the Orient that we might almost compare the present situation to one which would occur if we tried to take one of the States out of the Union and put it in competition with the outside world by taking away the free

trade which exists with the rest of the States. That is the situation which confronted us; and after listening carefully to all the evidence, we decided that 15 years was about the shortest time in which readjustment could take place and the Filipino house be set in order.

More important than that, to my mind, is the question of the plebiscite. It was the feeling of the committee that the Philippine people themselves should have the privilege of gradually coming out of the free-trade status, of having what amounts to a tariff, although the receipts derived therefrom actually go to pay the debts of the Philippine people, that they should have the economic experiences incident to that graduated export tax and thereafter, after learning for themselves the disadvantages which would come to them through independence, might vote intelligently as to whether they want their freedom or not.

I think the arguments in favor of such a plebiscite are almost overwhelming. We have heard time and time without number that it is only a minority of the Philippine people who desire independence, and that the independence agitation is due to the activities of a few politicians; that the people themselves would prefer to remain with the United States. I do not believe that for a moment, Mr. President. I think, however, that not only have the Philippine people the right to say whether or not they want independence, but that they have a right to say so after learning for themselves the difference between their present favored economic status and the status which they are going to have to endure in competition with the rest of the world.

So far as I know only one argument has been advanced against the plebiscite, and that is that during 15 years there might be built up, through the propaganda of selfish interests, a movement against independence so that finally the Filipinos who at the present time are in favor of freedom might be induced to vote the other way at the end of the 15-year period. Mr. President, all I can say to that argument is that if the Philippine people can be induced by any propaganda to forego their rights as a free people, then, in my judgment, they are not ready for self-government. I do not believe that any people who really desire freedom can be dissuaded from their firm intention by any mere propaganda.

If, on the other hand, the force of facts, the force of economic conditions, impresses on the Philippine people the necessity for remaining with the United States, then I believe they have the right to make the decision for themselves. We went into the Philippine Islands without consulting the Philippine people and against their wishes. I do not believe that this country, merely by its own ipse dixit, can say that it is going to renounce its obligation toward the Philippine people and withdraw against their desire.

That, to my mind, is the fundamental difference between the House bill and the bill as it comes from the Senate committee. I base it not on any selfish interest of any citizens of this country. I base it on what seems to me the duty which we owe to the Philippine people. I base it on the rights of 13,000,000 human beings to control their own destinies. But to those who argue in favor of the business and economic interests of any portion of the American electorate—and they have every right to do so—I should like to point out that if the amendment of the Senator from Louisiana [Mr. BROUSSARD] is adopted we have practically nothing to do in conference. To all intents and purposes the bill would be the same as the bill which the House sent over here about a year ago and which the Senate committee found to be unsatisfactory. The House bill will almost certainly receive a veto, perhaps a justified veto; and if it does not receive a veto, it will almost certainly be rejected by the Philippine Legislature, who under this bill have to ratify its terms before they go into effect. I do not think there is any chance of bringing Philippine legislation before the Senate at any special session and if the bill fails now it means, from the selfish point of view, if you please, that increased Philippine imports of sugar, coconut oil, and other products will come into the country.

I do not believe that the interests of the people of this country are going to be protected in any way by passing a bill which will be ineffective and void. I believe further that our duty to the Philippine Islands will not be accomplished if we do not support the present bill, substantially at least, as it came from the committee.

If the Senate disagrees, it will show it by its present vote. I feel that anyone who desires to crucify Philippine independence will vote for the proposed amendment. I know that many are going to vote for it who are in favor of independence, but I think under all the circumstances that independence can not come through any substantial modification of the agreement which was reached by the members of the committee after long and careful study of the whole situation. If I am wrong in that assumption, then I feel that the Senate should do the straightforward thing and reject all of the proposed Senate amendments and take the bill as it came from the House.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Maryland?

Mr. CUTTING. I yield.

Mr. TYDINGS. As I understand the committee bill, it provides for a 10-year limitation on imports and then 5 per cent progressive increases for five more years until 25 per cent of the tariff has been attained, at which point it stands fixed pending the result of the plebiscite.

Mr. CUTTING. The Senator is correct.

Mr. TYDINGS. I have no fault to find with the mechanics of the set-up. I think it is intelligent and sound. But I would like to see that 5 per cent progressive increase commenced 5 years after date instead of 10. May I point out to the Senator from New Mexico, who has rendered very valiant and thoughtful service in this matter, that it would mean a period of approximately 18 years before Filipino independence is achieved, and that means, of course, that many people who are now living and who have devoted their lives to this worthy endeavor will have passed to the grave before that comes into realization.

My own hesitation is not upon the procedure which I think the Senate bill outlines in a very fine way, but upon the length of time fixed for that procedure. In other words, instead of having a 10-year period, why not make it 5 years, and then 5 years of progressive tariff increases and then a plebiscite, and thus accomplish independence 5 years earlier, making it 12 or 13 years rather than 18 years?

Mr. CUTTING. May I point out to the Senator from Maryland that the amendment as it is proposed to be voted on will eliminate the provision for a plebiscite?

Mr. TYDINGS. As I understand the parliamentary situation the only thing before the Senate is whether we shall substitute 8 years for 10 years in the particular clause with which we are now dealing. It is my purpose, should my amendment be adopted, then to offer a further amendment making the progressive tariff increases commence 5 years after the bill is passed and a constitution is adopted, and bring about the same mechanical set-up except, instead of waiting 10 years to have the progressive tariff begin, we would have it start at the end of 5 years and the plebiscite would come at that time, just as it is provided now, so the net result would be that the Philippines, with the same machinery and same procedure, would get their independence in 13 years instead of 18 years.

Mr. CUTTING. May I say that I intend to vote for the amendment of the Senator from Maryland because I think it distinctly an improvement on the amendment offered by the Senator from Louisiana? I am glad that the Senator will then modify it so as to correspond to the present theory of the bill. But I should like also to remind him that he is a member of the committee which had all these matters under consideration and, unless I am mistaken, he voted in the committee to report the bill as it is.

Mr. TYDINGS. I was not in attendance the day the vote was taken to report the bill, but the Senator is correct. I left my proxy with the senior Senator from Missouri [Mr.

HAWES] and, of course, he voted for the 15-year provision and I was bound by that. However, I might say that several members of the committee—and I think I violate no confidence when I make this statement—have stated that, while they are bound by the committee vote, they, too, feel that the acquisition of independence in 13 years is much more desirable than in 18 years, but they do not want to go back on the action they took in the committee.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. CUTTING. I yield.

Mr. BARKLEY. As I understand, the purport of the amendment is that it provides for a 13-year period before the plebiscite shall be taken?

Mr. CUTTING. That is correct.

Mr. BARKLEY. The only provision for a plebiscite is at the end of the 15-year period?

Mr. CUTTING. The amendment of the Senator from Louisiana cuts out altogether the provision for a plebiscite.

Mr. BARKLEY. Under that amendment there would be no plebiscite?

Mr. CUTTING. There would be no plebiscite, according to the amendment, if it were agreed to.

Mr. BARKLEY. Is there anything sacred as to the number of years that may elapse before they would be qualified to hold a plebiscite, if one is advisable? Would they not be as capable of holding an intelligent election in 10 years as they would in 15 years or 18 years?

Mr. CUTTING. I think, provided the graduated tax provisions, as suggested by the Senate committee, are retained, that they would be quite as capable of voting at the end of 10 years as at the end of 15 years. However, the Senate committee felt that a preliminary period of 10 years before that graduated tax started was necessary to enable them to set their economic house in order. There is nothing sacred about the time. That was merely the opinion of the Senate committee, and, of course, any Member of the Senate is entirely capable of forming his own opinion on that subject. We thought, however, that this period was the best that we could suggest, though, as I said before, the actual time limits are less interesting to me than the theory on which the bill is based.

Mr. BARKLEY. As I understand the theory of the progressive tariff increases, which it seems to me are inseparably linked up with the discussion of the plebiscite, it is that the higher the tariff rates are moved up by the time the Filipinos hold the election the less liable they are to want independence. Is that the theory of it?

Mr. CUTTING. I do not know that the committee has taken any stand on that question. Of course the highest point, as the Senator understands, to which the rates would go is 25 per cent only of what they would have to pay after they obtained independence. So that it is not a complete test of how they could get along if they were faced with the competition of the world market.

Mr. BARKLEY. But it is the theory of the committee that they ought to be required to undergo at least five years of progressive increases in tariff rates before they are qualified to vote as to whether they want independence, on the theory that the higher the tariff the less independence they will want?

Mr. CUTTING. No; I do not think I would state it in that way, Mr. President. I personally think that the Philippine people will insist on independence just as any other people would, even if they had to pay the whole 100 per cent tariff, but I think they are entitled to the experience which would enable them to decide that question intelligently for themselves.

Mr. BARKLEY. Mr. President, if the Senator will permit me just one further observation, I have heretofore in this Chamber expressed my opposition to passing on the question of Philippine independence in connection with tariff rates. In other words, I have heretofore felt—and I now repeat my feeling—that the question of Philippine independence ought to be a matter of principle.

Mr. CUTTING. It is so with me, Mr. President.

Mr. BARKLEY. That, as a matter of principle, they ought to be granted their independence at the very earliest possible date. I am unwilling to free the Philippine Islands in order that we may tax them either now or at any other time in the future. I want to vote for independence as a matter of principle; I want to vote for it on the theory that the Philippine people are entitled to govern themselves just as we are entitled to govern ourselves; and I have no sympathy with that sudden enthusiasm for Philippine independence that is based upon a desire to tax those people after they shall have become independent.

Mr. CUTTING. On that question the Senator and I are in complete accord.

Mr. BARKLEY. I am happy to say that on many other questions we are in complete accord.

Mr. CUTTING. I thank the Senator.

Mr. HAWES. Mr. President, I am in agreement with my colleague on the committee, the Senator from New Mexico [Mr. CUTTING]. We can not amend the Senate bill in the manner proposed in this amendment and at the same time preserve the philosophy back of it.

The House bill provides for an 8-year period, with a limitation based on what is called the status quo during that period. The Senate bill puts that theory into effect for 10 years, and after that period tariff steps, revenue-tariff measures, are applied. If this amendment shall be adopted, it will destroy the purpose described by the Senator from New Mexico. I agree with him that if the amendment shall be adopted, the simplest and the best thing we can do is to take up the House bill and pass it, for at least it will be logical; it will be understandable; and, besides, that bill has great merit. Keep in mind, Mr. President, that it is a straight limitation bill without tariffs. That was the philosophy of the House as opposed to the Senate's philosophy of a joint limitation and a tariff. If the amendment shall be adopted, it will change the whole basis of the Senate bill and leave no important differences for adjustment between the two Houses.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. HAWES. I do.

Mr. BORAH. Mr. President, I think there is great force in the contention which has been made by the Senator from Nevada, the Senator from New Mexico, and the Senator from Missouri that if we shall adopt this amendment, it will make it impossible to get some of the desirable provisions which are in the pending bill. However, knowing the situation as the Senator does, is there not some way by which we can shorten the time in this bill? Is there not some amendment which can be offered which will limit the time and yet not bring about the other changes which will result from the amendment offered by the Senator from Louisiana?

Mr. HAWES. I think there is. I think we could shorten the time to eight years and provide for a graduated tariff period of four years.

Mr. LONG. I did not hear the answer of the Senator from Missouri. What did he say?

The PRESIDING OFFICER. The Senators will please address the Chair.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Louisiana?

Mr. HAWES. I yield.

Mr. LONG. I did not understand the answer given by the Senator from Missouri.

Mr. HAWES. I was trying to answer the Senator from Idaho.

Mr. LONG. But I did not understand what the Senator from Missouri told him. That is what I am trying to get at.

Mr. HAWES. The Senator from Idaho asked me if some other suggestion could not be made for shortening the

period provided in the Senate bill and at the same time preserve its philosophy. Is that correct?

Mr. BORAH. Yes; that is correct.

Mr. HAWES. I would not consider it entirely desirable, but it could be done by shortening the period to eight years and providing for a 4-year tariff period, and the bill would then go to conference.

Mr. BORAH. I am desirous of getting the benefit of the tremendous amount of work which the Senate committee have put on this bill, but I am also equally desirous, while saving that work, to shorten, if we can, the period. So I wish those who are in charge of the bill would assist us in reaching that point.

Mr. HAWES. I have given considerable time to this bill——

Mr. BORAH. I know the Senator has.

Mr. HAWES. And I do not find in this Chamber over five Senators who are not in favor of some form of independence for the Philippine people; there is almost unanimous agreement upon that. There is a condition of uncertainty in the islands and in our American relations with the islands that demands a solution. We are now quarreling about some time limitation, and we are trying to cut down by one-half the export from the Philippines of products on which those people live.

In addition to that, the proposal is made to cut in half the export of sugar and to cut down the time. It is just like shooting a bird with both barrels of a shotgun. The Philippine people are getting two loads at the same time, and it is too much.

Mr. BORAH. It seems to me that the cutting down of the time would be in the interest of justice, both to the agricultural interests of the United States and to the people of the Philippines, because it would eliminate a long period of time during which we would be limiting their production, as well as a long period during which American agriculturists must compete with them. I recognize the injustice of putting this limitation upon the Philippine people, but, on the other hand, if we are going to provide that this period shall last for 18 years the agricultural interests of the United States, in my opinion, are going to suffer very greatly during that period.

Mr. HAWES. There is no doubt that we must consider our people in this country, and it is also only fair that we should consider some of the investments that Americans have made in the Philippines by reason of the encouragement we have given them by providing a free-trade status between the islands and the United States. The committee of the Senate has very earnestly and without any sectional interest in this subject—certainly there is no sugar raised in my State; we are not interested in sugar—tried to arrive at a basis that would be fair to the sugar raisers of this country and at the same time fair to the people whom we induced to go into the sugar business in the Philippines. So we took what was called the status quo, and as nearly as we could we determined the aggregate of sugar that should be allowed to come into this country from the Philippines. According to the official Government figures the amount was 800,000 tons. Now the Senator from Louisiana proposes to cut that down to 595,000 tons, which is the lowest point ever suggested before the committee or before the Senate or before the House. I say the Philippine people can not stand that reduction in the quota. Under it they will not be able to pay their debts. They have a large bonded indebtedness; they have banks and other institutions of various kinds depending in large part on the sugar industry; they must have revenue in order to pay their bills, or they will be wrecked.

I proposed an amendment yesterday giving them permission to put a duty upon American goods which enter the Philippines at the rate, I believe, of some $100,000,000 a year—on cotton and shoes and hats and boots. That is only fair, for in order that the Philippine people may live they must have some revenue. They have not a diversified production over there as we have in this country. There are, practically speaking, only copra and sugar.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Louisiana?

Mr. HAWES. I yield.

Mr. LONG. I am much interested in the discussion of the Senator from Missouri as to the time, and I want to see if I can not keep the Senator from making another sugar speech, although I know it is difficult to refrain from talking about sugar. The Senator was making a suggestion that I wanted to ask him to explain a little further. The Senator from Idaho asked the Senator from Missouri whether or not the Senator from Missouri could not suggest some means by which we could put the 8-year provision in the bill and still leave enough of the Senate bill for conference between the two Houses. The Senator from Missouri answered, stating that there could be a 4-year graduated tariff provision written into the bill. I want to ask the Senator to explain that a little further.

Mr. HAWES. Mr. President, I expressed my personal opinion, but I have great deference for the opinion of the Senator from Nevada [Mr. PITTMAN] and other members of the committee, and I would not commit myself definitely to that proposal unless I found that it met with their approval. The Senator from Idaho asked me for a suggestion, and I gave it to him, to the effect that simply cutting down the time and cutting down the tariff period would perhaps accomplish the purpose; but I should not like to say that I would advocate such a course until I had discussed it with others.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. HAWES. I yield.

Mr. PITTMAN. I think it will be conceded that the House is no more desirous of yielding in toto to the Senate than is the Senate desirous of yielding in toto to the House. The House bill provides for a period of eight years and for practically the same quotas governing the free entry of Philippine goods as the Senate bill provides. They have no provision for a step-up tariff, however, and no provision for a plebiscite.

If we had passed the Senate bill as it was, the matter would have gone into conference, and we then would have had the legal right to accomplish what we are trying to accomplish now. In other words, the 8-year period in the House bill could have been adopted as the period of time in which the Philippines should be allowed to bring in a certain quota of goods based on the present status quo. Then we could have taken 2 years, if we wanted to, for a step-up of tariff, or 3 years for a step-up of tariff, or even 4 years for a step-up of tariff. We could have provided for the plebiscite before the end of the period of step-up of tariff as well as afterwards. We could have had the whole thing terminate, if we had wanted to, in a period of 12 years instead of 15 or 18 years. It would all have been in conference; but if we adopt this amendment, which strikes out of the Senate bill all of the step-up provisions of the tariff and the plebiscite, then there is nothing in conference. That is where we are.

Mr. BROUSSARD. Mr. President, at a meeting of the Committee on Territories and Insular Affairs this morning, finding myself alone against the committee bill, and wishing to meet some of the arguments advanced that have been repeated here on behalf of the committee bill, I proposed, in order to sound out the members, that the time be extended to 10 years, and that, beginning three years after the inauguration of the new government, these people be required to pay a step-up tariff rate, to be paid into the Treasury and refunded to the Philippine Islands and there applied to the payment of the debts of the Philippine Islands.

If there is any proposal that would meet the situation now, I think that is the fairest one.

I proposed this amendment because, as I said before, I have favored the 5-year period. In fact, when we started the consideration of the bill I was for immediate independ-

ence; but, due to these economic conditions and the indebtedness of the Philippine Islands, I was converted, and finally voted for the 5-year period when we reported the bill.

Now the House has passed a bill containing an 8-year period. At the time we considered this bill the House had acted. I expressed myself then as preferring the House bill to either the Vandenberg bill or the bill that the committee prepared. If the 8-year period does not meet the conditions which these proponents are urging should be met in behalf of the Philippine Islands, a 10-year period, with the imposition of a tariff rate stepped up the same as we do after 10 years under the committee bill would raise the funds with which to redeem their bonds and leave a surplus to them. In fact, it might be provided that when the bonds are retired that shall cease. That would meet the objections urged here.

Mr. WALSH of Massachusetts. Mr. President, I should like to inquire of the Senator from Missouri to what extent Americans have invested in the Philippine Islands.

Mr. SMOOT. Does the Senator mean in the production of sugar?

Mr. WALSH of Massachusetts. No; all investments of all kinds. Is it approximately $200,000,000?

Mr. LONG. One hundred and ninety-seven million dollars.

Mr. HAWES. One hundred and ninety-seven million dollars.

Mr. WALSH of Massachusetts. My attention has been called to an enumeration of those investments printed on page 63 of Excerpt From Hearings in the statement of the Hon. Manuel Roxas. May I suggest that this table be printed in the RECORD for the information of the Senate?

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

American investments in the Philippines

Manufacturing industries	$8,732,000
Public utilities:	
Transportation (garages and bus lines)	1,634,000
Illuminating gas	4,735,000
Telephones	2,220,000
Radio and telegraph	298,000
Electric-light plant	19,347,000
Ice plants	39,000
Merchandising enterprises	38,383,000
Business enterprises: Real estate (including plantations, subdivisions, etc.)	7,399,000
Banks	502,000
Building and loan associations	439,000
Moving-picture theaters	135,000
Engineering, contracting, stevedoring, newspapers, hotels	3,115,000
Lumbering and sawmills	6,000,000
Sugar centrals	30,000,000
Sugar refineries	210,000
Religious organizations	893,000
Philippine government bonds	65,472,000
Philippine Railway Co. bonds	7,384,000
Manila Railway Co. bonds	953,000
Total	197,890,000

Mr. LONG. Mr. President, there does not seem to be any real reason why we could not settle this time limitation and the graduated tariff provision by some kind of an agreement.

I hope the Senator from Nevada [Mr. PITTMAN] will not leave the Chamber.

Mr. PITTMAN. I will ask the Senator from Louisiana to hurry, as I have been called out of the Chamber.

Mr. LONG. Go ahead. I have been informed that the Senator is trying to work on what I was talking about. I am talking about trying to get an agreement on the time of the graduated tariff.

If the amendment of the senior Senator from Louisiana is adopted, it will simply put this matter back to the House bill. The House bill is far preferable to the Senate bill. While I am sure the gentlemen proposing the Senate bill do not intend it that way, it is to some extent an effort to discourage more than to encourage Philippine independence. It starts out with one plebiscite. That is, a plebiscite in fact, because when a vote is taken on the adoption of a constitution and the formation of a government for the Philippine Islands that is a referendum to the people on independence. Then at the end of 18 years there is another plebiscite. In the meantime a graduated tariff begins to go into effect in 10 years.

The reason, of course, for waiting after the 10 years is that when 5 per cent is taken off one year, and the next year 10 per cent more, and the next year a little more, naturally the agents of the Americans who are all the time increasing their investments in the Orient and carrying out their propaganda will say to the Filipinos, "You are going to be fired next week. Last week we had to let off 1,000 employees. Next month we are going to let off a thousand more." Political opposition will develop, the American interest increasing in the meantime, to a point where there will be a constant political turmoil that Congress can not change until the 18-year period has expired.

So there is no question but that if we are going to take one of the two bills, by all means the House bill is the preferable one, because the House bill is based upon the principle that the Philippine Islands should be freed as a matter of American policy.

On this matter of time, I am not divulging any confidences, but I have talked to these Filipinos myself; and I have received no impression whatever that any of these Philippine representatives want more than five years at the most. If they have any such idea as that, I have failed to glean it from the conversations I have had with them.

This morning there appeared in the New York Times an article quoting a speech of Mr. Schurman, who was formerly president of the Philippine Commission and ambassador to Germany. I read from the article. It starts out as follows:

WASHINGTON, December 12.—Jacob Gould Schurman, in a speech at Catholic University to-night, counseled the granting of Philippine independence immediately. Doctor Schurman, who was president of the first Philippine Commission, formerly was ambassador to Germany, and, prior to that, minister to China.

He was a member and president of the first Philippine Commission.

In his opinion, both the House and Senate bills provide for too long a waiting period. He replied to frequently expressed fears that Japan would annex the Philippines, once they achieved independence, by stating that in 1925, while minister to China, he "observed that the goal of Japanese expansion had shifted to the west."

Doctor Schurman said there should be a short period of preparation for independence, but, with that allowed, ventured the opinion that "the Filipinos could, as a matter of fact, govern themselves better than the Americans could govern them."

I shall not read the balance of the article. I offer it for the RECORD, and ask that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. The senior Senator from Louisiana, however, responding to the question which was asked by the Senator from Idaho [Mr. BORAH], suggested that if there be an amendment made of 10 years, we couple with that a provision that after the third year we begin the graduated tariff, just as the Senate amendment proposes to begin it after the 10 years' time.

I am not set on 8 years, nor 7 years, nor 6 years, nor 5 years. I frankly expect at this time, if the matter comes to a vote, to vote for the substitute that is offered by the Senator from Utah [Mr. KING]. It seems to me, however, that in order to carry this bill into a conference with the House, and accomplish the purpose set forth by the Senator from Idaho [Mr. BORAH], we could agree to a 9-year or a 10-year or an 8-year limitation in the time for independence, and couple with that a graduated tariff, beginning, if it is an 8-year period, after the four years; or, if it is a 10-year period, after the five years.

I am sure I should be willing to vote for that, and I believe most of those who entertain the views that I do would be willing to do so.

The article from the New York Times, which was ordered printed in the RECORD at the conclusion of Mr. LONG's remarks, is as follows:

[From the New York Times of Tuesday, December 13, 1932]

FOR INDEPENDENCE AT ONCE—DOCTOR SCHURMAN, IN WASHINGTON ADDRESS, URGES PHILIPPINE ACTION

WASHINGTON, December 12.—Jacob Gould Schurman, in a speech at Catholic University to-night, counseled the granting of Philippine independence immediately. Doctor Schurman, who was president of the first Philippine Commission, formerly was ambassador to Germany, and prior to that minister to China.

In his opinion, both the House and Senate bills provide for too long a waiting period. He replied to frequently expressed fears that Japan would annex the Philippines, once they achieved independence, by stating that in 1925, while minister to China, he "observed that the goal of Japanese expansion had shifted to the west."

Doctor Schurman said there should be a short period of preparation for independence, but, with that allowed, ventured the opinion that "the Filipinos could, as a matter of fact, govern themselves better than the Americans could govern them."

SAYS THE HOUR HAS ARRIVED

"The hour has arrived for the independence of the Philippines," he went on. "I always thought it would come within one generation. I always scouted the idea it must be delayed for more than a generation.

"The reason why 33 years under American tutelage is sufficient is that by intensive training in the schools and by ever-increasing experience in government it has been possible for us to fit the first generation of Filipinos under our sovereignty for the exercise of independent and sovereign government as well as we could ever fit any subsequent generation.

"Whoever proposes a longer term than the lifetime of one generation to prepare the Filipinos for independence must, if he is honest, explain why the generation of 1933 to 1966, or that of 1967 to 2000, will be more capable of the great task than the generation of 1900 to 1932, which has been so highly favored both by American training and by Filipino encouragement and example."

Speaking of the bills now before the Senate, Doctor Schurman said:

"I think the interval between the date of congressional legislation and the final consummation of independence too long in both bills. I find no precedent for the delay proposed.

"Secondly, I see no need of more than one vote in the Philippines on the question of independence. When the Philippine constitutional convention has finished the drafting of a constitution for the Republic of the Philippine Islands, the Philippine people, in voting upon its adoption, could, at the same time, if anything more is needed, also vote affirmatively or negatively on the question: Should the Philippine Islands be independent? I do not myself think this additional question necessary, as the adoption of the constitution would itself indicate that the voters favored independence.

"Thirdly, I venture to express the hope that in our last official dealings with our Philippine wards we shall treat them not only with consideration but with generosity; in all cases of doubt to let the decision go in favor of the weaker and poorer people. Magnanimity is often a better policy than sharp bargaining. A great republic and narrow minds and small hearts go ill together.

"I want the future sovereign and independent Philippine nation to think well of America—to cherish for us genuine esteem and appreciation. I covet their good opinion for my country. I hope they will report us well in Asia."

Mr. TYDINGS. Mr. President, do I understand that the Senator would be willing to vote for an 8-year period, followed by a 4-year tariff period and a 1-year plebiscite provision?

Mr. LONG. Yes, sir.

Mr. TYDINGS. I have an amendment pending to substitute 10 years in place of 8.

Mr. LONG. When does the Senator put on the plebiscite?

Mr. TYDINGS. One year after that.

Mr. LONG. I think we ought to have the plebiscite before we start in on the tariff.

Mr. TYDINGS. Let me make my suggestion.

Mr. LONG. Very well.

Mr. TYDINGS. I understand that the Senator from New Mexico [Mr. CUTTING] and the Senator from Missouri [Mr. HAWES] are trying to arrange an amendment to keep the bill in substantially the same shape and reduce the time, which the Senator from New Mexico will shortly state to the Senate. That being the case, I have no disposition to press my amendment. I shall be for that substitute proposition, and I hope it will meet with the wishes of all those who want a shorter time but who want the bill carried out in substantially the way the committee has suggested.

Mr. LONG. Then the Senator means to withdraw his amendment to the amendment?

Mr. TYDINGS. Yes.

Mr. LONG. As I understand, Mr. President, the Senator from Maryland withdraws his proposal to amend the amendment of the Senator from Louisiana.

The VICE PRESIDENT. Does the Senator from Maryland withdraw his amendment?

Mr. TYDINGS. I do.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. LONG. Mr. President, just a word.

I have not answered the supplementary speeches which have been made to-day by the Senator from Nevada [Mr. PITTMAN] and the Senator from Missouri [Mr. HAWES] on sugar and coconut oil. I think I did answer them yesterday. I am going to take not over half a minute.

Those matters have been disposed of. We have tears for those immediately present as well as for those 10,000 miles away. When the great human heart has become fully awakened in the bosom of the magnificent representatives that the world has furnished us from Missouri and Nevada, we are hoping that tears may fall for the cotton farmer and for the cane farmer and for the man grazing cattle in the United States as well as for his more prosperous neighbor at this time in the Philippine Islands.

Mr. SMOOT. Mr. President, during the discussion of this question from the first day until to-day the impression has been left that the question of sugar involves only ownership by Americans; that it is only American money that is invested over there in the sugar business.

That is not true. I want to say that in the Philippines the Filipinos own 50 per cent of the investment in sugar, or $41,500,000. Americans have invested there only $21,500,000, or 26 per cent, slightly over one-half what the Filipinos have invested themselves in connection with citizens of other countries. Then the Spanish people alone have $19,000,000 invested there, which is 23 per cent of the whole, or nearly as much as the American people have invested in sugar in the Philippine Islands. Then there are a number of very small mills, cosmopolitan in nature. They have 1 per cent, or $500,000. In other words, there is invested in sugar in the Philippine Islands $82,500,000. Of that, American money represents only $21,500,000.

Whatever advantage is given here in this sugar situation and whatever provision is made in this bill, remember this: That the great bulk of the advantage does not come to American investors; it goes to Spanish people, who made among the very first investments made in the Philippine Islands. Whatever advantage is given in this bill, we are giving the Spanish people that advantage.

I understand that a great deal of the money invested in the Philippines is Spanish money, loaned to the Philippine people for the very purpose of establishing a sugar industry in those islands. So that I think that if we pass this bill and grant the 18 years spoken of now we will give at least half the advantage to Spanish people who are interested in the production of sugar in the Philippine Islands.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. HAWES. I do not desire to discuss sugar to-day, because that may come up at another time. We were on the subject of limitations.

Mr. SMOOT. But the Senator did discuss it, and I am just answering now what he said in relation to it. I had no intention of saying a word about sugar, and would not have done so except in answer to what the Senator stated.

Mr. HAWES. I repeat my statement, Mr. President, that the result of taking the action proposed would be to cut down by one-half the revenue coming into the Philippines, and, of course, that would be a serious—perhaps a fatal—economic injury to the Philippine people. As to who owns the sugar factories over there, I do not know, but I will put in the RECORD to-morrow a statement in regard to the matter.

Mr. SMOOT. I have taken the figures from the Philippine statement. I do not take them from our own department. This is what the Philippine report itself says.

Mr. HAWES. Mr. President, the distinguished senior Senator from Idaho [Mr. BORAH] asked a very pertinent question a while ago, and I was inclined to answer it directly, but I thought it was only fair to my colleagues to consult with them before giving a definite expression.

I have talked with the Senator from New Mexico [Mr. CUTTING], the Senator from Nevada [Mr. PITTMAN], and other Senators in the Chamber, and we have agreed that after the amendment of the Senator from Louisiana shall have been disposed of—and I hope it will be disposed of soon—we will introduce an amendment providing for a period of eight years and four years, so that the bill can go to conference carrying those limitations in it, which we think would be fair or at least it would permit the conferees to work the problem out on one theory or the other.

Mr. WALSH of Massachusetts. Mr. President, will the amendment retain the plebiscite feature?

Mr. HAWES. I understand that there is a suggestion to change the time of holding the plebiscite from the end to the beginning of the period. I am not prepared to accept this view. We are preparing an amendment now, and it will be presented to the Senate after we dispose of the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. LONG. As I understand it, the amendment is going to be to provide for a period of 10 years?

Mr. HAWES. No; eight years. Eight and four.

Mr. LONG. I do not know how the senior Senator from Louisiana looks on it, but as I understood what my colleague stated on the floor, I think that that would be about what would suit him. There is no need, then, for further argument from our side on that point, if it is an 8-year proposition, with the plebiscite coming in the front instead of after the period.

Mr. DICKINSON. Mr. President, I desire to offer an amendment to the Broussard amendment, on line 2, to strike out the word "eight" and insert in lieu thereof the word "five."

My reason for that is the fact that it has been stated on the floor of the Senate numerous times that people who began studying this bill began with the 5-year period in mind. I have offered amendments, which are now on the table, which arrange the tonnage with a proper step-up and a proper tonnage limitation, so that we could put it in and make it adjustable to the 5-year period.

If the 5-year period is not accepted, then I expect to offer an amendment here which will do exactly the same thing the 8-year-period provision would do with reference to the tariff differential and the tonnage step-up.

That being the case, I should like to see the 5-year-period amendment passed on and get the view of the Senate in regard to it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. LONG. I know the Senator from Iowa desires the enactment of a bill to free the Philippines as badly as we do. If we can get together on a compromise such as the one which has been suggested, or something along those lines, would not the Senator feel like going along with that compromise, so that we might get a bill passed?

Mr. DICKINSON. I am not for a compromise on any 12-year period.

Mr. LONG. As I understood, the proposal was for an 8-year period.

Mr. DICKINSON. No; it is for an 8-year period, and then the differential starts in and there would be a 4-year period, making 12 years altogether.

Mr. BROUSSARD. Mr. President, in order that my position may not be misunderstood by reason of what has been said on the floor, I wish to say that 8 and 4 mean a 12-year period. It does not mean an 8-year period. I am opposed to a 12-year period. I proposed eight years, and I shall insist that my amendment be acted on.

Mr. PITTMAN. Mr. President, a great deal of unnecessary conversation would be stopped if we would wait a few minutes so that we could have before us an amendment which is being prepared to be offered by the proponents of the bill. When the exact wording of it has been agreed upon, we will know exactly what is meant, and those opposed to it can vote against it and those in favor of it for it. I think that in a few minutes it will be drafted and ready to be offered.

Mr. DICKINSON. Mr. President, if that is the feeling of the committee, I do not believe the Broussard amendment ought to be disposed of until after the committee amendment is presented, so that we will know what it is and what it contains.

Mr. PITTMAN. I think the orderly procedure would be to find out what the proponents of the bill are going to offer in attempting to meet some of the suggestions as to the reductions in time and yet maintain the philosophy of the bill.

Mr. KING. Mr. President, I think that, in view of the statement just made by the able Senator from Nevada, we ought to take a recess for about 10 minutes, in order that the amendment may be perfected and submitted for our consideration. I therefore move that the Senate take a recess for 10 minutes.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. The motion is not debatable.

Mr. McNARY. Will not the Senator yield to me?

Mr. KING. I submit that the motion is not debatable.

The VICE PRESIDENT. It is not debatable, if the Senator declines to yield for a question.

Mr. McNARY. Will the Senator withhold his motion for a moment?

Mr. KING. I withhold the motion.

Mr. BARKLEY. Mr. President, I make the point of order that a quorum is not present.

The VICE PRESIDENT. The Senator did not yield for that purpose.

Mr. BARKLEY. Will the Senator from Utah yield to me?

The VICE PRESIDENT. The Senator from Oregon has the floor.

Mr. KING. I yielded for a question, as I understood.

Mr. McNARY. I was going to suggest to the able Senator from Utah that probably his object could be accomplished if he would yield to me. I desire to move an executive session.

Mr. KING. I did not yield for that purpose.

The VICE PRESIDENT. The Senator declines to yield. The question is on the motion of the Senator from Utah that the Senate take a recess for 10 minutes. [Putting the question.] The noes have it, and the Senate declines to take a recess.

Mr. BARKLEY. Mr. President, I make the point of order that a quorum is not present.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barbour	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fess	Lewis	Shortridge
Black	Frazier	Logan	Smoot
Blaine	George	Long	Steiwer
Borah	Glass	McGill	Swanson
Bratton	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulkley	Gore	Metcalf	Trammell
Bulow	Grammer	Moses	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Connally	Hayden	Pittman	Watson
Coolidge	Howell	Reed	White
Costigan	Hull	Reynolds	

Mr. WALSH of Montana. I desire to announce that my colleague the junior Senator from Montana [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. McNARY. Mr. President, I now move that the Senate proceed to the consideration of executive business.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. The motion to take a recess has precedence. The question is on the motion of the Senator from Arkansas that the Senate take a recess until 12 o'clock noon to-morrow. [Putting the question.] The Chair is in doubt.

Mr. McNARY. I demand the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to make a brief statement.

The VICE PRESIDENT. Without objection, the Senator from Arkansas is recognized.

Mr. ROBINSON of Arkansas. I have just been advised that during the day a Member of the House of Representatives has departed this life and that it is desired by the senior Senator from Texas [Mr. SHEPPARD] to present a resolution in connection with the death of the Member of the House. I ask unanimous consent that all proceedings on the motion of both the Senator from Oregon and the Senator from Arkansas be vacated in order that that may be done.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McNARY. Mr. President, in view of the statement made by the Senator from Arkansas that a recess is desired out of respect to the memory of the deceased Congressman, in order that we may take such a recess I shall not persist in my motion for an executive session; but I give notice now that to-morrow at the very earliest opportunity I shall renew my motion that the Senate proceed to the consideration of executive business.

Mr. ROBINSON of Arkansas. Mr. President, in view of the notice given by the Senator from Oregon, I think I should feel at liberty to give notice that I shall resist to the fullest extent the motion which the Senator from Oregon has given notice he will make.

Mr. HAWES and Mr. CUTTING submitted an amendment intended to be proposed by them to the pending bill, which was ordered to lie on the table and to be printed.

DEATH OF REPRESENTATIVE GARRETT, OF TEXAS

Mr. SHEPPARD. Mr. President, it becomes my sad duty to announce the death of Hon. DANIEL E. GARRETT, a Representative from the State of Texas. At a later time I shall ask the Senate to pay fitting tribute to his memory. At the present time I offer the resolutions which I send to the desk, and ask unanimous consent for their immediate consideration.

The resolutions (S. Res. 304) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. DANIEL E. GARRETT, late a Representative from the State of Texas.

Resolved, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Vice President appointed as the committee on the part of the Senate the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], the senior Senator from North Dakota [Mr. FRAZIER], the senior Senator from Minnesota [Mr. SHIPSTEAD], the senior Senator from New Mexico [Mr. BRATTON], the junior Senator from Minnesota [Mr. SCHALL], the senior Senator from Kentucky [Mr. BARKLEY], the junior Senator from Georgia [Mr. COHEN], and the junior Senator from North Carolina [Mr. REYNOLDS].

Mr. SHEPPARD. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until to-morrow at 12 o'clock meridian.

RECESS

The motion was unanimously agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, December 14, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 13, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Strong Son of God, Thou who art the fountain of life and the light of the world, we turn again to Thee. We pray for the blessing of Thy truth and wisdom. Our natures are not stiffened into permanence; they are open to receive the divine urge. We pray for the supremely blessed agencies of life. Do Thou endow us for the wisest possible service for our country. Thy merciful arm is not shortened nor is Thine ear closed; do Thou harken and heed our prayer. Our yearning spirits, our lasting hopes, our quivering faith in silence look up to Thee. This day be with us and make the conquest complete and victorious. Bless all hearthstones where human hearts are crushed and where love lies bleeding because of sorrow, failure, and disappointment. O be with them all as the angel of consolation. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 503. Joint resolution authorizing the payment of salaries of the officers and employees of Congress for December, 1932, on the 20th day of that month.

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE

Mr. POU. Mr. Speaker, I call up House Resolution 312 and ask its immediate consideration.

The Clerk read the resolution (H. Res. 312), as follows:

Resolved, That the special committee appointed pursuant to the authority of House Resolution 235 for the purpose of investigating Government competition with private enterprise shall report to the House not later than January 25, 1933, in lieu of December 15, 1932, the date specified in such resolution.

The resolution was agreed to.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 314.

The Clerk read the resolution, as follows:

Resolved, That in the consideration of the bill H. R. 13520 all points of order on sections 2 to 8, both inclusive, shall be considered as waived.

Mr. BANKHEAD. Mr. Speaker, does the gentleman from Indiana desire to make some agreement with reference to debate on this resolution?

Mr. PURNELL. I would like to have 10 minutes in order to yield to the gentleman from New York [Mr. LAGUARDIA], who has requested that time.

Mr. BANKHEAD. We will be willing to yield the gentleman such time as he may desire of the usual 20 minutes.

Mr. PURNELL. I only have a request for 10 minutes to yield to the gentleman from New York [Mr. LAGUARDIA]. We are not opposing the resolution.

Mr. BANKHEAD. We will be glad to yield the gentleman that time.

I ask for recognition, Mr. Speaker.

The SPEAKER. The gentleman from Alabama.

Mr. BANKHEAD. Mr. Speaker, I think it is probable that the entire membership may be familiar with the purposes and origin of the request for this rule. It will be recalled when we first began consideration of the pending bill that the chairman of the committee, the gentleman from Ten-

nessee [Mr. BYRNS], submitted a unanimous-consent request, that points of order involved in these sections covered by this resolution, might be waived, which was objected to by the gentleman from New York [Mr. LAGUARDIA]. The chairman of the committee then, carrying out the judgment of the full Committee on Appropriations, requested the Committee on Rules to bring forward the resolution which is now pending.

As you will note, it is a very brief resolution in its provisions. The only purpose of it is to make in order the provisions of sections 2 to 8 of the pending bill, without the interposition of a point of order. In other words, if the rule is adopted, no points of order can be made against those sections of the bill, upon the ground that they are legislation, or otherwise.

I am not familiar with all of the provisions of these sections, but as was stated by the gentleman from Tennessee upon the floor on yesterday, in answer to an inquiry from myself, in the main the purpose of seeking this rule was to make in order provisions of this bill which simply carry into effect the general purposes of the furlough plan and the economy bill, which were carried in legislation last year. Of course, the adoption of this rule will not prevent the offering of any germane amendment or the full consideration of the merits of those sections which are covered by this rule.

As I stated, it is merely a rule waiving the usual points of order.

I might say in this connection that, as a general proposition, personally I do not favor this character of rule. I think that the reservation, under the rules, of points of order against pending appropriation bills is a great protection to the Treasury and sometimes to the views of Members upon the floor of the House, but inasmuch as this rule was requested by both sides of the Committee on Appropriations, and in view of the facts stated, that it merely sought no new legislation, but in substance carried out the provisions of existing law, it was the opinion of the Committee on Rules that the resolution was justified.

Mr. MAPES. Will the gentleman yield?

Mr. BANKHEAD. I will be glad to yield to the gentleman from Michigan.

Mr. MAPES. I would like the attention of the chairman of the Committee on Appropriations. As I understand it, the appropriation bill now before the House does not continue one provision of the economy legislation passed in the last session of this Congress, and that is the provision which prohibited the filling of any vacancies during this fiscal year without an express order of the President that it was necessary to do so. My understanding of the legislation is that that provision is not continued, and I wonder if the gentleman could tell us what changed situation justified the omission of it. As I recall the debate now, the chairman of the Committee on Appropriations was very insistent that that provision be incorporated in the economy legislation in the last session of Congress.

Mr. BANKHEAD. In answer to the gentleman's inquiry, as I stated, I am not personally familiar with all the details of the bill, and if the gentleman from Tennessee, the chairman of the committee, sees fit to answer the inquiry I will yield to him for that purpose.

Mr. BYRNS. I will state that the gentleman from Michigan is correct in so far as his statement is concerned as to the elimination of the necessity for the President to approve the filling of vacancies. That was eliminated for several reasons. In the first place, the President in his Budget and in his message, which the gentleman will recall, and also through the Director of the Budget, his personal representative, when he appeared before the committee, very strongly urged that that be done. There is reason for eliminating it next year that did not exist this year. We have reduced all appropriations to take care of those vacancies which occur this year, and which are not to be filled; reducing the appropriations, as I say, to the extent of the amount necessary to carry those vacancies.

Now, it was insisted that with the very few vacancies that did exist that would be necessary to fill this next year the heads of the departments could handle it. The President in his statement, if the gentleman will read his message, said that this will relieve the President of the duty and place it on the heads of departments, where it has rested in the past.

Mr. MAPES. The gentleman perhaps will recall that I opposed that proposition in the economy legislation.

Mr. BYRNS. I recall the opposition of the gentleman and also my very strong insistence upon its being adopted.

Mr. MAPES. I wondered if the fact that there was to be a new administration after the 4th of March influenced the committee in any way to leave it out now?

Mr. BYRNS. I think I can truthfully say to the gentleman that it had no effect because it was a unanimous report. As I say, these vacancies will have been taken care of by July 1, and then such vacancies as may occur next year will be dealt with as the situations arise. It may be that it will not be necessary to fill some of them. That will depend upon the condition existing in the particular service.

Mr. MAPES. Personally, I think the responsibility ought to be left to the heads of the departments, but the spirit of the legislation might well be kept in mind by them in filling vacancies, particularly if the statement of the gentleman from Indiana yesterday on the floor is true, that the departments are greatly overmanned.

Mr. BANKHEAD. I will say to the gentleman I can not yield my time indefinitely; my time is limited. I hope his inquiry has been satisfied.

I now yield to the gentleman from Ohio.

Mr. HARLAN. Do I understand it was the intention of the Rules Committee, in reporting this resolution, that it shall only apply to sections 2 to 8 as presently stated and shall not apply to any amendments to those sections which may be offered from the floor?

Mr. BANKHEAD. I will say to the gentleman it applies only to the text of the bill as now presented.

Mr. HARLAN. As now stated. Is that to be the rule?

Mr. BANKHEAD. That was the intention of the Committee on Rules in reporting the resolution. We could not anticipate, of course, any amendment that might be offered by the Committee on Appropriations. This rule merely applies to the text of the bill as now presented.

Mr. HARLAN. Mr. Speaker——

Mr. BANKHEAD. Does the gentleman desire me to yield further?

Mr. HARLAN. If the gentleman will permit, I would like to submit a parliamentary inquiry in order that we may be sure about this point.

Mr. BANKHEAD. I yield to the gentleman for that purpose.

Mr. HARLAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HARLAN. The inquiry is whether the resolution as applied to sections 2 to 8 will not be construed as applying to any amendments to sections 2 to 8 that may be offered from the floor.

The SPEAKER. This rule applies only to the provisions of the bill and does not apply to the amendments.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Connecticut.

Mr. GOSS. Does the gentleman realize that by including section 8 of the bill—that if that section is left in the bill—it will have the effect of reducing the pay of enlisted men in the Army, Navy, Marine Corps, Coast and Geodetic Survey by 12 per cent?

Mr. BANKHEAD. I will say that in presenting this resolution I am not interested in the results that might follow the adoption of the section the gentleman speaks of. We are now merely discussing the question as to whether points of order shall be waived.

Mr. GOSS. Does the gentleman know, or will the gentleman yield to the chairman of the committee to answer that question at this time?

Mr. BANKHEAD. If it will not take too much time. I promised to yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BYRNS. I think I can answer the question very briefly by stating that it does not in any sense reduce the enlisted pay of any member of the Army, Navy, Marine Corps, or Coast Guard. It cuts out a bonus.

Mr. GOSS. It eliminates the reenlistment pay.

Mr. BYRNS. It eliminates the reenlistment bonus.

Mr. GOSS. That is considered as pay.

Mr. BYRNS. It has been paid in recent years on reenlistment to a man whose enlistment has expired and who reenlists in three months. This section does not cut down the enlistment pay.

Mr. GOSS. As the gentleman knows, the reenlistment bonus has always been considered as part of the pay.

Mr. BYRNS. No, it is not. It is simply an inducement, I suppose, to get them to reenlist. It is a bonus, pure and simple, and not a part of their enlistment pay.

Mr. BANKHEAD. Mr. Speaker, I would like the gentleman from Indiana to yield time to the gentleman from New York at this point.

Mr. PURNELL. Mr. Speaker, I understand the gentleman has yielded 15 minutes. I merely want to concur in the statement made by the gentleman from Alabama to the effect this rule was requested by Members from both sides of the Committee on Appropriations.

The gentleman from New York [Mr. LAGUARDIA] objected to the unanimous-consent request yesterday and has asked for 10 minutes. I am pleased to yield him 10 minutes.

Mr. LAGUARDIA. Mr. Speaker, I objected to the request made yesterday, a most unusual request, for the waiver of all points of order to the sections included in this resolution.

I am opposed to the resolution.

I am sorry I can not join this pleasant party of unanimity and that I must be, perhaps, in a sole minority.

SEVERAL MEMBERS. Oh, no.

Mr. LAGUARDIA. Perhaps my life would be happier if I could join with the majority from time to time, but I just can not do it when the majority is wrong. The majority is wrong in this instance.

Now, Mr. Speaker, the purpose of this resolution does violence to orderly parliamentary procedure. It will be remembered that there was a time when the appropriations were brought in by the regular committees with the exception of the appropriation for the Treasury Department and coast defense, which was brought in from the Committee on Appropriations. When we adopted the Budget system, jurisdiction of all appropriations was given to the Committee on Appropriations and the membership was enlarged. However, it was distinctly understood that that committee would have no legislative jurisdiction and would be given no legislative function.

The gentleman from Alabama [Mr. BANKHEAD] made a frank statement, as he always does, and said that ordinarily he would not approve of this procedure, and I want to say to the gentleman from Alabama that there is no justification for it in this instance. All the justification, reason, logic, or necessity for this rule may be found in the committee's report, and I want to read it:

The Committee on Rules, having had under consideration House Resolution 314, reports the same to the House with the recommendation that the resolution do pass.

[Laughter.]

That is all there is to that. I submit that this House ought to know by the adoption of this resolution it is waiving one of the most important rules of this House and the only protection of the membership of the House from encroachment by the Committee on Appropriations on legislative functions. We must not permit any emergency to destroy representative government.

This is not a matter of slight importance. The question of the reduction of salary affects hundreds of thousands of families, and in many instances the very happiness and decent existence of those families.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. LAGUARDIA. I yield for a question. I have only 10 minutes.

Mr. FITZPATRICK. If this rule is adopted it means, does it not, that men receiving $7 or $10 a week will be cut 8⅓ per cent?

Mr. LAGUARDIA. Yes. I sincerely hope that the gentleman from Tennessee [Mr. BYRNS] and the gentleman from Indiana [Mr. WOOD] will realize the necessity of at least correcting the blunder and the incompetency of Congress in drafting a proper bill when it has so clumsily, unscientifically, and sloppily drafted the economy bill that reductions are made on salaries of $7 and $10 a week referred to by the gentleman from New York [Mr. FITZPATRICK], and there is not a man in the House who will stand up and say he is in favor of such reductions.

Now, what is going to happen? The provisions of sections 2 to 8 go to the very crux of this question and are subject to a point of order, and the membership of this House ought to have the right to invoke the rules of the House to strike them from the bill and let the appropriate legislative committee come in and assume the responsibility for carrying on this reduction.

Mr. MAY. Will the gentleman yield?

Mr. LAGUARDIA. For just a question; yes.

Mr. MAY. Will the passage of this rule disarm the membership of the House from making such points of order?

Mr. LAGUARDIA. Oh, yes; all points of order are just thrown overboard. There must be some reason for this which the Committee on Rules has not given us. There must be some reason that the Committee on Appropriations has not given us.

First, I want to say this—and I say it in all kindliness—the omission pointed out by the gentleman from Michigan [Mr. MAPES] certainly leaves the majority party open to the charge of distorting civil service law for the spoils system, because the safeguards placed in the former economy bill, under the guise of economy, have been taken away.

I want to also point out to the gentleman from Indiana [Mr. WOOD], who yesterday stood up here and said there were 5,000 employees of the Government service that are superfluous and unnecessary, that since 1920 the gentleman's party has been in power, and when he makes that charge he makes a most serious charge against his own party, and the gentleman has been chairman of the Committee on Appropriations a great part of this time. I do not believe there are such superfluous employees.

I also want to call your attention to another thing you are doing here in section 5. You are really delegating the legislative powers of Congress to control appropriations to an administrative officer, the Director of the Budget. Just look at section 5, by which you are now asked to vote away your rights to raise points of order. This section provides:

SEC. 5. Each permanent specific appropriation available during the fiscal year ending July 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of the sections enumerated in section 4 of this act.

Why, gentlemen, this is simply taking your powers of controlling appropriations or of saying what shall be expended and what shall not be expended and turning them over to the Director of the Budget, an administrative officer. This authority is more than a mere ministerial duty. It is more than a mere mathematical calculation—it is the power to fix appropriations, and as to that, gentlemen, we are asked to waive our right to strike it out on a point of order, because it has no business in an appropriation bill. The only way we could do this is by the appropriate committee's bringing in a bill, with opportunity to discuss it on its merits apart from any other proposition. [Applause.]

I want to warn some of my colleagues that for years and years we have been fighting all attempts to prevent free expression on the floor of this House and freedom of action on the floor of this House, and here, by one sweep, you are establishing a precedent and taking from the House its real power, originally intended when the Constitution was drafted—that the House of Representatives would be in absolute control of all appropriations. [Applause.]

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Speaker, I can not believe that the Appropriations Committee intends the action which will certainly be taken if section 5 of this appropriation bill is carried into effect. The appropriations carried deduct the entire amount involved in the provisions of the economy bill, and yet under section 5 I am certain that the same amount will be again deducted. We will have these deductions, or so-called economies, subtracted from the amounts which are carried in the bill. I would like to have an expression from the chairman of the Appropriations Committee as to his understanding of section 5.

Mr. BYRNS. I may say to my friend that I think he is totally mistaken in his conception of what this section means. It does not refer to any appropriation in this bill and relates to permanent specific appropriations which are not carried in this bill, and therefore there is no reduction made of the items of the bill. Unless some provision like this is adopted we will have the anomaly of reducing most of the appropriations and not reducing these permanent funds. If you are going to reduce the others, these ought to be reduced also.

Mr. KELLY of Pennsylvania. Mr. Speaker, if the gentleman will refer to the wording of the section itself he will see that it only involves amounts that are covered in the sections enumerated in section 4 of the act. Those particular sections of the economy act do not deal with permanent appropriations. They are all temporary appropriations. There can be no doubt that the Comptroller General, when he comes to rule on this section, will rule that Congress has specifically ordered a further deduction of the entire amount of the economy act provisions from the amounts provided in this bill.

Mr. BYRNS. If my friend will examine this a little closer, he will see that it only applies to permanent appropriations.

Mr. KELLY. Will the gentleman object to making it certain that there will be no double deduction?

Mr. BYRNS. I think it is certain already.

Mr. KELLY. I feel certain my friend does not desire the action which is likely to result from this section. It should be made clear that the reductions due to furloughs and other provisions of the economy act are already calculated in these appropriations. Further reductions should be made impossible, and it will take a clarifying amendment to do it. I hope such needed action will be taken if this section is made in order by the rule.

Mr. BANKHEAD. Mr. Speaker, I yield the remainder of my time, 10 minutes, to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, I do not think we should tie our hands by the adoption of this drastic rule. Both parties are on record on this question. In that connection, I would like to read to you a letter from the Republican National Committee and headed "Labor Bureau, William L. Hutcheson, Director," to Frank J. Coleman, secretary, Washington, D. C., Central Labor Union. It is as follows:

CHICAGO, ILL., *September 6, 1932.*

Mr. FRANK J. COLEMAN,
Secretary Washington (D. C.) Central Labor Union,
Washington, D. C.

DEAR SIR AND BROTHER: The following letter has just been received from Representative WILLIAM R. WOOD, of Indiana, which is self-explanatory and should answer your query of August 26 addressed to Mr. Hutcheson, director of the labor bureau:

"I have just received your letter of August 29, in which you state that you have received a communication from Mr. Frank J. Coleman, secretary of the Washington (D. C.) Central Labor Union, wherein he states that there appeared in the press recently a statement made by me that the Republican Party would favor further reductions in wages and working conditions of Government employees in the next Congress, etc.

"In reply permit me to say that the only statement that I have ever made with reference to further reduction of salaries was in answer to a query made by some young lady press reporter here in Washington. I told her that positively, if times got better, there would be no further reduction, and that automatically at the end of the fiscal year 1933 the old wages of Federal employees would be restored. At no time have I expressed a wish or desire to reduce the working conditions of the employees of the United States Government.

"Trusting that this is a satisfactory answer, I am, with very great respect."

Very truly yours,

S. P. MEADOWS, *Assistant.*

Now I will read a letter from the Democratic National Campaign Committee, addressed to "J. H. Cookman, chairman executive committee, Washington Central Labor Union." It is as follows:

J. H. COOKMAN,
Chairman Executive Committee,
Washington Central Labor Union,
Washington, D. C.

DEAR SIR and BROTHER: Thank you for sending me copy of the letter that Secretary Coleman sent me some time ago. For your information, I want you to know that up to this moment we have never received the original communication. I do not blame Mr. Coleman for this. The letter may have been lost in transit, but I am sure it did not arrive at the Democratic headquarters because we have searched everywhere for it.

I was very much disturbed because I did not receive the letter from Mr. Coleman and the first intimation I had that I was requested to do something was when the clipping bureau supplied me with the publicity that was given in the Washington Star.

I want to assure you and the delegates to the Washington Central Labor Union that this bureau will cooperate with your body to the fullest extent. In fact, I invite you to submit to us at any time anything that you think we can be helpful to you in.

Congressman MCDUFFIE, of Alabama, was interviewed and he said:

"Nobody regrets more than I that the Economy Committee had to insist on reduction in wages for Federal employees. I want to assure you as soon as the affairs of the Federal Government will warrant it, I will be in favor of restoring these wages."

Yours respectfully,

DANIEL J. TOBIN, *Chairman.*

Now, there we have both parties committed against further cuts or existing cuts and for the restoration of the 8½ cut in the 1934 bill.

I forgot to say that these letters were dated before the election. [Laughter.] The letter from the Republican National Committee is dated Chicago, September 6, 1932, and the letter from the national campaign committee is dated New York, September 28, 1932.

Of course, the mere fact that they had an election in the meantime will not have any effect on these views. These gentlemen will certainly be bound by their own statements. Otherwise, I can not conceive of any leader of any party not living up to their precampaign promises.

Now, to the mind of the average taxpayer there is just one method open for the reduction of the cost of Government, and that is to reduce the salaries of Federal employees, and this notwithstanding the fact that official figures recently furnished the Taxpayers' Economy League show that the cost of city and State governments have increased 76 per cent in the last 10 years, as against a 14 per cent increase in the cost of Federal Government.

Furthermore, we are witnessing these days a great deal of hysteria about the cost of government. It at times almost approaches the point of mass insanity. The depression is preying on the minds of men almost like the knowledge of a fire preys upon the minds of the occupants of a burning house. They are throwing sober thinking to the winds. They are forgetting that the work of the Government must go on, and that if all of the Government executives and employees were fired there would still be a tremendous governmental expense to be borne, and that it requires training and experience to hold executive positions in the Government civil service.

A recent and exhaustive survey comparing the wages paid in similar positions in manufacturing establishments with those in the Government disclose the fact that for the past 25 or 30 years, and during the past decade, the money earnings of the Government employees have averaged one-third less than the money earnings paid to industrial employees holding similar positions. The average salary of the Federal employees is $1,560. This average is maintained by the few high salaries at the top of the scale, since two-thirds of the employees receive less than the average. That is, two-thirds of the 620,000 Federal work-

ers scattered over the United States (of which 67,000 only are located in Washington) receive less than $1,000 and not more than $1,560; and more than one-half of these receive less than a living wage for a family of three members.

The wages of Federal employees were practically at a standstill from 1893 to 1915, in 1893 averaging $1,096, and in 1915 averaging $1,141. Due to the war and the upward trend of all salaries and the consequent increase in the cost of living Government salaries rose from 1915 to 1931, but not as rapidly as cost of living had risen. Nor had they increased to the extent of salaries outside the Government, since they showed an increase of 168 per cent for the year 1928 over 1893, as against a 70 per cent increase in Government salaries.

Due to the increased cost of living, the purchasing power of Federal salaries remained below the 1893 level until 1931, when the decline in the cost of living, together with the salary increases in 1929 and 1930, brought the purchasing power back to the level of 1893. Since the 8⅓ per cent deduction in Federal salaries the purchasing power of the Federal employee is again below the level of 1893.

Of the total national income of $15,000,000,000, 25 per cent is expended on Government administration. David Lawrence stated in a recent radio address that, even so, the United States expended a smaller percentage of her total income on Government administration than does Great Britain, France, Germany, or Austria. Of this 25 per cent spent on government, 70 per cent is spent on city and State governments and 30 per cent on Federal Government. So only 7½ per cent of the total income is chargeable against Federal expenses, and a very very small per cent of this 7½ per cent goes toward Federal salaries, as will be shown by the following figures:

Out of the 620,000 Federal employees over the United States, almost one-half, or over 300,000, are employed in the Post Office Department, which is capable of being self-supporting. The Income Tax Unit is also more than self-supporting. It collects billions of dollars of additional taxes that would be lost to the Government if it did not exist, and, in addition to paying the salaries of its employees, turns millions into the Treasury.

Since the cost of city and State government has increased 76 per cent in the past 10 years as against a 14 per cent increase in cost of Federal Government, and represents 70 per cent of total national income, it would seem this cost should have received attention ahead of reduction in Federal salaries.

If the taxpayers throughout the country are really intelligently interested in the reduction of Government expenses, they will elect men to Congress who will vote for economies where economies are most needed and practicable, and will refuse to urge that 70 per cent of the economies effected by the economy bill be effected at the expense of one small group of workers who represent less than six-tenths of 1 per cent of the people.

The 67,000 persons who are employed in departmental service in Washington do not represent 50 per cent of the working class in Washington; yet they contributed $1,470,000 toward the relief and unemployment fund, which was almost three-fourths of the amount contributed by the entire city.

So, just as they have borne more than their just share of caring for the needy in their own community, so have they borne an unjust and disproportionate share of the Federal economy for the entire country.

Mr. GARBER. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. GARBER. The opposition to the rule is based on the contention that section 5 is a delegation of legislative power to the Budget. Does the gentleman believe that that position is tenable?

Mr. BOYLAN. No; I do not. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BANKHEAD) there were—ayes 82, noes 62.

Mr. LAGUARDIA. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 146, not voting 63, as follows:

[Roll No. 130]

YEAS—220

Aldrich	Douglas, Ariz.	Johnson, Tex.	Rainey
Allgood	Doxey	Jones	Ramseyer
Andresen	Drane	Kennedy, Md.	Rayburn
Andrew, Mass.	Drewry	Kerr	Reed, N. Y.
Andrews, N. Y.	Driver	Ketcham	Reilly
Arentz	Elizey	Kleberg	Rich
Arnold	Eslick	Kniffin	Robinson
Ayres	Estep	Knutson	Rogers, Mass.
Bachmann	Fernandez	Kopp	Romjue
Baldrige	Fish	Lambeth	Sabath
Bankhead	Fishburne	Larsen	Sanders, Tex.
Barton	Flannagan	Lozier	Sandlin
Beedy	Foss	Luce	Selberling
Bland	Free	Ludlow	Shallenberger
Blanton	French	McClintic, Okla.	Shott
Boehne	Fulbright	McGugin	Simmons
Bolton	Fuller	McKeown	Smith, Va.
Briggs	Fulmer	McMillan	Smith, W. Va.
Browning	Gambrill	McReynolds	Snell
Buchanan	Garber	Major	Snow
Bulwinkle	Gasque	Maloney	Sparks
Burch	Glover	Mansfield	Spence
Burtness	Goldsborough	Mapes	Stafford
Busby	Green	Martin, Mass.	Stalker
Byrns	Greenwood	Michener	Steagall
Canfield	Gregory	Millard	Stewart
Cannon	Guyer	Miller	Strong, Kans.
Carter, Calif.	Hadley	Milligan	Stull
Cartwright	Hall, Ill.	Mitchell	Sumners, Tex.
Cary	Hall, N. Dak.	Mobley	Swank
Castellow	Hancock, N. Y.	Montague	Swanson
Chapman	Hancock, N. C.	Montet	Taber
Chindblom	Hare	Moore, Ky.	Tarver
Christopherson	Harlan	Moore, Ohio	Thurston
Clague	Hart	Morehead	Timberlake
Clark, N. C.	Hastings	Nelson, Mo.	Underhill
Clarke, N. Y.	Haugen	Norton, Nebr.	Vinson, Ga.
Cole, Iowa	Hawley	O'Connor	Vinson, Ky.
Cole, Md.	Hess	Oliver, Ala.	Warren
Collins	Hill, Ala.	Overton	Wason
Cooper, Tenn.	Hill, Wash.	Owen	Watson
Cox	Hoch	Palmisano	Weaver
Cross	Holaday	Parker, Ga.	Weeks
Crowe	Hollister	Parks	Whittington
Crowther	Holmes	Parsons	Williams, Mo.
Culkin	Hooper	Partridge	Williams, Tex.
Darrow	Hope	Patman	Wilson
Davenport	Hopkins	Perkins	Wingo
Davis, Tenn.	Houston, Del.	Pettengill	Wolcott
DeRouen	Huddleston	Polk	Wood, Ga.
Dickinson	Hull, Morton D.	Pou	Wood, Ind.
Dies	Jeffers	Pratt, Harcourt J.	Woodruff
Disney	Jenkins	Pratt, Ruth	Woodrum
Dominick	Johnson, Okla.	Purnell	Wright
Doughton	Johnson, S. Dak.	Ragon	Yon

NAYS—146

Adkins	Cooper, Ohio	Howard	Niedringhaus
Allen	Crail	Hull, William E.	Nolan
Almon	Crosser	Jacobsen	Norton, N. J.
Amlie	Cullen	James	Parker, N. Y.
Auf der Heide	Davis, Pa.	Kading	Patterson
Bacon	Delaney	Kahn	Peavey
Barbour	De Priest	Keller	Person
Beam	Dickstein	Kelly, Ill.	Pittenger
Biddle	Douglass, Mass.	Kelly, Pa.	Prall
Black	Dowell	Kemp	Ramspeck
Bloom	Dyer	Kennedy, N. Y.	Ransley
Bohn	Eaton, Colo.	Kinzer	Reid, Ill.
Boileau	Eaton, N. J.	Kurtz	Rogers, N. H.
Boland	Englebright	Kvale	Rudd
Bowman	Evans, Calif.	LaGuardia	Sanders, N. Y.
Boylan	Evans, Mont.	Lamneck	Schafer
Britten	Fiesinger	Lanham	Schneider
Brunner	Finley	Lankford, Ga.	Schuetz
Cable	Fitzpatrick	Lankford, Va.	Seger
Carden	Frear	Leavitt	Selvig
Carley	Gavagan	Lonergan	Shreve
Carter, Wyo.	Gibson	Loofbourow	Sinclair
Cavicchia	Gifford	Lovette	Sirovich
Celler	Gilchrist	McClintock, Ohio	Somers, N. Y.
Chavez	Goodwin	McCormack	Strong, Pa.
Chiperfield	Goss	McFadden	Sullivan, N. Y.
Christgau	Granfield	Maas	Summers, Wash.
Clancy	Griffin	Manlove	Sutphin
Cochran, Mo.	Haines	May	Sweeney
Cochran, Pa.	Hardy	Mead	Swing
Condon	Hartley	Mouser	Taylor, Tenn.
Connery	Hogg, Ind.	Murphy	Temple
Connolly	Hogg, W. Va.	Nelson, Me.	Thomason
Cooke	Horr	Nelson, Wis.	Tinkham

Turpin	West	Wigglesworth	Wolverton
Underwood	White	Withrow	Yates
Welch	Whitley		

NOT VOTING—63

Abernethy	Crump	Johnson, Mo.	Oliver, N. Y.
Bacharach	Curry	Johnson, Wash.	Rankin
Beck	Dieterich	Kendall	Shannon
Brand, Ga.	Doutrich	Kunz	Smith, Idaho
Brand, Ohio	Erk	Lambertson	Stevenson
Brumm	Flood	Larrabee	Stokes
Buckbee	Freeman	Lea	Sullivan, Pa.
Burdick	Garrett	Lehlbach	Swick
Butler	Gilbert	Lewis	Taylor, Colo.
Campbell, Iowa	Gillen	Lichtenwalner	Thatcher
Campbell, Pa.	Golder	Lindsay	Tierney
Chase	Griswold	McDuffie	Treadway
Collier	Hall, Miss.	McLeod	Williamson
Colton	Hornor	McSwain	Wolfenden
Corning	Igoe	Magrady	Wyant
Coyle	Johnson, Ill.	Martin, Oreg.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Colton (for) with Mr. Oliver of New York (against).
Mr. Thatcher (for) with Mr. Lindsay (against).
Mr. Brumm (for) with Mr. Buckbee (against).

General pairs:

Mr. McDuffie with Mr. Bacharach.
Mr. Garrett with Mr. Doutrich.
Mr. Corning with Mr. Lehlbach.
Mr. Taylor of Colorado with Mr. Swick.
Mr. Collier with Mr. Treadway.
Mr. Lea with Mr. McLeod.
Mr. McSwain with Mr. Stokes.
Mr. Lewis with Mr. Magrady.
Mr. Martin of Oregon with Mr. Beck.
Mr. Shannon with Mr. Williamson.
Mr. Tierney with Mr. Burdick.
Mr. Crump with Mr. Wolfenden.
Mr. Flood with Mr. Wyant.
Mr. Gilbert with Mr. Brand of Ohio.
Mr. Igoe with Mr. Butler.
Mr. Lichtenwalner with Mr. Freeman.
Mr. Stevenson with Mr. Kendall.
Mr. Brand of Georgia with Mr. Smith of Idaho.
Mr. Dieterich with Mr. Campbell of Iowa.
Mr. Gillen with Mr. Golder.
Mr. Abernethy with Mr. Campbell of Pennsylvania.
Mr. Griswold with Mr. Johnson of Washington.
Mr. Rankin with Mr. Lambertson.
Mr. Hall of Mississippi with Mr. Erk.
Mr. Larrabee with Mr. Curry.
Mr. Kunz with Mr. Chase.
Mr. Hornor with Mr. Coyle.
Mr. Johnson of Missouri with Mr. Sullivan of Pennsylvania.

Mr. DOXEY. Mr. Speaker, I desire to announce that my colleague the gentleman from Mississippi [Mr. RANKIN] is unavoidably detained on account of illness.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

IMPEACHMENT OF HERBERT HOOVER, PRESIDENT OF THE UNITED STATES

Mr. McFADDEN. Mr. Speaker, I rise to a question of constitutional privilege.

On my own responsibility as a Member of the House of Representatives, I impeach Herbert Hoover, President of the United States, for high crimes and misdemeanors, and offer the following resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, unlawfully attempted to usurp and has usurped legislative powers and functions of the Congress of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, publicly shown disrespect for the Congress of the United States, which violation makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, pursued a policy inimical to the welfare of the United States by employing means to influence the deliberations of the legislative branch of the United States Government and has interfered with freedom of debate in Congress and has forced unsound and unconstitutional legislation upon the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, attempted unlawfully to dissipate and has unlawfully dissipated financial resources and other resources of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, has, to the great loss and detriment of the United States and to the benefit of foreign nations, unlawfully attempted to impair the validity of contracts existing between the United States and foreign nations, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, unlawfully interfered with and prevented the receipt by the United States of payments of money lawfully due to the United States from foreign nations and has inflicted great losses, financial and otherwise, upon the Government and the people of the United States and has injured the credit and financial standing of the United States Government and has increased unemployment and suffering from physical want in the United States, and has caused a deficit in the accounts of the United States Treasury which has rendered necessary the imposition of additional taxes upon the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, initiated and carried on secret conversations, ignominious to the United States, with German Government officials and international bankers and others, with intent to deceive and to injure the Government and the people of the United States, and thereby has injured the Government and the people of the United States; and whereas the said Hoover ignominiously caused a prearranged request to be improperly made to himself by General von Hindenburg, President of Germany, for the commission of an unlawful act injurious to the United States and caused such request to be made for the purpose of deceiving and injuring the people of the United States and for the purpose of covering up a conspiracy against the United States which was taking place between himself and others, which conspiracy culminated in the Hoover moratorium proposal and the London conference of July, 1931; and whereas the said Hoover, with intent to injure the United States and to destroy financial assets of the United States, unlawfully declared the so-called Hoover moratorium and unlawfully initiated the international political conference which took place at London in July, 1931, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States has publicly stated in the press that his declaration of the moratorium has meant sacrifices by the American people, and that the economic load most seriously oppressing the peoples of Germany and Central Europe will be immensely lightened, and whereas the infliction of suffering upon the American people for the benefit of foreign nations on his part, the part of the said Hoover, is a violation of the Constitution and laws of the United States, the said admission shows him to be guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has failed to obey and to uphold the law passed by the Seventy-second Congress of the United States forbidding cancellation in whole or in part of the war debts due to the United States from foreign nations, and is endeavoring and has endeavored to nullify the contracts existing between the United States and its foreign debtors, and whereas such failure to obey and to uphold the law constitutes a violation of the Constitution and laws of the United States and makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, initiated the German still-holding agreement, and whereas the said still-holding agreement has never become law in the United States, but has unlawfully been put into effect here by the said Hoover in his usurpation of legislative power and by interested private parties trespassing upon the rights and privileges of the United States Government, and whereas the said still-holding agreement violates the terms of the Federal reserve act, the national bank act, and other laws of the United States, and is injurious to the United States, such violations make him, the said Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas an international conference composed of ministers of Great Britain, France, Germany, Belgium, Italy, Japan, and the United States took place at London from Monday, July 20, to Thursday, July 23, 1931, at the invitation of the British Government but on the initiative of the said Hoover, and was attended and participated in by Andrew W. Mellon, Secretary of the United States Treasury, and by Henry L. Stimson, United States Secretary of State, acting as representatives of the United States; and whereas the said Stimson presented a certain proposal to it; and whereas the said London conference took action affecting the United States and exercising sway over the United States and action affecting the war debts due to the United States; and whereas the representative of the United States entered into agreements on behalf of the United States with the ministers of Great Britain, France, Germany, Belgium, Italy, and Japan; and

whereas such agreements entailed the surrender of rights of the United States; and whereas the said agreements so made have never been disclosed or submitted to the Congress of the United States for ratification and have never become law in the United States; and whereas a second conference, composed of a committee appointed by direction of the aforesaid London conference under stipulation that it should consist of representatives nominated by the governors of the central banks interested and that it was to take place at Basel under the Bank for International Settlements; and whereas Albert H. Wiggin appeared at the said conference at Basel as the representative of the United States on the nomination of George L. Harrison, of the Federal Reserve Bank of New York, an individual who had no power to make the said nomination; and whereas control of all the banking systems of the United States including the fiscal agents of the United States Government with their control of United States Treasury funds was given to this London conference committee, consisting of Albert H. Wiggin, Alberto Beneduce, Dr. R. G. Bindschedler, E. Franqui, P. Hofstede de Groot, Walter T. Layton, C. Melchoir, E. Moreau, O. Rydbeck, T. Tanaka, upon which the so-called United States representative was outnumbered nine to one by the nominees of the heads of foreign central banks; and whereas control of all the banking systems and all the wealth of the United States and control of the United States Treasury was thus given to foreign powers; and whereas actions taken by the said committee made it impossible for the banks of the United States to withdraw the funds of their depositors and other funds from Germany and obliged the banks of the United States continually to maintain the volume of their funds in Germany and made it impossible for the Treasury of the United States to withdraw moneys unlawfully taken from it and placed in Germany; and whereas such actions in regard to the banks and banking systems of the United States were unlawful and were unnecessary for any benefit to Germany, whose economic and budgetary situation according to the report of the London conference did not justify a lack of confidence; and whereas the said actions were taken as measures of deflation against the American people to impound United States funds in Germany under foreign control, to paralyze United States banks, to injure the United States Treasury, and to keep the United States in a condition of depression until misery and fear and starvation would drive the people of the United States into submission and compel them to cancel the war debts due to them; and whereas the said Wiggin had no lawful power to represent the banking systems of the United States at the said conference at Basel; and whereas the nomination of the said Wiggin by an individual at the direction of the ministers of Great Britain, France, Germany, Belgium, Italy, Japan, and the United States was unlawful; and whereas the agreements made and the action taken by the London conference committee at Basel have never been submitted to the Congress of the United States; and whereas billions of dollars in bank deposits have been lost by American citizens on account of the said agreements, and many United States banks have failed by reason of them and the Reconstruction Finance Corporation has made loans of public money to banks and institutions injured by them and the public debt of the United States and the deficit in the United States Treasury have been increased by the actions of the London conference committee at Basel; and whereas the said actions were taken on the initiative and by the direction of the said Hoover; and whereas the still-holding agreement entered into at Basel by the said Wiggin was unlawful and was prepared concurrently with the terms of the Hoover moratorium proposal by the said Hoover and others and was presented to the London conference by Henry L. Stimson as a joint product of British and American participation and was a part of a conspiracy designed to force the United States into submission to foreign nations and international bankers and thus to obtain cancellation of the war debts; and whereas in violation of the Constitution and laws of the United States, Herbert Hoover, President of the United States, initiated the London conference and the prearranged events which flowed from it; and whereas the London conference was deceitfully initiated by the said Hoover for the purpose of securing cancellation of the war debts as shown by facts and circumstances; and whereas the Herald Tribune published a report at the close of the London conference, a part of which reads as follows:

"If, as these British leaders expect, the committee recommends a considerable extension of credits to Germany; if it indicates, further, that permanent amelioration of that situation depends upon reconsideration of the war debts and reparations problem, and if the interested powers take action along these lines the British admit that something indeed will have been accomplished—"

Which article shows the British expectation that the said London conference would result in a recommendation, by the committee appointed at its direction to meet at Basel, that permanent amelioration of the situation would depend upon reconsideration of the war debts and reparations, and whereas the said committee of individuals nominated by the heads of foreign central banks, which central banks are foreign-government institutions, and Albert H. Wiggin, who unlawfully appeared as the representative of the United States and of all the banking systems of the United States, did make the prearranged recommendation by means of a report which is nothing less than an argument for a reconsideration of the war debts and reparations, and whereas the said Hoover initiated the London conference for the purpose of defrauding and injuring the United States and signing over majority control of the banking systems of the United States, which represent the wealth and savings of the American people, to foreign nations and for the purpose of bringing about a cancellation of war debts, in violation of the Constitution and laws of the United States, his actions in connection therewith make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, did in 1932, after the passage of the law passed by the Seventy-second Congress of the United States forbidding cancellation or reduction of the war debts, appoint one Andrew W. Mellon, then Secretary of the United States Treasury, ambassador to a foreign power while a resolution for the impeachment of the said Mellon for violations of United States law and misconduct in office was being heard by the Judiciary Committee of the House of Representatives, which appointment of the said Mellon was ignominious to the United States and showed disrespect for the House of Representatives, and whereas the said Hoover has permitted without contradiction the publication of statements concerning the said appointment of the said Mellon as having been made by him with a consideration of Mellon's fitness to conduct conversations with the said foreign power for the purpose of canceling the debt of that foreign power to the United States, thus admitting an effort on his part, the part of the said Hoover, to bring about cancellation in whole or in part of the war debt due from the said foreign nation to the United States, in defiance of the will of Congress, in violation of the law of the United States, and in violation of the rights of the sovereign people of the United States, which effort on his part, as further evidenced by his actions showing a conspiracy against the United States between himself and the said Mellon and others and by his secret conversations, ignominious to the United States, with Ramsay MacDonald, Montague Norman, and other subjects of the King of England and officials of the British Government, and others, showing a willingness and an intention on his part to defraud the people of the United States, makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, and for the benefit of foreigners, unlawfully attempted to interfere with the operation of international agreements and has thereby furnished an excuse, albeit one of no value, for the ultimatum addressed to the United States by the British Government on December 1, 1932, and has caused the Government of France, under the mistaken assumption that the said Hoover has autocratic power, to declare in its note of December 2, 1932, that the President of the French Council "*agreed with the President of the United States on the terms of a communiqué, stating that in the matter of intergovernmental debts a new arrangement covering the period of the depression might be necessary, provided that the initiative came from the European powers principally concerned. In conformity with this text, which seems to constitute a novation in equity in the régime of international debts, this initiative was taken. Within the sphere where only the European powers were involved the arrangement provided for has been brought about.*" And whereas the said communiqué so described by the French Government is legally unknown to the Government of the United States, never having been presented by the said Hoover to the Congress for ratification, and never having been ratified by the Congress of the United States, and whereas such opinions and such envisagements of potentialities, and such readings of the future as the French Government state may be found in it were definitely and irrevocably rejected by the Congress of the United States in the law passed by the said Congress concerning the Hoover moratorium and signed by the said Hoover on December 23, 1931, nevertheless the agreement on the part of the said Hoover with the President of the French Council on the terms of the said abortive communiqué mentioned by the French Government in its note of December 2, 1932, was injurious to the United States and ignominious to the United States and constitutes a violation of the Constitution and laws of the United States; and whereas a movement, which appears to be a concerted one, on the part of the foreign debtors of the United States is taking place under the apparent leadership of the said Hoover, the said Mellon, and others, having for its object the cancellation, for the benefit of foreign nations and individuals, of the war debts due to the United States; and whereas the said Hoover may have offered or may have taken a bribe, the said violations make him, the said Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, has unlawfully conducted conversations ignominious to the United States and has attempted to negotiate treaties and agreements ignominious to the United States for the benefit of foreign nations and individuals, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, unlawfully attempted to enter into secret and ignominious agreements with representatives of foreign powers, the subject matter of which is contrary to the laws of the United States, and has failed to disclose the nature and extent of those agreements and their true import to the Congress and the people of the United States, and has put into effect secret and unratified agreements between himself and foreign powers, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and



Whereas the said Herbert Hoover, President of the United States, has been accused of having conveyed to foreign governments his promise that if Germany were released by them from the necessity of paying reparations the United States would cancel the war debts due to it from the said foreign governments and other governments, and whereas although it is well known to all the governments of the world that the said Hoover is and always has been without power to bind the United States to any promise or agreement whatsoever, his alleged conduct has caused a foreign government to seek to take advantage of the United States on account of it and to state in a sharply worded and threatening diplomatic communication that it entered into provisional but inconclusive negotiations with Germany at Lausanne for devising a settlement of reparations with the "cognizance and approval" of the United States Government, and whereas such negotiations with Germany, if so undertaken, were conceived without due regard to facts if they were based on any promises made by the said Hoover and were not undertaken with the "cognizance and approval" of the United States Government, nevertheless, "approval" of them, if so vouchsafed to any foreign government by Herbert Hoover as a part of a bargain or conspiracy to deprive the United States of all or any part of the amount now due to it from foreign nations, was a violation of the Constitution and laws of the United States and makes him, the said Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has in his message to the United States Congress of December 6, 1932, stated that he has promised certain foreign nations that he will recommend to the Congress methods to overcome "temporary exchange difficulties," although he does not state what such exchange difficulties are, in connection with the payments due to the United States on December 15, 1932, and whereas such methods must necessarily be aside from and in violation of the contracts under which the said payments are to be made, and whereas the recommendation of them would be an attempt to deprive the United States of moneys which are due to it, and whereas such recommendation of methods might be used as an excuse for nonpayment or as an argument disturbing to the peace of the world for cancellation of the war debts due to the United States, and whereas such a recommendation would be in favor of foreign nations at the expense of the people of the United States; and whereas the said Herbert Hoover has by all his actions endeavored to nullify the contracts concerning war debts existing between the United States and foreign nations, and has endeavored to bring about a revival of the Debt Funding Commission to alter the said contracts in favor of foreign nations at the expense of the Government and the people of the United States, and has endeavored to bring about a cancellation of the said war debts, and has by all his actions encouraged foreign nations to default on their obligations to the United States and is now encouraging them so to default, such promise on his part to foreign nations constitutes a violation of the Constitution and laws of the United States and makes him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, accepted the resignation from the Federal Reserve Board of Edmund Platt in September, 1930, in circumstances which make it appear that a bribe may have been offered to cause the said Platt to resign his position as a member of the Federal Reserve Board and an officer of the United States Government; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, unlawfully designated Eugene Meyer governor of the Federal Reserve Board when he appointed the said Meyer a member of the Federal Reserve Board in September, 1930, to serve the unexpired portion of the term of Edmund Platt, and has permitted the said Meyer to act as governor of the Federal Reserve Board continuously ever since, notwithstanding the fact that the said Meyer is serving the unexpired portion of the term of Edmund Platt and is not eligible to act as governor of the Federal Reserve Board, which violations make him, the said Herbert Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, accepted the resignation from the Federal Reserve Board of Roy A. Young in September, 1930, thus creating a vacancy on the Federal Reserve Board, and has willfully failed and neglected to appoint an individual to fill the vacancy on the Federal Reserve Board occasioned by the absence of Roy A. Young, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, failed to designate as governor a member of the Federal Reserve Board who is lawfully qualified and eligible to act as governor thereof, and has failed to designate a member of the Federal Reserve Board as vice governor thereof, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, in violation of the Constitution and laws of the United States, permitted Eugene Meyer to act as a member and as chairman of the board of the Reconstruction Finance Corporation, well knowing that the said Meyer was not lawfully qualified or eligible to act as a member of that board or as chairman thereof and unlawfully permitted the illegally constituted Reconstruction Finance Corporation, under the illegal chairmanship of the said Eugene Meyer, unlawfully to distribute immense sums of money belonging to the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, failed and neglected to take care that the Federal reserve law be faithfully executed and has permitted the said law to be administered unlawfully and by an illegally constituted Federal Reserve Board and has permitted violations of the Federal reserve law which have resulted in grave financial losses to the Government and the people of the United States, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has, in violation of the Constitution and laws of the United States, permitted irregularities in the issuance of Federal reserve currency which have occasioned great losses to the United States and have deprived the United States of legal revenue and has permitted the Federal Reserve Board and the Federal reserve banks unlawfully to take and to use Government credit for private gain and has permitted grave irregularities in the conduct of the United States Treasury, which violations make him guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has treated with contumely the veterans of the World War who came to the District of Columbia in the spring and summer of 1932 in the exercise of their constitutional rights and privileges, and whereas the said Hoover did nothing to relieve, even temporarily, the distress of the said veterans, their wives, and children while they were destitute at Washington, although Congress allows the Executive a large fortune yearly for the purpose of entertaining United States citizens and others from time to time as may be necessary, and whereas the said Hoover has shown a lack of respect for the flag of the United States by denouncing the said veterans as being for the most part criminals and undesirable low-world characters, thus holding those veterans of the World War and defenders of the United States flag up to scorn before their countrymen and their companions in arms across the sea, and whereas the said Hoover sent a military force heavily armed against homeless, hungry, sick, ragged, and defenseless men, women, and children, and drove them, by force of fire and sword and chemical warfare, out of the District of Columbia, which act constituted an infringement upon the constitutional rights of the said men, women, and children; and whereas such acts stamp their perpetrator as one who is socially and morally unfit to be President of the United States, and such unfitness for office and such disgrace of office as the said acts denote make him, the said Hoover, guilty of high crimes and misdemeanors and subject to impeachment; and

Whereas the said Herbert Hoover, President of the United States, has publicly stated that there is a Government at Washington which knows how to deal with the mob, meaning himself and his treatment of a group of veterans of the World War, their wives, and children; and whereas the said statement is unseemly, is liable to bring the office of the Presidency into disrepute, is injurious to the conception of a democratic government, and betrays a purpose in his actions which does not accord with the rights of a free people among whom there are no nobles and no serfs or peasants, no mob and no master, but a government of the people, by the people, for the people; and whereas the making of the aforesaid statement constitutes conduct unbecoming a President of the United States and makes him, the said Herbert Hoover, guilty of high crimes and misdemeanors and subject to impeachment: Therefore be it

Resolved, That the Committee on the Judiciary is authorized to investigate the official conduct of Herbert Hoover, President of the United States, and all matters related thereto, to determine whether in the opinion of the said committee he has been guilty of any high crime or misdemeanor which, in the contemplation of the Constitution, requires the interposition of the constitutional powers of the House. Such committee shall report its findings to the House, together with such resolution of impeachment or other recommendation as it deems proper, in order that the House of Representatives may, if necessary, present its complaint to the Senate, to the end that Herbert Hoover may be tried according to the manner prescribed for the trial of the Executive by the Constitution and the people be given their constitutional remedy and be relieved of their present apprehension that a criminal may be in office.

For the purposes of this resolution, the committee is authorized to sit and act during the present Congress at such times and places in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary.

Mr. STAFFORD (interrupting the reading of the resolution). Mr. Speaker, will the Chair entertain a parliamentary inquiry?

Mr. BLANTON. Mr. Speaker, I make the point of order that it is improper to disturb the reading of such a reso-

lution by a parliamentary inquiry, and that only points of order would reach the matter.

The SPEAKER. That is in the discretion of the Chair. The Chair will recognize the gentleman from Wisconsin to make a parliamentary inquiry.

Mr. STAFFORD. Is it in order to raise the question of consideration at this time?

The SPEAKER. Not until the resolution is read.

The Clerk concluded the reading of the resolution.

Mr. POU. Mr. Speaker, I move to lay the resolution on the table. [Applause.]

Mr. DYER. On that motion I demand the yeas and nays, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—yeas 361, nays 8, not voting 60, as follows:

[Roll No. 131]

YEAS—361

Adkins	Crail	Hill, Wash.	Morehead
Aldrich	Cross	Hoch	Mouser
Allen	Crosser	Hogg, Ind.	Murphy
Allgood	Crowe	Hogg, W. Va.	Nelson, Me.
Almon	Crowther	Holaday	Nelson, Mo.
Amlie	Culkin	Hollister	Nelson, Wis.
Andresen	Cullen	Holmes	Niedringhaus
Andrew, Mass.	Darrow	Hooper	Nolan
Andrews, N. Y.	Davenport	Hope	Norton, Nebr.
Arentz	Davis, Pa.	Hopkins	O'Connor
Arnold	Davis, Tenn.	Horr	Oliver, Ala.
Auf der Heide	Delaney	Houston, Del.	Overton
Ayres	De Priest	Huddleston	Owen
Bachmann	DeRouen	Hull, Morton D.	Palmisano
Bacon	Dickinson	Hull, William E.	Parker, Ga.
Baldrige	Dickstein	Jacobsen	Parks
Bankhead	Dies	James	Parsons
Barbour	Disney	Jeffers	Partridge
Barton	Dominick	Jenkins	Patterson
Beam	Doughton	Johnson, Okla.	Peavey
Beedy	Douglas, Ariz.	Johnson, S. Dak.	Perkins
Biddle	Douglass, Mass.	Johnson, Tex.	Person
Bland	Dowell	Jones	Pettengill
Bloom	Doxey	Kading	Pittenger
Boehne	Drane	Kahn	Polk
Bohn	Drewry	Keller	Pou
Bolleau	Driver	Kelly, Ill.	Prall
Boland	Dyer	Kelly, Pa.	Pratt, Harcourt J.
Bolton	Eaton, Colo.	Kemp	Pratt, Ruth
Bowman	Eaton, N. J.	Kennedy, Md.	Purnell
Boylan	Ellzey	Kennedy, N. Y.	Ragon
Briggs	Englebright	Kerr	Rainey
Britten	Eslick	Ketcham	Ramseyer
Browning	Estep	Kinzer	Ramspeck
Brumm	Evans, Calif.	Kleberg	Ransley
Brunner	Evans, Mont.	Kniffin	Rayburn
Buchanan	Fernandez	Knutson	Reed, N. Y.
Bulwinkle	Fiesinger	Kopp	Reid, Ill.
Burch	Finley	Kurtz	Reilly
Burtness	Fish	Kvale	Rich
Busby	Fishburne	LaGuardia	Robinson
Byrns	Fitzpatrick	Lambeth	Rogers, Mass.
Cable	Flannagan	Lamneck	Rogers, N. H.
Campbell, Iowa	Foss	Lanham	Rudd
Campbell, Pa.	Frear	Lankford, Ga.	Sabath
Canfield	Free	Lankford, Va.	Sanders, N. Y.
Cannon	French	Larrabee	Sanders, Tex.
Carden	Fulbright	Lea	Sandlin
Carley	Fuller	Leavitt	Schafer
Carter, Calif.	Fulmer	Lonergan	Schneider
Carter, Wyo.	Gambrill	Loofbourow	Schuetz
Cartwright	Garber	Lovette	Seger
Cary	Gasque	Lozier	Seiberling
Castellow	Gavagan	Luce	Shallenberger
Cavicchia	Gibson	Ludlow	Shannon
Celler	Gifford	McClintic, Okla.	Shott
Chapman	Gilchrist	McClintock, Ohio	Shreve
Chase	Glover	McCormack	Simmons
Chavez	Goldsborough	McGugin	Sinclair
Chindblom	Goodwin	McKeown	Sirovich
Chiperfield	Goss	McLeod	Smith, Va.
Christgau	Granfield	McMillan	Smith, W. Va.
Christopherson	Green	McReynolds	Snell
Clague	Greenwood	Maas	Snow
Clancy	Gregory	Major	Somers, N. Y.
Clark, N. C.	Griswold	Maloney	Stafford
Clarke, N. Y.	Guyer	Manlove	Stalker
Cochran, Mo.	Hadley	Mansfield	Steagall
Cochran, Pa.	Haines	Mapes	Stevenson
Cole, Iowa	Hall, Ill.	Martin, Mass.	Stewart
Cole, Md.	Hall, N. Dak.	May	Strong, Kans.
Collier	Hancock, N. Y.	Mead	Strong, Pa.
Collins	Hardy	Michener	Stull
Condon	Hare	Millard	Sullivan, N. Y.
Connery	Harlan	Miller	Summers, Wash.
Connolly	Hartley	Milligan	Sumners, Tex.
Cooke	Hastings	Mitchell	Sutphin
Cooper, Ohio	Haugen	Mobley	Swank
Cooper, Tenn.	Hess	Montague	Swanson
Cox	Hill, Ala.	Moore, Ohio	Swing
Taber	Underwood	Whitley	Wolverton
Tarver	Vinson, Ga.	Whittington	Wood, Ga.
Taylor, Tenn.	Vinson, Ky.	Wigglesworth	Wood, Ind.
Temple	Warren	Williams, Mo.	Woodruff
Thatcher	Wason	Williams, Tex.	Woodrum
Thomason	Watson	Williamson	Wright
Thurston	Weaver	Wilson	Yates
Timberlake	Weeks	Wingo	Yon
Tinkham	Welch	Withrow	
Turpin	West	Wolcott	
Underhill	White	Wolfenden	

NAYS—8

Black	Griffin	McFadden	Romjue
Blanton	Hancock, N. C.	Patman	Sweeney

NOT VOTING—60

Abernethy	Erk	Johnson, Wash.	Norton, N. J.
Bacharach	Flood	Kendall	Oliver, N. Y.
Beck	Freeman	Kunz	Parker, N. Y.
Brand, Ga.	Garrett	Lambertson	Rankin
Brand, Ohio	Gilbert	Larsen	Selvig
Buckbee	Gillen	Lehlbach	Smith, Idaho
Burdick	Golder	Lewis	Sparks
Butler	Hall, Miss.	Lichtenwalner	Spence
Colton	Hart	Lindsay	Stokes
Corning	Hawley	McDuffie	Sullivan, Pa.
Coyle	Hornor	McSwain	Swick
Crump	Howard	Magrady	Taylor, Colo.
Curry	Igoe	Martin, Oreg.	Tierney
Dieterich	Johnson, Ill.	Montet	Treadway
Doutrich	Johnson, Mo.	Moore, Ky.	Wyant

So the motion was agreed to.

The Clerk announced the following additional pairs.

Until further notice:

Mr. Lindsay with Mr. Buckbee.
Mrs. Norton with Mr. Parker of New York.
Mr. Howard with Mr. Stokes.
Mr. Oliver of New York with Mr. Treadway.
Mr. Crump with Mr. Brumm.
Mr. McSwain with Mr. Selvig.
Mr. Montet with Mr. Doutrich.
Mr. Spence with Mr. Colton.
Mr. Abernethy with Mr. Hawley.
Mr. Dieterich with Mr. Curry.
Mr. Larsen with Mr. Johnson of Washington.
Mr. Moore of Kentucky with Mr. Kendall.
Mr. Kunz with Mr. Johnson of Illinois.
Mr. Hart with Mr. Sparks.

Mr. WARREN. Mr. Speaker, the gentleman from Alabama, Mr. McDUFFIE, is confined to his home by illness. He has asked me to announce that were he present he would vote "yea."

Mr. DARROW. Mr. Speaker, my colleague, Mr. WYANT, is unavoidably absent on account of illness, and Mr. DOUTRICH is also absent, confined to the hospital with a broken limb. Both of them, were they here, would answer "yea."

Mr. CULLEN. Mr. Speaker, I wish to announce that my colleagues, Mr. LINDSAY, Mr. CORNING, and Mr. OLIVER of New York, are absent on account of illness. Were they here, they would vote "yea."

Mr. GREENWOOD. Mr. Speaker, my colleague, Mr. GILLEN, is not in the Chamber on account of illness.

Mr. HART. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman in the Hall listening when his name was called?

Mr. HART. I was not; I was in committee.

The SPEAKER. The gentleman does not qualify.

Mr. HART. I wish to state that if I had been present I would have voted "yea."

Mr. UNDERHILL. Mr. Speaker, I wish to announce that my colleague, Mr. TREADWAY, is unavoidably detained. If he were here, he would vote "yea."

Mr. SEGER. Mr. Speaker, I wish to announce that my colleagues, Mr. LELHBACH and Mr. BACHARACH, are unavoidably detained. If they were present, they would vote "yea."

Mr. GOSS. Mr. Speaker, I wish to announce that my colleague, Mr. FREEMAN, is unavoidably absent. Were he here, he would vote "yea."

Mr. MAPES. Mr. Speaker, I am requested to announce the unavoidable absence of Mr. HAWLEY at the recent roll call, and to say that if he had been present he would have voted "yea."

The result of the vote was announced as above recorded.

ASSIGNMENT OF MEMBERS TO COMMITTEES

Mr. COLLIER. Mr. Speaker, I offer a privileged resolution.

The Clerk read as follows:

House Resolution 319

Resolved, That the following Members be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

WILLA B. ESLICK, of Tennessee, to the Committee on Public Buildings and Grounds and the Committee on World War Veterans' Legislation.

JOEL W. FLOOD, of Virginia, and BRYANT T. CASTELLOW, of Georgia, to the Committee on Foreign Affairs.

The resolution was agreed to.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13520, with Mr. MCMILLAN in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

For the acquisition of sites or of additional land, commencement, continuation, or completion of construction in connection with any or all projects authorized under the provisions of sections 3 and 5 of the public buildings act, approved May 25, 1926 (U. S. C., Supp. V, title 40, secs. 343–345), and the acts amendatory thereof approved February 24, 1928 (U. S. C., Supp. V, title 40, sec. 345), and March 31, 1930 (U. S. C., Supp. IV, title 40, secs. 341–349), within the respective limits of cost fixed for such projects, $50,000,000: *Provided*, That no part of this appropriation shall be used for work on the building for the Coast Guard or some other Government activity (Apex Building) authorized by act of March 4, 1931 (46 Stat., p. 1605).

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the appropriation here is $50,000,000. Reference was made in the President's message to economies. Does this $50,000,000 permit only the completion of the buildings now under construction and is this so limited that in 1933–34 there will be no new construction of public buildings?

Mr. BYRNS. No; in the opinion of the committee this $50,000,000 is amply sufficient to carry on all the work they can possibly do in 1934 under the old program, according to their statements. There are two programs and this does not refer to the relief program. Money for the relief program has been appropriated and this item applies only to the old program. In the opinion of the committee, after hearing the statement of those who came before us, it was very clear to every member of the committee that $50,000,000 would be amply sufficient and, personally, I think it could be reduced possibly a little more, but the committee did not want to be put in the attitude of curtailing this program.

Mr. LAGUARDIA. Assuming that the present financial depression and unemployment continue, will this be sufficient to permit construction of projects not yet started?

Mr. BYRNS. If they are authorized this would permit the beginning of construction; yes.

Mr. LAGUARDIA. May I ask the gentleman this question: Under the provisions of the so-called releif bill—I generally refer to it as the Reconstruction Finance Corporation bill No. 2—are there any projects under construction authorized therein?

Mr. BYRNS. They contemplate spending from $15,000,000 to $18,000,000, it was explained, between now and July 1. I do not think there is any construction at this immediate moment, but they say that by July 1 they will have expended from $15,000,000 to $18,000,000 out of the $100,000,000 which was appropriated. This is the status of the new relief program:

There are 410 projects which have been approved to date under that program.

There are 50 projects in the drawing stage with a total limit of cost of $24,648,000.

There are 21 projects, with limits of cost aggregating $9,186,500, ready to be placed in the drawing stage.

Site reports have been made and are waiting action in 17 projects, involving limits of cost of $7,500,000.

Site agents are inspecting sites for 107 projects, involving total limits of cost of $22,208,000.

Bids are being opened for sites for 217 additional projects, involving approximately $21,500,000.

Site agents will be assigned to investigate them as soon as they can be made available.

Mr. LAGUARDIA. That is just the point I want to raise. If I remember correctly, we amended the law so as to give sufficient latitude to the Office of Supervising Architect to hire, retain, and obtain architects and the technical and professional help necessary in order to give immediate life to the provisions of the relief bill. There is very little comfort in this list. For instance, the reference to site agents does not mean that anybody is being put to work except the agent who is selecting the site. The purchase of the site brings no immediate and direct relief. Putting a project in the blue-print or drawing stage is of no relief.

My complaint is that the provisions of the relief bill were not carried out in a sufficiently expeditious manner as to get this construction work going, because now is the time we need this relief. Perhaps, next year—I hope, at least—the need may not be so great, although I have my personal doubt about that.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. I may say to the gentleman that the relief bill was approved and became law, I think, in June.

Mr. LAGUARDIA. Yes; just before we adjourned.

Mr. BYRNS. Under its provisions the Secretary of the Treasury was required to certify that the money was available or would be made available.

Mr. LAGUARDIA. Yes.

Mr. BYRNS. And this certification was not made until about the 1st of September. I can not tell the gentleman why the delay occurred, but those are the facts, as I understand them.

Mr. LAGUARDIA. May I ask the gentleman this question, because I know he has intimate and complete information: Is the Office of the Supervising Architect up to date? Has that office completed the plans and the diagrams so that if we were to obtain certification of available funds, immediate construction could be commenced?

Mr. BYRNS. I have stated to the gentleman what the situation is in the Office of the Supervising Architect, that immediately upon ratification they were diligent in beginning this work.

Mr. LAGUARDIA. I want to call the attention of the chairman to this situation. I believe we ought to provide in this bill that the material, particularly stone, ought to be purchased in that section of the country where the building is located whenever it is possible.

I have heard some most startling facts concerning practices, particularly the purchase of stone, so as to give a practical monopoly to one particular group of quarries. I have received complaints, particularly from New England, and I think in the Tennessee district that have available supplies of stone.

The specifications are limited to one or two qualities of stone, and generally go so far as to insist that they come from certain localities, which causes a practical monopoly of one particular kind of stone that I have in mind, or one group.

Mr. BYRNS. I understand from the Assistant Secretary of the Treasury that every effort is made to recognize the various localities in the selection of stone.

Of course, bids are submitted after they are called for, and of course it is necessary for those submitting bids to

come within the law. With reference to two buildings in my State which the gentleman has alluded to, I happen to know that material is used from the State of Tennessee.

Mr. SABATH. How about Indiana?

Mr. LAGUARDIA. I am coming to that.

Mr. BYRNS. I think there is not only a disposition but an effort on the part of the Treasury to give consideration to all localities where there is a suitable supply of building stone.

Mr. LAGUARDIA. I know of a case—an actual case, not a hypothetical case—where specifications were made for a given kind of stone. The contract was awarded. One bidder bid $3,000,000 and the next bid was $1,400,000, which was accepted. And that was rejected by the Treasury Department.

The general contractor awarded the contract to a contractor for Indiana limestone but not the Indiana Limestone Co. They first objected that they did not have a satisfactory bond, and then objection was made on the stone, that it came from two or three quarries, as if nature put a boundary line between quarries in that region. It was the same quality of stone. But the building was held up, and the unsuccessful bidder came to the general contractor and said that they would take off $400,000. The general contractor said, "You are still high"; and, to make a long story short, when they saw that the general contractor was within his rights, then the favored bidder came in and said, "We will take off $1,300,000."

If the contractor had not had the resources to fight and defy the Treasury Department, he would have been compelled to pay $1,300,000 more than the stone was worth.

I had my experience when I was president of the Board of Aldermen in New York City. I was in the minority there, as I am here. They put through a contract paying this same crowd $1 a cubic foot for curbstone more than the same stone could be bought for. I raised such a howl about it that the contract was canceled. Then they put a roof over the foundation. They waited until I went out of office and then renewed the job. I think that we should provide in this bill that the stone should be purchased in the locality where the building is erected if it can be done. I think that is reasonable, and it will break down the strangle hold of this monopoly that this favored group of politicians seems to have in the Treasury Department.

The Clerk read as follows:

Repairs and preservation: For repairs and preservation of all completed and occupied public buildings and the grounds thereof under the control of the Treasury Department, and for wire partitions and fly screens therefor; Government wharves and piers under the control of the Treasury Department, together with the necessary dredging adjacent thereto; care of vacant sites under the control of the Treasury Department, such as necessary fences, filling dangerous holes, cutting grass and weeds, but not for any permanent improvements thereon; repairs and preservation of buildings not reserved by vendors on sites under the control of the Treasury Department acquired for public buildings or the enlargement of public buildings, the expenditures on this account for the current fiscal year not to exceed 15 per cent of the annual rental of such buildings: *Provided*, That of the sum herein appropriated not exceeding $200,000 may be used for the repair and preservation of marine hospitals, the national leprosarium, and quarantine stations (including Marcus Hook) and completed and occupied outbuildings (including wire partitions and fly screens for same), and not exceeding $24,000 for the Treasury, Treasury Annex, Liberty Loan, and Auditors' Buildings in the District of Columbia: *Provided further*, That this sum shall not be available for the payment of personal services except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of $100 at any one building, $850,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I recall that last year we incorporated in this bill a limitation denying the right to the Treasury officials to alter the façade of the State, War, and Navy Building, and also to make any alteration in the old Government Post Office Building. Has such a provision been carried again in this year's appropriation bill?

Mr. BYRNS. No. We did not carry it, because that has been construed as permanent law, and it will require affirmative action on the part of Congress before they can proceed with these alterations. That question was asked particularly of those who came from the Supervising Architect's Office, and they stated that it was permanent law, in their opinion.

Mr. STAFFORD. Then, it was not necessary to place that restriction on executive activities in this bill?

Mr. BYRNS. No.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BRIGGS. Did the Comptroller General ever express an opinion as to whether that is permanent law, or is that just a superficial expression of opinion by some one without authority as to whether it is or not?

Mr. BYRNS. If the gentleman will permit me, I will read the proviso, and he will see that there can be no question about it.

Mr. BRIGGS. I know that when it was under consideration we doubted as to whether it was binding or mandatory, and whether it would be observed.

Mr. BYRNS. Here it is:

Provided, That no part of this or any other appropriation for the construction of public buildings shall be used for the remodeling and reconstructing of the Department of State Building under the authorization heretofore contained—

And so forth.

Mr. BRIGGS. But that does not refer to any other appropriation hereafter made, does it?

Mr. BYRNS. Oh, yes; any other appropriation.

Mr. BRIGGS. I thought that referred to any other appropriation passed by the Congress at its last session?

Mr. BYRNS. Oh, no; there is no limitation.

Mr. STAFFORD. If that is the construction placed on it by the distinguished chairman of the committee, what is the need for the paragraph at the top of page 35, where you forbid any part of the appropriation being used for the Coast Guard Building or other Government activity?

Mr. BYRNS. That was carried for only one year. That was a limitation as to the work to be done this year, and it was necessary to carry it for the next year.

Mr. STAFFORD. So that the department officials construed the language carried in last year's act as permanent law?

Mr. BYRNS. Yes; and they were specifically asked whether or not in their opinion it was permanent law, and they stated that it was.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield again?

Mr. STAFFORD. Yes.

Mr. BRIGGS. In order to ask the chairman of the committee what provision has been made for protecting the Government against exorbitant fees paid outside architects, such as, for instance, in the matter of the State, War, and Navy Building, where the Government has been compelled to pay $135,000 to an architect named Wood for plans and specifications for remodeling that building, when apparently he has never done anything more than prepare the plans and specifications, without a day's supervision. I do not know whether the specifications and plans were entirely completed. He collected $45,000 in addition to $90,000 paid to him for the plans and specifications. He brought suit against the Government in the Court of Claims for $90,000, and it was compromised for $45,000. They paid him $90,000 for the plans and specifications, and then he sued for $90,000 more. In other words, his full claim against the Government amounted to $180,000, without one bit of work being done on the State, War, and Navy Building that required one iota of his attention. The Government compromised the suit for $45,000, so that he gets, all told, $135,000 from the Government. Has the committee taken any action to protect the Government against such outrages, because that seems to me to be an outrage.

Mr. BYRNS. There is a law permitting the employment of outside professional services.

Mr. BRIGGS. I appreciate that.

Mr. BYRNS. The question as to the contract to be made is one of administration. They made that contract on the basis of 4.8 per cent.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent that his time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. The usual architectural fee in private business is 6 per cent. That is what is usually paid to architects.

Mr. BRIGGS. But the 6 per cent should not run on these enormous sums involved in these Government buildings, should it?

Mr. BYRNS. No; it is 4.8 per cent. There is a sliding scale. Mr. Martin was asked about this, and he replied as follows:

The contract with Waddy B. Wood for architectural services in connection with the remodeling, refacing, and reconstruction of the State, War, and Navy Building, Washington, D. C., was entered into by the Treasury Department under date of July 10, 1930.

Under this contract Architect Wood completed the working drawings and specifications for the work and was paid on account of said contract the sum of $90,000. Congress then enacted legislation, the effect of which was to postpone this construction project indefinitely. As the result, Architect Wood, on April 7, 1932, filed suit in the Court of Claims for damages amounting to $90,000.

This claim was compromised by the Treasury Department for $45,967, and that amount was paid to Architect Wood on July 23, 1932.

Mr. ARNOLD. Do you propose to go on with the State, War, and Navy Building?

Mr. MARTIN. No, sir. We can not do that unless Congress gives its consent.

Mr. BRIGGS. Does not the gentleman think that a provision ought to be made in these contracts for the protection of the Government, where the Government cancels the building operations, so that the Government is not obligated for all of the architectural fees that might be claimed by architects had the Government carried out its original plans and constructed the building with all of the supervision required on the part of the architect and the other duties incident to the contract?

Mr. BYRNS. I doubt that that would be done in private business and, as a matter of fact, it will probably never occur again in the case of the Government. Mr. Wood was employed by the Treasury Department with the understanding that he was to receive a certain amount of money for plans and specifications. He performed his part of the contract. He did what he promised to do, so they tell us, and then Congress came along and said:

We are not going to let you do that work down there.

And Congress stopped him.

As I see it, he performed his part of the contract.

Mr. BRIGGS. And he got paid for what he did.

Mr. BYRNS. I have no doubt the court would have given him full compensation if the case had proceeded to judgment.

Mr. BRIGGS. But does not the gentleman think in this connection that the Government can protect itself, where it cancels these projects, so that it is not obligated for a large sum of damages in the future? Then the law would become a part of any contract, and it would not obligate the Government to pay damages in the sum of unearned fees, which might have been earned had the project been carried through to completion.

Mr. BYNS. Certainly, the Government could make a contract of that sort, but that is a question of administration.

Mr. BRIGGS. Does the gentleman not think that ought to have been done?

Mr. BYRNS. I think it would have been proper under the circumstances of that case, and possibly in all of them. Of course, I do not know what effect that would have upon the kind of contract to be made, and the cost to the Government, but it would have been very fortunate if we had that kind of provision in this contract, but that is a question of administration.

Mr. BRIGGS. May I ask the gentleman a further question? Does the gentleman think it would have resulted in far greater savings to the people if the Supervising Architect's Office had been employed to construct the plans, rather than obligating the Government to these enormous fees such as are instanced in this case, and which, of course, have probably been duplicated and multiplied many times in the fees paid out in the construction of this great Government program in the District of Columbia?

Mr. BYRNS. Of course, that is problematical. The Supervising Architect's Office states that on account of the tremendous building program it would be absolutely impossible for it to draw all the plans and specifications necessary, and we would have to increase their force immeasurably to do that. They claim that in this way it is cheaper, with reference to certain of the more important projects.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONNERY. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CONNERY: Page 37, line 7, add the following: "*Provided further*, That no part of the moneys appropriated in this bill shall be used to pay contractors for public buildings to be erected or remodeled where the stone is specified to be quarried outside of the locality where such public building is to be erected or remodeled."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. LAGUARDIA. Will the gentleman yield for a friendly suggestion?

Mr. CONNERY. I yield.

Mr. LAGUARDIA. I fear the word "locality" is too narrow. It should be "section of the country" instead of "locality."

Mr. CONNERY. That is true. I ask unanimous consent to change the word "locality" to "section."

The CHAIRMAN. Without objection, the amendment will be so corrected.

There was no objection.

Mr. CONNERY. This is along the line of what the gentleman from New York [Mr. LAGUARDIA] was speaking a short time ago. We have had much trouble on this matter. In the specifications many times they will put out a specification for pink granite or a certain color of pink and white granite. Evidently the idea is that some concern which has had a monopoly on this is to be taken care of by these specifications. I am sure the Members will all agree that we want to be fair to every part of the country. There are quarries all over the United States, and I think it is only fair and reasonable that the men who work in those quarries and the men who own those quarries in that section of the country should be taken care of when public buildings are erected in their localities. Up in our section we have the Quincy granite.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COCHRAN of Missouri. Will this apply to buildings now under construction or to future buildings?

Mr. CONNERY. No; to future buildings.

Mr. COCHRAN of Missouri. That is specified in the amendment?

Mr. CONNERY. Yes; it reads "to be erected."

Mr. COCHRAN of Missouri. I am in sympathy with the gentleman's idea, but where will you get the stone for the city of Washington?

Mr. CONNERY. They have had no trouble. It will be gotten in this general locality, so that we will not need to go to California to get stone for the city of Washington, or to Texas to get stone for Massachusetts, with men unemployed in the Quincy quarries.

Mr. COCHRAN of Missouri. Does the gentleman not think that if we provide that no part of the stone used should come from Indiana the whole thing would be settled? [Laughter.]

Mr. BLANTON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BLANTON. Will the effect of the gentleman's amendment be that all quarries will have a chance to make bids?

Mr. CONNERY. That is what I am trying to get at.

Mr. BLANTON. I am in favor of the gentleman's amendment. I think the Treasury Department has ignored the rights of many quarries. I do not know who arranged it that way, but it is arranged so that certain quarries have the advantage over a great many others all over the United States.

Mr. ARNOLD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. ARNOLD. Under the gentleman's amendment, if there is only one quarry in a community where a building is being erected, would that not effectively cut off all competitive bidding?

Mr. CONNERY. Well, I suppose it would, when we get right down to it, but the gentleman sees what I am after in this amendment. We have had conditions, where only the big quarry would have a monopoly on practically all of the public buildings. In answer to the gentleman from Texas, I said it was my idea to have competitive bidding; but, for instance, suppose they are building a post office or a public building down in Texas, we do not want them to come up to Massachusetts and buy stone there for Texas, when there are men out of work in those quarries, and when those men are in business down there. It is just a fair proposition for the whole country.

Mr. ARNOLD. It occurs to me that the gentleman's amendment, as drawn, instead of preventing a monopoly is creating a monopoly.

Mr. CONNERY. It could not create a monopoly, because if you take the Indiana situation, where they practically have a monopoly now, the quarries in Massachusetts would have a break in Massachusetts instead of having to get Indiana limestone up to Massachusetts.

Mr. LUDLOW. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LUDLOW. The gentleman speaks about the desirability of securing stone from the immediate vicinity. Where in the world would the gentleman get stone around Washington sufficient to build all of these enormous Government structures?

Mr. CONNERY. Well, you might not get it around Washington, but you could get it out in the general locality and in other States near Washington. Washington is not the only city where public buildings are being built.

Mr. LUDLOW. There is an enormous demand for stone to carry out the stupendous building program at the National Capital. Where would the gentleman get the stone, since there is no natural resource of that character in this region?

Mr. CONNERY. You could get it near enough to Washington, in some of the surrounding States—Ohio or some place else.

Mr. GOSS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. GOSS. When the gentleman is through with his debate, would he be willing to present a unanimous-consent request to amend his amendment to include the word "act" instead of "bill," because when a bill is enacted into law it then becomes an act?

Mr. CONNERY. Yes; I will be glad to do that.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that I may have five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CONNERY. I ask unanimous consent, Mr. Chairman, to change the language of the amendment by changing the word "bill" to "act."

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BRIGGS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BRIGGS. I understand the gentleman desires to provide that preference should be given to those localities that are capable of furnishing the stone?

Mr. CONNERY. Yes.

Mr. BRIGGS. And other building material?

Mr. CONNERY. Well, I do not say "other building material." I will be glad to do that; but right now we are on stone, and I do not like to go too far afield. If we can get by with this, we will get the other later.

Mr. BRIGGS. But the gentleman wants a preference where a section of the country can furnish that?

Mr. CONNERY. Yes. I do not want California to be sending stone to Washington, or Texas to be sending stone up to Vermont.

Mr. BRIGGS. I am in sympathy with that provision.

Mr. BYRNS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BYRNS. I see two important objections to the gentleman's amendment. In the first place, I think if such an amendment is adopted, it will serve to cut off competition in a great many instances, and we will have no competition in most of the building projects, for they will be confined in the choice of stone to some quarry in the immediate neighborhood.

In the second place, I think the gentleman's amendment is so drawn as to apply to contracts already made, and the question would then arise as to what will become of a contract made with the idea that the contractor is getting stone from a certain locality, if Congress comes along providing he shall not use that stone.

Mr. CONNERY. It says it shall apply to buildings erected in the future.

Mr. BYRNS. They may be already under contract.

Mr. CONNERY. I will accept an amendment, if the gentleman wants to offer it, to the effect that it shall not apply to contracts already let.

Mr. BLANTON. The law itself would keep it from applying.

Mr. BYRNS. No; not in respect to this, because this limits this appropriation. This says that this appropriation shall not be used, so it does not matter what the law is, this appropriation could not be used for the purpose.

Mr. CROWE. I want to ask the gentleman this question: The gentleman mentioned the Indiana stone as having a monopoly. I deny that such is the case.

Mr. CONNERY. Indiana probably has not got a monopoly, but it is so close to it that you could call it a monopoly.

Mr. KELLER. The monopoly began on the 8th of November.

Mr. CROWE. It is recognized as one of the leading building stones of the Government. It is used in a greater percentage of Government buildings here than other stone.

Mr. CONNERY. Understand I have no brief at all against Indiana or Indiana limestone. I merely want to see that these other localities are taken care of.

Mr. LUDLOW. Suppose it is true that the Government is to erect a building in a certain vicinity which is notoriously inferior as to building materials; that building materials of the proper quality are only to be had at some distance. What would happen in such a case?

Mr. CONNERY. That could be put into the specifications and taken care of. When they ask for a certain type of marble that can be written into the specification. For instance, in this last bill we had Vermont granite, and Massachusetts granite. The kind of stone was set out in the specifications, and they had to get the pink or white granite from the places that could supply it.

Mr. KELLER. Does the amendment include brick and other building material?

Mr. CONNERY. No. I wanted to get something that was in front of me, and I was afraid if I reached too far I might lose all.

Mr. COCHRAN of Missouri. Does the gentleman know they are using Italian marble in the interior of the Supreme Court Building?

Mr. CONNERY. I suppose they have to use Italian marble in some instances if it is specified. I am against Italian marble if we can get suitable American marble.

Mr. COCHRAN of Missouri. Does not the gentleman think we should pay Government money to buy American-made goods?

Mr. CONNERY. I will say to the gentleman from Missouri that if we have marble in the United States which is the equal of the Italian marble, I think we ought to use the United States marble.

Mr. LAGUARDIA. I will say to the gentleman that we have. Take the blue marble of Tennessee and the Georgia marble, for instance.

Mr. CONNERY. I believe we have it.

Mr. COCHRAN of Missouri. Do not overlook the Missouri marble; that is very fine, too.

Mr. EATON of Colorado. Do not forget the Colorado Yule marble, of which our Lincoln Memorial is built.

Mr. BYRNS. There has been a reservation of a point of order on this amendment. Now it occurs to me we ought to settle the point of order before taking up the amendment. The point of order against the amendment was that it changes existing law and is legislation on an appropriation bill.

Mr. LAGUARDIA. Mr. Chairman, I make the point of order the gentleman can not be taken off the floor.

Mr. CONNERY. Mr. Chairman, I will not take any more time of the House.

Mr. BYRNS. The gentleman is discussing the reservation now, and that is subject to the Chair.

Mr. GOSS. He withdrew the reservation of the point of order.

Mr. STAFFORD. The gentleman has no right to speak for me.

Mr. CONNERY. Mr. Chairman, in conclusion, I will take no further time of the House. I hope this amendment will be agreed to.

Mr. BANKHEAD. Mr. Chairman, I demand the regular order on the reservation of the point of order. Let us get that disposed of.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BYRNS. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill, and that it changes existing law.

Mr. LAGUARDIA. Mr. Chairman, I would like to be heard on the point of order.

Mr. BLANTON. Mr. Chairman, I make the point of order it comes too late.

Mr. CONNERY. Mr. Chairman, I believe this is a limitation on the appropriation and is not legislation on an appropriation bill.

Mr. LAGUARDIA. Mr. Chairman, I would like to be heard on the point of order.

Mr. Chairman, this clearly is a retrenchment, because the Chair must take judicial notice that stone must be transported. It can not be "wished," even by the chairman of the Committee on Appropriations, from one locality to another, and therefore limiting the particular stone to come from the section in which the building is to be located in and of itself implies economy. Surely, under the wide latitude given to this particular bill now under consideration, it comes with very bad grace—and I say this with all kindliness—from the chairman of the Committee on Appropriations to raise the point that there is legislation in this bill. Why, this bill is just loaded with legislation, and here you have an opportunity, Mr. Chairman, to carry out the economy which is so much to be hoped for in this bill. The amendment stops monopoly. It calls for competition, and will result in a saving to the Government in cost of transportation.

Mr. BYRNS. If my friend will yield, is not the very reverse of that true? Does the amendment not create monopoly in that it prevents the acquisition of stone from any place except in the immediate neighborhood where the building is to be erected and in that sense create rather than prevent monopoly?

Mr. LAGUARDIA. The gentleman assumes that all the stone in any one section is owned by one interest; when, as a matter of fact, competition is very keen in these sections. The competition in Vermont marble or in Tennessee marble is very keen, and the situation there is not like the situation in other localities referred to this afternoon.

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. Near one little town of Lueders, Tex., in my district, there are three big limestone quarries, all competing with each other, and they have in Burnet and Llano Counties large granite quarries, all in the same section of Texas, in my district. This amendment does not create any monopoly, but permits local quarries to have a chance to get their output used in Government buildings.

Mr. LAGUARDIA. And compete among themselves.

The CHAIRMAN (Mr. MCMILLAN). The Chair may say that the Chair is interested in the point of order, and not in the merits of the question, at this time.

Mr. WOOD of Indiana. Mr. Chairman, I desire to speak briefly on the point of order.

The gentleman from New York [Mr. LAGUARDIA] has just said that this comes within the rule because of the fact it shows a retrenchment of expenses. In order for the amendment to come within this rule it must be patent upon its face that it does that very thing. It must do that, and in order for it to come within the rule there must be no question in the mind of the Chair but what the amendment does show a retrenchment of expenditures. Can the Chair say that this amendment is going to retrench expenditures because of the fact that a peculiar stone is peculiar to a particular locality where the building is to be erected? This may or may not be true. There may me a stone in a given locality that is of such a character that the very milling or preparation of it would cost more than a stone in some other locality plus the cost of shipment, or vice versa. So I say it is clearly not within the rule of retrenchment, because that must be shown on the face of the amendment so that the Chair can say in dollars and cents what the retrenchment is, or as a result of the showing can say that there are dollars and cents saved by reason of the amendment.

Mr. CONNERY. If the gentleman will permit, my point is that this is a limitation and is not legislation on an appropriation bill.

Mr. WOOD of Indiana. It can not be a limitation because of the fact it does not restrict the building with respect to the material to any particular kind or quality. It is to be built of stone. It does not say it shall be built of a particular character of stone, because there may be a dozen different kinds of stone in the same locality. There may be limestone or there may be marble or some other kind of stone in the same locality. It is therefore bad because of uncertainty.

Mr. CONNERY. But it limits it to that particular locality.

Mr. LAGUARDIA. Mr. Chairman, I desire to call the attention of the Chair to a ruling made by the House overruling a decision by Speaker Longworth. The Chair will recall that the point was raised in an Oregon bridge proposition, the reverse of the proposition now before us, and there the point was raised that the expenditure must appear in the face of the bill, and Speaker Longworth so held. Later the House reversed that ruling when the point was raised on the bill introduced by the lady from Florida [Mrs. OWEN] in the Everglades Park matter, the Chair holding to the previous ruling, held that it did not appear in the face of the bill that there was an expenditure, and the House overruled that decision. So the reverse in this instance is true.

I disagree with the gentleman from Indiana [Mr. WOOD]. If common sense, if the very facts, would indicate to the Chair that there is a saving in expenditure, the Chair need not look for specific figures or words in the bill, as suggested by the gentleman from Indiana.

Mr. LUDLOW. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. BLANTON. Mr. Chairman, I would like to be heard on the point of order when the gentleman from Indiana has concluded.

Mr. LUDLOW. I would like to ask the gentleman this question: Is it not true that in many instances this amendment may increase in the charge on the Public Treasury, because the local material may be a very costly material, yet it would be necessary under this amendment to build the building of that local, costly material?

Mr. WOOD of Indiana. That is true.

Mr. CONNERY. On the other hand, it could decrease it, too.

Mr. WOOD of Indiana. And the very exception that the gentleman from Massachusetts [Mr. CONNERY] is making shows it can not come within the rules with respect to showing a retrenchment, and in order for it to come within that rule a retrenchment must be shown in every individual case, even if this were a limitation, and that can not be done because of the facts stated with respect to the various kinds of stone that may be found in this same section.

Mr. BLANTON. Mr. Chairman, I would like to be heard for just a moment on the point of order.

To overrule this point of order it is not necessary for the Chair to hold that this amendment retrenches expenses and comes within the Holman rule. It is a limitation.

The question is, Is it a proper limitation? The Chair will remember the old case that has been cited so many times, where it has been held that an amendment can be offered which prevents money being paid to a person who has red hair. That is a limitation held in order. However ridiculous an amendment may be it is not a violation of the rule, where it is a proper limitation.

Mr. STAFFORD. Will the Chair indulge me to make an observation? There have been a great many rulings by Chairs on the questions of limitation. A favorite example has been given by one whom I regard as the greatest of all parliamentarians in the last generation, the Hon. James R. Mann, of Illinois, where he held that a limitation withholding money for the payment of white horses or grey horses or sorrel horses was in order.

However, I wish to press this fact, that you will find plenty of decisions going back to the old days where chairmen of committees distinguished between withholding money where it did not violate any existing law and where it did trench upon existing law or the discretion that is lodged in the department heads.

This amendment seeks to change existing law. It is not merely withholding money. It is more than that, it is legislation as to the authority of the department head in exercising its discretion as to the character of the contract or the character of the specifications that should be made.

It is true Congress has the right to withhold appropriations, but Congress has no right under the form of a limitation to change existing law. This substantially changes existing law, in that it invades the authority existing in the Treasury officials in the proper performance of their duty. If we are going to establish that principle we could go farther and do it without any limitation at all, and say that an amendment would be in order regardless of whether it affects existing law or not. This is a limitation that changes existing law in that it interferes with the discretion now lodged in the Treasury officials in the performance of their duty as to the character of the specifications and the material that may be used in public buildings.

Mr. WOOD of Indiana. Mr. Chairman, I desire to call attention to a decision that I think is apropos to the question before the House at this time:

> Such limitation must not give affirmative direction and must not impose new duties upon the executive officer.

There is no question but that this is giving affirmative direction, and the gentleman calls it a limitation. It is a proposition to change the rule and policy adopted, which has been followed for years by the Treasury Department.

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Massachusetts seeks to apply a restriction to the use of the appropriation by the department.

As far back as 1896 (Hinds, IV, 3936) it was held by Chairman Dingley that—

> An appropriation bill may deny an appropriation for a purpose authorized by law, so it may by limitation prohibit the use of money for part of the purpose, while appropriating for the remainder of it.

In 1911 (Cannon's Precedents, sec. 8748) it was held by Chairman Tilson that—

> A limitation may deny an appropriation for a purpose authorized by law. A provision that no part of an appropriation be expended for a reformatory within a radius of 10 miles from Mount Vernon, except to one now at Occoquan, was held to be a limitation and in order on an appropriation bill.

The Chair, therefore, feels constrained to the belief that this is a restriction upon the use of the money provided in this bill and is a proper limitation. The Chair, therefore, overrules the point of order.

Mr. BANKHEAD. Mr. Chairman, I ask recognition in opposition to the amendment. Candidly I do not know whether I am prepared to vote for or against the amendment, because I do not know that I am in a position to accurately interpret the provisions of the amendment. This debate has resolved into what Hancock said in respect to the tariff. It has gotten to be a local issue. I have a very fine limestone quarry in my district, and if any gentleman doubts the quality of that limestone, then I suggest that when he goes over into the new House Office Building he look around at the interior finish and he will then be convinced, because that stone came from the tenth district of Alabama.

Mr. LUDLOW. But under this particular amendment none of that material would ever be used in the city of Washington.

Mr. BANKHEAD. That is a question I am coming down to. Let me inquire of the gentleman from Massachusetts whether or not he uses the word "section" in his amendment to prevent the use of Alabama limestone in the construction of buildings in the city of Washington?

Mr. CONNERY. That is up to the Supervising Architect.

Mr. BANKHEAD. The word "section" is a very elastic phrase. Having doubt in my mind as to how that might be construed, out of an abundance of caution for the protection of my local industry in Alabama, as applied to this measure, I shall have to oppose the amendment.

Mr. HOGG of Indiana. Mr. Chairman, I rise in opposition to the amendment. It seems to me that the wrong method to save money for the Government is this attempt to eliminate competition. It would be a fine thing, indeed, if all building materials could be purchased in the community where they are to be used. But we are a nation, and each part of the country has a right to contribute its part to the buildings of the entire country. No one has yet shown that there have been shortcomings or unnecessary expenditure in the letting or execution of any contract wherein Indiana limestone has been used. If there had been, the law prescribes a proper method of relief. If the Indiana limestone is not entitled to be used in every instance where it has been selected, then the office of the Comptroller General of the United States can and will hear anyone who has an objection to make. The fact that no objection has even been made to the Comptroller General, much less substantiated, proves how unfounded are the rumors which we sometimes hear.

It is now proposed in the amendment by the gentleman from Massachusetts [Mr. CONNERY] that we eliminate a great number of bidders and require the stone be quarried in the neighborhood where it is used. That is not the way to have lower bids. You can never have lower bids by eliminating those who have been bidding lower than those who could not get the contracts.

It is interesting in this connection to notice that throughout the Nation many of the most outstanding buildings, including the Tribune Towers and Radio City, have been constructed of Indiana limestone. In Washington many of

these beautiful structures are constructed of Indiana materials. All of this has been done in the face of the strictest competition from the entire country. Everyone admits that Indiana limestone has permanent quality at low cost.

I call attention of the House to the fact that the greatest cost in the erection of new Government buildings is the exorbitant price which the Government must pay for the site on which the building is to be erected. This is due to the same sort of thing that the provision of the gentleman from Massachusetts would endeavor to bring about in respect to building material. Only a limited number of bidders can submit their bids for the consideration of the Government. In 10 cases out of 10 the Government of the United States by necessity has been forced to pay an exorbitant price for the land on which to construct its buildings, simply because the number of bidders is necessarily limited. I submit to the gentlemen of this House that no greater setback could befall open competition than to limit the number of individuals who would be permitted to offer their material for the use of the Government. I hope, in the interest of economy, that this amendment will not prevail. [Applause.]

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. The State capitol at Austin is built out of granite. It is one of the finest capitols in the United States. The granite that went into that building came from two counties in my district, the counties of Burnet and Llano. Three million acres of land in Texas were paid for that capitol building, and some of that land to-day is worth $30 an acre, so you may know what kind of a building it is. In one place in my district, at Lueders, in Jones County, there are three big limestone quarries that quarry some of the finest limestone in the world, Indiana limestone not excepted. In San Saba County, in my district, is quarried some of the finest marble in the United States, and I do not except Vermont marble or Tennessee marble or Georgia marble or Missouri marble when I make that statement. Yet these various quarries that I have mentioned, and there are others in that vicinity, have not been able to get even one of their bids considered by the Treasury Department in offering stone for Texas construction. The Treasury Department has a way, and I do not know whether it was influenced by our distinguished friend from Indiana [Mr. WOOD] or not, but in their contract specifications they have a way of fixing some kind of a provision that keeps all of these quarries from getting their stone used. It may be by the use of the word "pink" or some other color that excludes the Texas stone. The Treasury Department ought to see to it that every quarry that can produce the kind of stone that ought to be used in our buildings has a right to put its bid in, and have it considered. That is the reason I am in favor of the amendment offered by our friend from Massachusetts.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. COCHRAN of Missouri. I am interested in that part of the gentleman's statement in which he said that they could not be considered.

Mr. BLANTON. It is because the Treasury Department excludes them before they have a chance to make a bid.

Mr. COCHRAN of Missouri. By reason of certain specifications?

Mr. BLANTON. Yes.

Mr. COCHRAN of Missouri. Why not rewrite the specifications?

Mr. BLANTON. That is what I am trying to get here. I am trying to help the gentleman from Massachusetts pass an amendment that will stop the Treasury Department from creating monopolies in different parts of the country. I want to say with respect to the construction of many public buildings in Texas, the freight we have paid on stone that has come hundreds of miles to Texas, could have been saved if they had taken into consideration the splendid stone that comes from the quarries in Texas.

Mr. LEAVITT. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. LEAVITT. Would it not help the situation to which the gentleman refers if more attention was given to the local architects who are acquainted with the local material, so that it could be specified?

Mr. BLANTON. Some of these days I am going to make a speech on architects in the Treasury Department unless things are changed down there. I am hopeful that soon after March 4 there will be a caucus of incoming Democrats that will change many things that have been going on here in Washington, and the architects' fees and the selection of architects will be one of those changes that I am hoping for.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. COCHRAN of Missouri. It will be Democrats instead of Republicans.

Mr. BLANTON. The gentleman is right. There will be some good Democrats in many of these public positions that will see to it that everybody gets a fair and square deal and a fair and square show on this proposition. [Laughter.]

Mr. COCHRAN of Missouri. But the trouble is that by March 4 they will have selected all the Republican architects, and there will not be any left.

Mr. BLANTON. Oh, there will be plenty more.

Mr. CROWE. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

I have considerable interest, not financial, in building stone. There are quarries in various parts of the country, it is true. Some are very local in their scope. I think when building material in quantity and quality is available which is capable of going to the farthest corners of the United States, at a price which is economical to the country, it would be unwise for this committee to pass any bill or amendment which would exclude that stone from being shipped to various parts of the country, particularly when you find stone that built such buildings as Radio City in New York and the Tribune Tower in Chicago; where they competed with all the stone in everyday use in the entire country. There are many buildings built, post-office buildings and other Federal buildings in the United States to-day, by local stone in local communities, in which those communities are given an advantage of many thousands of dollars over prices bid by companies using Indiana limestone. Our Indiana limestone would save many hundreds of thousands and many millions of dollars if it were used in more buildings in the United States—I mean in Government work.

Indiana limestone as a building material stands in a class by itself for durability, beauty, strength, and economy, and is to be had in such large quantities that it can be furnished with hurried dispatch on the largest jobs.

In almost all contracts let the bids disclose and where limestone interests are permitted to bid, they are many thousands of dollars under other building stones of like quality. If limestone was used more extensively than it is now used, it would result in an enormous saving to the Treasury of the United States.

The Treasury should be considered, for after all it is the disbursing office of the people. Extra money spent means more and higher taxes on the people, who are, as we all know, overburdened with taxes.

There is no monopoly of Indiana limestone. Nature has filled the hills of several southern Indiana counties with hundreds of millions of cubic feet of this outstanding building stone.

Strong companies, many of them, by good business ethics, have put the limestone industry of Indiana on a strong and solid footing, thereby competing in the open market in private industry all over the United States.

These companies should have the same opportunity to compete on Government jobs in any part of our Nation and not be hampered by unwise, unfair legislation.

Mr. LOZIER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts [Mr. CONNERY]. The purpose of this amendment is to curb

the power of the building-stone monopoly now enjoyed by a certain Indiana limestone quarry and to permit quarries in other sections to compete for public buildings in their respective localities. Under the present system, no matter where a Federal building is being constructed, this Indiana corporation generally furnishes the material, although there may be just as good building stone available close to the community where the building is being constructed.

I think it is poor policy for the Government to so fashion the specifications for public buildings and so conduct its building operations as to create a monopoly for certain quarries in certain favored sections of the Nation. It is generally understood that this Indiana quarry has been able to very largely monopolize the public building program of our Government as a result of our bureaucratic system and as result of a discriminating method of preparing specifications and as a result of the improper exercise of a discretion vested in the Treasury officials. This monopoly is fostered to the detriment of quarries in other States that are in a position to furnish material of just as fine quality for the construction of these buildings.

It is urged that the Indiana quarry underbids the smaller quarries in different sections of the United States. This may be true occasionally, but its ability to underbid its competitors is the result of governmental favoritism. It is because the Government, for a quarter of a century, has nurtured, babied, and favored this particular quarry; and by getting practically all the contracts, it may be able to underbid and undersell the local quarry. In constructing public buildings, a preference should be given the quarries in the State in which the buildings are being erected.

In Missouri we have a wonderful State house, costing several million dollars, built without even a suggestion of graft, one of the most remarkable of the 48 State capitols. It is built of Missouri stone. The quarries at Carthage, Mo., are famous the world over. There may be found an unlimited supply of probably the best all-around building stone in America. There is no architectural requirement that this Carthage stone and other Missouri stone do not measure up to, but building operations are so monopolized and manipulated that most of the Federal buildings in Missouri are built not of Missouri limestone or marble but of limestone from Indiana.

I appeal to this House to break the power of this Indiana quarry monopoly and give the quarries in other States an opportunity to participate in the building operations of our Government. There is no reason why all of our public buildings should be constructed out of the same stone or embody the same type of architecture. If this amendment is adopted it will mean the employment of labor in many quarries now idle. I think this amendment embodies a wise public policy; and whenever and wherever it is possible, the Treasury Department should be required to give preference to the stone quarried in the State where the building is being erected, assuming of course that the use of local stone is substantially as economical.

Mr. ARNOLD. Mr. Chairman and gentlemen of the committee, I am not interested in limestone; I am not interested in marble; I am not interested in granite; but I am interested in the Treasury of the United States. If we want to protect the Treasury, we should defeat this amendment.

Gentlemen talk about breaking up a monopoly by the adoption of this amendment. Mr. Chairman, we are permitting monopolies to thrive when we adopt this amendment, by requiring stone for public buildings to come from a section where the building is being erected, thereby limiting the field of competitive bidding to restricted areas.

Now, what is a "section" where the building is being erected? Certainly when you circumscribe the field of competition, you disqualify many competitive bidders. Eliminate competitive bidders and you are at the mercy of those remaining in the restricted area. What does that word "section" mean? It may be broad and expansive or it may be encompassed in a small area of a very few miles. If an amendment of this kind were adopted and a bid were offered for stone quarried within 10 miles of where the project is to be erected, another bid offered for stone within 30 or 40 miles of the place where the building is to be erected, might be banned from consideration under this amendment. Would not the Treasury Department, under the language of this amendment, be justified in saying, "We must award this contract to the nearest quarry to the place where the building is to be erected regardless of the amount of the bid." It seems to me there could be no other conclusion reached. "Section" is entirely too indefinite and would lead to endless confusion.

We are all interested in the protection of the Treasury, and we can only protect the Treasury in matters of this kind by keeping open wide the field for competitive bidders.

We have no right to assume contracts will not be honestly awarded. I assume they have been honestly awarded.

Mr. KELLER. That is a violent assumption.

Mr. ARNOLD. Some gentleman says it is a violent assumption. Certainly, if the contracts have been improperly awarded, it is not the fault of existing law. The courts are open for redress or impeachment lies for the offending official. If stone from several miles or several hundred miles away from the place where the building is being erected, of equal or like quality, can be furnished at a lower price, why should not the contract be awarded to the quarry that will furnish stone at the lowest price?

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. CONNERY. The gentleman says "at the lowest price." Is it not a fact that because they have the monopoly they are able to lower the price and put the small man out of business?

Mr. ARNOLD. When the field of competition is widened monopoly is more difficult. When the field of competition is narrowed you enhance the opportunity for monopoly by destroying to that extent competition; and that is just exactly what this amendment will do.

For the protection of the Treasury of the United States, all of us, whether or not from sections particularly interested in limestone quarriers, or in marble quarries, or in granite quarries, should come to the defense of the Treasury of the United States and let these gentlemen who are interested in these particular lines of activity fight out their matters on merit with the Treasury Department as best they can.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I want to call your attention to this amendment. If you will give this your attention, there is not a man here who would want to vote for it.

Just see what it will do: It is provided that no part of the moneys appropriated in this bill shall be used to pay contractors for public buildings to be erected or remodeled where stone is specified to be quarried outside of the section where such public building is to be erected or remodeled.

Now, note that no money shall be paid to any contractor for the erection of any building built out of stone that is quarried anywhere outside of the section where the building is to be erected. You can readily see that there will be confusion confounded. What is the section? What is the limitation of the section? How many different characters of stone may there be in a limitation of the section? It invites lawsuit after lawsuit. It is just simply preventing rather than accelerating public building. You are going to disturb and destroy the whole program afforded for public buildings. You are going to make it necessary to rearrange the whole plan of procedure. You are going to make it impossible to carry out the appropriation made in the relief bill for the further building of public buildings if this amendment, or anything like it, is enacted into law.

Now, gentlemen, we are supposed to act with a degree of intelligence. We are supposed to do that which is best for the community, not our own community but all the communities in the United States. Are we going to be foolish enough to say that no money shall be paid to a contractor for stone in the building of a building unless that stone is

selected from that section where the building is to be built? Why, there might be, and there are, many places in this country where they have no stone.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. I dare say that even in the State of New York they would have considerable trouble, for I understand they have no building stone in the State of New York. Fifth Avenue is built out of Indiana limestone because of the fact that they have no building stone in the State and because of the superior quality and cheapness of Indiana limestone.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. REED of New York. In remodeling a building built of stone it might be necessary, if this amendment is adopted, to do the repairing or remodeling with another type of stone.

Mr. WOOD of Indiana. That is another thing showing how utterly ridiculous it is. Suppose the building which needs remodeling is built of black stone. If this amendment become part of the law, it may cause the remodeling to be done with white stone, and you would have black stone against white or white stone against black. It is so ridiculous I do not think this membership, knowing the contents of this amendment, would want to subscribe to it, or will subscribe to it.

Mr. LUDLOW. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I wish to make two or three observations which I think may be of some interest. This amendment is urged as an economy proposition, but I think it is demonstrable that it would not result in the economies claimed for it, and I think I can prove that by citing at least one concrete example.

I recall distinctly a few years ago a terrific fight was made in this House and in the other branch of Congress over the material that was to be used in a certain monumental edifice in the State of Massachusetts. It fell out that it was decided to use limestone in preference to their native material, which was a great deal more expensive, and thereby a saving was effected of many hundreds of thousands of dollars. I do not know the exact amount.

Mr. KETCHAM. Seven hundred and fifty thousand dollars.

Mr. LUDLOW. The exact saving, I am informed by my friend from Michigan, was $750,000. Had this amendment been in operation at that time this saving would have been impossible. I can imagine many instances where the amendment proposed by the gentleman from Massachusetts would force the use of very expensive building material because that would be the material produced in the locality, and this would place a heavy and unnecessary burden on the taxpayers of the country.

I wish also, if I may, to call attention to what I conceive to be some of the administrative difficulties in connection with the administration of such a provision. There must be many hundreds of communities in the United States of America where there is no local building material. Then the Treasury Department would flounder around, and by some legerdemain would try to locate some material in some other section of the country, but all of this presents administrative obstacles.

Mr. BLANTON. Will the gentleman yield?

Mr. LUDLOW. I only have a short time, and I would like to finish my argument.

Mr. BLANTON. I want to commend my colleague and his Indiana delegation for having their complete membership here on the floor to protect their monopoly. [Laughter.]

Mr. LUDLOW. The gentleman will agree with me that Indiana limestone is a very excellent building material.

Mr. BLANTON. It is excellent—almost as good as that of Lueders, Tex.

Mr. LUDLOW. And it is a very cheap building material, and there should not be any artificial inhibitions or barriers put up here to exclude it where it could be used in the public interest anywhere in this country.

Mr. THATCHER. Will the gentleman yield on that point?

Mr. LUDLOW. I yield.

Mr. THATCHER. Is it not the fact that in the building of the George Rogers Clark Memorial granite was used in preference to Indiana limestone, on the idea that it was more appropriate for that purpose?

Mr. LUDLOW. I think those who had that matter in charge conceived that for that particular sort of edifice, for a memorial of that kind, granite was to be preferred, but I am not a member of the George Rogers Clark Commission, and I am only repeating what I read in the newspapers.

Mr. THATCHER. I agree with the gentleman's argument, and the point I am making is that in the erection of public buildings you have to get marble from one section and granite from another section and limestone from another section, because buildings are constructed of various materials and you have to use your discretion in getting what is the best material.

Mr. LUDLOW. The point I am making is that this is putting up an artificial barrier against a very excellent and a very cheap building material. I believe such a barrier would deprive the Government of a most excellent building material and would add millions of dollars to the tax load of the American people.

It is hardly human nature to assume so, but it may be that the people of a community in the United States may not be enamored of their local building material. It may be unsuitable material or it may be undesirable for many reasons, and yet the people who live in that community and who have to look at the Federal building all of their lives would be precluded by this amendment from securing building material from any other section of the country because that is inhibited by this amendment.

I think the arguments are all against this amendment, and I hope it will be voted down.

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the reason we are considering this amendment is not because there is any particular criticism of Indiana limestone, but it has been made necessary by reason of the practices in the Treasury Department in giving Indiana limestone the advantage over every other stone in the country. That is all there is to it, and I will limit it even more than that. Not only have the practices in the Treasury Department given the advantage to Indiana limestone, but they have given the advantage to the Indiana Limestone Co. to the disadvantage of other companies in that State, and I make this statement without a reservation at all, because I know the facts.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. LAGUARDIA. No; I only have five minutes.

There is no question at this time that the amendment, perhaps, is a little crude, but like the granite in the gentleman's State, with a little polish it can be made a very useful amendment and a very useful protection to give an equal chance to other sections of the country.

Limestone is not the last word in stone. The gentleman from Kentucky [Mr. THATCHER] pointed out that right in the limestone section a monumental building was constructed of granite. All that the amendment seeks—and I want to say this to the gentleman from Illinois, who made a very splendid argument—is that specifications should be so drawn as to permit other than Indiana limestone companies to bid; and this is a fair proposition. If the amendment does not do this, it can be corrected by the time this bill is over; but the fact remains, Mr. Chairman, that specifications are now so drawn that other quarries can not bid, and other quarries right in the State of Indiana can not bid under the circumstances.

I want to point out that there is logic when putting up a building, say in New England, that native stone from that section of the country may be permitted to at least be con-

sidered in the bids. The Indiana limestone companies have nothing to lose, because in the scheme of buildings for the District of Columbia limestone will be called for; but if there is limestone in the State of Texas or in other States that matches in quality and in color Indiana limestone, I say that they ought to have a look-in in this large building program that is now going on.

Mr. LUDLOW and Mr. CROWE rose.

Mr. LAGUARDIA. I can not yield now. I only have five minutes, and Indiana has been very well represented.

Mr. Chairman, there is not one quarry on the island of Manhattan, and I have no interest in this matter other than justice and the best interests of the country. As I have said before, I lived through this same limestone monopoly when I was a city official in the city of New York, and I know the tremendous influence it has, the tremendous bipartisan influence it has. I know that an amendment of this kind is conducive to fair administration of the law, and it is conducive to economy, and it is giving every section of the country an equal opportunity to bid in this emergency program which is based on giving employment; and when you are basing a program on giving employment, I say, give every section of the country an equal chance.

Mr. BYRNS. Mr. Chairman, we have discussed this matter for quite a long time and I wonder if we can not close debate and vote. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GREENWOOD. Mr. Chairman, I do not believe that this amendment would be either a measure for economy or a good building policy. I can not agree with the gentleman from New York who has said that Indiana has a monopoly on building stone. The specifications of public buildings are not so written that Indiana can have a monopoly. Only recently a post office was built in Cincinnati on the very line of Indiana, and they built it of Ohio building stone. Indiana had a lower figure, but because of artistic taste and local pride they gave it to Ohio building stone.

We are not a country of sections. We fought that out long ago, and in spending Federal money every producer and every product in the United States should be allowed to bid, and I think under the specifications as they are drawn now, they do bid. Let the best material win and at the lowest price.

There is no such thing as an Indiana monopoly. I came through the campaign in my State in which I was criticized for voting for granite for the George Rogers Clark Memorial. The architect who designed it, and the supervising architect, said that its artistic properties would be better if it were built of granite, and I voted for granite, and I no doubt lost several votes because I did.

Two years ago we had a fight where limestone had been accepted to build the Boston post office. They wanted to build it out of granite, and the United States would have saved several thousand dollars if built of limestone. Granite was substituted and Indiana lost the contract. I do not believe that any monopoly exists.

Certainly Indiana possesses no such unusual power and influence over Government departments.

We ought not to limit any department in building a public building to material of a particular section. The artistic properties and utility of stone should be considered. Transportation is not the only element of cost that goes into stone. You can not say that stone is necessarily more economical because it lies closer to the project. We ought not to place limitations of this character upon those letting contracts for public buildings.

We have an example here in the Capitol. They built it of Virginia sandstone because it was convenient, and other quarries had not been developed. To-day we regret that a harder and more permanent material was not placed in the Capitol.

Mr. CONNERY. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. CONNERY. If the gentleman was in a concern that built 865 buildings and his neighbor in a concern who got 1, who would be the lower bidder?

Mr. GREENWOOD. I would leave it to the department. They are to select from three or four different materials. These specifications are always for alternate materials to get competitive bids.

Mr. KETCHAM. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. KETCHAM. Referring to the Boston post office, does not the gentleman recollect there was a saving of $750,000 coming out of the lump-sum appropriation, and did not that mean that if they had not saved that amount they would have deprived other smaller buildings of that benefit?

Mr. GREENWOOD. Yes; they would have been sacrificed. Why, certainly, the saving would have been made. Because the building program in Washington has largely been of limestone, when it was started with that material, and because many buildings in this group in order to keep them of the same style have been built out of limestone is no reason to conclude at all that Indiana limestone has a monopoly, and it does not have. It is an elegant building stone, reasonable in price and durable for Government projects, and has been accepted frequently because of its better qualities. There have been no subtle or unfair methods used to have it accepted over other stone.

Mr. McCORMACK. Mr. Chairman, I am not interested in this question in to-day's discussion from the angle of the use of granite or the use of limestone, but I am interested in this question from the angle of what I think is a fair policy for the Federal Government to pursue. My friend from Indiana [Mr. GREENWOOD], who has just finished, said this is not a country of sections. That is true, from one angle, but it is not true from other angles. We have a dual system of government. We have the Federal Government and we have the State governments, possessing limited powers of sovereignty, and the best means of expressing public opinion in the United States is through the medium of the local State government. It seems to me that a good, fair, and proper policy for the Federal Government to pursue would be to erect its public buildings in the different sections from the products of those sections—in New England, of New England granite; in Texas, of Texas granite and Texas limestone; and in other sections of the country have them constructed of the products of those sections. Other States in this Union have their products, and it seems to me that the fair policy, consistent with all other elements in a bid, for the Federal Government to pursue would be to have the building constructed of the local product wherever and whenever possible.

Mr. GREENWOOD. Does not the gentleman know that they are doing that to a large extent now?

Mr. McCORMACK. No; I do not. That is what we are trying to bring about.

Mr. GREENWOOD. I think the gentleman will find that we are.

Mr. McCORMACK. In any event, if they are doing it to a large extent, this amendment will do no harm. The amendment is a step in the right direction. It may not be properly expressed, or worded, but, as the distinguished gentleman from New York [Mr. LAGUARDIA] properly said, that can be taken care of in the other body. The principle underlying the amendment is sound. If there is a building to be constructed in Illinois, and that State has its own product, what would Illinois think if a Federal building therein was to be constructed of a product from some other section? Is there not a local pride, and is it not proper that local sentiment and feeling should be regarded and that it should manifest itself in the product that the Federal Government uses in its buildings in the different sections of the country? I think the principle incorporated in this amendment is a sound one, and I hope the amend-

ment will be adopted. It can be amended in proper form in the other body.

Mr. GILCHRIST. Mr. Chairman, this amendment is a limitation upon the use of money. It has nothing to do with anything else. It says nothing about what stone shall be used. It provides that the money shall not be used if it be quarried outside of the section where the building is to be constructed. Assume that there is no stone in the section where the building is to be constructed, and that is not a violent assumption, because it is indeed the very case that I have in mind in my own district in Iowa. There is really no suitable stone in that district. Therefore, under this amendment you can not use a dollar of this money to construct a building in that district or anywhere in the section where I live. This is also true in much of the State of Iowa.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. Yes.

Mr. CONNERY. The gentleman is making a violent presumption in respect to the word "section." In the State of Illinois, if they do not have stone with which to build, they could go to Indiana.

Mr. GILCHRIST. Will the gentleman define the use of the word "section"? Let us suppose that he is the Comptroller General and that he has to define that word.

Mr. BLANTON. Oh, out in Iowa it is where the tall corn grows, and that takes in the big section.

Mr. LOZIER. Is it not true that "section" would be construed in a manner similar to the oil fields—the Continental oil field and the Indiana oil field, and so forth?

Mr. GILCHRIST. Then I answer the gentleman by saying that no one can construe the word "section." The trouble with the amendment is that it can not be given an intelligent construction except one which will hurt the purposes of the bill. It is just like the old remedy we used to have to get the rats out of the barn. You know how to do that. Why, burn the barn. That will get them out. That is the trouble with this amendment. It provides something that the proponents do not really want done. If they would limit their amendment so that it would be workable, I would be willing to vote for it; but read it—it says that no money can be used to build a building in certain sections if the stone is quarried outside of that section. That is exactly what it means; it means that no money can be used to build a public building unless suitable stone is found in the section where the building is located. It means nothing else. If words mean anything, then it will prevent the construction of buildings in many sections of the country which are entitled to them and ought to have them.

The CHAIRMAN. The time of the gentleman from Iowa has expired. All time has expired. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 39, noes 37.

Mr. BYRNS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. BYRNS and Mr. CONNERY to act as tellers.

The committee again divided; and the tellers reported there were ayes 41 and noes 58.

So the amendment was rejected.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Missouri: Page 37, line 7, strike out the period, insert a semicolon, and add the following: "*Provided further*, That no part of this or any other appropriation shall be used to prepare in a Government office blue prints for public buildings other than where the Supervising Architect has prepared the plans."

Mr. BYRNS. Mr. Chairman, I make a point of order that this applies to other appropriations as well as the one under consideration. I will reserve the point of order.

Mr. COCHRAN of Missouri. Mr. Chairman, I have been receiving complaints in reference to the Supervising Architect's Office making all of the blue prints in connection with public buildings. They practically have a blue-print factory in the Office of the Supervising Architect. In my city, St. Louis, and in all other cities throughout the country, there are large corporations which make blue prints, make them properly, and it seems to me if this House will appropriate $10,000 for the purpose of investigating the Government in business, the House should do something to take the Government out of business. Here is an opportunity to start something along that line.

The Supervising Architect, under my amendment, can prepare the blue prints in connection with a public building where he prepares the plans, but in so far as the blue prints for public buildings where a private architect is appointed, it seems to me the private corporations in the community should have the benefit of that work.

I wish to say to my colleague from Missouri [Mr. SHANNON] and his associates on the committee that has been investigating the Government in business for the last few months, if you are going to get anywhere as a result of your work, you had better offer some amendment in the form of limitation to these appropriation bills, because you will not get any general legislation for years. Of that I am satisfied. Here is the place to take the Government out of business by placing limitations on appropriation bills.

I think, Mr. Chairman, that my amendment is in order. It is a limitation upon an appropriation, not legislation, that I advance. It appears to me to be clearly in order. It seeks to, in part, reach a situation that the taxpayers are complaining of—too much Government in business.

Mr. BYRNS. Mr. Chairman, I make the point of order on the ground that it changes existing law; that is not a limitation, in that it applies not only to this appropriation but to any other appropriation.

Mr. GOSS. Mr. Chairman, I would like to be heard on the point of order, particularly with reference to the point that the chairman of the Committee on Appropriations has brought up, that this matter involves matters in other appropriation bills.

It seems to me, first of all, that in determining these things we must determine if it is a general appropriation bill, and it is. This bill we are now discussing is the Treasury and Post Office appropriation bill. There is no rule that would prevent the Committee on Appropriations from bringing in one bill that would make appropriation for all 10 of the general appropriation bills. Therefore it seems to me that the matter covered in the bill, where there is more than one department involved, is proper, and the point of order would not be good against it. However, if the appropriation was on an appropriation bill involving only one department, then the point of order would be good; but, as stated before, there is no rule that would stop them from coming in with all the bills in one bill. Therefore I think the point of order is not germane to this particular amendment.

Mr. COCHRAN of Missouri. I would like to invite the Chairman's attention to the fact that the bill we are now considering, the sections we are now considering, is the only appropriation bill wherein appropriations are made for the Supervising Architect's Office, other than the deficiency appropriation bill. My amendment is purely a limitation not near so drastic as the amendment that the Chair a few minutes ago held in order. It is not legislation; it is a limitation. It leaves the way open for the Supervising Architect to secure the necessary blue prints, but he must procure them from a blue-print manufacturer and not through his blue-print division if the building under construction is being handled by an outside architect. I think that is fair to the department. I hope the Chair will permit a vote upon my amendment, which means so much to the private business firms that make blue prints and, I might also say, pay taxes to the Government.

The CHAIRMAN (Mr. MCMILLAN). The amendment offered by the gentleman from Missouri, as the Chair understands it, provides that no part of this or any other appropriation shall be used to prepare, in a Government office, blue prints, and so forth. The Chair thinks that the point of order made by the chairman of the Committee on Appropriations is well taken, in that the amendment seeks to restrict funds already appropriated as well as those carried in

the pending bill. The Chair is of opinion that the language in the amendment which affects other appropriations than the pending one constitutes legislation on an appropriation bill and, therefore, is not in order. The Chair sustains the point of order made by the gentleman from Tennessee.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, had come to no resolution thereon.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 503. Joint resolution authorizing the payment of salaries of the officers and employees of Congress for December, 1932, on the 20th day of that month.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3532. An act to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. JOHNSON of Missouri, on account of illness.

Mr. LINDSAY, for an indefinite period, on account of illness.

CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with to-morrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE LATE HON. DANIEL E. GARRETT, OF TEXAS

Mr. JONES. Mr. Speaker, it becomes my sad duty to announce the death of my colleague, Congressman DANIEL E. GARRETT, of Texas.

Mr. GARRETT was one of the most popular Members of the House, a gentleman by birth, breeding, and culture. At the same time he was a loyal and devoted public servant. Throughout a long and distinguished public career he had the confidence and esteem of every Member of the American Congress. His death is a loss to the Nation.

Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 320

Resolved, That the House has heard with profound sorrow of the death of Hon. DANIEL E. GARRETT, a Representative from the State of Texas.

Resolved, That a committee of 12 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent funds of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The Chair appointed the following committee on the part of the House: Mr. RANSLEY, Mr. BLANTON, Mr. PURNELL, Mr. GREENWOOD, Mr. HILL of Alabama, Mr. JOHNSON of Texas, Mr. MCREYNOLDS, Mr. COX, Mr. PATMAN, Mr. FERNANDEZ, Mr. KLEBERG, and Mr. THOMASON.

The SPEAKER. The Clerk will conclude the reading of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect this House do now adjourn.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 4 o'clock and 18 minutes p. m.), pursuant to the order heretofore made, the House adjourned until to-morrow, Wednesday, December 14, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, December 14, 1932, as reported to the floor leader:

WAYS AND MEANS

(10 a. m.)

Continue hearings on beer bill.

EXPENDITURES

(10 a. m.)

Hearings on consolidation of governmental activities.

SHANNON SPECIAL COMMITTEE

(10 a. m.)

Continue hearings on Government competition with private enterprise.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

802. A letter from the acting chairman of the Interstate Commerce Commission, transmitting pursuant to law report on what would be the effect upon operation, service, and expenses of applying the principle of a 6-hour day in the employment of all classes and each particular class of railway employees because of such application (H. Doc. No. 496); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

803. A communication from the President of the United States, transmitting supplemental estimate of appropriation pertaining to the legislative establishment, United States Senate, for the fiscal year 1933 (H. Doc. No. 497); to the Committee on Appropriations and ordered to be printed.

804. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the fiscal year 1933 for the Department of Agriculture for payment of $66 to Charles Lamkin, of Banning, Calif., as authorized by Private Act No. 159, Seventy-second Congress, approved July 13, 1932 (H. Doc. No. 498); to the Committee on Appropriations and ordered to be printed.

805. A letter from Gorgas Memorial Institute, transmitting report from the Gorgas Memorial Institute of Tropical and Preventive Medicine (Inc.), covering the activities of the Gorgas Memorial Laboratory in Panama for the period November 1, 1931, to October 30, 1932 (H. Doc. No. 499); to the Committee on Foreign Affairs and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McLEOD: A bill (H. R. 13600) to restore the rights of certain World War veterans to renew their 5-year level premium term Government insurance policies; to the Committee on World War Veterans' Legislation.

By Mr. EVANS of Montana: A bill (H. R. 13601) authorizing the Secretary of the Interior to classify as to productiveness and irrigability lands within the Flathead irrigation project, and to adjust payments thereon; to the Committee on Indian Affairs.

By Mr. BANKHEAD: A bill (H. R. 13602) providing for regulation of the transportation of cotton and wheat in interstate and foreign commerce, and for other purposes; to the Committee on Agriculture.

By Mr. HUDDLESTON: A bill (H. R. 13603) to create a Federal emergency relief commission, and for other purposes; to the Committee on Labor.

By Mr. ROMJUE: A bill (H. R. 13604) to authorize the Secretary of War, upon the recommendation of the Chief of Engineers, to adjust, settle, and pay claims of drainage districts and levee districts for damages on account of increased seepage and/or increased cost of drainage resulting from certain improvements on the Mississippi River; to the Committee on Rivers and Harbors.

By Mr. WASON: A bill (H. R. 13605) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for the relief of distress; to the Committee on Agriculture.

By Mr. SUTPHIN: A bill (H. R. 13606) providing for the examination and survey of the Keyport (N. J.) Harbor; to the Committee on Rivers and Harbors.

By Mr. JONES: A bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture.

By Mr. CAMPBELL of Iowa: A bill (H. R. 13608) to repeal the tax on bank checks; to the Committee on Ways and Means.

Also, a joint resolution (H. J. Res. 506) to amend the Constitution of the United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 13609) granting an increase of pension to Jennie E. Hawley; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 13610) for the relief of the Great American Indemnity Co. of New York; to the Committee on Claims.

Also, a bill (H. R. 13611) for the relief of the Great Falls Meat Co., of Great Falls, Mont.; to the Committee on Claims.

Also, a bill (H. R. 13612) for the relief of Capt. George W. Steele, jr., United States Navy; to the Committee on Claims.

Also, a bill (H. R. 13613) for the relief of Lieut. Col. Russell B. Putnam, United States Marine Corps; to the Committee on Claims.

By Mr. BOEHNE: A bill (H. R. 13614) granting an increase of pension to Rebecca Berry; to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Iowa: A bill (H. R. 13615) for the relief of E. R. Bender; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 13616) for the relief of Cairo Davis; to the Committee on Military Affairs.

By Mr. EVANS of California: A bill (H. R. 13617) for the relief of Howard William Linsley; to the Committee on Naval Affairs.

By Mr. FULLER: A bill (H. R. 13618) granting an increase of pension to R. D. Jordan; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 13619) for the relief of the Sanford & Brooks Co.; to the Committee on Claims.

By Mr. GARBER: A bill (H. R. 13620) for the relief of Lewis Weythman; to the Committee on Military Affairs.

Also, a bill (H. R. 13621) granting an increase of pension to Nira Pickinpaugh; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 13622) for the relief of William J. Carter; to the Committee on Naval Affairs.

By Mr. GUYER: A bill (H. R. 13623) granting an increase of pension to Lydia Effie Chace; to the Committee on Invalid Pensions.

By Mr. HORNOR: A bill (H. R. 13624) granting an increase of pension to Julia A. Zinn; to the Committee on Invalid Pensions.

By Mr. HARTLEY: A bill (H. R. 13625) for the relief of John N. Caffrey; to the Committee on Naval Affairs.

Also, a bill (H. R. 13626) for the relief of George T. Eayres; to the Committee on Military Affairs.

By Mr. HOLLISTER: A bill (H. R. 13627) authorizing the President to order William H. Hoblitzell before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H. R. 13628) granting a pension to Ada Ray Johnson; to the Committee on Pensions.

By Mr. JONES: A bill (H. R. 13629) for the relief of John F. Cain; to the Committee on Claims.

By Mr. KELLY of Pennsylvania: A bill (H. R. 13630) granting an increase of pension to Eunice F. Brown and a pension to Ruth M. Brown; to the Committee on Invalid Pensions.

By Mr. KOPP: A bill (H. R. 13631) granting an increase of pension to Frances S. Williams; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 13632) granting an increase of pension to Mary A. Canfield; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 13633) granting an increase of pension to Grace E. Grinsted; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13634) for the relief of Louis J. Rivard; to the Committee on Military Affairs.

By Mr. MARTIN of Massachusetts: A bill (H. R. 13635) for the relief of Ernest F. Walker, alias George R. Walker; to the Committee on Military Affairs.

By Mr. MOORE of Ohio: A bill (H. R. 13636) granting an increase of pension to Ceola Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13637) granting a pension to Newton W. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13638) granting a pension to Caroline Cochrel; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 13639) granting a pension to George Scace; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 13640) granting an increase of pension to Carrie R. Barber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13641) granting an increase of pension to Ella Sebring; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13642) granting an increase of pension to Ella J. Winegar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13643) granting an increase of pension to Catherine E. Morley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13644) granting an increase of pension to Irena L. Lynch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13645) granting an increase of pension to Emma S. Dolaway; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13646) granting an increase of pension to Sarah L. Knickerbocker; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 13647) granting a pension to Nelle J. Muhn; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 13648) authorizing the grant of certain public lands in Imperial County, Calif., to Irene Elizabeth Capron, in fulfillment of a prior agreement of exchange; to the Committee on the Public Lands.

By Mr. VINSON of Georgia: A bill (H. R. 13649) granting six months' pay to Minnie L. Johnson; to the Committee on Claims.

By Mr. WOOD of Indiana: A bill (H. R. 13650) granting an increase of pension to Frances Conley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13651) granting an increase of pension to Esther J. Cornell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8873. By Mr. BLAND: Petition of 12 citizens of Hampton and Phoebus, Va., urging passage of the "Stop alien repre-

sentation amendment to the United States Constitution," to cut out the 6,280,000 aliens in this country, and count only American citizens when making future apportionments for congressional districts; to the Committee on the Census.

8874. By Mr. BLOOM: Petition of the officers and members of the New York State Ladies' Auxiliary to the New York State Association of Letter Carriers, urging the repeal of the unjust and inequitable economy act as a step in the direction of restoring prosperity and as an act of simple justice to the underpaid, faithful employees of the Government; to the Committee on Ways and Means.

8875. By Mr. BOYLAN: Resolution adopted by the Civil Service Forum, of New York, N. Y., protesting against the unjust and unfair results of the payless furlough plan of the economy act; to the Committee on Ways and Means.

8876. Also, resolution adopted by the Linnæan Society of New York, urging upon the Special Senate Committee on Conservation of Wild-Life resources the desirability of the establishment of Admiralty Island as a wild-life sanctuary; to the Committee on Agriculture.

8877. By Mr. CHRISTOPHERSON: Petition of Hutchinson County Farmers Union, South Dakota, urging extension of seed loans or acceptance of produce in payment; to the Committee on Agriculture.

8878. By Mr. CONDON: Petition of Thomas E. Flynn and 205 other citizens of Rhode Island that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents, be made; to the Committee on World War Veterans' Legislation.

8879. By Mr. CRAIL: Petition of several citizens of Los Angeles County, Calif., protesting against any change that will legalize the sale or manufacture of light wines and beer; to the Committee on Ways and Means.

8880. Also, petition of mass meeting of Philippine citizens, through Attorney Felino Cajucom, of Manila, P. I., demanding immediate freedom of the Philippine Islands; to the Committee on Insular Affairs.

8881. By Mr. FREAR: Petition of Womans Missionary Society of the Methodist Episcopal Church of Chippewa Falls, Wis., requesting that Federal motion-picture commission be established; to the Committee on Interstate and Foreign Commerce.

8882. Also, petition of Pure Milk Products Cooperative, requesting that a moratorium on farm mortgages be declared until the necessary machinery can be set up by the Government to reduce the rate of interest on farm mortgages; to the Committee on Agriculture.

8883. By Mr. GARBER: Petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

8884. By Mr. LAMBERTSON: Petition of President J. L. Howe, of Highland College, and 258 other citizens of Highland, Kans., opposing any modification or nullification of the Volstead Act and requesting that any referendum be by State conventions composed of delegates selected by the qualified electors of the respective States; to the Committee on the Judiciary.

8885. By Mr. LINDSAY: Petition of the Linnæan Society of New York, New York City, urging conservation of wild-life resources and the establishment of Admiralty Island as a wild-life sanctuary; to the Committee on Agriculture.

8886. Also, petition of Civil Service Forum, New York City, protesting against the payless-furlough plan of the economy act; to the Committee on Ways and Means.

8887. By Mr. RICH: Resolution adopted by Women's Missionary Societies of the Pine Street Methodist Episcopal Church of Williamsport, Pa., in support of legislation to establish a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8888. By Mr. RUDD: Petition of the Linnæan Society of New York, favoring the establishment of Admiralty Island as a wild-life sanctuary; to the Committee on Agriculture.

8889. Also, petition of Civil Service Forum, city of New York, favoring the repeal of the furlough plan of the economy act; to the Committee on Ways and Means.

8890. By Mr. SPARKS: Petition of the J. C. C. Club (Federated), of Oberlin, Kans., for the retention of the eighteenth amendment and the Volstead Act, and opposition to any weakening of our present prohibition laws, submitted by Mrs. J. D. Bowles and Mrs. Francis Anderson and signed by 22 others; also petition of citizens of Lucas, Kans., for nonrepeal and favoring of the eighteenth amendment, submitted by Mrs. M. G. Rodrick and Mrs. Joe Walmer, and signed by six others; to the Committee on the Judiciary.

8891. Also, petition of the Harlan Woman's Missionary Society, of Harlan, Kans., against modification of the Volstead Act, submitted by Mrs. Bessie E. Nichols and Mrs. J. S. Anderson and signed by 13 others; also petition of citizens of Ogallah Township, Kans., against the legalization of beer, submitted by Mr. and Mrs. W. P. N. Hauson and Mr. S. S. Harvey and signed by 15 others; to the Committee on the Judiciary.

8892. By Mr. STEWART: Petition of residents of fifth New Jersey congressional district, favoring passage of House Joint Resolution No. 97, proposing to amend the Constitution to exclude aliens in counting the whole number of persons in each State for apportionment of representatives; to the Committee on the Judiciary.

8893. By Mr. STRONG of Pennsylvania: Petition of Woman's Christian Temperance Union of Juneau, Indiana County; Roxbury Methodist Episcopal Sunday School, of Johnstown; John D. Galbreath Adult Bible Class of the First Presbyterian Church of Kittanning; Woman's Christian Temperance Union of Manorville; citizens of Plumville; citizens of Cloe, Jefferson County; Bethany Bible Class and the Men's Bible Class of the First Methodist Episcopal Church of Punxsutawney; citizens and members of Woman's Christian Temperance Union of Punxsutawney, all of the State of Pennsylvania, opposed to any change in the eighteenth amendment or the Volstead Act; to the Committee on the Judiciary.

8894. Also, petition of citizens of Apollo; temperance committee of the Methodist Episcopal Church of Apollo; citizens of Corsica; Woman's Christian Temperance Union of Ford City; Sabbath school of the First Methodist Episcopal Church of Ford City; United Presbyterian Church of Heshbon, Indiana County; Woman's Christian Temperance Union of Homer City; Methodist Episcopal Church of Homer City; Lutheran Church of Homer City; United Presbyterian Church of Homer City; the Presbyterian Church of Homer City; Bethel Presbyterian Church of Center Township, Indiana County; and the Kenwood Woman's Christian Temperance Union of Indiana County, all of the State of Pennsylvania, opposed to any change in the eighteenth amendment or the Volstead Act; to the Committee on the Judiciary.

8895. By Mr. SUTPHIN: Memorial of the New Jersey Branch, Second Division, Railway Mail Association, making recommendations to Congress in behalf of postal employees; to the Committee on Ways and Means.

8896. By Mr. WASON: Petition of Christiana A. Smith and 21 other residents of Franklin, N. H., who urge the passage of the "stop alien representation" amendment to the United States Constitution, to cut out the 6,280,000 aliens in this country, and count only American citizens when making future appointments for congressional districts; to the Committee on Immigration and Naturalization.

8897. By Mr. WELCH: Petition of the Epworth Methodist Episcopal Church, of San Francisco, Calif., urging passage of Senate Resolution 170, regulating the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8898. By Mr. WEST: Petition of 56 citizens of Delaware, Ohio, urging passage of "stop alien representation" amendment to the United States Constitution, to cut out the 6,280,000 aliens in this country, and count only American citizens when making future apportionments for congressional districts; to the Committee on Immigration and Naturalization.



SENATE

WEDNESDAY, DECEMBER 14, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, transmitted to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. DANIEL E. GARRETT, late a Representative from the State of Texas.

ENROLLED BILL SIGNED

The message announced that the Speaker had affixed his signature to the enrolled bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Reynolds
Austin	Couzens	Johnson	Robinson, Ark.
Bailey	Cutting	Kean	Robinson, Ind.
Bankhead	Dale	Kendrick	Schuyler
Barkley	Davis	Keyes	Sheppard
Bingham	Dickinson	King	Shipstead
Black	Dill	La Follette	Smoot
Blaine	Fess	Logan	Steiwer
Borah	Frazier	Long	Swanson
Bratton	George	McGill	Townsend
Broussard	Glass	McKellar	Trammell
Bulkley	Glenn	McNary	Tydings
Bulow	Gore	Metcalf	Vandenberg
Byrnes	Grammer	Moses	Wagner
Capper	Hale	Neely	Walsh, Mass.
Caraway	Harrison	Norbeck	Walsh, Mont.
Carey	Hastings	Nye	Watson
Cohen	Hatfield	Oddie	White
Connally	Hawes	Patterson	
Coolidge	Hayden	Pittman	
Copeland	Howell	Reed	

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. BYRNES. I wish to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is detained in attendance upon the funeral of a relative.

Mr. SHEPPARD. I desire to announce that the Senator from Illinois [Mr. LEWIS] and the Senator from Oklahoma [Mr. THOMAS] are detained on official business.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] is detained by reason of illness.

Mr. METCALF. I desire to announce that my colleague [Mr. HEBERT] is unavoidably detained.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. I desire to announce that my colleague [Mr. WHEELER] is necessarily detained from the Senate by illness.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the board of directors of the Broadway Association, of New York City, N. Y., favoring the taking of preliminary legislative steps during the present session of Congress to repeal the eighteenth amendment of the Constitution, the passage of legislation looking to an equitable modification of the so-called Volstead Act, and the withholding of further appropriations for enforcement of the Volstead Act during the period of time covering the final disposition of the proposed repeal of the eighteenth amendment, which, with the accompanying papers, was referred to the Committee on the Judiciary.

He also laid before the Senate a telegram in the nature of a memorial from members of Post No. 35, Workers Ex-service Mens' League, of New York City, N. Y., remonstrating against "police persecution of veterans in Washington," which was referred to the Committee on Finance.

He also laid before the Senate the petition of a committee representing the Rank and File Veterans and other veterans groups assembled at Washington, D. C., praying for the passage of legislation providing immediate cash payment of the so-called soldiers' bonus and other relief and protesting against the deportation of bonus marchers from the District of Columbia on July 28, 1932, which was referred to the Committee on Finance.

Mrs. CARAWAY presented memorials numerously signed by sundry citizens of Gurdon, Magazine, Fort Smith, Gentry, Batesville, Winslow, Nettleton, Fordyce, Carlisle, Conway, Evening Shade, Malvern, Stephens, Prescott, Paragould, Greenwood, Harrison, Newport, Forrest City, Monticello, Jonesboro, and other cities in Arkansas, and of citizens of Rialto, Calif., remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the so-called Volstead Act so as to increase the alcoholic content of permissible beverages, which were referred to the Committee on the Judiciary.

Mr. ROBINSON of Indiana presented memorials of 162 citizens of Selma, Muncie, Daleville, and Middletown, all in the State of Indiana, remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification or repeal of the so-called Volstead law, which were referred to the Committee on the Judiciary.

Mr. SHIPSTEAD presented petitions numerously signed by sundry citizens of Elbow Lake and vicinity, in the State of Minnesota, praying for the passage of legislation known as the Frazier farm relief bill, which were referred to the Committee on Agriculture and Forestry.

He also presented the petition of the Woman's Home Missionary Society of St. Paul, Minn., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society of St. Paul, Minn., praying for the passage of legislation providing supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

Mr. BINGHAM presented resolutions adopted by Harry W. Congdon Post, No. 11, American Legion, of Bridgeport, Conn., opposing the movement to curtail benefits pertaining to World War veterans, which were referred to the Committee on Finance.

He also presented resolutions adopted by the sixty-fifth annual meeting of the Litchfield Northwest Association of Congregational Churches and Ministers, at Falls Village, Conn., favoring the prompt ratification of the World Court protocols, and expressing its interest in and hope for the success of the deliberations of the disarmament conference at Geneva, which were ordered to lie on the table.

He also presented the petition of the Woman's Home Mission Auxiliary and friends, of the town of Woodbury, Conn., praying for the passage of legislation providing supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented memorials of members of the Church and Bible School of the Baptist Church of Niantic; the Christian Endeavor Society of the Federated Church of Bloomfield, and the Woman's Christian Temperance Unions of Bloomfield and Saybrook, all in the State of Connecticut, and the Woman's Christian Temperance Union of Hawaii, of Honolulu, Hawaii, remonstrating against repeal of the eighteenth amendment of the Constitution and the repeal or modification of the so-called Volstead Act relative to the

manufacture and sale of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented a memorial of sundry citizens of Clinton, N. Y., remonstrating against the passage of legislation legalizing the manufacture and sale of liquors with alcoholic content stronger than one-half of 1 per cent, which was referred to the Committee on the Judiciary.

He also presented the petition of sundry citizens (librarians) of New York City, N. Y., praying that payment of the foreign war debts be postponed with a view to their reduction, and so forth, which was referred to the Committee on Finance.

He also presented telegrams from Lewis Henry, of Elmira, and Orville C. Sanborn, of New York City in the State of New York, commending the opposing attitude of Mr. COPELAND in relation to the pending so-called Hawes-Cutting Philippine independence bill, which were ordered to lie on the table.

He also presented petitions of the Woman's Home Missionary Society of Endicott, the Woman's Home Missionary Society of the Methodist Episcopal Church of Wellsville, and the Woman's Missionary Society of the Methodist Episcopal Church of Katonah, all in the State of New York, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of the Woman's Missionary Society of the Methodist Episcopal Church of Katonah, and the Woman's Home Missionary Society of the Methodist Episcopal Church of Wellsville, both in the State of New York, praying for the passage of legislation providing supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Syracuse and Binghamton, N. Y., remonstrating against ratification of the treaty known as the St. Lawrence seaway treaty, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the boards of directors of the New York Development Association, the Retail Merchants Association, and the chamber of commerce, all of Ogdensburg; and the boards of supervisors of Franklin and St. Lawrence Counties, all in the State of New York, favoring the ratification of the treaty known as the St. Lawrence seaway treaty, which were referred to the Committee on Foreign Relations.

Mr. WALCOTT presented a telegram in the nature of a petition from Lieut. C. C. Robinson Post, No. 254, Veterans of Foreign Wars, of Hartford, Conn., praying for the passage of House bill 4633, the so-called widows and orphans pension bill, and also the immediate payment of adjusted-service certificates of ex-service men (bonus), which was referred to the Committee on Finance.

He also presented memorials and papers in the nature of memorials of the Yalesville Woman's Christian Temperance Union, of Yalesville; the Westville Woman's Christian Temperance Union, of New Haven; the Young People's Society of Christian Endeavor, of Scotland; the East Lyme Congregational Church, of Niantic, and sundry citizens of South Manchester and Manchester, all in the State of Connecticut, remonstrating against the repeal of the eighteenth amendment of the Constitution or the repeal or modification of the so-called Volstead Act, which were referred to the Committee on the Judiciary.

He also presented petitions and papers in the nature of petitions of Tomalonis-Hall Unit, No. 84, of Simsbury; Tuttle-Burns Unit, No. 43, of Winsted; Torrington Post, No. 38, of Torrington; Horace J. Tanguay Unit, No. 80, of Thompsonville; Milardo-Wilcox Unit, No. 75, of Middletown; Kiltonic Post, No. 72, of Southington; and the second district, all of the American Legion Auxiliary, in the State of Connecticut, praying for the passage of House bill 4633, the so-called widows and orphans pension bill, which were referred to the Committee on Finance.

Mr. WALSH of Massachusetts presented the petition of the Woman's Home Missionary Society of the Methodist Episcopal Church of Cambridge, Mass., praying for the passage of legislation providing supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented petitions of the Woman's Home Missionary Society and the Epworth League of the Methodist Episcopal Church of Newton and the Woman's Home Missionary Society of the Methodist Episcopal Church of Cambridge, in the State of Massachusetts, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented memorials of employees of the Revere and Malden (Mass.) post offices, remonstrating against adoption of a wage cut and furlough plan for postal employees as proposed by the President in a recent message to the Congress, which were referred to the Committee on Appropriations.

ST. LAWRENCE WATERWAY

Mr. WALSH of Massachusetts. Mr. President, I present and ask to have published in the RECORD and referred to the Committee on Foreign Relations a letter I received from the Foreign Commerce Club of Boston, Mass., stating in detail its opposition to the ratification of the treaty between the United States and Canada for the construction of the St. Lawrence deep waterway.

There being no objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

BOSTON, *December 8, 1932.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: The hearings before the Foreign Affairs Committee of the Senate for the purpose of ratifying the treaty already signed by the United States and Canada for the construction of the St. Lawrence deep waterways have been held for the past few weeks, and there has been a strong protest filed against this treaty by many organizations and individuals.

The Foreign Commerce Club of Boston (Inc.) has gone on record against this proposition, and sets forth the following reasons for its action:

First. The actual cost of construction has been variously estimated between $580,000,000 and $1,000,000,000. No one can correctly estimate this cost. The cost of maintenance after the work is completed is absolute guesswork and has been estimated around $40,000,000 per annum.

Second. Especially at the present time when the financial condition of the country is in such a deplorable state, when economy is the watchword, and when the President is preaching economy and the cutting of appropriations, it would be a worthless waste.

Third. The cost, whatever it will be, will be a direct tax on the taxpayers of the country, whereas only a small section of the country will benefit—if there will be such a thing as benefit.

Fourth. The statement has been made that this so-called benefit will accrue to western and midwestern shippers who ship their goods—such as grain, etc.—to foreign countries at a rate much lower than the railroads' tariff to tidewater. In the same breath, knowing this will be competition against the railroads, the cry comes that the railroads must be protected, and, if possible, reconstructed under Government supervision, as many have passed their dividends and defaulted interest on their bonds. There is no consistency in this, and it is economically unjust to encourage such competition against the railroads.

Fifth. In the case of grain and provisions shipped from Central United States to foreign countries direct, the Atlantic seaboard ports would lose all this business they have enjoyed for years, as the merchandise will be shipped direct.

Sixth. There are no present or future prospects for the export grain business on account of the preferential English tariff. Therefore, only Canadian grain will be exported, in which case Canada only will benefit at the expense of the United States.

Seventh. Railroads of the United States have invested millions of dollars in grain elevators in Boston and other ports, and should the present practical embargo in American grain be lifted no storage in transit for export grain will be shipped to tidewater, thus the elevators will be practically scrapped.

Eighth. The St. Lawrence is frozen over and, therefore, unnavigable for nearly half the year, and an investment by the United States for the construction of the waterways would, therefore, be for a half-year service.

Ninth. No vessels over 24 feet draft will be able to navigate to the end of the Great Lakes, and it is stated that insurance rates will increase on account of the added jeopardy.

Tenth. The waterways will be in Canadian territory principally, and we are called on to carry the burden of the expense with no plan for the return of a cent to either country.

Eleventh. One would understand from the propaganda for the approval of the project that the State of New York would be greatly benefited. There is a tremendous opposition from this State, mostly from Buffalo, Albany, and New York City, each city feeling their foreign trade will be at stake—and rightfully so.

Twelfth. The whole project appears to be indorsed by the power interests, who will be the sole beneficiaries. Even Mr. Henry I. Harriman, president of the United States Chamber of Commerce, made a public statement that the only beneficiaries of power will be central and northern New York.

Thirteenth. If the project is to help the power companies to the detriment of shipping interests, then it would be best for us to keep out of it.

Fourteenth. The State of New York has many natural sources for water power. This being the case, why does not the State of New York develop this water power and assess the users sufficient to pay for it in a certain period of time? Bonds could be issued for this purpose to be retired by tolls from the power companies.

Fifteenth. The whole project appears to be sanctioned by eminent engineers whose whole lives are imbued with a self-satisfied feeling of greatness of such gigantic feats. The whole project is wrong, and should be defeated by the Senate as a whole in the event that the Foreign Relations Committee recommend that the treaty be ratified.

At the request of the Foreign Commerce Club of Boston (Inc.), I ask that you use your influence in the nonratification of this treaty.

Respectfully,

WALTER E. DOHERTY,
President Foreign Commerce Club of Boston (Inc.).

THE WORLD COURT

Mr. CAPPER. Mr. President, I present a petition from leading Republicans throughout the country to Republican Senators asking for action on the World Court during the present short session. I request that it be printed in the RECORD and appropriately referred.

There being no objection, the petition was ordered to lie on the table and to be printed in the RECORD, as follows:

To the Republican Members of the United States Senate:

We respectfully urge the exercise of your influence on behalf of settlement of the World Court issue at the present short session.

The Republican platform of 1932, declaring "America should join its influence and gain a voice in this institution," implies, in our judgment, the Senate's prompt consent to ratification of the pending protocols.

Even if the Republican platform were not thus explicit, it would be clear that a question that has been before the country and the Senate for so many years is now entitled to settlement, one way or another, upon the merits. It is 10 years since the court proposal was first sent to the Senate. It is 33 years since the United States, at the first Hague conference in 1899, first proposed a court of international justice.

The court proposed by us in 1899, and again at the second Hague conference in 1907, was in essential respects like the existing court, "an agency," as Secretary Stimson has pointed out, "more closely in line with the traditions and habit of thought of America than of any other nation." If the United States is seriously interested in indorsing the principle of judicial settlement, where it is applicable, we can not logically withhold adherence to the statute of the present court. Mr. Hughes, now Chief Justice, pointed out in 1929:

"So far as we can see into the future, there will be but one court—the Permanent Court of International Justice at The Hague. It is supported by about 50 states. It has performed its function successfully, with a gratifying degree of confidence reposed in it, as is shown by the increasing volume of its work. It is idle to suppose that any other permanent court could be established."

The court measures are already legislatively advanced. The question facing us is no longer the primary general question whether the United States should adhere to the court. That question was answered by the Senate resolution of 1926, providing that the United States should adhere on certain conditions. The present question before the Senate is whether the pending protocols meet these conditions.

The Department of State, after a careful study, announced in 1929, through Secretary Stimson, that the pending protocols entirely meet the 1926 reservations; and the Secretary repeated and expanded this conclusion to the Foreign Relations Committee of the Senate last spring:

"The longer I have reflected upon these protocols the more clear I am that not only have the conditions originally imposed by the Senate reservations been fully met but that additional machinery has been provided for preliminary negotiations which greatly enhances the efficacy of the reservations themselves."

The court, by its statute and by the terms of the protocols now proposed, is restrained from giving either a judgment or an advisory opinion in any dispute that concerns us without the explicit consent of the United States. The position of the United States is fully protected.

Action upon the court measures has in previous sessions been deferred on the ground that pressing domestic legislation of an economic nature made it impracticable to take the time for considering the court treaties. Urgent questions confront the short session also, questions deriving both from the troubled situation at home and from the troubled situation abroad. Far from constituting a reason for again deferring action, the present troubled condition of the world points imperatively to the need for clear indorsement of the stabilizing principle of judicial settlement of those disputes which will continually arise between nations, the more frequently as their economic interrelations become the more complex.

We urge that the delay on the court measures now be terminated and that, in accord with the spirit of the 1932 Republican platform, the question of ratifying the three pending protocols be expedited on the calendar of the short session, in order that the record vote may be reached before the fixed date of adjournment on March 4.

The signers of the Republican appeal:

Gen. James Guthrie Harbord, New York City; Harry Chandler, Los Angeles, publisher of the Los Angeles Times; Robert Lincoln O'Brien, Boston, publisher of the Boston Herald, chairman United States Tariff Commission; Charles D. Hilles, New York City, Republican national committeeman for New York State; William Cooper Procter, Cincinnati, president Procter & Gamble Co.; Henry D. Sharpe, Providence, president Brown & Sharpe Manufacturing Co.; Sewell Avery, Chicago, president Montgomery Ward & Co.; William M. Maltbie, Hartford, chief justice of the Supreme Court of Errors of Connecticut; Nathan William MacChesney, Chicago, former president Illinois State Bar Association, vice president American Bar Association, judge advocate, general headquarters, American Expeditionary Forces, France, General Pershing's staff, 1918–19; Jay N. Darling, Des Moines, Iowa, member of the platform committee of the 1932 Republican National Convention; C. B. Merriam, Topeka, Kans., vice president Central Trust Co.; Henry M. Butzel, Detroit, justice of the Supreme Court of Michigan; Frederick S. Chase, Waterbury, Conn., president Chase Brass & Copper Co.; W. C. Kincaid, Cheyenne, member of the platform committee of the 1932 Republican National Convention; Llewellyn L. Callaway, Helena, Mont., chief justice of the Supreme Court of Montana; Charles F. Scott, Iola, Kans., member of the platform committee of the 1932 Republican Convention, former Congressman; Paul Shoup, San Francisco, vice chairman Southern Pacific Railroad; C. A. McCloud, York, Nebr., Republican national committeeman for Nebraska; Homer P. Clark, St. Paul, vice chairman of the board, Federal Reserve Bank of Minneapolis, chairman West Publishing Co.; Lester D. Summerfield, Reno, attorney; Fred A. Howland, Montpelier, Vt., president National Life Insurance Co.; Frederick L. Perry, New Haven, attorney; Frank G. Leslie, Minneapolis; Frank T. Post, Spokane, Wash., vice president and general counsel Washington Water Power Co., former president Washington State Bar Association; John G. Sargent, Ludlow, Vt., former Attorney General of the United States; Charles Hebberd, Spokane, Wash., former chairman Washington State Republican committee; John R. McLane, Manchester, N. H., chairman New Hampshire State Board of Arbitration and Conciliation; Charles Elmquist, St. Paul, attorney; Percival P. Baxter, Portland, Me., former Governor of Maine; Samuel Platt, Reno, member of the platform committee of the 1932 Republican National Convention; William B. Harrison, Louisville, mayor of Louisville; George F. Booth, Worcester, Mass., publisher Worcester Telegram and Evening Gazette, former president New England Newspaper Alliance; Louis K. Liggett, Boston, former National Republican committeeman for Massachusetts, president United Drug Co.; Silas H. Strawn, Chicago, former president American Bar Association, former president United States Chamber of Commerce; William H. Crocker, San Francisco, president Crocker First National Bank, Republican national committeeman for California, 1916–1932; Henry I. Harriman, Boston, president Chamber of Commerce of the United States, chairman board of trustees Boston Elevated Railway, vice chairman board of directors New England Power Association; William G. Mather, Cleveland, vice president Cleveland Cliffs Iron Co., chairman of the board Otis Steel Co.; Howard J. Heinz, Pittsburgh, president H. J. Heinz Co.; William J. Donovan, Buffalo, assistant to the Attorney General of the United States, colonel of the One hundred and sixty-fifth Infantry during the war; Mrs. Worthington Scranton, Scranton, Pa., Republican national committeewoman for Pennsylvania; Dr. Robert A. Millikan, Pasadena, director Norman Bridge Laboratory of Physics, California Institute of Technology; James B. Forgan, jr., Chicago, vice president First National Bank of Chicago; Edgar H. Evans, Indianapolis, president Acme-Evans (milling) Co., former president Millers' National Federation; Gardner Cowles, Des Moines, Iowa, publisher of the Des Moines Register Tribune, member Reconstruction Finance Corporation; George Henderson, Cumberland, Md., mayor of Cumberland; John Crosby, Minneapolis, Washburn Crosby Co.; Russell M. Bennett, Minneapolis; Frank G. Allen, Boston, former Governor of Massachusetts; Allyn L. Brown, Norwich, Conn., senior judge of the Superior Court of Connecticut; Ralph E. Williams, Portland, Oreg., vice chairman Republican National Committee; Samuel R. McKelvie, Lincoln, Nebr., former Governor of Nebraska, member of the platform committee of the 1932 Republican National Convention,

publisher of the Nebraska Farmer; Robert Smith, Omaha, Nebr., chairman Republican State committee of Nebraska; Milton C. Lightner, St. Paul, member of the State senate for the fortieth district of Minnesota; Isaac M. Meekins, Elizabeth City, N. C., judge of the United States District Court for the Eastern District of North Carolina, former chairman of the Republican State committee; George C. Baker, Morgantown, W. Va.; John M. Crawford, Parkersburg, W. Va.; Walter J. Harris, Reno, banker; H. C. Ogden, Wheeling, W. Va., publisher of the Wheeling Intelligencer and other West Virginia newspapers; E. G. Larson, Valley City, N. Dak., treasurer and manager Agricultural Credit Co. of Valley City; William A. Cant, Duluth, judge of the United States district court, Minnesota; R. A. Nestos, Minot, N. Dak., member of the platform committee of the 1932 Republican National Convention, former Governor of North Dakota; Wirt Franklin, Ardmore, Okla., president Wirt Franklin Petroleum Corporation; Henry F. Lippitt, Providence, former United States Senator from Rhode Island; Edward Duffield, Princeton, N. J., president Prudential Life Insurance Co. of America; E. T. Weir, Pittsburgh, chairman National Steel Corporation; Gov. William Tudor Gardiner, of Maine.

THE EIGHTEENTH AMENDMENT AND THE VOLSTEAD ACT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the Broadway Association of New York City, a very prominent organization, which has been transmitted to me by its president, also one of our leading citizens, Dr. John A. Harriss.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Whereas important matters relating to the repeal of the eighteenth amendment and modification of the Volstead Act are now pending before Congress; and

Whereas prompt and sound action by Congress is seriously urgent in the matters mentioned in order that confidence and better business may be restored; and

Whereas immediate action by Congress in passing a resolution for the repeal of the eighteenth amendment is of vital national importance during this unprecedented depression; and

Whereas because of the convening of the respective legislatures of certain States of the Union within one month, at which ratification of the amendment for repeal may be given; and

Whereas it will be two years before some of these respective legislatures convene again: Therefore be it

Resolved, That the board of directors of the Broadway Association of New York City respectfully requests that the Senate of the United States through its properly constituted committee take immediate constructive action during its present session as follows:

First. The legislative preliminary steps to repeal the eighteenth amendment.

Second. Pass the necessary legislation looking to an equitable modification of the Volstead Act.

Third. Initiate a bill that Congress withhold further appropriations for enforcement of the Volstead Act during the period of time covering the final disposition of the repeal of the eighteenth amendment.

JOHN A. HARRISS, *President*.

NEW YORK, N. Y., *December 12, 1932*.

FARM RELIEF

Mr. SCHALL. Mr. President, I ask leave to print in the RECORD an address made by Mr. Frederick E. Murphy, publisher of the Minneapolis Tribune, before the Academy of Political Science in New York. Mr. Murphy publishes the leading daily newspaper of the Northwest in support of the farmer and has for years lent his help in behalf of legislation that will restore agriculture to equality with industry. I ask that this speech be referred to the Committee on Agriculture.

There being no objection, the matter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

In seeking a formula for our national recovery we must also look for a special formula for our agricultural recovery. Our agricultural problem is a special problem within our national problem. It is complicated to a bewildering degree. It is made up of almost numberless contradictory factors which seem to defy all our efforts to align them into anything like a practical theory.

Yet our agricultural problem, with all its manifold difficulties, is one that we must face courageously and intelligently. We must come to grips with its many and refractory facts and somehow we must find an answer.

Those who have watched the economic progress of the Nation are well aware of the fact that America had an agricultural depression before it experienced this world-wide depression. We know that since 1920, with but few and temporary exceptions, the exchange value of the products of agriculture gradually has been sinking lower and lower. When stocks were at their highest price in the New York Stock Exchange, when factories were operating day and night with constantly increasing wage scales, when professional services were at their greatest demand, and the economic millenium seemed to have arrived, with mass production, mass consumption, and higher and higher wages, we know that the general price level of agricultural products was declining. We know that farm mortgages were being foreclosed, that banks were failing in the agricultural districts.

We are forced to the conclusion that for a period of a few years at least the majority of those who make up this Nation may revel in the benefits of prosperity while 25 per cent of its people on the farms are sinking to distress levels. This actually happened in the period preceding the nation-wide depression.

PROSPERITY FOR 10 YEARS WITH FARMER LEFT OUT

We may look back on that period of expansion with scorn and contempt. We may assert that it was false prosperity in that it was doomed by its inherent falseness—failure to find its way into the lives of the 30,000,000 of our people who are on the farms—to come to a disastrous end. But there is no denying the fact that for 10 years preceding 1929 the people of the United States, with the exception of the farmers, had more of the good things of life than they ever had had before.

We are justified in doubting that this condition could have long continued. But it is also equally questionable whether the low estate of agriculture had any important part in bringing to an end this era of all but forgotten prosperity. It might have gone on indefinitely, with agriculture sinking to lower levels, until the American farmer became a peasant.

I am by no means convinced that such a development is economically possible. I am quite certain that it is not politically possible. And I am absolutely certain that it is ethically wrong. I do not believe that the United States, with a population of 120,000,000, can exist as a nation with 30,000,000 of its people economically submerged, so long as they have political power in proportion to their numbers.

No matter what we may think of agriculture, from the social or political viewpoint, we are compelled to recognize economic facts, and that these facts are under no obligation to be pleasant. Facts seldom take the trouble to flatter us.

Let us look at the facts.

First of all, we must recognize that the exchange value of agricultural products the world over is declining. There may be many reasons for this. The world is becoming more and more productive. It produces more and more food, and the mechanization of industry has decreased the per capita requirements for food. The pick and the shovel, the scythe, the hoe, the fork, and the sledge hammer have disappeared; and power instruments have come to take their places. Even the home has become mechanized.

The horse has disappeared from the city; and the acres of farm lands that were once devoted to producing the oats and hay that furnished the power for city trucking and hauling as well as farm work are now—by the use of gasoline—thrown back to produce more food.

WORLD'S PRODUCTION OF FOOD INCREASES

Coincident with this decreased demand has come a rapid increase in world production of food. In the last 40 years the world production of wheat has doubled. That of the United States has increased from 378,000,000 to 892,000,000 bushels, that of Canada from 42,000,000 to 304,000,000 bushels; that of India from 229,000,000 to 347,000,000 bushels; that of Argentina from from 31,000,000 to 219,000,000 bushels; that of Australia from 27,000,000 to 171,000,000 bushels; and so the story of increased food production goes.

Medical and sanitary science have made the Tropics habitable for the white race to supervise and develop tropical production of substitutes for old foods and new foods. The Tropics have thus been brought into ruinous competition with the farmer in the temperate zone.

Scientific development makes it possible to carry products from season to season and year to year; also from State to State and from country to country.

One has but to observe the increased use of such a product as coconut oil, and you will realize the change that has taken place. The average importation of coconut oil, 1921 to 1925, was 392,000,000 pounds, which had increased in 1930 to 655,000,000 pounds. The average of palm and palm-kernel oil, 1921 to 1925, was 89,000,000 pounds, for 1930 it was 250,000,000 pounds. And while we are importing these oils, the American farmer is forced to export a billion pounds of animal fats each year. In 1924 the United States was exporting more oils, oil materials, animal and vegetable fats than we were importing. But in 1929 our imports exceeded our exports by approximately 1,000,000,000 pounds. This, of course, is what is driving the dairy, hog, and cattle producers into a frenzy. The increase in world production from 1923 to 1929 amounted to 5,000,000,000 pounds.

Coconut oil has fallen in price from 18.1 cents in 1918, to 4.5 cents in 1931. During the same period cottonseed oil has fallen from 24.1 cents to 7.2 cents; tallow from 17.9 cents to 4.3 cents. Other vegetable and animal oils and fats have shown the same decline.

The world production of vegetable oils in 1929 was not far from 20,000,000,000 pounds, or ten times the butter production in

the United States. The American farmer not only has to compete with the Tropics but with the ocean as well. In 1931 the world production of marine animal oils is estimated at 1,750,000,000 pounds. Of this nearly 1,500,000,000 pounds was whale oil. Whale oil is now used for the making of butter substitutes in Europe, and to a small extent in the United States, otherwise it chiefly goes into soap making.

The American farmer thus finds himself in desperate competition with the fecundity of the Tropics and the teeming animal life of the ocean, while he struggles with the less-bountiful soil along the forty-fifth parallel of latitude.

TRANSPORTATION HANDICAP FOR AMERICAN FARMER

The American farmer also finds himself at a grave disadvantage in the matter of transportation. A large percentage of the American industrial and commercial population lives on or near the seaboard, and is more accessible to foreign markets for food materials and industrial raw materials than he is to the center of American agriculture. A very large proportion of American agricultural products come from the Central States, which average a thousand miles from seaboard, in contrast to Argentina, Australia, and other countries, where most agricultural products are produced relatively close to tidewater. Ocean rates are extraordinarily low. In contrast to these low water rates are the excessively high domestic railroad rates which must be paid on the mass of agricultural products from the farms of the Mississippi Valley. Flax is grown a few hundred miles from the seaboard in Argentina and laid down at the port of New York at a price which the North Dakota flax grower can never hope to meet. New Zealand sells butter in San Francisco.

These facts can not be lightly dismissed with the reflection that the United States is predominantly an industrial nation. The farmers can not be carried along by the highly paid factory workers, for the simple reason that there are too many farmers. In the Annalist of August 12, 1932, was published an analysis of the occupational census of 1930. Out of a total of 48,830,000 gainfully employed persons in the United States, there were 14,111,000 in the mechanical and manufacturing industries. These figures include the proprietors and executive officials, the building and printing trades, and a variety of occupations outside the factory in which men generally work for themselves.

In agriculture there were 10,472,000 persons employed. The 14,000,000 industrial workers can not hope to carry the 10,000,000 agricultural workers. This enumeration of the agricultural workers does not take into consideration the millions of others who are dependent directly or indirectly on the farm group. Economic equilibrium demands that the farmer must be able to exchange his products for a fair share of the products of industry. This exchange he has not been able to make for over a decade.

The farmer can not be viewed as a mere dependent upon industry. In the American economic set-up the farmer must be viewed as a consumer as well as a producer. So any theory of mass production and mass sales and high industrial wages which does not include a high exchange value for the farmer's products must inevitably produce economic disequilibrium.

INDUSTRY MUST HELP FARMER AS CONSUMER

Industry can not evade the difficulties that confront the American farmer by the bland theory of subsistence farming. Subsistence farming is but a euphemism for peasantry. The peasant farmer is not and can not be a consumer of industrial products, and farming reduced to a mere mode of life has no place in America. Industry can not afford to ignore the buying power of 30,000,000 of our 120,000,000 people. Industry can not exist solely on the buying power of industrial workers; therefore, for the purely selfish reason of self-preservation, industry must assume direct responsibility of returning the farmer to his proper rôle of a consumer.

We must face the fact that here in America we have nearly a billion acres of arable land, divided into some 6,000,000 farms, on the products of which depend one-fourth of our population. We must face the fact that these billion acres can not continue to produce food for human consumption at a profit to the American farmer.

Some agricultural economists and well-thinking business men decree that the agricultural plant must be reduced by segregating marginal areas, withdrawing them from production until the future demands that they be reopened. This plan holds an appeal for me, but knowing regional prides and political expediencies as I do, I rather favor charging industry with finding some method by which these marginal acres can be profitably employed for purposes other than the production of food. If 50,000,000 acres of our food-producing acres could be diverted to the production of raw materials, such as wallboard, newsprint, etc., for industrial purposes, our surplus problem would be more relatively simple. I believe it can be accomplished if industry seriously attempts it.

I realize that it is much easier to state the problem than to solve it, but I feel the necesisty of stating it because industry does not appear to realize that the problem exists.

METROPOLITAN PRESS LARGELY IGNORES PROBLEM

I presume that my own profession—journalism—is as much to blame for this indifference as any other. Our eastern newspapers pay great attention to the other details of our economic life—shipping, financing, manufacturing, mining—while little or no thought is given to agriculture. What thought is given to agriculture is a reflection of the attention paid to farm politicians in Washington. Your Washington correspondent has the political viewpoint rather than the economic, and most of his contacts with the farm problem are through men who will be retired to private life when it is solved. When our metropolitan newspapers realize, as they must some day, the national importance of the economic phases of this Nation's farm problem, we will begin to see the light. The best brains of the country will be loaned to agriculture, not because of altruism, but because industry will understand that they must help develop its sales market as well as exploit it.

The American market is, and apparently for a long time to come must be, the principal market for the American farmer, with the exception of the cotton and tobacco grower. We consume over 99 per cent of our beef and veal and mutton and lamb, over 96 per cent of our pork, 99 per cent of our oats, 99 per cent of our rye, 99 per cent of our corn, 92 per cent of our oranges, 84 per cent of our apples, 99 per cent of our potatoes, 99 per cent of our peanuts, 98 per cent of our beans, and 100 per cent of our flax and hay.

As against this domestic consumption we export about 55 per cent of our cotton, 41 per cent of our tobacco, 18.5 per cent of our wheat, and 33 per cent of our lard. Our exports of lard are forced on us largely because of our importation of tropical fats and oils which are used as substitutes for the animal fats produced on our farms.

No consideration of the part that agricultural prosperity must play in the restoration of general prosperity can be complete without a consideration of the world trends that had their inception in the World War. Before the war came to an end, Europe was bankrupt. Practically every European nation became a debtor nation. The net result of Europe's postwar condition was a determination to become economically self-sufficient. Europe went further and further into debt. Now being in debt, it has to sell and can not buy. Almost without exception European nations have surrounded themselves by high tariff walls.

TARIFF BARRIERS HALT INTERNATIONAL TRADE

Tariff battles are being fought on every frontier. These tariff walls constitute a blockade that is almost as effective as that maintained by the British Navy in the North Sea. International trade is stopped, and with its stoppage comes the curtailment of domestic production, which in turn curtails domestic consumption, and one of the effects of this curtailment in domestic consumption is that farm products are going begging for any price in the United States to-day.

Intergovernmental debts are at the bottom of the difficulty, and the fundamental cause for the stoppage of international trade. Intergovernmental debts have forced all the debtor nations on a buyer's strike. The debtor nation obviously must sell more than it buys. The tariff is the device by which debtor nations seek to gain a favorable balance of trade in order to meet their debt requirements. When every nation refuses to buy and strives only to sell, we have an economic stalemate, reminiscent of trench warfare.

And thus it comes about that the products of the American farm are being sold in diminishing quantities in Europe, and at prices which will not sustain the American farmer.

European nations are to-day taxing their people heavily to this end. Germany has a duty of $1.87 on wheat, France 84½ cents, Italy $1.23, Austria 64 cents, Czechoslovakia 97½ cents, Poland $1.76, and the limit of absurdity is found in Greece, with a tariff duty on wheat of $7.99 a bushel. Europe, with its high import duties on food, is forcing the growth of its own agriculture by keeping out the products of the great food-exporting countries.

EUROPE PEACE WOULD AID UNITED STATES AGRICULTURE

The fear of another war undoubtedly plays a part in this determination of Europe to attain a food self-sufficiency. And thus in this complex world it has come about that intergovernmental debts; the nationalistic suspicions of Europe; nationalism, that in many cases is based only on a vernacular, have a pronounced effect on the welfare of Dakota and Nebraska farmers. It has thus come about that the lack of peace and good will among men in far-distant lands means dollars and cents to the hog raiser of Iowa.

It follows inevitably that the removal of these causes for suspicion and hatred will redound to the benefit of the American farmer. Unless the United States adopts a policy of isolation, which includes a system of bounties sufficient to insure the American farmer a fair exchange basis for his products, the American farmer must look to the prosperity, peace, and confidence of Europe for any immediate benefit to agriculture. So long as the nations of Europe live in fear of another war, so long will they continue to force their own agriculture, by uneconomic means, by the exclusion of foodstuffs from the western continent. So long as vast armaments and heavy taxation continue to curtail the buying power of Europe, so long will the food products of the Western Hemisphere go begging in search of a buyer. So long as the intergovernmental debts hang over Europe, so long will this tariff war be waged to the detriment of all, and not the least to the detriment of the American farmer.

To the extent that disarmament and a revision of governmental debts reduces this need for self-sufficiency to that extent is there hope for American agriculture. If the nations of Europe confine their productive efforts to those lines which their natural advantages and national talents make economically profitable, markets may be found for our surplus agricultural products. To that extent the American farmer has a very real interest in the League of Nations, the World Court, the revision of war debts, and the peace psychology of Europe.

But after we have settled the question of intergovernmental debts the fundamental problem of American agriculture will still await solution. We will still have to consider our domestic allotment plans, our mounting wheat surplus, our floods of tropical oils, our transportation problem, our farm-debt problem, and a score of other problems that must be settled in this country, rather than in Europe. The settlement of the intergovernmental debts, disarmament, and the removal of trade barriers are matters of the greatest immediate importance to the American farmer. But even so, they do not go to the root of his troubles.

FARMERS MUST OBTAIN FAIR PRICE FOR PRODUCTS

Inasmuch as industry is concerned fully as much with the consumption as it is with production, it would appear that it is of the gravest import to industry that agriculture should attain the consumptive capacity which its productive capacity justifies. Now the only method by which this can be achieved is to accord to agriculture a fair exchange for its products. In the changes in our social and economic systems that must inevitably follow the present period agriculture must receive the consideration that its part in our social and economic life demands.

The problem is squarely up to the leaders of industry and finance. It is they who must solve the problem. Too long have they looked upon it as a political rather than an economic problem. Too long have they viewed it as something of interest only to the West while they have scurried around the world looking for new markets for their products. The time is past, if it ever existed, when the problems of agriculture can be left to agricultural economists and agricultural experts. The financial and industrial economists must set to work on this problem. They must discover ways and means for the industrial utilization of our surplus and marginal acreage which is glutting the world's food market. We have these acres and we have people on them, and it is up to our industrial and financial leaders to see that they have consumptive power. This is a plain business proposition. We have 30,000,000 American people who do not have to be trained or cajoled into the usage of American-made goods. Their standard of living requires no elevation. They constitute the best market that exists to-day in the world for American industry, and American industrial leaders will be incomprehensibly blind if they do not see this opportunity.

SOLUTION OF PROBLEM MEANS AMERICAN WELFARE

By now we all realize that the agricultural problem is not a problem that concerns the farmer alone, it concerns banks and all other loan agencies. Bank failures and mortgage foreclosures have made that clear to us. It concerns our transportation agencies. And it concerns our industrial agencies. American industry can no longer labor under the delusion that cheap food means cheaper labor and cheaper production. Cheap food no longer means cheap labor. Cheap food means less buying power among 30,000,000 of our people. It is your problem, gentlemen. It is a problem that demands the best brains of the country and it is a problem that can no longer be shoved into the background as something that will be settled by the passage of time. You have at your command the successful leadership of this Nation. Within any one of the boards of directors on which you sit, there is more intelligent leadership than can be credited to all the farmers of this country, sympathetic and well meaning as are most of our farm leaders. I ask you, as a representative of a vast agricultural empire that has made your industrial, financial, and commercial successes possible—an empire upon whose prosperity your prosperity of the future depends—to accept a responsibility that rests squarely upon you.

I can not conceive that we will ever have a prosperous America, with one-quarter of its population steadily sinking to the low level of peasantry. We must face this fact, otherwise any plan or scheme of recovery which we may contemplate will have within it a serious flaw that will quickly bring about its failure.

On the other hand, if American industry and American finance will set its mind to the solution of the farm problem, I am sure we can bring about an era of prosperity to the United States which will be continuous and free from the disastrous slumps that have marked our past. We can bring about a social contentment that will make for the security of our Government and the principles upon which it was founded.

AMENDMENT OF RADIO ACT OF 1927—REPORT OF A COMMITTEE

Mr. DILL, from the Committee on Interstate Commerce, to which was recommitted the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes, reported it with amendments and submitted a report (No. 1004) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. METCALF:

A bill (S. 5180) granting an increase of pension to Lillian M. Hoxie (with accompanying papers); to the Committee on Pensions.

By Mr. DALE:

A bill (S. 5181) granting a pension to Calvin C. Manley (with accompanying papers); and

A bill (S. 5182) granting a pension to Hazel Tripp (with accompanying papers); to the Committee on Pensions.

By Mr. REED:

A bill (S. 5183) granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa.; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 5184) to amend section 7 of the act of Congress of June 30, 1906 (34 Stat. L. 768; U. S. C., title 21, sec. 8), as amended; and

A bill (S. 5185) to amend section 2 of the joint resolution entitled "Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress," approved July 5, 1932; to the Committee on Agriculture and Forestry.

A bill (S. 5186) for the relief of Charles A. Brown; and

A bill (S. 5187) for the relief of Anna Marie Sanford; to the Committee on Claims.

By Mr. GLENN:

A bill (S. 5188) granting a pension to Francis Whitcomb Schultz; to the Committee on Pensions.

By Mr. BRATTON:

A joint resolution (S. J. Res. 215) to authorize crop-production loans in 1933; to the Committee on Banking and Currency.

A joint resolution (S. J. Res. 216) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

PRINTING OF THE SENATE RULES AND MANUAL

Mr. MOSES. Mr. President, I offer a resolution, which I send to the desk and ask that it may be read. I shall then request consent for its immediate consideration.

The resolution (S. Res. 305) was read, as follows:

Resolved, That the Committee on Rules be, and is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Seventy-third Congress, and that 2,500 additional copies be printed for the use of the committee, of which 300 copies shall be bound in full morocco and tagged as to contents.

Mr. MOSES. I ask for the immediate consideration of the resolution.

The resolution was considered by unanimous consent and agreed to.

DEPORTATION OF SO-CALLED BONUS MARCHERS

Mr. McKELLAR. Mr. President, on the 12th instant I offered Senate Resolution 301, authorizing the appointment of a special committee to investigate the acts of certain officials in connection with the deportation of the so-called bonus marchers on July 28, 1932. I called the matter up on yesterday, and objection was made that it had not been referred to a standing committee. That objection was made by the Senator from Ohio [Mr. FESS] and the Senator from Connecticut [Mr. BINGHAM]. It was a proper objection, and I desire that the resolution be referred to the Committee on Military Affairs, which is the appropriate committee.

The VICE PRESIDENT. Senate Resolution 301 will be referred to the Committee on Military Affairs.

POST EXCHANGES (S. DOC. NO. 149)

Mr. REED. Mr. President, on November 23 the Acting Secretary of War sent to the Vice President, as required by the Army appropriation bill of last year, a letter transmitting a report on the operation of post exchanges. That was referred to the Committee on Military Affairs. I ask unanimous consent that the report may be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED EXECUTIVE SESSION

Mr. McNARY. Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. ROBINSON of Arkansas. Let us have the yeas and nays on the question.

The yeas and nays were ordered.

Mr. BORAH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BORAH. Is the motion debatable?

The VICE PRESIDENT. It is not.

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. Are we now about to vote on a motion that the Senate go into executive session?

The VICE PRESIDENT. That is the pending question. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS], who is detained by illness. In his absence I transfer that pair to the junior Senator from Maryland [Mr. GOLDSBOROUGH] and vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Connecticut [Mr. WALCOTT] and vote "yea."

The roll call was concluded.

Mr. HOWELL. I have a pair with the junior Senator from Illinois [Mr. LEWIS], which I transfer to the junior Senator from Minnesota [Mr. SCHALL], and vote "yea."

Mr. HASTINGS. I wish to announce that the junior Senator from Rhode Island [Mr. HEBERT] is paired with the senior Senator from Florida [Mr. FLETCHER]. I understand that if the senior Senator from Florida were present he would vote "nay." If the junior Senator from Rhode Island were present, he would vote "yea."

Mr. WALSH of Montana. My colleague the junior Senator from Montana [Mr. WHEELER] is necessarily absent by reason of illness. He is paired with the junior Senator from Idaho [Mr. THOMAS].

Mr. BAILEY (after having voted in the negative). I voted under the impression that a pair between myself and the junior Senator from New Jersey [Mr. BARBOUR] had been canceled. However, there is some question about it, so I transfer that pair to the senior Senator from Oklahoma [Mr. THOMAS] and let my vote stand.

Mr. HARRISON. My colleague [Mr. STEPHENS] is necessarily detained on account of illness.

Mr. LA FOLLETTE. I have been requested to announce that the senior Senator from Iowa [Mr. BROOKHART] is absent on account of illness. It has been impossible to secure a pair for him; but I am informed that if he were present he would vote "nay."

Mr. CONNALLY. I am paired with the Senator from California [Mr. SHORTRIDGE]. I transfer that pair to the Senator from Iowa [Mr. BROOKHART] and vote "nay."

Mr. FESS. I wish to announce that the junior Senator from Maryland [Mr. GOLDSBOROUGH], the junior Senator from New Jersey [Mr. BARBOUR], the junior Senator from Rhode Island [Mr. HEBERT], the junior Senator from Minnesota [Mr. SCHALL], the junior Senator from California [Mr. SHORTRIDGE], the junior Senator from Idaho [Mr. THOMAS], and the junior Senator from Connecticut [Mr. WALCOTT] are necessarily absent. I am advised that if present and not paired they would vote "yea" on the pending question.

The result was announced—yeas 37, nays 44, as follows:

YEAS—37

Austin	Fess	Keyes	Schuyler
Bingham	Frazier	McNary	Smoot
Borah	Glenn	Metcalf	Steiwer
Capper	Grammer	Moses	Townsend
Carey	Hale	Norbeck	Vandenberg
Couzens	Hastings	Nye	Watson
Cutting	Hatfield	Oddie	White
Dale	Howell	Patterson	
Davis	Johnson	Reed	
Dickinson	Kean	Robinson, Ind.	

NAYS—44

Ashurst	Caraway	Hawes	Pittman
Bailey	Cohen	Hayden	Reynolds
Bankhead	Connally	Hull	Robinson, Ark.
Barkley	Coolidge	Kendrick	Sheppard
Black	Copeland	King	Shipstead
Blaine	Costigan	La Follette	Swanson
Bratton	Dill	Logan	Trammell
Broussard	George	Long	Tydings
Bulkley	Glass	McGill	Wagner
Bulow	Gore	McKellar	Walsh, Mass.
Byrnes	Harrison	Neely	Walsh, Mont.

NOT VOTING—15

Barbour	Hebert	Shortridge	Thomas, Okla.
Brookhart	Lewis	Smith	Walcott
Fletcher	Norris	Stephens	Wheeler
Goldsborough	Schall	Thomas, Idaho	

So the Senate refused to proceed to the consideration of executive business.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. I yield.

Mr. LA FOLLETTE. Mr. President, I wish to make a brief statement concerning the vote which I just cast on the roll call, if the Senator from Arkansas will permit me.

I was not in the Chamber nor did I hear any of the debate, if there was any, as I was detained by a hearing in the Committee on Foreign Relations. I wish to state, however, that I voted against the motion because I believed it was a motion which could have no other effect than to delay the consideration of the unfinished business of the Senate, in view of the announced attitude on the part of the minority in this Chamber that no nominations will be confirmed of appointees whose terms would extend beyond the 4th of March. Under the circumstances it would be a waste of the valuable time of the Senate to go into executive session at 12.15 o'clock in the afternoon. Any attempt to take up nominations would be the cause of protracted debate on the question of whether or not nominations are to be confirmed.

There is pressing need for the consideration of legislation affecting the welfare of the people of this country. Everyone knows that the minority have enough numerical strength to prevent a vote on any nominations. If we go into executive session we will be only frittering away the time of the Senate in a controversy as to whether nominees for post offices and other appointments are to be considered. To take such a futile course is but to indicate that this body is not competent to deal with the important questions that confront the United States and the world at this critical hour.

Mr. ROBINSON of Arkansas. Mr. President, touching the subject of executive nominations, many Senators concur in the opinion that during this short session nominations should be confined to instances in which the terms of office of the nominees expire on the 4th of March next and to what may be termed routine appointments in the Army, the Navy, the Marine Corps, the Coast Guard, the Public Health Service, and, perhaps, some other executive departments.

In the short session of Congress which followed the election of 1920, the session which began December 6, 1920, and expired March 4, 1921, anticipating the change of administration, there were no executive sessions of the Senate. All executive business which was transacted at that session was completed during legislative session, as in open executive session, and by unanimous consent.

There is no objection to the immediate confirmation of a member of the President's Cabinet, the Secretary of Commerce. There will be no objection to the confirmation of appointees whose terms expire on the 4th of March or earlier.

As to the executive departments not embraced in the classification just referred to, there will be prompt action, so far as we know, touching all those routine nominations which have already been referred to. Other than these, we feel that nominations should not be confirmed.

I make that explanation, which I think is already quite generally understood by many Members of the Senate, but I make it in this presence in order that there may be a more general understanding of the attitude of many Senators.

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Mississippi?

Mr. ROBINSON of Arkansas. I yield.

Mr. HARRISON. The Senator cited the action of the Senate in 1920. The Senate at that time was Republican, and we are following the precedent, of course, in this instance. The Senator omitted to state that the Republicans controlled the Senate at that time.

Mr. ROBINSON of Arkansas. I presumed that Senators would reach the conclusion that that precedent was the basis for this action. Moreover, I take it to be fair; and I thought Senators understood that.

Mr. McNARY. Mr. President, it is true the RECORD discloses that following the election of 1920 there were no executive sessions from the time of meeting in December until the termination of the session on the 4th of March; and, as well said by the able Senator from Mississippi, the Republicans were in control of the Senate by 49 to 47. Consequently, the Democrats could not have had any expectancy that an executive session would have profited them, for they were in the minority.

Now, Mr. President, the situation is quite the reverse. From the standpoint of organization, the Republicans are in control of the Senate, and there is every reason, on that account, why these nominations should be referred to standing committees having jurisdiction.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. McNARY. I shall not yield for the present. I will yield a little later.

I was a Member of the Senate in 1920, and I recall the action taken as suggested by the able Senator from Arkansas. I do not, however, believe in the practice, even though I may have unwittingly participated therein. I do not think that following a bad precedent is good practice. I believe the Democratic organization is entitled, when it comes into power, to all the numerical political support it can receive; but at this time, with a Republican President in the White House and a Republican Senate, which must share with the House equal responsibility in the administration of affairs, it seems to me, Mr. President, in the interest of orderly procedure, that these nominations should be referred to standing committees and should be given careful consideration with respect to the intelligence and the capacity of those who have been nominated by the President.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McNARY. I shall yield later; not now.

I do not share the opinion of the able Senator from Wisconsin. This motion could not lead to interminable debate. Under the rules it is not debatable. All I was seeking was to have an executive session so that these nominations might be referred to the committees. No delay can occur in a matter of that kind.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Wisconsin?

Mr. McNARY. Inasmuch as I have referred to the Senator, I shall yield.

Mr. LA FOLLETTE. I merely wish to say that it was my understanding, of course, that if we went into executive session we would follow the usual procedure, and that the calendar would be taken up. If that were done, I think the Senator knows full well that there would be interminable debate before any votes were had upon nominations that are pending on the calendar.

Mr. McNARY. The Senator anticipates a situation which might or might not exist. These are capable men and their names have been sent here. They are men belonging to both parties—men whose names probably would reappear here under the Democratic administration. I think the gentlemen whose names have been sent here are entitled to the faithful and decent consideration of the Senate and the committees to which the nominations should have been referred.

Inasmuch, however, as it pleased the Senate to decree otherwise, I shall have to submit; and I presume, in view of the present conditions, I must concede that the Republican Party must be thankful for small favors.

I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I just wanted to ask the Senator if he recalls the words in the Book of Proverbs?—

Whoso diggeth a pit shall fall therein.

Mr. McNARY. Of course, I am not conversant with that particular citation. It has no real application. I stated a moment ago, if the Senator was listening carefully, that at the time when what he calls a pit was dug there were no picks used. The Republicans then were in the majority and the Democrats had no reasonable expectancy of any confirmations. Consequently there were no executive sessions. Conditions are reversed at this time, however—that is, they were before the roll call.

Mr. ROBINSON of Arkansas. Mr. President, I do not at all criticize the attitude of the Senator from Oregon. He has referred himself to the fact that he participated in establishing the precedent that I cited a few moments ago; and when his ox is gored he regards it as a bad precedent.

To conclude the matter, I also point out that in the short session of 1920–21, already referred to, no messages containing nominations were referred. When brought to the Senate by the White House messenger, all messages were deposited with the executive clerk for safe-keeping. Later some of these messages were referred to committees—some during the latter part of January and others not until the last of February or the first of March. Most of these referred were reported out and confirmed the first or second day following reference.

That is the history of what was actually done.

CONFIRMATION OF ROY D. CHAPIN

Mr. ROBINSON of Arkansas (continuing). Mr. President, in view of the fact that the President has sent to the Senate for confirmation a member of his Cabinet in the person of the Hon. Roy D. Chapin to be Secretary of Commerce, I ask unanimous consent, as in open executive session, that that nomination be considered and confirmed.

The PRESIDENT pro tempore. Is there objection? The Chair hears none; and the Chair, as in open executive session, lays before the Senate a message from the President of the United States, which will be read:

The legislative clerk read as follows:

To the Senate of the United States:

I nominate Roy D. Chapin, of Michigan, to be Secretary of Commerce, to which office he was appointed during the last recess of the Senate, vice Robert P. Lamont, resigned.

HERBERT HOOVER.

THE WHITE HOUSE, *December 7, 1932.*

The PRESIDENT pro tempore. The Senator from Arkansas asks unanimous consent for the present consideration of the nomination as in open executive session. Is there objection? The Chair hears none, and the nomination is confirmed; and, without objection, the President will be notified. The Senate will resume the consideration of the unfinished business in legislative session.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. DICKINSON] to the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. CUTTING. Mr. President, I desire at this time to offer an amendment, to lie on the table, to be voted on at the proper time; and I ask to have it read at the desk.

The PRESIDENT pro tempore. Without objection, the amendment will be read and lie upon the table.

The CHIEF CLERK. The Senator from New Mexico offers the following amendment to House bill 7233:

On page 29, line 22, strike out the word "eleventh" and insert in lieu thereof the word "eighth."

On page 30, line 3, strike out the word "twelfth" and insert in lieu thereof the word "ninth."

On page 30, line 8, strike out the word "thirteenth" and insert in lieu thereof the word "tenth."

On page 30, line 13, strike out the word "fourteenth" and insert in lieu thereof the word "eleventh."

On page 30, line 18, strike out the word "fourteenth" and insert in lieu thereof the word "eleventh."

So that subdivision (e) of section 6 shall read as follows:

"(e) The government of the commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivisions (a), (b), and (c), within the limitations therein specified, as follows:

"(1) During the eighth year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(2) During the ninth year after the inauguration of the new government the export tax shall be 10 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(3) During the tenth year after the inauguration of the new government the export tax shall be 15 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(4) During the eleventh year after the inauguration of the new government the export tax shall be 20 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(5) After the expiration of the eleventh year after the inauguration of the new government the export tax shall be 25 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

"The government of the Commonwealth of the Philippine Islands shall place all funds received from such export taxes in a sinking fund, and such fund shall, in addition to other moneys available for that purpose, be applied solely to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged.

"When used in this section in a geographical sense, the term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam."

On page 37, line 9, strike out the word "fifteenth" and insert in lieu thereof the word "twelfth."

On page 37, line 9, strike out the word "seventeenth" and insert in lieu thereof the word "thirteenth," so that subdivision (a) of section 9 shall read as follows:

"SEC. 9. (a) At any time after the expiration of the twelfth year and before the expiration of the thirteenth year after the inauguration of the government provided for in this act the people of the Philippine Islands shall vote on the question of Philippine independence. The Legislature of the Commonwealth of the Philippine Islands shall provide for the time and manner of an election for such purpose, at which the qualified voters of the Philippine Islands shall be entitled to vote."

On page 37, line 23, strike out "two" and insert "one."

Mr. CUTTING. Mr. President, the last amendment, striking out "two" and inserting "one," which I have discussed with the members of the committee as well as with the delegation from the Philippine Islands, will further accelerate the period of interim government and bring the period of independence one year closer.

According to the bill as it came from the committee, the President of the United States, after the issuance of a proclamation announcing the results of the election, shall have two years in which to withdraw. It is the opinion of the members of the committee, on further thought, that one year will be enough, and I notice that the substitute amendment of the Senator from Michigan provides only six months for the President to withdraw.

I wish to take a moment to explain very briefly the changes which this amendment, if it is adopted, will make in the bill as it came from the committee.

First, instead of a period of 10 years of limitation, plus a graduated step-up in export taxes for 5 years, this amendment provides for a 7-year period of limitation, plus the 5 years of successive step-ups.

Second, whereas the bill as it came from the committee gives two years for the plebiscite after the expiration of the final year of graded taxes, this suggested amendment will give them only one year; and, further, as I explained just now, it gives only one year instead of two for the President to withdraw from the islands.

The net gain in time is five years over the time which was set originally by the Senate Committee on Territories and Insular Affairs.

The committee, although it still believes that a 15-year interim period is better than any other period which has been suggested, is actuated by deference to a very considerable sentiment in the Senate that the Philippines should be given their independence by the earliest possible date. We feel that by this amendment we are giving them independence at the earliest possible date consistent with the interest of the Philippine people and of the people of the United States.

I noticed in reading the remarks I made yesterday with regard to this question of graduated export taxes that my remarks might have been taken to imply that the only purpose of these graduated steps was to give the Philippine people an experience of the difficulties which they would have to confront under independence. That was one of the reasons, but there are several others. A very important reason was that this export tax will go toward paying the Philippine debt, and will leave them, at the beginning of independence, entirely free from indebtedness.

A third and very important consideration was that unless there are these graduated step-ups, the people of the islands will be plunged at once from a free-trade basis with the United States to a basis where they will have to compete with the world markets. I think that ought to be said, so that the Senate may know the various considerations which moved the committee to adopt this system of graduated export taxes.

I hope that this amendment may meet the views of the Members of the Senate. I think that, in so far as the saving of the latter two years is concerned, the year of saving for the plebiscite, and the year of saving in final withdrawal, the amendment is an actual improvement on the bill as it came from the committee. The reason why I wish to make this statement now is that it is due to the facts which I have stated this morning, and to the facts which I stated yesterday afternoon, that a large majority of the membership of the committee is opposed to the adoption of the amendment of the senior Senator from Louisiana [Mr. BROUSSARD]. I wanted to make my position clear in this matter before the vote was taken on the amendment offered by the senior Senator from Louisiana.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. CUTTING. I yield.

Mr. VANDENBERG. If I follow the Senator's schedule correctly, the practical fact would be, under the amendment, that independence would arrive completely in perhaps 14 years, minimum. Is that a correct calculation?

Mr. CUTTING. Yes; I think so. That is my conception of it.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. HAWES. In stating that that would be the maximum, that does not mean that that would be the period. It could be accomplished in 13 years, or 12½ years, so far as that is concerned.

Mr. CUTTING. That, of course, is true. Fourteen years is the maximum.

Mr. KING. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. KING. I am not quite clear as to whether I understood the interrogation of the Senator from Missouri and the reply or not. As I understood the question and the reply, the period at which independence might be obtained might be reduced to 12½ years. Did the amendment which was offered by the Senator contemplate that such a minimum as that would be permissible?

Mr. CUTTING. I will explain to the Senator exactly what the amendment provides. It provides, first, for 7 years of limitation; then for 5 years of gradual, annual tariff step-ups; then a maximum of 1 year within which a plebiscite is to be held. That may be as much less as the Philippine people are able to arrange. Fourth, a maximum period of 1 year after the people have voted for independence within which the United States is to withdraw from the islands. So the 14 years is a maximum, and 12 years plus whatever additional time is requisite for these various steps is the minimum time. I do not know whether it would be 12½ or 12¾ years.

Mr. KING. Then, as I understand it, after the plebiscite shall have been held, and it affirmatively appears that the people desire independence, the President would have one year, as a maximum, within which to issue his proclamation freeing the Philippines from the control of the United States?

Mr. CUTTING. Yes; that is correct. The net saving of time under this bill is five years over the provisions of the bill as it came from the committee.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. BROUSSARD. As I recall it, the amendment states that independence shall take effect 13 years after the inauguration of the government provided for in this act. The Senator knows it would take one and a half years to inaugurate the government; and stating that independence will come in 14 years is not exactly correct, is it?

Mr. CUTTING. My idea of all of the questions asked has been that they were with reference to the time of the interim government.

Mr. BROUSSARD. In other words, the vote is to be taken between 15 and 16 years hence?

Mr. CUTTING. The Senator means from the present time?

Mr. BROUSSARD. From the present time.

Mr. CUTTING. I suppose that is probably a correct statement; but I would also call the Senator's attention to the fact that unless the bill is framed in such a way as to be acceptable to the Philippine Legislature, there will be no independence at all, no interim government, and no way of telling how long present conditions may endure.

Mr. BROUSSARD. So far as I am concerned, I sat on the committee and heard all the evidence, and I am still receiving letters from the Philippine Islands. The Philippine people are willing now to take a period of five years, and the other day they recommended waiving that five years and recommended that their commission support the Hare bill, providing for a period of eight years. So that if we are to consider the desires of the Philippine people, and not the desires of those who have investments there, I would say that we have no right to defer independence until there may be a vote by a new generation of voters as to whether or not they should have their independence.

May I be permitted to say, in addition, Mr. President, that it is proposed now that the Government of the United States divest itself of certain of its sovereignty, and delegate that portion which we are to waive to a future generation in the Philippine Islands, to discharge a trust. That is not the way to discharge a trust. We must decide now whether in our opinion the people of the Philippines want independence. If they do, we ought to fix a certain specified time, and ask them to adopt a constitution. If they adopt a constitution, the only interpretation anybody can put on it is that they want independence, and we should not leave it to their sons. If we do, those who fought in 1898 and 1899 will all be dead by the time the plebiscite arrives. The veterans of that war will not participate as independent citizens of the Philippines at all.

Mr. CUTTING. Mr. President, I will not venture to make any protracted debate on the merits of the proposition, but I would like to say, on behalf of the committee, that their conception of the matter was that the people who had a right to vote on whether they were to be independent or not were the people who were alive at the time when independence was to be submitted. That is in line with the statement of almost every President of the United States, and at the proper time I mean to place in the RECORD especially strong statements by President Roosevelt, President Taft, and President Coolidge as to the necessity of the Philippine people being consulted on this question of independence. I feel that the committee has, so far as possible, tried to carry out those recommendations.

Of course, the Senator from Louisiana is correct in saying that a great many people of the Philippine Islands desire independence within a shorter period than is granted in this bill; but I would point out that whatever action the Philippine Legislature may take is, like the action of other legislative bodies which we may have in mind, a speculative one, and nobody can tell how the legislature will act on this or any other proposition.

The only thing that is quite certain as to the time limit is that, under the amendment which I have just proposed, the time limit will be cut down five years from the time suggested by the original bill as it came from the committee.

Mr. DICKINSON. Mr. President, I recall very well, a Delegate from the Philippine Islands in time past, making a speech on the floor of the House of Representatives with reference to Philippine independence. I rose and asked him whether or not the people there would be willing to set up a period of time within which they could prepare, both here and there, for independence. The reply was, "Eventually; why not now?"

Yet there seems to be an impression here that five years or eight years is too short a time. I am for the 5-year period.

I believe that if the Philippines can not adjust themselves to independence within a 5-year period they can not do it within an 8-year period. They have been working toward the end of independence all these years. That is their hope. In view of the fact that there are sugar investments over there by American people, it seems to me, they ought to be able to adjust themselves to a 5-year period, and therefore we are serving both the Philippines and our own interests if we will adjust this bill to a 5-year period. That is the reason why I have offered an amendment to the amendment of the Senator from Louisiana making the period five years instead of eight years.

Mr. President, I should like to read a letter which I have received from various farm organizations of the country with reference to this subject:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., December 14, 1932.

Senator L. J. DICKINSON,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR DICKINSON: At a conference of officials of national agricultural organizations, the names of whom you will find attached to this communication, held in this city on Monday, December 12, a resolution was unanimously adopted indorsing the statement of principles which should be applied to the pending legislation in Congress for Philippine independence, which has already been submitted to you. This statement of principles is as follows:

1. That complete independence should be provided within a period of five years.

2. That trade relationships between the United States and the Philippine Islands should be adjusted within this 5-year period either by fixing a quota of imports which, beginning with the adoption of a constitution by the people of the Philippine Islands, will be gradually reduced each year until complete independence, or by a gradual application of tariff rates which will be increased each year until final independence.

3. That provisions in pending bills for trade conferences prior to the end of the transition period, which contemplate or imply further trade concessions, should be eliminated.

4. That we oppose any provision to reopen the question of final independence after the Philippine people have adopted their constitution.

As expressed in this conference, it is the unanimous opinion of the farm groups that in the interest of the welfare of agriculture prompt action in accordance with the principles above stated must be taken.

We commend you for the position you are taking on this question, and urge you to bring to the attention of all members of the Senate the deep interest of the farm people of America in the question of Philippine independence.

Very respectfully,

M. S. WINDER,
Secretary of the Conference.

At that conference there was this personnel in attendance:

American Farm Bureau Federation: E. A. O'Neal, president; Charles E. Hearst, vice president; Earl C. Smith, director and president of the Illinois Agricultural Association; George M. Putnam, director and president of the New Hampshire Farm Bureau Federation; M. S. Winder, secretary-treasurer; Chester H. Gray, Washington representative; and Ralph Snyder, president Kansas State Farm Bureau.

National Grange: L. J. Taber, national master; Fred J. Freestone, executive committee; Fred Brenckman, legislative representative.

Farmers Educational and Cooperative Union of America: John A. Simpson, president; W. P. Lambertson, director.

Farmers Equity Union: Leroy Melton, president.

American Cotton Cooperative Association: W. B. Bialock, president; C. O. Moser, vice president; W. N. Williamson, director; C. G. Henry, director.

Farmers National Grain Corporation: C. E. Huff, president; M. W. Thatcher, legislative representative.

National Livestock Marketing Association: Charles Ewing, president; E. A. Beamer, director; Dr. O. O. Woolf, director.

National Cooperative Milk Producers Federation: John D. Miller, director; George Slocum, director; Fred Sexour, director; Charles W. Holman, secretary.

National Wool Marketing Co.: Dr. O. O. Woolf, director.

National Fruit and Vegetable Marketing Association: A. B. Leefer, president; C. V. Cochran, director.

Northern Wisconsin Tobacco Pool: Emerson Ela, president.

Farm press: C. V. Gregory, Prairie Farmer; F. R. Eastman, American Agriculturist; Dan Wallace, the Farmer; Dr. B. F. Kilgore, Progressive Farmer.

National Committee of Farm Organizations: Ralph Snyder, president.

The letter which I have just read is the consensus of opinion of the leading and outstanding farm organizations in the country with reference to the question. It is for this reason that I am in sympathy with the provisions of the amendment offered by the Senator from Louisiana, and yet I should like to see 3 years more cut off and the time made 5 years instead of 8 years.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. Can the Senator advise me whether the conference was informed in any respect or discussed in any degree the effect in the Philippine Islands of this contemplated program, and whether or not it was a practical proposition to succeed with the shorter enterprise, or was the consideration exclusively domestic?

Mr. DICKINSON. They have had a committee working on the question for two or three years. I think there is not a phase of the question, either in this country or in the Philippine Islands, that has not been given sincere consideration by this group. If it comes to a question where to protect the interests of the farmers of this country or the producers over there, naturally this group would say they want their own interests protected first. I think this program will work out to the mutual interest of the people of this country and of the Philippine Islands.

Mr. VANDENBERG. If I may continue my interrogation, the Senator probably would concede, however, that if we agreed upon an impractical program—in other words, one which did not and could not actually work without precipitating a collapse—that perhaps the net result would be a loss instead of a saving of time. Might not that be?

Mr. DICKINSON. Certainly, that might be. The Philippine representatives who have been coming to this country during my experience of 12 or 14 years have all insisted that they are ready for independence. So far as the theory of government and the responsibility of government is concerned, they have assumed that they are ready to take the leadership and carry on. The thing to be adjusted is the business interests, and I think five years is ample time for that purpose. I fully believe that the legislature in the Philippine Islands will ratify a 5-year bill. Therefore I am anxious that we may have a vote on the amendment which I have submitted.

Mr. BINGHAM. Mr. President, during the discussion of the tariff bill three years ago the representatives of the organizations to which the Senator from Iowa [Mr. DICKINSON] has referred made strenuous efforts to secure a tariff on Philippine products and to cut down the amount of sugar which might come into the United States. The Senator from Iowa was at that time a Member of the House, I believe, and will remember the bills which were before the House, the so-called Timberlake bill and others, providing for a reduction in the amount of sugar coming into the United States, and that there was a strenuous effort by the farm organizations to secure a tariff on the products coming from the Philippine Islands.

The matter was debated in the Senate. Their proposal received the support of the Senator from Louisiana [Mr. BROUSSARD] and others. However, the position taken by the Senate was that as long as they were under the American flag they should have the right of trade with us, and we should not erect barriers against them, which position seemed to me to be feasible. But at that time, in the hearings and debates in the Finance Committee with the representatives of the farm organizations, the threat was made that if they could not secure protection against Philippine products they would then take up the question of securing Philippine independence.

At that time interest in Philippine independence was at a very low ebb in this country. In fact, in the Philippine Islands themselves, while it was the battle cry of both political parties that they both wanted immediate and full independence, yet the people had become adjusted to the fact that they probably would not secure it, and there was no strenuous activity in that regard. But when the farmers found they could not secure from the Congress a protective tariff against the Philippine Islands, they then took up the serious matter of agitating for Philippine independence.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. BINGHAM. I yield.

Mr. KING. Is the Senator quite accurate in his statement, if I understood him correctly, that activity for independence in the Philippine Islands had reached a low ebb? My recollection is that for many years, 10 or 15 years, there was constant demand from the Philippine Islands for independence. It is true that after a committee had come while President Coolidge was in the White House, and he had indicated his opposition to independence, and that opposition seemed to impregnate the whole administration, there was a feeling—I was about to say of despair—upon the part of Filipinos—at least many of them felt—so long as Mr. Coolidge was in the White House, with persons of his political views with respect to Philippine independence, there might not be any chance for independence.

But I recall that even then, and in succeeding years since, I have received many resolutions from municipalities and from Provinces and many communications from Filipinos insisting that the Philippine question was not dead, or even moribund, and insisting that Philippine independence be granted. So I hope the Senator will qualify his statement if he intended to convey the meaning that the Filipinos had abandoned the idea of independence during the period to which he referred.

Mr. BINGHAM. No; the Senator, as the chief advocate on the floor of the Senate of immediate independence, is quite correct in all his statements. The position I was taking was in reply to remarks made by the Senator from Iowa [Mr. DICKINSON] about the great interest of farmers in independence. I think the Senator from Utah will agree with me it was not until the farmers found they could not secure

a protective tariff against the Philippines—and he was one of those who stood with me in the matter—that as long as the flag was flying over the Philippines we should not erect tariff barriers between ourselves and our colonies—that the farmers began to take an active interest in Philippine independence.

In the hearings before the Senate and House committees on the bill now before the Senate the farmers had a chance to express themselves through their organizations and their representatives, and they did so; and it is an extremely strange thing to find—their testimony having been heard and received careful consideration by the Senate committee, which devoted weeks and months to a study of this problem and evolved a bill which it was believed would be as far as possible satisfactory to all parties in the case—that the farmers and their representatives now meet in a room in the Capitol and tell us what to do.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Louisiana?

Mr. BINGHAM. I yield.

Mr. BROUSSARD. I am sure the Senator will qualify a remark he made a moment ago. I have been a member of the Committee on Territories and Insular Affairs for 12 years. There has never been one minute of that time when there was not a bill pending to give independence to the Philippine Islands—not only one, but several.

Mr. BINGHAM. That is correct.

Mr. BROUSSARD. During that period the committee acted favorably—and the Senator from Utah [Mr. KING] was on the committee at the time—on two or three bills which were never acted on in the Senate because the administration was opposed to them. The matter never was considered on the floor of the Senate and never reached the calendar of the Senate. There had been sincere advocates for independence during all that period. Not only that, but there are some of us who have advocated it in the Senate for the last 30 years. I do not think the Senator from Connecticut means that Senators here who have been advocating independence shall be included in the category of which he speaks as those who are now becoming advocates of independence because they could not put a limitation on the importation of Filipino products.

There was a limitation on sugar, rice, tobacco, and other commodities as Filipino products before 1913. If the farmers to-day are asking for limitations, they are merely following in the footsteps of those who determined the original policy of Congress toward Philippine importations; and because we are asking for independence and because those who oppose independence want to protract the period so long that we are forced to ask for limitations, to turn around and impute to us ulterior motives is not the proper attitude. The shoe is on the other foot. I see gentlemen here now supporting the 20-year period with a plebiscite who are absolutely opposed to independence. Those who favor independence offer independence, but some of them favor a long period. I would not castigate them or any portion of them or charge them with any ulterior motives.

I ask the Senator to qualify that remark, because I have been an advocate of independence for the Philippine Islands ever since I left the Philippine Islands in 1900. I have advocated freedom during all that time.

Mr. BINGHAM. Mr. President, I am sorry the Senator from Louisiana thought my remarks referred to him at all in a derogatory way, because that was farthest from my thoughts.

The Senator from Louisiana, ever since I have known him during the eight years I have been here, has been a steady and consistent advocate of complete independence for the Philippines; year after year he has put up a fight for what he believed to be right and has in no way changed his position. I am sorry that he should have thought my remarks could be construed as imputing any change whatever on his part. My remarks were directed to the fact that interest in Philippine independence in the United States had come to be at a very low ebb. The Senator from Utah [Mr. KING] will agree with me in that statement, I think, for he and the Senator from Louisiana and a few others were constantly working toward that end.

I think the Senator from Utah will not object to my referring to the fact that it was commonly reported that in the Democratic convention held in Houston, Tex., when the question of the platform came up, the Republican convention at Kansas City having taken no action in its platform in regard to Philippine independence, the Senator from Utah was insistent that the Democratic Party should go on record, as it had repeatedly done in the past, for complete independence.

Mr. KING. And as it did.

Mr. BINGHAM. And the convention followed his wishes; but I think the Senator will also agree with me that interest in Philippine independence in the United States was at a low ebb until the farmers found in 1929, after the vote on the floor of the Senate, that they could not secure protection against Philippine products. Then it was that they began an active agitation for Philippine independence. I think the Senator will agree with me in that.

Mr. KING. I do.

Mr. BINGHAM. Mr. President, I am opposed to the amendment offered by the Senator from Iowa [Mr. DICKINSON] for many reasons. One of the reasons which, perhaps, has not been mentioned on the floor is the fact that our people in the United States invested more than a quarter of a billion dollars in the Philippines. The table placed in the record, both in the House hearings and in the Senate hearings, shows capital investments in the Philippines, exclusive of investments in governmental agencies, as being—and I give merely the round numbers—real estate, $12,000,000; bank capital, $800,000; bonds, $113,000,000—and that includes bonds issued by the Philippine government and by municipalities; manufacturing industries, $35,000,000; mercantile establishments, $30,000,000; agriculture, $10,000,000; forests and lumber, $2,000,000; fish and fisheries, $6,000,000; and all others, $45,000,000; a total of about $257,000,000.

Mr. President, I know it will be stated that when our citizens invest their money in foreign countries that is their own lookout; that when they buy the bonds of foreign countries and attempt to secure upon them a yield of 8, 9, or 10 per cent they must realize that they are running great risk, and perhaps naturally must pay the penalty of what they are attempting to do when they undertake to obtain such high rates of interest; but when they were investing in the Philippines, they were doing it at the urgest request of officers of the United States Government. I do not recollect a single governor general going out to the Philippines for 25 years who did not, soonor or later, urge the people of the United States to invest in the Philippines, calling attention to the natural resources of the islands, to the ways in which money could be wisely invested in public utilities, steam and electric railroads, tram lines, telephone service, plantations, lumber companies, rubber companies, and so on. The American people have followed their advice to the extent of more than $250,000,000, including more than $100,000,000 in Government bonds, which were issued under the advertisements offered by the War Department, presumably under Government auspices, not bonds yielding a high rate of interest, but I venture to say that of the $116,000,000 of bonds issued by the Philippine government and municipalities none of them carried more than 5 per cent, and that more than $95,000,000 of them carried only about 4½ per cent, showing that there was no great risk involved. Why? Not because the Philippines were under the American flag, but because investors in this country supposed that the American Government would, in a way, look out for their investments; and it is proper to protect these citizens of ours who have placed their capital in the islands while they were under our flag—not in a foreign country, but in a colony of the United States—and it seems to me fair that we should give as long a period of time as possible for them to get out of their investments and to enable the bonds to be amortized. For that reason, I have been a consistent advocate of a period of 25 or 30 years, so as to permit amorti-

zation without hurting the Philippines or the Americans who have invested their capital in those islands.

I accepted as a compromise the suggestion of the committee that the total length of time should be about 18 years, not because I believed it would be sufficient to prevent very serious losses on the part of Americans who had invested capital in the Philippine Islands, but because I believed that it was the most that we could get, and that this was the best bill that we could get. Now the proposal comes, forsooth, that we must get out in five years. What then will become of the investments which we have encouraged to be made under our flag and in our own colony?

Mr. DICKINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Iowa?

Mr. BINGHAM. I yield to the Senator from Iowa.

Mr. DICKINSON. I wonder whether the Senate should be more interested in the investor who has invested in the Philippines or in the farmer who has invested in a farm in this country and is engaged in the production of sugar or dairy products, and whether or not we ought to sacrifice the investments in those two products in this country in order to help keep the faith to which the Senator says we are committed in order to help the investor get out of the Philippines with the money he has invested there.

Mr. BINGHAM. I do not think there should be any preference given in these matters. I do not think there should be any preference given to the man who has two or three thousand dollars and who has put it into a farm over the man who has two or three thousand dollars and has put it into some enterprise in our colonies under the flag. Nor do I think there should be any preference given to the man who has put two or three thousand dollars in the Philippines under our flag over the farmer who has put two or three thousand dollars into his farm. I should like to see fair play as between them both, but the Senator in his proposal does not give fair play to the man who has put his money into the Philippine Islands.

Mr. DICKINSON. Mr. President, I should like to inquire if there is any possibility of adjustment within the 5-year period? I understand that the money invested in sugar in the Philippines is the largest investment and that approximately 60 per cent of that investment is Philippine owned, not American owned. It would seem to me to be an easy matter for them to adjust matters in some way within the 5-year period.

Mr. BINGHAM. The Senator is not well informed. The table shows that of the 257,000,000 American dollars invested in the Philippines only $10,000,000 are invested in agriculture, which, I presume, is mostly in sugar plantations.

Mr. DICKINSON. Then it is the outside investments, and not the sugar investment that the Senator wants protected? What are these investments in if they are not in sugar?

Mr. BINGHAM. I read the table giving in round numbers the various items a few moments ago. The investments, amounting to $257,000,000, include $113,000,000 of bonds, government and municipal bonds, and so forth. That is the largest item. The next largest item is the amount invested in manufacturing industries, $35,000,000. The next is in the mercantile establishments, $30,000,000; in agriculture, $10,000,000. It is possible that a part of the $35,000,000 in manufacturing industries may be invested in the manufacture of sugar; of that I am not certain, but I will give the benefit of the doubt as to that.

Mr. DICKINSON. In other words, it is the investment in general business over there that the Senator is attempting to protect?

Mr. BINGHAM. The investments in the Philippines of all kinds, chiefly in bonds which our people have taken at a low rate of interest, believing that the United States Government would protect them in their investments, the interest being only about 4½ per cent, or the same as that on State and municipal obligations in the United States.

Mr. DICKINSON. Mr. President, I should like to ask one more question. It is my understanding that the suggestion has been made by the supporters of the bill that the Philippine Islands might not ratify this bill if it made too short the time when independence should become a fact. If it comes to a question of the extension of the time, I would rather the request to extend the time beyond five years would come from the Philippine Islands by action of their legislature than to have the American Congress say that they need 18 years, when they have been here before the present Congress, and for 15 years previously, saying, "We are ready for independence now."

Mr. BINGHAM. As the Senator has corrected his remarks by reminding us that for all these years the Philippine Legislature and Members on both sides have been elected on a platform calling for immediate independence, his request that we find out whether they would prefer 5 or 18 years is not entirely disingenuous.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from California?

Mr. BINGHAM. I yield to the Senator.

Mr. SHORTRIDGE. The Senator from Connecticut has called attention to various bonds which were issued and purchased, as I understand, by American citizens. There were certain bonds issued by the Philippine government. Is that correct?

Mr. BINGHAM. About $97,000,000, I should think, of the $116,000,000 were issued by the Philippine government, advertised through the War Department, and sold in this country.

Mr. SHORTRIDGE. And we are proceeding upon the assumption that those bonds are held by American citizens, are we?

Mr. BINGHAM. Not entirely on that assumption. In regard to those bonds particularly, we must recognize the fact that they were sold on the recommendation and under the advertisement of the War Department.

Mr. SHORTRIDGE. I grant that.

Mr. BINGHAM. And that we may be held morally though not legally responsible for them. I will add that, of course, we can not expect the Philippine government to meet its indebtedness on those bonds or pay the bonds if the islands become bankrupt and their industries are destroyed. It is the thought of the authors of the bill—and I think the Senator from New Mexico [Mr. CUTTING] will agree with me in this particular—that the section of the bill referring to the graduated export tax was written in an endeavor to protect the bondholders. I think that is correct.

Mr. SHORTRIDGE. If the Senator will permit me to pursue the inquiry, I have understood, and the burden of the argument is, that these government bonds were purchased by American citizens and held by American citizens, wherefore we must by legislation protect the holders of those bonds and for the reason which has been stated.

Mr. BINGHAM. Not because they were bought by American citizens, but because they were issued under the ægis of the United States Government.

Mr. SHORTRIDGE. I repeat my thought. I have understood throughout this discussion that as to those government bonds we were seeking to protect their present owners and holders upon the assumption that they were American citizens.

Mr. BINGHAM. No, Mr. President.

Mr. SHORTRIDGE. Are they English? Are they French? Are they Italian? Are the holders of the bonds in question foreigners?

Mr. BINGHAM. It does not seem to me that that is the question at issue at all, any more than it is as to who holds the Liberty bonds of the United States. In good faith those bonds must be paid, principal and interest, whether they are all held by foreigners or are held by Americans. Similarly the Philippine bonds have been issued under the ægis of the United States Government. We are morally bound to protect them and to protect their holders, whether they be American citizens or not.

Mr. SHORTRIDGE. That may well be. Then the Senator's argument is that the Philippine government will not be able or disposed——

Mr. BINGHAM. Oh, no, Mr. President; I did not say that.

Mr. SHORTRIDGE. To honor and pay those bonds at maturity. Is that the argument?

Mr. BINGHAM. No, Mr. President; neither by direct language nor by inference did I refer to any such disposition on the part of the Philippine government. I am sure that the Philippine government will be disposed to give them priority and to pay them, principal and interest, as they come due, as any honest government would do. I never implied anything different from that. But, Mr. President, if their national bank is brought down to failure, as has been pointed out on this floor would be the case if the sugar industry of the islands should be destroyed and the islands become bankrupt, it will be impossible for them to pay.

Mr. SHORTRIDGE. In other words, then, there is no intention to question the good faith and the honorable intent of the Philippine government which is to be set up?

Mr. BINGHAM. Certainly not, Mr. President.

Mr. SHORTRIDGE. The argument goes as to its ability to meet the obligations?

Mr. BINGHAM. It does.

Mr. SHORTRIDGE. Very well. Now, as to these several bonds issued by corporations or associations in the Philippines, is it the Senator's position that they severally will be unable or indisposed to meet their obligations if we grant independence to the islands?

Mr. BINGHAM. No, Mr. President. I am not informed as to any bonds of the kind to which the Senator refers. I am referring to the fact that according to the testimony taken before the committee American citizens have placed in that country, under the flag, an investment of something like $250,000,000, of which a part is in municipal and state bonds. A great many of our citizens, several thousands of our citizens, have gone there to engage in business. Some of our principal steamship lines—notably the Dollar Line out of San Francisco and Seattle—have steamers running there, and about half of their business is concerned with shipments to and from the Philippine Islands. A great many of our citizens have been induced by their fellow citizens to invest their capital in mercantile, agricultural, mineral, and other establishments in the Philippine Islands; and it seems to me that in justice to them, just as much as in justice to the farmers of whom the Senator from Iowa has just been speaking, a sufficient length of time should be given to permit them to get out of their investments, if they desire to do so, without incurring any more loss than is necessary.

In other words, if we were to grant the Filipinos what they ask—namely, immediate and complete independence—it would ruin many of our own citizens unnecessarily, it seems to me, as well as ruin the Philippine Islands themselves. If we grant them a sufficient period of time—which, frankly, I do not think could be said to be less than 25 years, because of the difficulty of amortizing bonds in a period less than that, but I agreed to 18 years because that was the best I could do under the circumstances—at any rate, it will give our people who have gone there in good faith under the flag and our people who have sent their money there in good faith under the flag an opportunity to retire with as little loss as possible.

Mr. SHORTRIDGE. Mr. President, I rose to interrupt the Senator to inquire more particularly in respect of bonds that were issued and held. As to other investments, that involves another line of thought.

Mr. BINGHAM. I have no information before me in regard to the amount of bonds issued and held by companies such as the Senator refers to.

Mr. SHORTRIDGE. I see. The argument is that unless this long period of time is given, the holders of bonds as well as the investors in individual enterprises there will suffer loss.

Mr. BINGHAM. They certainly will, Mr. President.

Mr. SHORTRIDGE. And that those who may suffer loss are American citizens, or possibly foreign citizens and subjects, owning, having acquired, the bonds issued and which are under consideration. Perhaps this is an idle question; but does not the Senator think that within 5 or 6 or 7 or 8 years matters will adjust themselves, unless the whole world goes into chaos?

I say the question is idle in view of the views expressed by the Senator; but, having such respect for the learning and the logical mind of the Senator from Connecticut, I venture again to put the question to him and to others: Will not seven or eight years be ample for American citizens to adjust themselves commercially? Or, finally, will the Senator answer this question: As between the two, the holder of bonds and the California farmer or the Iowa farmer—I have affection for Iowa, although it went wrong——

Mr. BINGHAM. The Senator was born there, if I remember correctly.

Mr. SHORTRIDGE. Yes; that is the great distinction of my life. As between the American farmer, though, the planter and raiser of wheat or of cane in Louisiana, and some American citizen or foreigner now who has interests in the Philippines, should we not give the preference to the California farmer or the Iowa farmer? Is not that our duty as Senators representing the United States of America?

My question indicates my views.

Mr. BINGHAM. Mr. President, I do not like to say anything which might seem to be an appeal to sentiment. I realize that anyone who in these days speaks in favor of a capitalist is at once the target for all sorts of criticisms and insinuations; but I was brought up to think that there is such a thing as looking after the property of widows and orphans, if one must mention a matter of that kind; that there are in this world and in America many thousands of widows and orphans whose property consists in a certain little collection of bonds and stocks; and if that is wiped out and there is no return on that investment, then they suffer just as much as does the sturdy farmer who has worked hard to raise his crops and is unable to find an adequate market for them.

I dislike to mention the subject, because it seems like an appeal to sentiment; but after all, Mr. President, a farmer who has his occupation and his health and ability to raise food, even though he may suffer from inability to buy the things he wants, is not as badly off as are many of our people, not only in New England but all over the United States to-day, who are living on little investments that have been made for them—little old ladies who have no opportunity to earn anything, but who are trying to eke out a modest competence on what was left them, either in the way of life insurance or in little investments in companies under the American flag. Surely the Senator would not say that they have no right to be considered in comparison with the farmers of California and Iowa, or even the farmers of Connecticut.

Mr. COPELAND. Mr. President——

Mr. BINGHAM. I yield to the Senator from New York.

Mr. COPELAND. Perhaps I can relieve the difficulty a little bit by suggesting that there are some foreigners in the Philippines who have rights. For instance, a great many Chinese have gone into the Philippines in good faith. They are not capitalists in the sense in which the Senator speaks. They are small capitalists, perhaps; but they are artisans and laborers. I understand, too, that from one-half to three-fourths of the fluid wealth of the Philippines is owned or directed by the 55,000 Chinese residents of those islands. That statement has been made to me, and I have no doubt it is correct.

May I ask the Senator, are the rights and interests of these small holders of the Philippines guarded by the pending measure? Are they taken care of in some way so that they will not lose their all by reason of any change in policy?

Mr. BINGHAM. Mr. President, of course that does bring in another question, as to whether the people who have gone to the Philippine Islands while the islands are under our flag, and have invested their money there, even if they be foreigners, are entitled to any consideration by us. The figures in the table to which I have referred show that there is an investment by Chinese subjects of about $109,000,000.

I assume, however, that it is not our duty to any very great extent to protect those who have deliberately gone in there and placed their investments in those islands on the supposition that we were going to remain there indefinitely. I am not so interested in protecting them as I am in protecting the American holders of securities, such as savings banks, insurance companies, and the little investors.

I do not believe that there are any large investors who have put much money into the Philippine Islands. I never heard of that, but that does not seem to me to be really the matter at issue. The question is as to whether, in getting out of the Philippine Islands, we are going to get out in a period of time which will cause the maximum of suffering or the minimum of suffering.

Mr. COPELAND. Mr. President, if the Senator will yield further, I am sure he would not care to have the implication go into the RECORD that he is interested only in Americans, the old ladies of whom he spoke, because surely we have an obligation to the nationals of other countries also.

Mr. BINGHAM. That is true, Mr. President. A few moments ago, in discussing the matter with the Senator from California, I stated to him that it made no difference to me whether the bonds were held by American citizens or others; that they were issued under the ægis of the United States Government, and that we were morally bound to protect them because they had been issued under our auspices.

Mr. BROUSSARD. Mr. President——

Mr. BINGHAM. I yield to the Senator from Louisiana.

Mr. BROUSSARD. May I ask the Senator to say, if he will, whether the question which the Senator from New York raises would not involve the question of whether or not we should continue a subsidy, to the detriment of the American people, because there are people of other nationalities in the Philippine Islands who have investments there? That is a question that ought to solve itself.

Mr. BINGHAM. I hope the Senator will discuss that question in his own time with the Senator from New York.

Mr. BROUSSARD. The subsidy that this Government extends to the products of the Philippine Islands inures to the benefit of all those who have investments there; and we are asked here to continue that subsidy to the nationals of other countries at the expense of the farmers and the producers of this country.

Mr. BINGHAM. Mr. President, my chief interest in the matter is to try to do all I can to see that we deal fairly with those who have gone into the Philippines, either physically or with their funds, because our flag was flying there, and because there was a certain moral duty on the part of the United States to protect the people in those islands and the property in those islands.

Mr. VANDENBERG and Mr. SHIPSTEAD addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield; and if so, to whom?

Mr. BINGHAM. I yield first to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the point in immediate controversy, of course, is the question of time.

The Senator will remember that in a colloquy with the Senator from New Mexico earlier in the afternoon it was estimated that 14 years would be involved in the completion of the formula which his latest amendment contemplates.

Mr. BINGHAM. That is correct.

Mr. VANDENBERG. Now, Mr. President, I want to get the view of the Senator, who is chairman of the committee reporting the legislation, respecting section 1 as it relates to the question of time. I call the Senator's attention to the fact that section 1 authorizes the Philippine Legislature to provide for the election of delegates, and so forth. I ask the Senator whether the Philippine Legislature is completely a free agent in determining when it shall execute that commission; and if it is completely a free agent, in the final analysis, if the bill be passed in its present form, are we not entirely at the mercy of the Philippine Legislature in respect to the actual time which will be consumed?

Mr. BINGHAM. That is correct, Mr. President.

My attention has been called to the fact that Congress encouraged the purchase of Philippine bonds by making them tax exempt, which only goes to show that those who bought them, realizing that they paid a low rate of interest and that they had been made tax exempt by our Government, did not suppose that they were purchasing foreign bonds.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER (Mr. SMOOT in the chair). Does the Senator from Connecticut yield to the Senator from Minnesota?

Mr. BINGHAM. I yield.

Mr. SHIPSTEAD. I do not care to take up the time of the Senate to make any extended remarks, but for just a moment I would like to say that, in view of this discussion about the sanctity of investments, we must also bear in mind the investments in agricultural lands here on the part of farmers, who have been carrying the load for importers from the Philippines, soap interests, and sugar interests. I think we should bear in mind the investment of the farmer, who is losing his investment now to some extent—in fact, to a large extent—for the benefit of the capital invested in the Philippines.

Mr. BINGHAM. That is true. I think the Senator was not on the floor when I called attention to the fact that I wanted, as far as I was concerned, to deal fairly by all American citizens in this subject, but that I saw no reason for preferring the little investor over the farmer or the farmer over the little investor. After all, the amount of coconut oil imported from the Philippine Islands is only about 3 per cent of the amount of fats used in this country. The amount of sugar which is being brought in at the present time is not much over 11 or 12 per cent, and, so far as the beet-sugar States are concerned, sugar is being produced and sold in Cuba at the present time at about one-fourth of what it costs us to produce beet sugar in the Western States. The Senator is not going to bring prosperity back to the beet-sugar farmer by immediately casting the Philippines loose and placing their imports on a tariff basis. He is not going to increase the price of dairy products by placing a small limitation on coconut oil. The farmers are going to be disappointed, the Senator's friends are going to be greatly disappointed, if they think they are going to receive any immediate or material benefit from an act which may do great injustice to our wards and which will be contrary to our moral obligations in so far as they may be carried out.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question, merely for information?

Mr. BINGHAM. I yield.

Mr. SHORTRIDGE. The Senator has called attention to the fact that these bonds were exempt from tax. About how long have they been outstanding, if the Senator has the information?

Mr. BINGHAM. I regret that I have not the information. There have been repeated issues of Government bonds, amortized from time to time by the War Department. I do not find in my records here a statement in that regard. But may I say to the Senator that the Senator from New Mexico, who made a special study of the matter, assured us that they could be all paid off by the Philippine government, principal and interest, if the plan which he evolved, of having an export duty to be increased year by year over a period of five years, could be put into effect, the revenue derived from that export duty on Philippine products to be applied to the payment of those bonds.

Mr. SHORTRIDGE. At any rate, up to date the holders of those bonds would have the benefit of the exemption from the payment of tax.

Mr. BINGHAM. As have the holders of municipal and other bonds under the American flag.

Mr. SHORTRIDGE. But they have had that benefit up to date. That is a fact, is it not, although the bonds bore a comparatively low rate of interest?

Mr. BINGHAM. I do not see what that has to do with the question.

Mr. SHORTRIDGE. I think it has some little to do with it—some little.

Mr. BINGHAM. They would not have been made tax exempt by the Congress except for the fact that Congress recognized that they were a moral obligation of the United States, issued under the ægis and protection of our Government.

Mr. SHORTRIDGE. Will the Senator permit me to dissent from the statement that the Government became morally or legally responsible? I do not think the Government did assume that obligation, legal or moral.

Mr. BINGHAM. Mr. President, if the investors had thought that, they never would have bought a bond which yielded only 4½ per cent in a country 8,000 miles away.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. BINGHAM. I yield.

Mr. VANDENBERG. Upon that particular point, I remind the Senator that the late Philander C. Knox, while Attorney General of the United States, issued an opinion in which he canvassed this entire problem, and came to the conclusion that we were under an unavoidable moral responsibility, although under no legal responsibility.

Mr. BINGHAM. I thank the Senator.

Mr. KING. Mr. President, I understood the Senator from California to be inquiring as to the possibility or probability or certainty of those owning bonds being paid. The Senator will find in the bill, if I recall the provision, a very specific statement to the effect that there will be a lien upon all of the revenues of the Philippine Islands for the payment of its outstanding obligations, whether those obligations have been incurred by municipalities or by the Philippine government.

Mr. BINGHAM. That is correct, Mr. President; but I still call to the Senator's attention the fact that if we get out too soon, obligations or no obligations, they can not be met if the country goes bankrupt.

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. BINGHAM. I yield.

Mr. FESS. I have been very much confused as to whether it is wise to give the additional time suggested, or whether, if we act, the action should not take place at once. That is a question that is uppermost in my mind now.

I assume that the time is proposed to be given for two reasons, one, in order to give time for those who have gone into the Philippines and made obligations, to adjust their affairs. I have considerable sympathy with that point of view. The other point would be a desire to permit the Philippine people to gradually take on all authority, so that when we get out, they will have had the discipline of all these years in preparing for self-government.

What is disturbing me is this, that we will gradually decrease our authority up to the time we go out, but we will be retaining responsibility just the same. They will have a plebiscite in order to determine whether they want independence. I do not assume that they would vote in the negative and say they did not want independence, but evidently that possibility is involved, or a plebiscite would not be provided for.

Mr. BINGHAM. That is correct.

Mr. FESS. Suppose they vote in the negative, indicating that they do not want independence. Our Government will have reached the point where it will have little power and all responsibility, and it would seem to me that we would be in a rather delicate situation at that time. What, then, would we do?

While I have always voted against any step toward independence, I am convinced that it is coming. I think it is inevitable, for many reasons. If we were considering our own interests, as we heretofore have not done, but have considered constantly the interests of the Filipinos, would it not be better for us to wash our hands of the responsibility at once, and, while giving up the power, remove all responsibility also? That is the question that is in my mind, and I am considerably confused over it. I am not satisfied with the plan the committee has reported.

Mr. BINGHAM. Mr. President, I am sorry that neither of the authors of the bill, who devised the plan, with which I was somewhat reluctantly led to agree, is on the floor. I would prefer to have them defend their own bill, rather than to attempt to do so myself. As I suggested previously, I accepted and voted for the bill, and am trying to defend it, because it was the best bill we could get from a majority of the committee, and I think only two members finally voted against the time proposal. Therefore, Mr. President, I wish the Senator would send for the authors of the bill. There are perhaps three Senators who had more to do with it than any one else, and I do not see any one of the three on the floor at the present time.

May I say to the Senator, in partial answer to his question, that one of my reasons for wishing to hold on as long as possible is the present state of affairs in Asia. I fear that by relinquishing all authority in the Philippine Islands at an early date we will greatly complicate the situation in Asia, as was brought to our attention very forcibly by the testimony of the Secretary of State of the United States.

Mr. FESS. I thank the Senator. I had not intended, Mr. President, saying anything on this question, but it is coming up for a vote, and for once in my life I am going to explain my vote. It is largely because I have a record on this question of over 20 years, and it now appears that the inevitable result will be that my vote will not be in accordance with the way I have been voting all these years.

Ever since the Spanish-American War this question has been one of interest to me. When I came to the House of Representatives and the leader of the committee on committees asked me to what commities I would like to be assigned he named certain ones which were open, one being the Insular Affairs Committee. It appealed to me at once that I would rather be assigned to that committee than any other, largely because of the interest I had in the new movement of that day. It looked as though we were going into the colonization field outside of our own continent.

During those early years there was much agitation in the public mind as to what should be our policy. While it never strictly became a wholly political issue, there was a political phase in it.

There were certain courses open to us when these islands fell to us as the result of the war. One was to return them to Spain. But that seemed unthinkable, and there was no very strong urgency offered along that line.

Another suggestion was that there ought to be a protectorate established, either that we should accept that responsibility ourselves, or that a union should be established between us and Great Britain, France, and other countries which might join. That seemed to be altogether impracticable.

Another suggestion was that the islands and peoples might be transferred to some other government. That was an offensive suggestion, and did not get very far. I do not think any responsible citizens of this country thought much of the proposal.

We were therefore limited to the choice of two courses. One was to give the people their independence, and for the United States to get out and allow the Filipinos to work out their own problems. The other was to announce to the world that it would not be the purpose of the United States permanently to remain there, but that for the time being, in the interest of the Filipinos, the Government of the United States would retain sovereignty. The administration in Washington finally decided to follow the latter course.

There was considerable objection to that. The objection was offered that that was a field we had never entered before. A very large proportion of our people did not take strongly to the idea of the American Government's becoming a colonizing government, and only on the theory that our sovereignty was to be only temporary did we embark upon that course.

Personally it is rather offensive to me to suggest that the United States should hold permanently in subservience any people who, in the nature of the case, either geographical,



ethnological, or otherwise, would not become citizens of the United States. In other words, my idea would be that only such territory should be annexed to our country as that the inhabitants of which could ultimately become citizens of the United States with all the authority given to other citizens under the Constitution.

I have not been very much concerned about whether there is any constitutional authority to do what is being proposed. I rather think there is. That has not disturbed me very much. I have come to the conclusion that in the trend of affairs we are going to reach the place very soon where the policy of the Government of keeping the Philippines is going to be discontinued. Whether that is wise or not is an open question.

My concern about holding the Philippines all these years and the basis for my votes heretofore, when I served in another body and was associated with Manuel Quezon and knew his views on this subject and talked with him very frequently, has always been the doing of what appeared to me would be the best thing for the Filipinos with very little regard to whether it was of value to us, but rather in the fulfillment of what appeared to me to be a duty. It might not be an easy duty. It might be irksome. It might involve some liability. But if the duty was clear, it seemed to me we ought not to hesitate. It seemed to me that it was our duty to do what we have been doing all these years, to inaugurate a modern school system in the belief that in a generation of time progress would be made in that way; and if we should ever get out of the Philippines, it would have to come in that way, if we served the best interests of the Philippines. The same is true of road building and all other improvements. My concern in every vote I have cast in the 22 years has been in behalf of what I thought the best interests of the Filipinos themselves.

I had a fear at one time—and I confess that fear is not yet entirely eradicated—that the freedom of the Filipino, in the sense that we withdraw, might be the occasion for some other country to establish interests in the islands. I have always had that fear. I still have it in a degree. But there seems to be an assurance on the part of the Filipinos themselves and a great section of the people in our own country and statements have been made by other countries that that may not be a danger at all, although I am not entirely relieved of the fear of a possibility of a thing of that sort. That is one reason why I have hesitated to take any step to get out of the Philippines. I want it understood that I have regarded them always as a liability to the United States. It was not because of their value to us, but rather a duty that it seemed to me we owed. That is the basis for all the resistance I have ever offered to the idea of independence.

I have concluded, after these years of watching public sentiment and talking with people interested, that the policy is going to change; that a very large section of America feels that the mere idea of holding any people in any sort of subserviency is offensive. From the very beginning that has been the feeling over a large section of our country, and I am of the opinion that the sentiment is growing.

Then there is another section of the people who have been more or less influenced by the thought that the work which has thus far been done has not been appreciated, and so why go on with a responsibility that involves some liability in the interest of persons who do not appreciate our viewpoint? I do not know how large that section is, but that element of thought exists in the country to-day.

Of course, there has always been the idea in certain groups that our Nation having become a world power, we ought to have some footing in the Orient. I do not know how strong that position is. While it is logical, I am not sure that going out of our course to maintain that position is justifiable. I have a dream that America is a world power and her influence must always be felt, not only for our position but for the good of the world, and as long as we do not involve ourselves in such a way that the duty carries a liability which is dangerous, that argument has had some force.

Mr. HAWES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. FESS. I yield.

Mr. HAWES. One of our greatest ambassadors to Japan was Mr. Cameron Forbes. He was also a commissioner in the Philippines. He assures us that we ought to get out and that there is no danger of a Japanese menace. Night before last Dr. Jacob Schurman, former president of Cornell and our former ambassador to China, addressed himself at great length to this subject, and he has no such apprehension, but believes we ought to get out. One of these gentlemen was our representative to the Chinese nation and the other to the Japanese nation, the two great oriental nations, and neither one of these gentlemen seems to have the slightest apprehension of trouble following our withdrawal.

Mr. FESS. I would say to the Senator that that phase of the argument has had some influence in my mind but not a controlling influence. I think the Senator is correct in the inference that it is not so serious now as it was at an earlier time. The Senator will agree with me that events over in the Orient, even those now going on, are somehow not reassuring.

I was trying to make a statement leading up to my conclusion which is quite the reverse of the position I have always taken heretofore—that it is inevitable that we shall have freedom of the Filipinos, upon whatever argument it may be based. The only question with me is whether it should not be as soon as possible rather than to tie our hands for a long period of time.

If it is definitely known we are going to grant their freedom, I am not so sure but what the complications may increase rather than decrease. I would hate to be caught in a position where we are being held responsible without power to do what ordinarily we would want to do. While all of my arguments and all of my instincts lead me to believe that everybody should have his own government, and that we should therefore hope to get out of the Philippines, I have concluded that is the course we should take. I am going to vote in that direction, although as to the time I would rather have it earlier, with no strings to it, than later, because I can see possible involvements in the bill as it is now written.

I am saying nothing about the things which are of interest to the Senator from Louisiana [Mr. BROUSSARD] and the Senator from Iowa [Mr. DICKINSON] and Senators from the West. I appreciate their position, but that is not the determining factor in my mind. I also appreciate the contention being offered by the people who are in the Philippines as to their investments. The only thing I can say is that they have known of this uncertainty just as we have known of it, and when they made their investments they certainly knew that Filipinos are what they are and that they may be freed at any time. Therefore, I can not think that that should be a determining factor in our vote, although I have a pronounced sympathy for that argument, and if there is anything we can do to give them some assurance I would be willing to do it. However, I think that ought not to deter us in the course we take. In view of the argument that has been offered all along that we are considering less our own interests than the interests of the Filipinos, I have concluded the time has come when we should consider our own interests as well as those of the Filipinos. For that reason I shall vote in some form to give the Filipinos their independence.

Mr. VANDENBERG. Mr. President, may I have the attention of the Senator from New Mexico [Mr. CUTTING]?

Mr. CUTTING. Certainly.

Mr. VANDENBERG. Earlier in the afternoon we had a colloquy respecting the length of time involved in the amendment which the Senator has now submitted, and I think we agreed that it approximated a program of 14 years. I now ask the Senator whether, under the terms of section 1 of the bill, it is not a fact that the actual length of time involved is exclusively within the control of the Philippine

Legislature itself, inasmuch as the legislature is completely a free agent in selecting the time and moment when it shall initiate the entire program?

Mr. CUTTING. Yes, Mr. President; I think the point the Senator raises is correct.

Mr. VANDENBERG. If it is correct, then it follows that under the terms of the bill even as amended it would be entirely possible for the Philippine Legislature to continue a complete existing status quo as long as they felt like it. Is that correct?

Mr. CUTTING. I think that is correct. Would it be wise to insert, after the words "at such time as the Philippine Legislature may fix," the words "within one year"?

Mr. VANDENBERG. That is precisely the point I am bringing to the Senator's attention. It occurs to me it is perfectly futile and sterile for us to worry about the length of time involved so long as the bill stands in its existing language, because the control is completely and entirely out of our hands.

Mr. CUTTING. I think the point the Senator makes is good.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. VANDENBERG. Certainly.

Mr. LONG. We are now debating the length of time, proposing to reduce it from eight years to five years, and then to cut out the plebiscite. That question is not yet before us, as I understand it.

Mr. VANDENBERG. The immediate question before the Senate is the 5-year amendment, and the point I make is that it makes no difference whether we make it 5 or 10 or 20 years because under the terms of the bill the actual time is exclusively within the control of the Filipinos themselves. Certainly it should be changed if there is a purpose to effect the will of the Congress.

Mr. CUTTING. Mr. President, I think the point is very well taken. If it is agreeable to my various colleagues on the committee, I should like to insert after the third line the words "within one year after the enactment of this act," and make that a part of the amendment when I shall submit it.

Mr. LONG. Mr. President, if we have about concluded our arguments and are about to reach a vote, I want to suggest the absence of a quorum, but I do not want to do so if any one else wishes to make a speech. I am in hopes that we may get a vote.

Mr. BORAH. That is a good idea; but is this an amendment to——

Mr. LONG. It is an amendment that strikes out eight years, as provided in the amendment of the Senator from Louisiana [Mr. BROUSSARD], and makes it five years. That is the amendment offered by the Senator from Iowa.

Mr. BORAH. The Senator from Iowa is not in the Chamber, is he?

Mr. LONG. No, sir; he does not appear to be here at present.

Mr. McNARY. Will the Senator from Louisiana yield in order that I may suggest the absence of a quorum?

Mr. BORAH. I do not care to have a quorum called.

Mr. McNARY. I think the Senator from Connecticut [Mr. BINGHAM] and the Senator from Iowa [Mr. DICKINSON] would both like to be present at this time.

Mr. BORAH. I wish to say before the quorum is called that if the amendment proposed by the Senator from Iowa [Mr. DICKINSON] to the amendment of the Senator from Louisiana [Mr. BROUSSARD] cutting the intervening period before independence from eight years to five years should be adopted, we would still have the difficulties with reference to that amendment which were pointed our yesterday, in that it conflicts with many of the provisions of the Senate bill. I was going to suggest to the Senator from Iowa that he offer his 5-year limitation to the proposal of the Senator from New Mexico, and then we would have an opportunity to limit the period without interfering with the other provisions of the Senate bill.

Mr. McNARY. Mr. President, will the Senator from Louisiana yield to me to suggest the absence of a quorum?

Mr. LONG. It looks as if we are going to have more argument, and so there is no need of having a quorum call at the moment.

Mr. McNARY. The Senator from Idaho addressed himself to the Senator from Iowa, and I thought he would like his presence, but if the Senator from Louisiana wishes to speak, I shall withhold the suggestion.

Mr. LONG. Very well; I yield for a quorum.

Mr. FESS. Mr. President, I should like to ask the Senator from New Mexico a question.

Mr. LONG. I yield.

Mr. FESS. I should like to ask the Senator from New Mexico, who is entirely familiar with all the provisions of the bill, whether, in view of the suggestion of the Senator from Idaho, the amendment of the Senator from Iowa, if offered to the new amendment of the Senator from New Mexico, would be consistent with the other provisions of the new amendment of the Senator from New Mexico?

Mr. CUTTING. I am rather doubtful about that, Mr. President. I have not had a chance to go over the amendment of the Senator from Iowa in detail, and I am not sure that it includes the various provisions which are in the bill as it came from the Senate committee, namely, the limitation of imports, the graduated tax, and the plebiscite.

Mr. FESS. I think not.

Mr. CUTTING. It would have no bearing on my amendment unless my amendment were changed.

Mr. LONG. I now yield to the Senator from Oregon to suggest the absence of a quorum.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Reynolds
Austin	Couzens	Johnson	Robinson, Ark.
Bailey	Cutting	Kean	Robinson, Ind.
Bankhead	Dale	Kendrick	Schall
Barkley	Dickinson	Keyes	Schuyler
Bingham	Dill	King	Sheppard
Black	Fess	La Follette	Shipstead
Blaine	Frazier	Logan	Shortridge
Borah	George	Long	Smoot
Bratton	Glass	McGill	Steiwer
Broussard	Glenn	McKellar	Swanson
Bulkley	Goldsborough	McNary	Thomas, Okla.
Bulow	Gore	Metcalf	Townsend
Byrnes	Grammer	Moses	Trammell
Capper	Hale	Neely	Tydings
Caraway	Harrison	Norbeck	Vandenberg
Carey	Hastings	Nye	Wagner
Cohen	Hatfield	Oddie	Walsh, Mass.
Connally	Hawes	Patterson	Walsh, Mont.
Coolidge	Hayden	Pittman	Watson
Copeland	Howell	Reed	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. LONG. Mr. President, I should like to have the attention of the Senator from Iowa. When my friend from Oregon thought the Senator from Iowa should be called into the Chamber, I was suggesting that we have debated this Philippine time limit now for nearly three days. The Senator from Louisiana [Mr. BROUSSARD] has offered an amendment to cut the time down to eight years and the Senator from Iowa has moved to amend by striking out "eight years" and making it "five years." The committee sleeps overnight and comes back with a proposal to make the time 11 years. It looks like we are not making any progress in the matter, and I was hoping we could have a vote on it. I think out of 96 Senators we have had 96 speeches, although not every Senator, of course, has spoken on the question. I was hoping, however, that we could vote on the proposition of the Senator from Iowa providing a 5-year limitation. As I understand the parliamentary situation, the vote would come first on that proposal, then on the amendment of the Senator from Louisiana to make it eight years, and then let the committee offer the amendment they have prepared, and get through with it. We are not going to get any bill at all here unless we take some action.

It is perfectly clear to my mind from the discussion which we have had that if we are going to get any such thing as actual freedom for the Filipinos we are going to have to be definite about it in this Congress, and we are going to have to get some kind of a bill started. I think that, above all things, we ought to eliminate the provision for a second plebiscite; but if a majority want to let it remain in this bill, very well. However, let us vote and get this measure started to conference. The poor Filipinos are not going to be free for 40 years the way we are going along now. There are about four suggestions now pending affecting the one item of the time limitation. I hope we can get to a vote.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Iowa to the amendment proposed by the Senator from Louisiana.

Mr. HAWES. Mr. President——

Mr. LONG. I yield.

The VICE PRESIDENT. The Chair thought the Senator from Louisiana had yielded the floor in order that a vote might be taken.

Mr. LONG. I had yielded for a vote.

The VICE PRESIDENT. The Chair understands the Senator from Louisiana, then, to yield to the Senator from Missouri?

Mr. LONG. Yes, sir.

Mr. HAWES. Mr. President, I am entirely sympathetic with the thought expressed by the Senator from Louisiana; he is entirely correct; but there is one aspect of this matter which we should consider for a moment.

I do not think we can object that those American citizens who have a vital, direct interest shall present their interest on the floor of the Senate. We have five cane-sugar States that have what might be called a selfish interest. We have also 17 beet-sugar States, all vitally interested in this subject. Then we have the Pacific Coast States very greatly concerned in the matter of immigration.

Mr. President, I do not believe there are five Senators here who do not favor independence in some form. Every witness before the House committee, every witness before the Senate committee, Army officers, Navy officers, planters, union labor, and all agree that a condition of uncertainty exists which should be settled by this Congress.

What is the situation? We have until March to pass a bill. If a proper bill is not passed and signed meanwhile some of these gentlemen will find themselves mistaken in having believed that the next Congress, if called in special session, will take up the Philippine question. I am directing this observation to the attention of the distinguished Senator from Iowa [Mr. DICKINSON], who, I know, is trying to help the farmers of his State. I think he is right about it.

If during the present session we do not pass some legislation which will be signed, it is a futile gesture, and three years of investigation will have been in vain. I can not look into the future; but I can prophesy, I can guess, that at a special session of Congress, with the multitude of subjects coming before it, the Philippine question would be pushed aside, which would mean that it could not come up for another year. If it should then take as long to bring the matter to a vote as it has taken this time, it will be two years before the question in which the American farmer is vitally interested can be brought upon the floor of the Senate.

Take, for instance, the matter of sugar: To-day the free imports of sugar from the Philippines total 850,000 tons. Next year we know such imports will be 1,023,000 tons. We know, or we can calculate with some accuracy, that two years from now they will be 1,500,000 tons—and that should be a matter of great concern to the American farmer, as it is also a matter of great concern to the Philippines, making the solution of the problem more difficult for both.

The subject now before us is this:

The Senator from Louisiana proposes independence in eight years. We know that if that amendment shall be adopted the entire philosophy of graduated tariff in the Senate bill will be destroyed. The Senator from Iowa now suggests that that time be shortened to five years. May I say that it was the unanimous opinion, I believe, in the House that the interim should be eight years? May I add that I do not believe there were more than two members of the Senate committee who favored a 5-year period or a period less than that?

The distinguished Senator from Idaho [Mr. BORAH], in an effort to arrive at a solution, asked the members of the committee if they had any suggestions to make. Ably assisted by the junior Senator from Louisiana [Mr. LONG], they arrived at what we considered a very proper compromise—that is to say, the limitation of imports is to run for a period of 7 years, and a progressive increase in the tariff for an additional period of 5 years, making a total transitional period of 12 years. That is within 4 years of the period set by the House; and the processes to be followed could not, I think, delay the final solution of this question further than 13½ years. So we are very close as to that point; but we are not close as to another. If the motion of the senior Senator from Louisiana [Mr. BROUSSARD] is carried, it will have to be followed by a series of amendments, and the whole philosophy of the Senate bill will then have been abandoned.

With the House proposing a limitation continuously for eight years, and with the Senate adopting a combination of the two arrangements, this matter could go to conference and be adjusted there. I feel sure that it can be so adjusted that neither the Filipinos nor American interests will be injured. If, however, the amendment of the Senator from Louisiana is approved by a vote of the Senate, then all hope of compromise, of reconciliation, and of preserving the philosophy of our bill will be blasted.

We are rather close as to the matter of time; but I hope both of these amendments will be defeated.

Mr. ASHURST. Mr. President, I ask for a vote.

Mr. LONG. Vote!

Mr. BROUSSARD. Mr. President, just one word before the vote is taken.

As I said before, I was for immediate independence, and have been for years. When the Hawes-Cutting bill came before our committee, after hearing the economic conditions, in order to agree on something I yielded to a period of five years, which we had agreed upon once. Then there was a reconsideration; but thereafter I held on to the last vote taken in the committee, and always advocated five years.

I offered this amendment, making the time eight years, after consulting a number of those who wanted a shorter period. I found that few wanted less than five years, a great many wanted five years, and some said they believed the time ought to be a little longer. So I made it eight years in order to try to meet the views of a number of Senators who were interested and to meet the period prescribed by the House.

I have not changed my views about the 5-year period; and in view of the fact that my amendment proposes eight years, I thought I would make this explanation, as I intend to vote for my amendment restricted to five years. Thereafter I shall urge the adoption of my amendment, if the 5-year period is not agreed to.

Mr. LONG. Mr. President——

The VICE PRESIDENT. The Senator from Louisiana.

Mr. LONG. I ask now for a vote.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. The junior Senator from Louisiana has the floor.

Mr. LONG. I will yield to the junior Senator from Florida for a moment. Does the Senator want the floor in his own right?

Mr. TRAMMELL. I want the floor in my own right.

Mr. LONG. Then I want to keep it in my own right. I do not want to yield.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. If we are going to have speeches, I am going to make one myself.

Mr. TRAMMELL. The Senator from Louisiana has occupied most of the time for two or three days, and now he objects to some of the rest of us occupying a few minutes. I am going to have a few minutes before this matter is settled, regardless of the Senator from Louisiana.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, I do not intend to keep the Senator from Florida from having the floor. I have sat here and listened to speeches for two days, and now I am going to speak myself. If we can not get a vote on this floor, there is nobody that the Senate had better listen to than myself, and I see no reason why we have to go all over the United States to get anybody else.

I have heard all the arguments that have been made. I have sat here and listened to everybody. I am in position to give the Senate the counsel of every man who has spoken for two days; and I am the only man who has been here who can give you a composite opinion from having listened to every speech that has been made here in the last 48 hours or such a matter.

All we are quibbling about is whether the time is going to be 5 years, 8 years, 11 years, or 17 years. I want to get some kind of a bill out of the Senate. I was in conference yesterday. While I did not exactly agree 100 per cent with the compromise that has been offered in the form of an amendment, yet it is satisfactory to me, and I have no quarrel with it if that is the best we can get.

That is a pretty good compromise. I would rather see the time fixed at 5 years; I would rather see it fixed at 8 years; but 11 years is a pretty good compromise. At least it has to go to conference, and there are still some things to be ironed out.

Mr. President, this is the 14th day of December. We are far from reaching anything like a solution or a vote on the Philippine question. No doubt Senators want to consider it in many, many more respects, as to whether the time is going to be 5 years, or 8 years, or 11 years. Probably it will take some Senators several days more to make up their minds about it. It has taken me a week, and probably it will take somebody else another week. I believe probably the Senators can make up their minds about it more from listening to me for a little while longer. At this time, however, I am going to yield the floor; but I expect to speak at great length, something like seven or eight hours, beginning at some time this evening, if we do not reach a vote. [Laughter.]

Mr. TRAMMELL. Mr. President, I had not contemplated occupying more than about three or four minutes. I suppose I owe an apology to my good friend from Louisiana for not going around and asking his permission to take two or three minutes on this important subject, on which he has occupied probably two or three hours in the last several days.

In my 16 years of service in the Senate I have observed a good many very generous Senators of his character. After occupying all the time they want to occupy on a subject, they then begin to call "Vote! Vote!" and do not want anybody else to have a word to say. I am a little surprised that my able and distinguished friend from Louisiana should do a thing of that character, with his ability and his ingenuity in promoting legislation. Such a policy does not expedite legislation.

All I wish to say is that I am in favor of the independence of the Philippines. As long as five or six years ago I was favorable to their immediate independence, and not to an installment, long-drawn-out proposition that would take years and years for its accomplishment. I think that if the condition of the Philippines justifies legislation upon the subject there is no reason why the legislation should be so framed and formulated that they will be some 12, 16, or 17 years in acquiring their independence.

Believing in the policy, believing it to their interest and for the interest of our country and of agriculture in America and in my own State, I am going to support the shorter period of five years instead of eight.

I thank the Senator from Louisiana.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa [Mr. DICKINSON] to the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. HAWES and Mr. ROBINSON of Arkansas called for the yeas and nays, and they were ordered.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Robinson, Ark.
Austin	Cutting	Johnson	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Schuyler
Barkley	Dickinson	King	Sheppard
Bingham	Dill	La Follette	Shipstead
Black	Fess	Logan	Shortridge
Blaine	Frazier	Long	Smoot
Borah	George	McGill	Steiwer
Bratton	Glass	McKellar	Thomas, Okla.
Broussard	Glenn	McNary	Townsend
Bulkley	Goldsborough	Metcalf	Trammell
Bulow	Gore	Moses	Tydings
Byrnes	Grammer	Neely	Vandenberg
Capper	Hale	Norbeck	Wagner
Carey	Harrison	Nye	Walsh, Mass.
Cohen	Hastings	Oddie	Walsh, Mont.
Connally	Hatfield	Patterson	Watson
Coolidge	Hawes	Pittman	White
Copeland	Hayden	Reed	
Costigan	Howell	Reynolds	

The VICE PRESIDENT. Eighty-two Senators having answered to their names, there is a quorum present. The question is on the amendment of the Senator from Iowa [Mr. DICKINSON], which will be stated.

The CHIEF CLERK. The Senator from Iowa [Mr. DICKINSON] moves to amend the amendment offered by the senior Senator from Louisiana [Mr. BROUSSARD], in line 2, by striking out "eight" and inserting in lieu thereof "five," so that the amendment would read:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of five years from the date of the inauguration of the new government under the constitution provided for in this act.

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COPELAND (when his name was called). Present.

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Illinois [Mr. LEWIS]. Not knowing how that Senator would vote, I shall withhold my vote. If permitted to vote, I should vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I transfer that pair to the senior Senator from Nebraska [Mr. NORRIS] and vote "yea."

Mr. STEIWER (when his name was called). On this question I am paired with the senior Senator from New Mexico [Mr. BRATTON], who is absent. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. BORAH (when the name of Mr. THOMAS of Idaho was called). I desire to announce the absence of my colleague [Mr. THOMAS of Idaho] on account of illness. If he were present, he would vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH], who is absent from the Senate. I have been unable to secure a transfer of my pair, and therefore withhold my vote.

Mr. WALSH of Montana (when Mr. WHEELER's name was called). My colleague [Mr. WHEELER] is absent on account of illness. He is paired with the junior Senator from Idaho [Mr. THOMAS].

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Rhode Island [Mr. HEBERT] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. KEAN] with the Senator from Arkansas [Mrs. CARAWAY]; and

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER].

Mr. KING. I have a general pair with the Senator from Iowa [Mr. BROOKHART], and in his absence I withhold my vote.

Mr. GLENN. I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. In his absence from the Chamber I am not at liberty to vote. If I were permitted to vote I should vote "yea."

The result was announced—yeas 37, nays 38, as follows:

YEAS—37

Bankhead	Costigan	Long	Shipstead
Black	Couzens	McGill	Shortridge
Borah	Davis	Moses	Smoot
Broussard	Dickinson	Norbeck	Thomas, Okla.
Bulow	Dill	Nye	Townsend
Byrnes	Fess	Reynolds	Trammell
Capper	Frazier	Robinson, Ind.	White
Carey	George	Schall	
Cohen	Hatfield	Schuyler	
Connally	Howell	Sheppard	

NAYS—38

Ashurst	Glass	Johnson	Pittman
Austin	Goldsborough	Kendrick	Reed
Bailey	Gore	Keyes	Robinson, Ark.
Barkley	Grammer	La Follette	Tydings
Bingham	Hale	Logan	Vandenberg
Blaine	Harrison	McKellar	Wagner
Bulkley	Hastings	Metcalf	Walsh, Mass.
Coolidge	Hawes	Neely	Walsh, Mont.
Cutting	Hayden	Oddie	
Dale	Hull	Patterson	

NOT VOTING—21

Barbour	Glenn	Norris	Walcott
Bratton	Hebert	Smith	Watson
Brookhart	Kean	Steiwer	Wheeler
Caraway	King	Stephens	
Copeland	Lewis	Swanson	
Fletcher	McNary	Thomas, Idaho	

So Mr. DICKINSON's amendment to Mr. BROUSSARD's amendment was rejected.

The VICE PRESIDENT. The question now is upon the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. BROUSSARD. Upon that I call for the yeas and nays.

The yeas and nays were ordered.

Mr. BINGHAM. Mr. President, let the amendment be stated.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 37 of the committee amendment, strike out all after line 7 to and including the word "report" in line 23 and insert in lieu thereof the following:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act.

So as to read:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COPELAND (when his name was called). Present.

Mr. GLENN (when his name was called). Repeating my previous announcement relative to my pair with the senior Senator from Virginia [Mr. SWANSON], I refrain from voting. If at liberty to vote, I should vote "yea."

Mr. McNARY (when his name was called). Repeating my former statement, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. ROBINSON of Indiana (when his name was called). Repeating the announcement of my general pair and transfer, I vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as before, I withhold my vote.

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Rhode Island [Mr. HEBERT] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. KEAN] with the Senator from Arkansas [Mrs. CARAWAY];

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER]; and

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Iowa [Mr. BROOKHART].

The result was announced—yeas 40, nays 38, as follows:

YEAS—40

Bankhead	Couzens	King	Schall
Black	Davis	Long	Schuyler
Broussard	Dickinson	McGill	Sheppard
Bulow	Dill	Moses	Shipstead
Byrnes	Frazier	Neely	Shortridge
Capper	George	Norbeck	Smoot
Carey	Hatfield	Nye	Thomas, Okla.
Cohen	Howell	Oddie	Townsend
Connally	Kendrick	Reynolds	Trammell
Costigan	Keyes	Robinson, Ind.	White

NAYS—38

Ashurst	Cutting	Hawes	Reed
Austin	Dale	Hayden	Robinson, Ark.
Bailey	Fess	Hull	Steiwer
Barkley	Glass	Johnson	Tydings
Bingham	Goldsborough	La Follette	Vandenberg
Blaine	Gore	Logan	Wagner
Borah	Grammer	McKellar	Walsh, Mass.
Bratton	Hale	Metcalf	Walsh, Mont.
Bulkley	Harrison	Patterson	
Coolidge	Hastings	Pittman	

NOT VOTING—18

Barbour	Glenn	Norris	Walcott
Brookhart	Hebert	Smith	Watson
Caraway	Kean	Stephens	Wheeler
Copeland	Lewis	Swanson	
Fletcher	McNary	Thomas, Idaho	

So Mr. BROUSSARD's amendment was agreed to.

Mr. BROUSSARD obtained the floor.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. BROUSSARD. I yield.

Mr. BINGHAM. Is it the purpose of the Senator from Louisiana to make any effort to amend the bill so as to adopt the philosophy of the committee with regard to the graduated scale of what would amount to import taxes or export taxes?

Mr. BROUSSARD. I had intended that certain features of the bill should be eliminated in order to strike from the bill those provisions relating to the ninth year, and so on to the end of the time, where the taxes are imposed in a progressive step-up.

Mr. BINGHAM. I thought the Senator might be willing to amend the bill so as to include that in his 8-year-period provision.

Mr. BROUSSARD. I have no intention of doing so.

Mr. BINGHAM. If the Senator has no intention of doing so, and the Senate follows the theory of his amendment, may I take the Senator's time to suggest that that will then wipe out any possibility of the Filipinos being able to secure the money needed to pay off the interest and principal of the bonds which have been issued by them and which amount to many millions of dollars.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. BROUSSARD. I yield the floor for the present.

The VICE PRESIDENT. The Senator from Nevada is recognized.

Mr. PITTMAN. Mr. President, the parliamentary situation now as I see it is this: We have adopted the amendment of the Senator from Louisiana [Mr. BROUSSARD], which in effect is the adoption of the bill as passed by the House. In other words, we take a paragraph from the House bill which provides for 8-year limitations on imports from the Philippine Islands and for absolute independence after the eighth year. That is the House bill. The language is offered directly from the House bill. Instead of going to work now and attempting to strike out the unnecessary clauses of the Senate bill and possibly not getting all of them, it seems to me the best thing we can do, since the Senate has so voted, is simply to disagree to the original amendment. There is an amendment pending now which is that the Senate committee text be substituted for the House bill. We are proceeding under the House title and number, but with the Senate committee text, and a motion to strike out all after the enacting clause and substitute the Senate bill. The Senate bill has now been destroyed by the adoption of the amendment of the Senator from Louisiana. Therefore I move that the Senate disagree to the committee amendment substituting the Senate bill for the House bill.

The PRESIDING OFFICER (Mr. FESS in the chair). The Chair would call the attention of the Senator from Nevada to the fact that a negative vote would accomplish what he wants.

Mr. PITTMAN. I call for a vote on that motion.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. If the motion submitted by the Senator from Nevada should prevail, would that preclude offering a substitute for the measure which would then be before the Senate for consideration?

The PRESIDING OFFICER. If it is not the desire of the Senator from Nevada to substitute the Senate bill for the House bill, a negative vote on that proposal would accomplish what the Senator from Nevada desires.

Mr. PITTMAN. I have made the motion. I move that the Senate disagree to the committee amendment proposing to substitute the Senate bill for the House bill. I submit that as a motion.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. On the vote on the amendment to substitute the Senate committee text for the text of the House bill, if the Senate committee amendment is voted down, does not the House language still remain open for amendment on the floor of the Senate?

The PRESIDING OFFICER. It does.

Mr. LONG. Mr. President, I would like to have the attention of the Senator from Nevada [Mr. PITTMAN]. As I understand it, the House bill does not contain the agricultural limitations which the Senate committee bill contains.

Mr. PITTMAN. Yes; it is exactly the same, as I recall it.

Mr. LONG. Then we would have to go through the bill again cutting down the quantities?

Mr. PITTMAN. We would have to do that anyway on a motion to reconsider, so I suggested that instead of having the senior Senator from Louisiana [Mr. BROUSSARD] go through the bill and move to strike out what is now dead, we might as well start work on the House text.

The PRESIDING OFFICER. The Senator from Nevada has put the Chair in a state of some confusion by making his motion, an affirmative vote on which would accomplish exactly what a negative vote would accomplish on the Senate committee amendment.

Mr. PITTMAN. I withdraw my motion and move to table the amendment offered by the committee substituting the Senate bill for the House bill.

The PRESIDING OFFICER. The Chair will state that the Senate bill was substituted for the House bill by unanimous consent.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PITTMAN. That question was asked of the then occupant of the chair the other day, and was answered in the negative, that the substitution had not been made by unanimous consent.

The PRESIDING OFFICER. The Chair, then, will put the motion made by the Senator from Nevada to table the amendment proposed by the Senate committee.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Is the Senator's motion to table the committee amendment?

Mr. PITTMAN. Yes.

Mr. BARKLEY. If the affirmative of that motion should prevail, and the motion should be adopted, would not that carry with it the bill itself?

The PRESIDING OFFICER. It would not, and the question is not debatable, the Chair will state to the Senator. The question is on the motion of the Senator from Nevada.

Mr. BROUSSARD. Mr. President, I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. BROUSSARD. If the committee amendment should be tabled, could it not subsequently be called up again, thus permitting a rehash of the debate we have had?

The PRESIDING OFFICER. The motion to table does not carry the bill with it. The bill will still be before the Senate.

Mr. BROUSSARD. I want to understand what the situation is. If the motion should prevail, and the committee amendment should be tabled, I should like to know if it would not be subject to be called up again?

The PRESIDING OFFICER. It would remain on the table until taken up by a proper motion.

Mr. BROUSSARD. Well, it could be taken up?

The PRESIDING OFFICER. Yes; by agreeing to a motion to reconsider.

Mr. BROUSSARD. And that would revive all these same questions?

The PRESIDING OFFICER. It would.

Mr. BARKLEY. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Assuming that the motion to table the Senate committee amendment shall be carried, may not any Member upon the floor offer the same provisions as an amendment to the House bill?

The PRESIDING OFFICER. The Chair is of the opinion that he may.

Mr. BARKLEY. Then what would be accomplished by now tabling the amendment?

The PRESIDING OFFICER. The Chair will state that the pending question is not debatable.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PITTMAN. Is not this the parliamentary situation: If the Senate committee amendment, which was the Senate bill which has now been changed by a vote to conform to the House bill, is tabled, then no amendment of the same effect can be received by this body?

Mr. ROBINSON of Arkansas. Mr. President, certainly if the Senate committee amendment to the House bill is tabled, that is a final disposition of the Senate committee amendment, and the only way it can be revived is by a reconsideration of the vote by which it was tabled.

The PRESIDING OFFICER. The Senator has stated the situation correctly.

Mr. BARKLEY. Mr. President, I should like to make a further comment upon the parliamentary situation. A vote to table the pending amendment would not be the same thing as a direct yea-and-nay vote on the amendment itself. If we voted on the Senate committee amendment, and defeated it, it could not be offered again in the same terms, although it might be offered with slight changes. So simply to table the pending amendment, it occurs to me, is

not tantamount to its defeat by a yea-and-nay vote so as to preclude the possibility of offering another amendment of the same nature.

Mr. ROBINSON of Arkansas. Mr. President, a vote to table a bill or an amendment is the most decisive way of defeating it, because it precludes debate and terminates the issue. If the Senate votes to table the Senate committee amendment, the only way it can be revived is by a reconsideration of the vote by which the amendment was tabled.

The PRESIDING OFFICER. That is a correct statement of the situation.

Mr. BROUSSARD. There comes, Mr. President——

The PRESIDING OFFICER. The Chair will state that debate on this question is entirely out of order.

Mr. BROUSSARD. A parliamentary inquiry, then, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROUSSARD. If the action of the Senate should be reconsidered, then, further amendments could be offered to the amendment later.

The PRESIDING OFFICER. That is correct.

Mr. ROBINSON of Arkansas. I move to reconsider the vote by which the amendment of the Senator from Louisiana [Mr. BROUSSARD] was agreed to.

The PRESIDING OFFICER. The first question is on the motion made by the Senator from Nevada [Mr. PITTMAN].

Mr. PITTMAN. In view of the motion of the Senator from Arkansas, I withdraw the motion to table, if the Senate desires to vote on the question of reconsideration.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas to reconsider the vote by which the amendment of the Senator from Louisiana was agreed to.

Mr. HAWES. Mr. President, I am quite satisfied that when Senators voted for the amendment of the Senator from Louisiana they thought that it involved but one thing, namely, the element of time. That is not correct. The adoption of that amendment makes it impossible for the Senate bill to go to conference; it negatives absolutely the philosophy of the Senate bill.

I am sure that some Senators were absent during the discussion yesterday, when the Senator from Idaho asked if something could not be done to shorten the time, and are not aware that members of the committee and other Senators on the floor prepared a substitute which would prolong the transitional period only two years beyond that provided in the proposal of the Senator from Louisiana.

But by the adoption of the amendment of the Senator from Louisiana the entire philosophy of the Senate bill is destroyed, and we are estopped from taking it to conference. So the members of the committee would much prefer, if the Senate wants to adopt the philosophy of the House bill, to accept everything the House bill provides.

I am not saying this in a spirit of impatience; but some Senators do not understand, because they were not here, that in the House bill there is a straight limitation for a period of years while in the Senate bill there is also a straight limitation for a period of years plus a tariff by steps; and they do not understand, perhaps, that an agreement was entered into yesterday to present—and the Senator from New Mexico [Mr. CUTTING] is prepared to present upon the defeat, if that be possible, of the amendment of the Senator from Louisiana—an entirely new proposition, which will bring the time for Philippine independence to within two years of the limitation provided in the amendment of the Senator from Louisiana.

Mr. DILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Washington?

Mr. HAWES. I yield.

Mr. DILL. The Senator does not, I think, want to stand the statement he has just made that if we adopt the amendment of the Senator from Louisiana the bill can not go to conference, when, as a matter of fact, the bill is still open to amendment and, no doubt, will be amended.

Mr. HAWES. I mean exactly what I say, that the entire philosophy of the bill as proposed by the Senate committee is destroyed.

Mr. DILL. That may be true, but the bill would still go to conference.

Mr. HAWES. It would go to conference on other points but not on this vital point.

Mr. DILL. We do not want it to go to conference, so far as the 8-year limitation is concerned.

Mr. HAWES. I am not talking about the 8-year limitation; I am talking about two different plans, one of which is a straight limitation and the other of which is partly a limitation and partly a tariff-step arrangement for a period of years.

Mr. KING obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. KING. I yield.

Mr. ROBINSON of Arkansas. With the indulgence of the Senator having the floor, I wish to say that I am not entitled, under the rules of the Senate, to make a motion to reconsider the vote by which the amendment of the Senator from Louisiana [Mr. BROUSSARD] was agreed to. I am morally sure if that point is not now in the mind of some Senator that it will be, and, in any event, I wish to conform to the rules. However, I do feel that some Members of the Senate did not fully understand the effect of the vote by which that amendment was agreed to, and I feel that some one who did vote with the prevailing side ought to give the Senate an opportunity to reconsider its action.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. KING. Whenever the Senator from Arkansas concludes, I will resume the floor.

Mr. ROBINSON of Arkansas. I think I have said all that it is proper for me to say. May I add, however, before taking my seat, that I believe we ought to get the Senate bill into conference, and I believe that the tentative agreement that was reached by some Members of the Senate to reduce the time ought to be incorporated in the bill so that the conferees may have an opportunity of working out the details.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. KING. I have the floor and I desire to speak.

Mr. TYDINGS. Mr. President, will the Senator yield for a question? I want to understand the situation.

Mr. KING. I yield for a question.

Mr. TYDINGS. Is the motion of the Senator from Arkansas now before the Senate?

Mr. ROBINSON of Arkansas. No; I am not entitled to make the motion.

Mr. TYDINGS. In order that it may get before the Senate, as one who voted in the negative, may I make the motion, namely, to reconsider the vote by which the amendment of the Senator from Louisiana was adopted?

Mr. KING. I yield to the Senator from Maryland for the purpose of permitting him to submit the motion which he has just indicated.

The PRESIDING OFFICER. The Chair understood the Senator from Maryland voted on the same side as did the Senator from Arkansas, in which case he is not permitted to make the motion.

Mr. KING. Mr. President, pending the determination of the question as to who is eligible to submit the motion, I shall occupy the floor. The statement made by the Senator from Missouri is perhaps technically correct. I think, however, the discussion of the pending bill has demonstrated that a majority of the Senators do not favor some of its provisions, and particularly those which extend the period of control over the Philippine Islands for 17 to 20 years, and call for a plebiscite after such period and before the sovereignty of the United States is to be withdrawn. The vote just taken upon the amendment offered by the Senator

from Iowa indicated, I think, quite conclusively that a majority of the Senate favor the granting of independence to the Philippines at the expiration of five years. At any rate, it was an expression of dissatisfaction with important provisions of the bill. The vote upon the amendment offered by the Senator from Louisiana [Mr. BROUSSARD] is also indicative of the desire of the Senate to grant independence and to bring about that result within a much shorter period than that provided in the bill before us.

Mr. President, it is apparent that the plebiscite provision of the Hawes-Cutting bill does not have the support of many Senators. Indeed, there has been great opposition exhibited toward that provision during the debate. Undoubtedly opposition to this feature of the pending measure is in part responsible for the majority votes taken upon the motion of the Senator from Iowa and upon the motion submitted by the Senator from Louisiana. The view is entertained by many Senators that if the United States is to control the Philippine Islands for a period of from 17 to 20 years it will be difficult at the end of that period to secure Philippine independence. It is believed that influences and forces will be at work during the intervening period hostile to independence. It has been suggested repeatedly that additional foreign capital would be invested in the Philippine Islands and that industries there existing will be expanded and other industries developed. This would result, it is believed, in strengthening economic ties between the United States and the Philippines which would make more difficult the attainment of independence.

It is quite natural that persons having large interests in the Philippines would oppose the withdrawal of American sovereignty, provided that financial benefits would result from the Philippine Islands remaining under the flag of the United States. As Senators know, there are American, Spanish, and Chinese investments in the Philippines, and it is quite likely that if the United States is to retain its sovereignty over the islands for 19 or 20 years, additional foreign capital will seek investment in the Philippines. It is obvious that large holdings by foreign capital would prove an obstruction to independence, and it is to be expected that there would be strong influence enlisted to frustrate complete and absolute independence. It is known that large foreign investments in Cuba exercise considerable influence in that country, not only in financial circles but among the mass of the people. Those who employ large numbers of people influence, whether they will or not, their employees. In the Philippine Islands there are several million people employed in the sugar business and in the production of sugarcane. Undoubtedly their attitude toward independence would be influenced by the position of their employers. Perhaps some Filipinos with large interests would at the end of 19 or 20 years be inclined to support policies calling for the retention by the United States of its authority over the Philippines.

It is certain that during the intervening period between the inauguration of the autonomous government provided for under the bill, and the final plebiscite, there would be influences at work, and persistent agitation, all directed towards neutralizing or diluting the sentiment in favor of independence, and developing fears and apprehensions calculated to encourage sentiment in favor of the maintenance of control of the United States over the Philippines. I think it is a serious mistake to surround the question with so many uncertainties. The Filipinos have been asking for their independence for more than a quarter of a century. They opposed the United States taking over the control of their country and they have never abated their determination to achieve independence.

Ever since our Government asserted jurisdiction and authority over the Philippines there has been a persistent propaganda by many Americans in favor of annexation or the postponement of independence to an indefinite if not remote period. It is well known that forces have been at work for many years to weaken the sentiment in the Philippines in favor of absolute and complete independence. Business organizations in the United States have been actively engaged in creating sentiment hostile to independence. The economic and political conditions in the islands have been misrepresented and efforts made to convince the American people that the Filipinos were wholly incapable of governing themselves or of maintaining an independent government. Perhaps no people have been so misrepresented as the Filipinos. Many propagandists against independence have justified their position upon the pretext that if the sovereignty of the United States were withdrawn the Philippine Islands would soon fall a prey to some aggressive and imperialistic power. Japan not infrequently has been referred to as a nation which would promptly seize the islands when the authority of the United States was withdrawn. Notwithstanding the persistent propaganda to which I have referred, the Filipinos have resolutely adhered to their desire for independence. Neither threats nor cajolery have in the slightest degree diminished their desire for freedom. They have been realists while contending for their ideals; they have appreciated the difficulties and hazards to which independence would expose them; they have counted the cost and have determined that the prize which they sought—independence, liberty, and the right to govern themselves—was compensation for whatever dangers or difficulties they might be called upon to encounter.

They have relied upon the promises made that they should have independence. If it should be denied them, they would regard our Government as guilty of perfidy and dishonor. If independence was now denied them and they were to be compelled to continue in a condition of suspense or of uncertainty, a situation would develop disadvantageous to the Filipinos, not only economically but politically. They believed, as did others familiar with the question, that the longer independence is denied the more difficult will it be to bring about a severance of the ties binding the two countries. Moreover, it is certain that new problems would arise growing out of this abnormal and unnatural relation—problems which might impair the peace and the economic welfare of the Filipinos and create conditions unfavorable to the United States. The reasons why independence should be granted are unanswerable. The opposition to independence rests upon unsound and unjust foundations. I wish that we had before us a measure that would commend the approval of the Filipinos and enable them to place upon the brow of their country the crown of independence.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. KING. I yield the floor.

Mr. DICKINSON. Mr. President, I simply want to make a suggestion.

Last night, after the long discussion over the time element, the committee, after due deliberation, came in here and offered certain amendments that do materially reduce the time.

I do not believe the time has been reduced to a point where it is acceptable to the majority of the Senate. I do not believe there is an objection here as to the philosophy of the bill of the Senate or a preference shown for the theory set out in the bill of the House; but there is a distinct decision here that indicates that the majority of the Senate want a shorter time.

If the committee want to present this matter in a way that is understandable, it seems to me it would be a very easy matter for them to take their amendment and cut off about five or six years from each one of those suggestions, and they will have the philosophy retained. Then the reduction in tonnage can be worked out in a way that will suit everybody, and we will have a bill here that will pass the Senate.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield.

Mr. LONG. I was just mentioning that matter to the Senator from Missouri [Mr. HAWES]. If they will cut down on their quantities—that is, if they will recognize to some reasonable extent the reductions which we have made here by amendment in the quantity of sugar and in the quantity of coconut oil and reduce the time limit somewhat more or less in tune with the way the Senate feels—there is no reason

why some of us might not make that motion and retain the philosophy of the Senate bill. That could be done.

Mr. DICKINSON. It is my hope that in view of the vote of the Senate, possibly the committee would consider the question of whether further time reductions would not be made, other than that suggested in the amendment I offered this morning.

Mr. KING. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield to the Senator.

Mr. KING. Is it the Senator's view that the so-called philosophy of this bill, whatever that philosophy may be, should be imported into a bill where the restriction was for five years?

Mr. DICKINSON. That is correct.

Mr. KING. Then, the Senator's view is that we should impose upon the Filipinos a limitation of five years; that is to say, that we should let them have their independence in five years, but, starting immediately, there should be a tariff imposed upon imports from the Philippines to the United States?

Mr. DICKINSON. No; I think there ought to be a graduated tariff beginning after a year or two years, or, if not a graduated tariff, then a graduated reduction in the imports for the period of time; and I am opposed to the plebiscite at the end of the probationary period.

Mr. KING. May I say to the Senator in his time, if he will pardon me, that there are some of us who are opposed to the so-called philosophy under which the Government of the United States may impose upon the Filipinos, or may impose upon the people of Hawaii, or Puerto Rico, or Alaska, a tariff so long as those Territories and their people remain under the flag. If that is the philosophy for which the Senator is contending, I beg to register my dissent therefrom.

Mr. DICKINSON. I am not contending for that philosophy, because the understanding I have here is that there shall be practically a declaration of independence at the time the Legislature of the Philippines accepts the terms of the bill. From then on we would be dealing with a country that had taken the first step toward the severance of its relations with our own country.

Mr. BINGHAM. Mr. President, may I say to the Senator from Utah that the philosophy of the bill, which has been referred to repeatedly by the Senator from New Mexico, who had a great deal to do with drafting it, did not include placing a tariff on Philippine products. It included, as the Senator will remember, placing an export duty to be collected by the Filipinos to be applied to paying off their bonded indebtedness. The provision which the Senate has adopted, under the motion of the Senator from Louisiana, does away with any such period of gradual taxation or any such export duties at all, and, of course, does away with the plebiscite at the end of the period, putting the plebiscite at the beginning of the period.

Mr. KING. May I say that I think that is less objectionable than a direct tariff. Nevertheless, a rose may smell just as sweet or just as foul under one name as another. While there is a distinction, nevertheless, to me both are objectionable.

Mr. BULOW. Mr. President, I move that the vote by which the amendment of the Senator from Louisiana [Mr. BROUSSARD] was adopted be reconsidered.

The PRESIDING OFFICER. The Senator from South Dakota moves a reconsideration of the vote by which the amendment of the Senator from Louisiana was agreed to.

Mr. LONG. Mr. President, is that motion debatable?

The PRESIDING OFFICER. It is.

Mr. LONG. Just a moment; we are moving so fast.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG. I yield to the Senator from Maryland.

Mr. TYDINGS. In the event the motion of the Senator from South Dakota is agreed to, if the matter is reconsidered and the Broussard amendment is voted down, an amendment will immediately be offered providing for a period of time of seven years, then five years, and progressive restrictions, and then a plebiscite. May I point out to the Senator from Iowa that if he thinks that is too long a time that amendment will be subject to amendment so that we can get the sense of the Senate as to whether they want a 10-year period, a 5-year period, or a 15-year period. We will all have a chance to record the thing in which we believe if we vote the Broussard amendment down and have the Cutting amendment offered.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. LONG. Yes; I yield to the Senator from Iowa.

Mr. DICKINSON. I think the Senate has already expressed itself with reference to the 18-year period, with reference to the 5-year period, and with reference to the 8-year period. I do not believe that on the floor of the Senate we are going to be able to adjust these time limits in the bill to a point where we will get good legislation. I should much prefer that the bill be recommitted to the committee with instructions to work it out along the lines suggested.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. I yield.

Mr. TYDINGS. Let me say to the Senator that the amendment which will be offered by the Senator from New Mexico will provide a 7-year period, then five years of progressive tariff, and then a plebiscite. When that amendment comes before the Senate it will be in order, for example, to strike out the 7-year period of no tariffs and cut it down to 4 years, and to cut down the 5-year progressive tariff to 2 years; in other words, to make the time limit whatever the Senate wants it made. Until we get that amendment before the Senate, however, there is no way of ascertaining just what the Senate wants, because under the Broussard amendment it is forced to take a 7-year proposition and nothing else. If, however, we vote down the Broussard amendment, then the Cutting amendment will be offered, and we can amend that to compress independence within such time limits as the Senate may fix.

Mr. LONG. Mr. President, I desire to move a substitute for the motion to reconsider, if it is in order.

The PRESIDING OFFICER. Such a motion would not be in order.

Mr. LONG. Very well. Then I want to make this suggestion:

As the Senator from Iowa [Mr. DICKINSON] says, it is going to do no good to undertake to rewrite this bill on the floor as we now have it. A vote to reconsider this amendment simply means opening up the situation again. If we change it, the chances are that we will still retain the Broussard amendment. I believe the sentiment of the Senate is to restrict this period to around eight years.

If it were nearer 5 o'clock, I should be nearer in order in making my suggestion. What I think we ought to do is this:

I have been laboring trying to get a compromise so that we could get a Philippine independence bill. Why? I think the Broussard amendment is the amendment we ought to pass. I think it is sound. I think the 5-year period is still better; but I have been laboring here trying to get an amendment, trying to get a bill, in order that we might begin to put some restrictions on the imports of sugar.

I want to suggest to the Senator from South Dakota that the motion to reconsider be withheld at this time. I also want to ask whoever has labored with the Senator from South Dakota to adopt that course.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. TYDINGS. As I understand the parliamentary situation, if the motion of the Senator from South Dakota is agreed to, and the Broussard amendment is brought up again, and upon a vote the Broussard amendment is voted

down, the Senate will have an opportunity, in voting upon and offering amendments to the Cutting amendment, to cut down the Cutting amendment to 10 years, 7 years, 12 years, or whatever length of time it desires, without changing the philosophy of the committee bill or amendment. Until the Broussard amendment is voted down, however, it will be impossible to get before the Senate any amendment which will keep the philosophy of the committee amendment in the bill.

Mr. DILL. Mr. President——

Mr. LONG. I yield to the Senator from Washington.

Mr. DILL. The Senator means, by the philosophy of the committee amendment, the plebiscite? Is not that what the Senator means?

Mr. TYDINGS. No, no; let me explain once more.

Mr. DILL. I have not seen anything else in it that is important.

The PRESIDING OFFICER. Does the Senator from Louisiana yield further, and to whom?

Mr. LONG. I yield to either the Senator from Missouri or the Senator from Maryland.

Mr. TYDINGS. Mr. President, the Cutting amendment provides a period of seven years with no tariffs, then a period of five years with a progressive tariff each year, and then a plebiscite.

Mr. DILL. Of course, if the Senator is going to have a total of 12 years, that is another matter.

Mr. TYDINGS. No; the Senator will not let me finish, and he will not listen when I am trying to explain the matter to him.

If we get the Cutting amendment before the Senate with a 7-year and a 5-year provision, making 12 years in all, amendments will then be in order to change 7 to 5, and to change 5 to 3, so that Philippine independence would then be granted within 10 years if the Senate wants to vote 10 years in the Cutting amendment, or 5 years, or 15 years; but whatever time we fix in the amendment would permit the philosophy of the committee bill to be retained and we could fix the time limit.

Mr. DILL. Now, we have the Senator's philosophy, namely, that he wants a chance to vote on the 12 years, and then that we could reduce it to 8 years if we want to. We already have it reduced to eight years. Therefore, why go into that?

Mr. TYDINGS. No; if the Senator will bear with me one moment longer; he has not understood what I explained.

Mr. DILL. Yes; I understood what the Senator explained. I understand what he means.

Mr. LONG. Mr. President, I decline to yield further.

Mr. HAWES. Mr. President——

Mr. LONG. I yield to the Senator from Missouri.

Mr. PITTMAN. Mr. President, I raise a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. PITTMAN. It is contrary to the rules of the Senate for a Senator having the floor to yield for a speech, or for any other purpose than a question.

Mr. LONG. All right; then I will stay within that, if the Senator makes the point of order.

Mr. PITTMAN. I make that point of order. I think each Senator should take the floor in his own time.

Mr. LONG. All right. I will yield the floor very soon, so that we can have the thing out ad libitum; but I want to make a suggestion, Mr. President:

With due regard to my friends from Maryland and from Missouri, when we talk about "compromise" we can get all the concessions we want on our side, but apparently we can not get any concessions from the proponents of this amendment. We might as well keep the Broussard bill here unless we are going to agree that we are going to strike out the plebiscite. If we are going to keep the plebiscite, then there is no use talking "compromise," because our view of the matter is that a plebiscite means no independence. I think that is the view of the Senator from Washington [Mr. DILL].

I have here an amendment which would permit this matter to be thrashed out in conference, and I think a sufficient number of Senators would agree to it. If we could reach a compromise, it would be that we would eliminate the plebiscite and reach a compromise on a 10-year basis. That would be two years or five years longer than I think it should be. If there is no use in talking "compromise" with the other side, however, we might as well stand where we are.

Mr. ASHURST. Vote!

The PRESIDING OFFICER. The question is on the motion of the Senator from South Dakota [Mr. BULOW] to reconsider the vote whereby the amendment of the Senator from Louisiana [Mr. BROUSSARD] was adopted.

Mr. PITTMAN. Mr. President, the parliamentary situation that exists here has prevented the consideration of the amendment that was intended to be offered by the Senator from Missouri [Mr. HAWES] and the Senator from New Mexico [Mr. CUTTING], which I think it is well known has been on the desk, because the amendment as a substitute would be in the third degree. Therefore we had to vote on the Broussard amendment first.

The Broussard amendment was carried by 2 votes. It will carry again, probably, by 2 votes if those who voted for it were actuated in that course by opposition to the plebiscite, because I will say that that is one of the essential parts of the Senate bill, and we might as well admit it. It is adhered to very strongly by a number of Senators.

As I understand, it was the theory of President Taft, of President McKinley, of President Theodore Roosevelt that the Filipinos should be given an opportunity for training in government, and that then they should not be cast out on the world like an old shoe. We thought it was to our interest that that should be done, but that they should themselves decide, when they decided on independence, and even the degree of independence they desired. They have reached the stage where they can determine that question, and therefore the plebiscite provision was put in the bill, because it is something which a great many hang to closely.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. BROUSSARD. Does not submitting the constitution to a vote of the people amount to a plebiscite or referendum?

Mr. PITTMAN. It is a plebiscite——

Mr. BROUSSARD. Let me ask another question.

Mr. PITTMAN. Let me answer one at a time. It is a plebiscite before the screws have been put on. It is a plebiscite at the time they are allowed, if the policy of either bill is carried out, to export into this country the normal exports coming in to-day. The pressure on them will commence only when our tariff law starts to have effect against them.

There is no question but that they will adopt the constitution submitted, but the question in the minds of some is this: After they have suffered the pressure of the tariff as against their exports to our country, with no other market for their produce, whether or not that experience would not teach them that they could not economically exist for years to come without commercial relations with our country preferential against other countries. That is the test which a great many think should be put to them, and after that test they should have the plebiscite, to say whether or not they want to stay.

Mr. BROUSSARD. Mr. President, will the Senator yield again?

Mr. PITTMAN. I yield.

Mr. BROUSSARD. When the period is fixed definitely at eight years, will they not have the opportunity of knowing what is going to happen to them?

Mr. PITTMAN. They will not; and I will explain why I say that. The period of eight years is provided in the bill which passed the House, and the Senator's amendment has adopted the House bill, because it is nothing on earth but the House bill, except for the provision of a quota of products to be admitted free of duty, and then instant freedom. During that period of time they should not suffer much, in my opinion, if at all, by reason of the fact that their exports will be free of duty after that eight years in an amount equal to what they are sending in now. But immediately after the eight years, under the bill as it passed the House, which has been adopted by the Senator's amend-

ment, they will be subject to all of the tariff laws of this country instantly, and instantly their quota of sugar, of oil, and of cordage will stop, on the morning of January 1 at the end of the eight years. And what are they going to do then? They will be subject to all of our tariff laws.

Instead of doing that to them, we would say that in the eighth year a part of our tariff shall apply, in the ninth year more shall apply, in the tenth year more, and in the eleventh year all.

They will be cut off from the benefit of the exports they enjoy for that eight years instantly under the Senator's amendment, and they will be cut off for five years under the pending bill. The Senator says they can determine, although they have never been injured, how they are going to be injured by our tariff laws. I say that they can not.

Mr. BROUSSARD. Will the Senator permit me to ask another question?

Mr. PITTMAN. I yield.

Mr. BROUSSARD. At the expiration of the eight years our tariff laws will go into effect. Will not the Filipinos then have the privilege and right of imposing tariffs on American goods sent there?

Mr. PITTMAN. Oh, yes; they can collect some revenue out of them, just as we will be able to collect some revenue under our tariff laws. But the revenues they will be able to collect out of the goods we send to them will not take the place of their sending to us 850,000 tons of sugar and 200,000 tons of oil and the cordage they send. That little revenue will not offset those advantages. Their banks will be broke the minute we shut off their exports. Their bonds will be worthless the minute we shut off their exports, because they will have no other market for their goods, and nobody can find a market for them. I say it is cruel to say that we are going to allow them to ship goods to us here, their normal exports, for eight years and then instantly, in the eighth year, apply all of our tariff laws to them. We know that in the ninth year they will be bankrupt.

Mr. DILL. Mr. President, will the Senator yield for this suggestion? During the period when our tariffs apply on a progressive ratio, are they to be allowed to collect tariffs against our goods?

Mr. PITTMAN. No.

Mr. DILL. Then the Senator proposes to have a tariff system of our country applying in ever-increasing ratio against their exports to us, but they shall have no right to collect revenues in the way of tariffs on goods coming from us.

Mr. PITTMAN. Yes; and it would be unfair and unjust in the extreme, except for getting some of you gentlemen not to put the crusher on them at the end of eight years, and to avoid that they are willing to consent.

Mr. DILL. That is just one more proof that this plebiscite is to be used to keep the Philippines. You propose to exercise our tariffs against them over a period of years in increasing ratio; but you propose to prohibit them from using the tariff weapon against us, and, of course, that will make the condition unpopular, because they will not be able to use the power to collect tariffs against us, while we are using the power of the tariff against them.

Mr. PITTMAN. On the other hand, we find this situation existing with them: We find that these gentlemen who represent the Philippine Islands here, we find that everyone who was down there, say that, no matter when this plebiscite is taken, the overwhelming majority of those people will vote in favor of independence. They are not afraid to test the question out 10 or 12 years from now, not the slightest.

Mr. DILL. Does the Senator think it is fair to apply our tariffs in part, in a progressive ratio, and say to a new government, "You shall not have the right to put any tariffs in force against us"? Does the Senator think that is fair?

Mr. PITTMAN. No; it would be absolutely inhuman except for one thing, and whether the Senator remembers that one thing or not I do not know, namely, that that is not a tariff duty against them. They impose an import duty equal to the percentage of our tariff, and the money does not come to us but goes to pay off their own bonded indebtedness.

Mr. DILL. Then they do have a right to have a tariff. The Senator said they did not have that right.

Mr. PITTMAN. Not a tariff; it is not a tariff against us, but they impose an export tax equal to a percentage of our tariff, and the money does not go to us. It goes to the settlement of their bonded indebtedness, into a fund, and if we do not provide that fund, under the policy of the Senate committee, but pursue the practice now advocated, of allowing them to ship into this country their chief exports, to the full amount they are shipping now, for eight years, give them no warning, give them no training, and then in the ninth year cast them off and say, "You are independent. You are subject to all the tariff laws of this country; you have thrown back on you a surplus for which you have no market"—they will go bankrupt, there will be chaos there, and if we have any moral responsibility, our Government will have to go back and help them. That is the situation you are putting this thing in in your great ambition to carry out a platform pledge. In your effort to give them freedom you are willing to give them freedom at death. That is what you are willing to do.

Mr. DILL. Mr. President, I want to ask the Senator another question. Why must we wait to the end of the eighth year before we apply the collection proposition which the Senator says now is so necessary? Why must we wait eight years?

Mr. PITTMAN. We do not have to.

Mr. DILL. Why should we not begin after the constitution is adopted?

Mr. PITTMAN. We can.

Mr. DILL. Then why not do that?

Mr. PITTMAN. How can we, when we can not bring that question before the Senate, when the question is upon an amendment that is not subject to amendment?

Mr. DILL. The House bill could be amended.

Mr. PITTMAN. The House bill is not before the Senate.

Mr. BROUSSARD. If this motion is withdrawn, my amendment having been adopted, any Senator could propose an amendment to modify it.

Mr. PITTMAN. One can not propose an amendment that will change the result of it, because that in effect would be another vote on the same amendment.

Mr. BROUSSARD. As I stated to the committee yesterday morning, we could begin collecting the tax after the third year and have the same provision, that those funds, those taxes collected, shall be applied to the payment of the national debt.

Mr. PITTMAN. How can we vote on that?

Mr. BROUSSARD. Let us get through with it.

Mr. PITTMAN. How can we vote on that now that we have adopted an amendment cutting everything out of the Senate committee bill with regard to any tariff?

Mr. BROUSSARD. Can you not offer to amend the bill as amended?

Mr. PITTMAN. No; we can not offer to amend, because it would involve the same provision cut out.

Mr. BROUSSARD. I would like to submit that as a parliamentary inquiry.

Mr. PITTMAN. The Senator has had cut out of the bill every tariff provision. He has had cut out the provision for the export tax, the revenue from which would go into a fund to pay off the bonds. He has had that cut out of the bill by an affirmative vote, which carried in the Senate, and it can not be substituted for something so as to do the same thing over again. There is only one way to do it, and that is to reconsider the vote.

I suggest to the Senator that by unanimous consent we agree to resubmit this question to a vote, allow the amendment of the committee to be voted on, give us an opportunity to consider that, and allow a motion to be made by any Senator here that the day after the inauguration of the government the progressive tariff shall start.

Mr. BROUSSARD. Can not that be done?

Mr. PITTMAN. No; it can not be done under the parliamentary situation, or it would have been done.

Mr. DILL. It can be done by unanimous consent.

Mr. PITTMAN. It can be done by unanimous consent. I ask unanimous consent that the amendment lying on the desk, to be offered by the Senator from Missouri [Mr. HAWES] and the Senator from New Mexico [Mr. CUTTING] be in order to the bill as now amended.

Mr. BROUSSARD. I object.

Mr. PITTMAN. There you are!

Mr. DILL. This unanimous-consent request might be submitted, namely, that this amendment be amended by providing for a progressive arrangement of imports and exports.

Mr. PITTMAN. The trouble about you is that you will not submit it to this body to determine. You are willing to have a unanimous consent that suits your ideas, but possibly not somebody else's, and we have not been in a position where we could be by reason of the parliamentary situation.

I promise this, that if we reconsider the vote by which the Broussard amendment was agreed to, and then defeat it, and then defeat the amendment offered by the Senator from Missouri and the Senator from New Mexico, I will move to reconsider the vote and take that up again so that we can have both votes.

Mr. BROUSSARD. I want to ask the Senator a question, if he will permit me.

Mr. PITTMAN. Very well.

Mr. BROUSSARD. I wish merely to express my opinion. I have very little information on parliamentary law, but if this amendment becomes a part of this bill, would not an amendment proposing to begin to tax them after the third year progressively up to the eighth year be in order?

Mr. PITTMAN. It would not be in order, because it would be a reversal of the vote.

Mr. BROUSSARD. No; it would not be.

Mr. PITTMAN. It certainly would be. You can not do by indirection something you have already decided can not be done.

Mr. HAWES. Mr. President, I want to answer a question propounded by the Senator from Washington a few minutes ago. The plebiscite is a matter which stands all by itself and can be treated by the Senate in any way it desires. It may be included or omitted, as Senators deem proper. It is out of the House bill. But our difficulty arises from this—and I think the Senator was out of the Chamber when the matter was discussed—that the House bill contains a straight limitation. The Senate bill has both a limitation and a progressive tariff set-up.

The amendment of the Senator from Louisiana is a straight limitation for the same period of time as provided in the House bill, so it prevents absolutely the Senate conferees from doing anything but yielding to the House on his amendment. That is the difference. It is not as to the plebiscite. It is in the joint limitation and the tariff set-up.

Mr. DILL. Mr. President, I want to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Washington?

Mr. HAWES. I yield.

Mr. DILL. Both the Senator from Nevada [Mr. PITTMAN] and the Senator from Missouri have repeatedly said that it is impossible to amend the bill under the Broussard amendment to apply the tariff about which he talks. I find nothing in the amendment which it seems to me would justify that contention. The amendment simply provides that section 9 shall read that "On the 4th of July immediately following the expiration of the period of eight years," and so forth. There is nothing there forbidding a tariff to be applied. Why does the Senator say the parliamentary situation makes it impossible to apply his progressive rate of taxation or tariff under the 8-year period and makes it possible to do it under the 12-year period?

Mr. HAWES. I will try to answer the Senator. All of the members of the Committee on Territories and Insular Affairs are in agreement on the contention that if the Broussard amendment prevails we should adopt the House bill.

Mr. DILL. That is not answering the parliamentary question.

Mr. HAWES. I do not believe it can be done. It can be done on the floor of the Senate, but it can not be done in conference. Senators have been absent from the Chamber during the discussion of the bill. There are a number of amendments that have been debated and adopted and are now in the Senate bill, very desirable amendments, some of them suggested and submitted by the ex-ambassador to Japan and others. Now here we come with a matter that only indirectly concerns the plebiscite. It does affect the policy of the plebiscite in a way, but we contend that if the amendment of the Senator from Louisiana prevails, then in conference there will be nothing on that subject about which to confer.

Mr. DILL. The Senator from Missouri has just now stated the whole objection of himself and others who hold his view, namely, that if the amendment of the Senator from Louisiana remains there will be no possibility of a conference extending the period of independence beyond the eight years. That is the thing that worries the Senator and about which we are most concerned.

Mr. HAWES. I have tried to explain to the Senator. I have done it half a dozen times. It is not the matter of time. It is the theory of joint limitation and the tariff.

Mr. DILL. The Senator admitted a while ago that on the floor of the Senate we could amend the bill, and I do not know why we should not do so. I have had experience with this indefinite proposition of the independence of the Philippines to the point where, so far as I am concerned, I do not trust anybody unless he is bound by statute. I want to write into the law the definite period when our control will end. The Philippines would have been free long ago if it had not been for Democrats in another body, when the other bill was there, who refused to let us pass a bill which would have set a definite date for the beginning of independence. When the Senate has voted for a definite period to end our rule in the Philippines after they have adopted a constitution, it seems to me we have finally arrived at a place with the House of Representatives that we know independence is certain for the Philippines. Some of us at least are more concerned about that than we are about a lot of details. I believe that all of the talk about a tariff being applied before the eighth year can be worked out in this bill with this Broussard amendment without having to have a 12 or 14 year period.

I appeal to the Senator, if he wants to get legislation, to work on the theory that it is not necessary to keep the islands for half a generation and have a condition that will contribute to the plebiscite going against independence.

Mr. HAWES. What does the Senator mean by stating we are trying to hold the islands for half a century when we have just told the Senator there is a proposal here that we reduce the period of 15 years by at least 5 years?

Mr. DILL. Certainly; but the Senator knows that depends on the plebiscite.

Mr. HAWES. The Senator will find on his desk an amendment proposed by me to put the Filipinos in a position, if they want to, of levying export duties and putting a tariff on our goods, if they want to do that, too, to make up for the loss that will be occasioned by cutting down by one-half their present production of sugar. These things have all been gone into time and time again. We have spent three years in discussing them.

Mr. DILL. I appreciate the Senator's reminding me of what is on my desk. I have read the amendment. I want to say to the Senator that this legislation ought to be written with a view of actually bringing about independence. The thing so many of us object to about the plebiscite is that the conditions of the bill are such that it will encourage every kind of opposition in the Philippines to a plebiscite in favor of independence. Now that we are to levy our tariff against the Filipinos in an increasing ratio and make it

more and more burdensome for them, without any tax upon our imports into the Philippines to bring them revenue, the Senator gives an added reason why the feeling will probably run against the plebiscite.

Mr. TYDINGS. Mr. President——

Mr. ASHURST. Mr. President, I rise to a point of order. I ask that the Chair enforce the rule, which permits no Senator to speak more than twice on the same question. I ask for the enforcement of the rule.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. TYDINGS. Mr. President, with all due respect, may I say to the Senator that we are all trying to work for the same objective, the speediest possible granting of independence to the Philippines. As one of the members of the committee who sat through most of the hearings may I say that the committee tried to work out a bill with all of the factors considered giving the Filipinos their independence at the earliest possible moment. Only last night I was reading a letter of General Aguinaldo, the Filipino revolutionary leader and their idol, concerning some of the things that must be taken into consideration when the Philippines are granted their independence by this country. He dwelt at great length upon the economic factors.

May I say to the Senator from Washington [Mr. DILL] that in my judgment if we adopt a seven or eight years' straight limitation the Filipino people will not have sufficient time to work up such an economic set-up that when Filipino independence is granted to them it will permit them to carry on as a free and independent nation without grievous hardships.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. TYDINGS. Not now. Let me complete my statement first.

This whole matter has been misinterpreted. We are dealing not only with the question of independence, but we have written into the bill limitations upon Filipino trade with this country without giving them any counterright to limit importations from the United States coming into that country. As a matter of simple justice that alone is so outrageous that a man would be entitled to vote against the bill because it asks for himself in a bargain a privilege which he is not ready to give to the other party.

Mr. LONG. Mr. President, was not the Senator present when I suggested three days ago that we give them the same right?

Mr. TYDINGS. Nevertheless, they have no agent upon this floor. They have no representative here who can speak for them. With the blind lust of greed impelled by forces in this country who want to use the bill to further their own ends at the expense of the Filipino people, we have written into it provisions which are not fair and just to them without granting to them the same rights which we arrogate to ourselves. In view of the fact that we have done that, in view of the fact that we have voted such a provision into the bill without too serious a protest, is it too much to ask that they at least be given a decent opportunity and a reasonable length of time under progressive arrangements, or tariff arrangements as they are called, in which they can set up an independent government which will function and not bring economic chaos upon the new nation no sooner than it has started to work?

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield.

Mr. BROUSSARD. The Senator was on the committee and agreed with those who wrote the bill that there should be a step-up. My amendment does not do anything except to affect the time.

Mr. TYDINGS. Yes; but the Senator should be accurate. Another amendment which the Senator offered would cut down the amount of trade they should have with this country beyond the limit which they now enjoy without giving them any counterright to cut down our trade.

Mr. BROUSSARD. That has nothing to do with the question now before us.

Mr. TYDINGS. Oh, yes. We can not put a man in bondage and then give him a certain length of time to free himself without giving him some sort of an opportunity and some means to cut his bonds and thus free himself.

Mr. BROUSSARD. Why is it necessary to begin at 8 or 10 years to impose the taxes? Why may we not begin to impose the taxes after a period of three years, stepping it up, and dedicating those funds to payment of the Filipino bonds?

Mr. TYDINGS. In the Philippines to-day they have no insular service, they have no diplomatic service, they have no army, they have no navy. Their money affairs are audited by a representative of the United States. We have given them only the shell of local self-government without having visited upon them the functions and the rights which go with local self-government. Does anyone think that in a period of three years this nation can take over all their own affairs, have their trade representatives throughout the earth as we have, develop an army for their own defense, develop a navy for the defense of their coast when they shall have become independent? Shall we turn them loose within so many years when they will not have the opportunity to provide means to protect their independence and maintain their honor and dignity when that time has transpired?

Who wants to say that they can in eight years build a sufficient navy to protect their shores when they become independent? Who will say that within eight years they will be able to build an army to protect themselves in case their territory is invaded or their honor affected? Who wants to say that within the space of eight years they can put such trade representatives around the world as will permit them to find a market for their goods which now come to this country because we have forced upon them a free-trade basis?

Why, Mr. President, it is asinine to say that in seven or eight years the Philippines can assume all of the functions of an independent nation, because I have only mentioned a few, and there are myriad functions which they have never had to perform because we have performed those functions for the people of the Philippine Islands. What is the use of granting them independence if that independence is not strong enough to permit them to be the success which we say we want them to be? Should not we err upon the side of giving them too much time rather than to limit the time and bring down upon them the wreckage of their own government?

I am going to ask in all seriousness that Senators review the situation, consider the fact that not only will our tariff operate against the importation of Filipino goods after seven years under the Broussard amendment, but that overnight they are forced to find a market for their goods, most of which now come to this country, and which, after the 7-year period will be kept out of this country through tariff barriers. They have an army to provide; they have a navy to provide; they have a diplomatic and consular service to set up; they have to find means of taxation to support themselves and this new development which will be thrust overnight upon them. They have a new constitution to write. They have to shake down the new government and have it working smoothly. I say a period of seven years to set up their economic structure and get it working in all these ramifications and then a period of five years, with increasing tariff restrictions, is none too much for this nation, about whom there is so much question in the first place as to their ability to govern themselves. We say in one breath that they are not able to govern themselves and in the next breath we force them to govern themselves in seven years from this good hour. It is absolutely preposterous, it is utterly inconsistent to question their ability to govern themselves and then force self-government upon them in no time at all.

I venture to predict that if this 7-year period be adopted, there are many Senators who are now Members of this body

who within the next seven years will rue the day when they forced the Philippine government to take over all the functions which we now perform for it, to make itself economically sufficient and sufficiently strong to defend itself against outside attack, all within the period of eight years. It takes three years in our own country to construct a battleship.

May I point out that the Philippines have a larger population than have most of the countries of South America, except Brazil, which has a population of about 40,000,000? There are only about 10,000,000 people living in the Argentine; there are only about four or five million living in Bolivia, Peru, and Chile. Here is a nation of 13,000,000 people, with no army, with no navy, with no trade representatives around the world, with no fiscal system calculated to support and sustain all the governmental activities which we have been performing for them. It is said that within seven years they can do all this. This nation which but a few days ago it was stated was not capable of local self-government at all overnight becomes able to do things which we in our own country could not do any too well within that space of time.

I beg Senators to go back over this situation; to consider what is at stake. There may be trouble in the Orient, because the new Philippine nation will not have time forsooth to set up such military and naval establishments and such trade contacts as we want set up before we turn them loose. This proposition is too far-reaching in its ultimate ramifications to be decided in a few moments. The fate of the world may be wrapped up—world peace in the East may be wrapped up—in this bill. So I hope that the motion of the Senator from South Dakota [Mr. BULOW] to reconsider may be adopted and that we may then vote down the Broussard amendment, give these people sufficient time within which to set up a government that will last, and not have the problem dumped back again in our laps before the 7-year period is up, with all the incalculable harm which will be done in the meantime by too hasty and inconsiderate thought about the welfare not only of ourselves but of the 13,000,000 people who have no representatives in this body, but who are, nevertheless, entitled to fair play at our hands.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Dakota [Mr. BULOW].

Mr. DILL. I call for the yeas and nays.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Johnson	Robinson, Ind.
Austin	Dale	Kendrick	Schall
Bailey	Davis	Keyes	Schuyler
Bankhead	Dickinson	King	Shipstead
Barkley	Dill	La Follette	Shortridge
Bingham	Fess	Logan	Smoot
Black	Frazier	Long	Steiwer
Blaine	George	McGill	Swanson
Borah	Glass	McKellar	Thomas, Okla.
Broussard	Glenn	McNary	Townsend
Bulkley	Goldsborough	Metcalf	Trammell
Bulow	Gore	Moses	Tydings
Byrnes	Grammer	Neely	Vandenberg
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walsh, Mass.
Cohen	Hatfield	Patterson	Walsh, Mont.
Coolidge	Hawes	Pittman	Watson
Copeland	Hayden	Reed	White
Costigan	Howell	Reynolds	
Couzens	Hull	Robinson, Ark.	

Mr. ROBINSON of Arkansas. I desire to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are necessarily absent in attendance upon the funeral of the late Representative Garrett, of Texas.

The PRESIDENT pro tempore. Eighty-two Senators having answered to their names, a quorum is present. The question is upon agreeing to——

Mr. LONG. Mr. President, in view of the statement which has just been made by the Senator from Maryland [Mr. TYDINGS], which I think was absolutely justified, that this bill fails to provide a method by which the Filipinos can tear down tariff walls while we are constantly raising them against them, and in view of the peculiar snarl we find ourselves in with regard to the plebiscite and the time limit, and the desire that many of us here have to put this bill in such shape that it may be passed, I think we should give the committee and some others of us an opportunity to discuss the measure more calmly. I therefore move that the Senate take a recess until to-morrow morning at 12 o'clock.

The PRESIDENT pro tempore. That being a privileged motion, the question is on agreeing to the motion proposed by the Senator from Louisiana.

Mr. REED. Mr. President, what is the motion?

The PRESIDENT pro tempore. The Senator from Louisiana has moved that the Senate take a recess until 12 o'clock to-morrow.

Mr. SHORTRIDGE. Mr. President, one moment.

The PRESIDENT pro tempore. The motion is not debatable.

Mr. SHORTRIDGE. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from California will state his parliamentary inquiry.

Mr. SHORTRIDGE. Is it permissible for me to request the Senator to give his reason for the motion?

The PRESIDENT pro tempore. Debate is not in order upon such a motion. The question is on agreeing to the motion of the Senator from Louisiana that the Senate take a recess until to-morrow at 12 o'clock.

The motion was rejected.

Mr. LONG. Mr. President, I think it would be very disastrous to vote on the pending question and create further confusion in this Chamber this evening. I myself am not prepared to vote on it. After hearing the speech of the Senator from Maryland [Mr. TYDINGS], who spoke for almost an hour, many new matters came to my mind. I am not prepared to vote on the question to-night. I think it would be most unfortunate if the Senate, after having listened to a very lusty argument for three days and having expressed itself, should now in this hasty manner vote on the pending motion and not take time for further study of the many new matters that have been injected for consideration. It would be the height of folly to undertake to thresh them out here on the floor of the Senate. It is a very serious matter whether we are going to tear down the tariff walls or raise them again; whether there shall or shall not be a plebiscite; and whether the plebiscite shall be held at the end of the waiting period or before the waiting period. We might as well realize, with the Senate divided 50-50, with the House bill different in its philosophy, that it is going to be impossible to work this bill out here on the floor of the Senate this afternoon.

I do not say that we should recommit the bill. The Senate committee, however, changed its mind within five hours last night. How do we know but that it might change its mind in two or three hours more to-night on this matter? To some extent the Senate committee last night changed its mind as to when the plebiscite should be held. I think we ought to give the Senate committee another night, and I am going to see that the Senate committee shall have another night to go over this bill.

Mr. President, if I should speak beyond the time I intend to occupy the floor, and some other Senator should feel inclined to ask me to yield in order to move a recess until to-morrow, I would certainly yield and not undertake to impose myself further on the Senate.

STUDY OF BATTLEFIELDS IN THE UNITED STATES FOR COMMEMORATIVE PURPOSES (S. DOC. NO. 151)

Mr. REED. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. REED. Since the Senator does not seem to be averse to the consumption of a little time, I thought he might allow me to consume a moment or two in making a request.

Mr. LONG. Yes, sir.

Mr. REED. Mr. President, it has been the custom of the Senate to print as a Senate document all reports which have been submitted to the Congress by the Secretary of War during the progress of the study being made of our

battlefields. I have such a report, which was just received from the President and has been referred to the Military Affairs Committee, and in accordance with the usual practice I ask that it may be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, that order will be entered.

CLOSING OF BARBER SHOPS ONE DAY IN SEVEN

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 4023) providing for the closing of barber shops one day in every seven in the District of Columbia, which was, on page 2, line 12, to strike out "empower" and insert "empowered."

Mr. CAPPER. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

AMENDMENT OF DISTRICT TRAFFIC ACTS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 4123) to amend the District of Columbia traffic acts, as amended, which was, on page 1, line 10, after the word "Representatives," to insert "the Parliamentarian of the House of Representatives."

Mr. CAPPER. I move that the Senate concur in the amendment of the House.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kansas.

The motion was agreed to.

INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from New York?

Mr. LONG. Yes, sir; I yield.

Mr. COPELAND. I send to the desk a joint resolution and ask that it be read, and then I desire to say something about it.

The PRESIDENT pro tempore. Without objection, the joint resolution will be read for the information of the Senate.

The joint resolution (S. J. Res. 217) authorizing the President to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States was read twice by its title.

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from New York?

Mr. LONG. Yes; I yield further.

Mr. COPELAND. This organization, the military surgeons, will meet in Madrid in January. It has met in Brussels, Rome, Paris, Warsaw, London, and The Hague, and the organization now desires to come to the United States. I have spoken to the Senator from Idaho [Mr. BORAH], and he sees no objection to the immediate passage of this joint resolution without reference to a committee. It is simply an invitation. It costs nothing, and I think it would be a very gracious thing if we could accede to the wish of the military surgeons.

Mr. KING. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. The Chair understood the Senator from New York to have asked unanimous consent for the immediate consideration of the joint resolution.

Mr. WALSH of Montana. I object, Mr. President, and demand the regular order.

The PRESIDENT pro tempore. Objection is made. The regular order is that the Senator from Louisiana has the floor, and the joint resolution of the Senator from New York will lie on the table.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. TYDINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. I do.

Mr. TYDINGS. I should like to point out to the Senator from Louisiana that what he really wants to accomplish is a vote upon the matter to-morrow, when the committee has had more chance to consider it than it appears to have had up to the present time. May I suggest to the Senator from Louisiana that if he will let the pending motion be voted upon, then there would be offered an amendment which would fix the time limit at 7 years, 5 years, and 1 year. If that amendment is pending before the Senate, as I understand, it would be in order to strike out the word "seven" and insert the word "four," or to strike out the word "five" and insert the word "three"; and with the Hawes-Cutting amendment before the Senate, if the Senate saw fit to compress the time, they could do it without destroying the philosophy of the bill.

Mr. LONG. We may reach that view, but at this time the opponents of it have the upper hand. Some of our men have gone. They will outvote us this evening. They can not outvote us to-morrow morning.

Mr. BULKLEY. Mr. President——

The PRESIDENT pro tempore. Meantime, may the Chair inquire of the Senator from Louisiana if he yields to the Senator from Ohio?

Mr. LONG. Yes; I will yield to the Senator, but the regular order has been demanded, and I do not want to lose the floor. I ask the Chair to keep the Senator within the rules.

The PRESIDENT pro tempore. The Chair will protect the rights of the Senator from Louisiana.

Mr. BULKLEY. If the Senator from Louisiana can not yield to me to make a few remarks on another subject, I suggest to him that he yield the floor, and then I shall be glad to ask for recognition to make those remarks on the other subject.

The PRESIDENT pro tempore. That requires some cooperation from the Chair.

Mr. LONG. Yes, sir. I do not know the Chair's mind. The Chair has already advised me once that he would protect my rights, and I do not want to depend upon further advice.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. Yes, sir; I yield to the Senator from Idaho.

Mr. BORAH. Does the Senator from Louisiana intend to permit a vote between now and the time of recessing?

Mr. LONG. No, sir; I do not. I should like to have the Senate take a recess until 12 o'clock to-morrow.

The PRESIDENT pro tempore. The Senator from Louisiana has the floor.

Mr. LONG. I now suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Johnson	Robinson, Ind.
Austin	Dale	Kendrick	Schall
Bailey	Davis	Keyes	Schuyler
Bankhead	Dickinson	King	Shipstead
Barkley	Dill	La Follette	Shortridge
Bingham	Fess	Logan	Smoot
Black	Frazier	Long	Steiwer
Blaine	George	McGill	Swanson
Borah	Glass	McKellar	Thomas, Okla.
Broussard	Glenn	McNary	Townsend
Bulkley	Goldsborough	Metcalf	Trammell
Bulow	Gore	Moses	Tydings
Byrnes	Grammer	Neely	Vandenberg
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Oddie	Walsh, Mass.
Cohen	Hatfield	Patterson	Walsh, Mont.
Coolidge	Hawes	Pittman	Watson
Copeland	Hayden	Reed	White
Costigan	Howell	Reynolds	
Couzens	Hull	Robinson, Ark.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained in attendance on the funeral of the late Representative Garrett.

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. A quorum is present. The Senator from Louisiana has the floor.

RECESS

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. LONG. Yes.

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Thursday, December 15, 1932, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate December 14 (legislative day of December 8), 1932

SECRETARY OF COMMERCE

Roy D. Chapin, of Michigan, to be Secretary of Commerce, to which office he was appointed during the last recess of the Senate, vice Robert P. Lamont, resigned.

CONFIRMATION

Executive nomination confirmed by the Senate December 14 (legislative day of December 8), 1932

SECRETARY OF COMMERCE

Roy D. Chapin to be Secretary of Commerce.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 14, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God, because Thou art above all, because Thou art love, because Thou art near, we humbly wait upon Thy holy will. Wilt Thou be pleased to give wisdom, understanding, and godly strength to all who seek them? We pray for Thy richest blessing upon all lawful and patriotic agencies that make for righteousness, that take up the causes of the poor and lowly. Help all those who are seeking a way of comfort and happiness for those who deserve emancipation from the ills of poverty. Almighty God, our peace is touched with pain to-day. Another loyal servant of the Republic has left us. The solemn pace moves on unaffrighted to the welcome land, where summer sings and never dies. Holy Comforter, hover near, hover gently to those whose lives He guarded and whose hearts He blest. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On July 11, 1932:

H. R. 10600. An act to exempt from the quota husbands of American citizens.

On December 13, 1932:

H. R. 1778. An act for the relief of John S. Shaw; and

H. J. Res. 503. Joint resolution authorizing the payment of December salaries of officers and employees of the Senate and House of Representatives, Capitol, police, etc., on the 20th day of that month.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following resolution:

Senate Resolution 304

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. DANIEL E. GARRETT, late a Representative from the State of Texas.

Resolved, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the secretary communicate these resolutions to the House of Representatives, and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 12 o'clock meridian to-morrow.

The message also announced that pursuant to the foregoing resolutions the Vice President had appointed Mr. SHEPPARD, Mr. CONNALLY, Mr. FRAZIER, Mr. SHIPSTEAD, Mr. BRATTON, Mr. SCHALL, Mr. BARKLEY, Mr. COHEN, and Mr. REYNOLDS members of the committee on the part of the Senate to attend the funeral of the deceased Representative.

IDE EARLY

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask its immediate consideration.

The Clerk read as follows:

House Resolution 313

Resolved, That there shall be paid out of the contingent fund of the House to Ide Early, son of William Early, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding $250, to defray funeral expenses of the said William Early.

The resolution was agreed to.

ROANOKE COLONY COMMISSION

Mr. WARREN. Mr. Speaker, I offer a concurrent resolution and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 42

Resolved by the House of Representatives (the Senate concurring), That section 6 of the House Concurrent Resolution establishing the United States Roanoke Colony Commission, Seventy-second Congress, be, and the same is hereby, amended to read as follows:

"SEC. 6. That the commission shall, on or before the 15th day of January, 1933, make a report to the Congress in order that enabling legislation may be enacted."

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to ask the gentleman why there is need of this extension?

Mr. WARREN. It has been impossible to hold a full meeting of the commission during the short time we have been here. The report is now in process of being prepared, and will be prepared probably in about a week.

Mr. SNELL. And there is no extra expense involved, or anything except the inability of getting the committee together?

Mr. WARREN. Nor has the commission itself spent over $200.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The concurrent resolution was agreed to.

PUBLIC HEALTH

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent that a letter from the Secretary of the Treasury, transmitting a report from the Surgeon General of the United States Public Health Service, submitted in accordance with Public Resolution No. 38, Seventy-second Congress, authorizing a survey to be made as to the existing



facilities for the protection of the public health in the care and treatment of leprous persons in the Territory of Hawaii (H. Doc. No. 470), be rereferred from the Committee on Interstate and Foreign Commerce to the Committee on Territories.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13520, with Mr. McMILLAN in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Vaults and safes: For vaults and lock-box equipments and repairs thereto in all completed and occupied public buildings under the control of the Treasury Department, and for the necessary safe equipments and repairs thereto in all public buildings under the control of the Treasury Department, whether completed and occupied or in course of construction, exclusive of personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of $50 at any one building, $490,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I assume that the rather large increases of appropriation as carried in this item and in the one preceding, the amount in this item being an increase of $340,000, are occasioned by the great number of new buildings that are now in course of construction.

Mr. BYRNS. The gentleman is correct. They estimate there will be 358 new buildings put into operation next year, and, of course, this will require additional expenditure.

The gentleman will notice that the personal-service item is limited to $100, as in the current bill.

Mr. STAFFORD. That is, not more than $100 for each project?

Mr. BYRNS. Yes.

The Clerk read as follows:

General expenses: To enable the Secretary of the Treasury to execute and give effect to the provisions of section 6 of the act of May 30, 1908 (U. S. C., title 31, sec. 683): For salaries of architectural, engineering, and technical personnel and inspectors in the District of Columbia and elsewhere, not otherwise provided for, not exceeding $2,521,225; expenses of superintendence, including expenses of all inspectors and other officers and employees, on duty or detailed in connection with work on public buildings and the furnishing and equipment thereof, and the work of the Supervising Architect's Office, under orders from the Treasury Department; for the transportation of household goods, incident to change of headquarters of district engineers, construction engineers, inspection engineers, and inspectors, not in excess of 5,000 pounds at any one time, together with the necessary expense incident to packing and draying the same, not to exceed in any one year a total expenditure of $10,000; office rent and expenses of field force, including temporary, stenographic and other assistance, in the preparation of reports and the care of public property, and so forth, advertising, office supplies, including drafting materials, especially prepared paper, typewriting machines, adding machines, and other mechanical labor-saving devices, and exchange of same; furniture, carpets, electric-light fixtures, and office equipment; telegraph and telephone service; freight, expressage, and postage incident to shipments of drawings, furniture, and supplies for the field forces, testing instruments, and so forth, including articles and supplies not usually payable from other appropriations: *Provided*, That no expenditures shall be made hereunder for transportation of operating supplies for public buildings; not to exceed $1,000 for books of reference, law books, technical periodicals and journals; not to exceed $72,000 for the rental of additional quarters in the District of Columbia for the Office of the Supervising Architect and incidental expenses in connection with the occupancy of such quarters; ground rent at Salamanca, N. Y., for which payment may be made in advance; contingencies of every kind and description, traveling expenses of site agents, and of employees directed by the Secretary of the Treasury to attend meetings of technical and professional societies in connection with the work of the Office of the Supervising Architect, recording deeds and other evidences of title, photographic instruments, chemicals, plates, and photographic materials, and such other articles and supplies and such minor and incidental expenses not enumerated, connected solely with work on public buildings, the acquisition of sites, and the administrative work connected with the annual appropriations under the Supervising Architect's Office as the Secretary of the Treasury may deem necessary and specially order or approve, but not including heat, light, janitor service, awnings, curtains, or any expenses for the general maintenance of the Treasury Building, or surveys, plaster models, progress photographs, test-pit borings, or mill and shop inspections, $3,043,525, of which amount not to exceed $1,283,000 may be expended for personal services in the District of Columbia.

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 40, line 13, after the word "journals," strike out "not to exceed $72,000 for the rental of additional quarters in the District of Columbia for the Office of Supervising Architect and incidental expenses in connection with the occupancy of such quarters."

Mr. RICH. Mr. Chairman, I note this statement in the hearings before the committee:

The principal item of increase occurs under the appropriation for the Office of the Supervising Architect, due to the additional personnel required in connection with the public-building program and the necessary expenses incident to the operation and upkeep of a largely increased number of Federal buildings.

This is taken from the hearings before the subcommittee of the House Committee on Appropriations. The report of the committee contains this statement:

No increases are proposed over any of the amounts of the Budget estimated for the Treasury Department aside from increases made necessary on account of cadets of the Coast Guard Academy, the public-building construction program and the occupancy of new Federal post offices, marine hospitals, and other new governmental buildings. There is no additional personnel provided above that carried in the 1933 appropriations.

At the hearings of the Shannon investigating committee at South Bend, Ind., we had before us the architects' organization of the State of Indiana. They submitted to us their objection to the Government's going into the architectural business on a larger scale. The Indiana Society of Architects and the Indiana Chapter of A. I. A. submitted a statement to the committee and gave as their reason for opposing the Government's intruding upon their business the fact that they have to-day their offices, their equipment, and are able and capable of doing the work under the Supervising Architect of the Government, and state that they will do the work as cheaply as it can be done by the Federal Government, and that they are only asking for an opportunity to get some of the work which now seems to be contemplated because the Supervising Architect is spending $72,000 for additional quarters in order that they might increase this branch of the Federal Government.

The Indiana architects state that they do not want this interference by the Government for these reasons:

First, the architects can develop the Government-building program for Indiana as expeditiously and as economically as the office of the Treasury Department, and they go on at length to show us why this can be accomplished.

Their second reason is that the Office of the Supervising Architect, in accepting complete architectural service, has taken from the local architects a problem which normally and logically belongs to them to solve.

Third, the present system tends to rob the community of its chance to point with pride to an architectural expression of its own life.

We not only have had architects from the State of Indiana appearing before our committee, but we have had architects from various parts of the country appear before us.

Mr. Chairman, we are objecting to the encroachment by the Government on the fundamental rights of the individual citizens, and in this bill to-day we are giving the Office of the Supervising Architect an opportunity to go ahead and spend $72,000 for additional quarters, and after he gets this space, under the provisions of this bill, they will then go

out and hire additional architects and draftsmen. Why not give the architects in the local communities the opportunity and the privilege of doing this work at no greater expense to the Federal Government?

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Why not give these architects who are interested in their localities the privilege of doing something for their local communities and doing something for the Government that would be an honor and a pleasure to them, as well as a monument to the individual architect and his profession.

Also, they are capable, and under the direction of the Supervising Architect, of doing a job for the community that will be equally as good as one that could be done on the trestle board in the Supervising Architect's Office here in Washington.

Mr. ARNOLD. Will the gentleman yield?

Mr. RICH. I will.

Mr. ARNOLD. I apprehend the gentleman has testimony from one side only. From the information we get, there is a great saving to the Treasury by having these plans and specifications drawn by a regular corps of architects. Does the gentleman think that we are justified in spending hundreds of thousands of dollars additional to employ outside architects when the work can be done in the Treasury Department itself at a great saving of money?

Mr. RICH. I am for Government economy from top to bottom, but when these architects say they will do the work for the Treasury Department just as cheap, why increase this appropriation? There are in the State of Indiana 58 projects and only five have been given to local architects, the balance has been done by the Treasury Department in Washington.

Now, the department says it wants to spend $72,000 for additional quarters. If you give $72,000 for additional quarters you will have a dozen more architects and draftsmen. We want to stop that, we want to stop further encroachment on the rights of private citizens. Let us stop the Government from further encroachment on the business of private citizens.

Mr. ARNOLD. Will the gentleman yield?

Mr. RICH. I yield.

Mr. ARNOLD. We are appropriating something like two million dollars for outside architects, for the reason that the work can not be done in the department. If it can be shown that it is much cheaper for the department to do it, is not it an unwise policy, from a financial standpoint, to do away with the architect's office and put the work under outside architects?

Mr. RICH. As I have said, I am for Government economy from top to bottom. But these American architects say they will do the work as cheap as it can be done in the department. You set the price for them, and they will do it as cheap as the Government can do it, and why not give them the job and stop this everlasting increase in the size of bureaus, because after you organize and employ more architects you are going to have a hard time to get rid of them.

Mr. ARNOLD. I suggest to the gentleman that before he reaches a conclusion on this matter he get the other side of the picture, and not reach a conclusion from ex parte evidence, as he has related.

Mr. SHANNON. Will the gentleman yield?

Mr. RICH. I yield.

Mr. SHANNON. Is not this the argument that has always been used by the department? "Efficiency." How that word is abused by these bureaus. Everything with them is economy and efficiency, in order to give them more power.

Mr. BYRNS. I fear that my friend from Pennsylvania has fallen into the error mentioned by the gentleman from Illinois [Mr. ARNOLD] of listening to only one side of the proposition and not getting information from the other side. If he had consulted the other side, perhaps he would not have offered this amendment.

Here is the situation: In the first place this particular provision in the bill has been carried for several years. We heard no objection on the part of the gentleman last year or the year before. It is put in simply on account of the extra work required in the Supervising Architect's Office on account of the large construction program.

As the gentleman from Illinois said, we have adopted the policy of calling in outside architects for large buildings, and in some cases for smaller buildings, where the work is congested and they are unable to get the work done promptly in the Supervising Architect's Office.

But Congress, when it provided for several hundred additional buildings, provided for additional force in the Supervising Architect's Office, to enable him to get his plans and specifications out within a reasonable time.

To do that it was necessary to provide for additional space, and this simply gives in the District of Columbia the right to acquire further additional space than that which he now has. That additional space is necessary for an additional force to complete these buildings within a reasonable time.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SHANNON. Will the gentleman tell the body how many architects are employed down here in the Supervising Architect's Office?

Mr. BYRNS. I can not tell the gentleman from memory.

Mr. SHANNON. Oh, surely the gentleman knows that.

Mr. BYRNS. The hearings show it.

Mr. SHANNON. Why, the gentleman has heard only the other side. Is it true that there are 700 architects employed doing this supervising work in the city of Washington?

Mr. BYRNS. We have had the architects before us.

Mr. SHANNON. The gentleman has not answered my question.

Mr. BYRNS. I just told the gentleman if he would consult the hearings, he would find the number.

Mr. SHANNON. Oh, the gentleman ought to know. The gentleman hears these things daily.

Mr. BYRNS. Does the gentleman know how much we spent last year for architects?

Mr. SHANNON. No.

Mr. BYRNS. The gentleman has made an investigation, and he ought to know.

Mr. SHANNON. I am not an expert; the gentleman is an expert; he is the one who is coming in and recommending these things.

Mr. BYRNS. The mere fact that my friend is unable to tell that is an indication, of course, and a justification for my not answering some particular question that he springs suddenly. Last year we spent $2,400,000 for outside architects. This bill carries $1,900,000 for outside architects. The Supervising Architect tells me, and Assistant Secretary Heath says, it is the policy to employ these architects on the larger buildings, as I stated a while ago; and then, when there is a congestion and they are unable to proceed promptly with the smaller buildings, it is the policy to employ them on some of the smaller buildings. I have this idea in mind from the standpoint of economy, and I have never been able to understand why, whenever we have a building that is to cost $100,000 or $250,000, we have to go to work and have separate sets of plans and specifications drawn for it.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. Why should we not adopt a policy, if we have a $250,000 building in Pennsylvania, of putting up exactly the same sort of building in the State of my friend from Missouri [Mr. SHANNON]? I can quite understand why

ladies do not like to have their dresses cut alike, but certainly the Government can not take the position that it must put up a different character of building for the same amount of money when the building is to be used for the same purpose as some other building of the same size, and I think that the Supervising Architect could save more money than he is saving now if he would standardize these buildings and save some of these architectural fees.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COCHRAN of Missouri. The hearings before the committee of which I am a member disclosed the fact that the architects of the country are absolutely opposed to what the gentleman is talking about; that is, uniform buildings. I am in favor of uniform buildings even up to $300,000.

Mr. BYRNS. I am in accord with the gentleman from Missouri. These architects are given 4.8 per cent commission upon the cost of the building. The gentleman from Pennsylvania [Mr. RICH] says that they are willing to do the work and do it cheaply. There is not an architect in this country whom you can employ on these public buildings for less than 4.8 per cent commission, and why? Because the American Institute of Architects fixes the fees, and there is not an architect who would dare to do it for less than the amount fixed by that institute, and that does not include anything more than the drawing of plans and specifications. They do not supervise the construction of the buildings or have anything to do with the supervision of construction. You give them 4.8 per cent for drawing the plans and specifications, and then it is necessary for the Government to put its own inspectors on the job in order to see that contractors comply with those plans and specifications. Take a building of $500,000. Four and eight-tenths per cent on that is about $25,000. For what purpose is it paid? Simply for drawing the plans and specifications, and no more. Talk to me about economy? There is no economy in that sort of a proposition. I am in favor of these architects having an opportunity on these larger and more monumental buildings, and that is what we are doing in this bill, because, as I told you, we carry $1,900,000 for outside professional services, and last year it amounted to $2,400,000. It seems to me that the architects of the country have nothing to complain of. If the Government, in the construction of these smaller buildings, which should be uniform and standardized, proposes to employ through the civil service men who are trained in architecture and put them to work down here in drawing these plans and specifications, does the gentleman contend that is not the proper thing to do from the standpoint of economy? If my good friend will study both sides of this proposition, he will find that there is no economy in his amendment.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. RICH. What does it cost the Government in percentage for the work done by the Supervising Architect's Office at the present time?

Mr. BYRNS. I have never figured that out; but it is nothing like the 4.8 per cent commission on the same class of work.

Mr. RICH. I have made the statement here that I want the work done as cheaply as possible. These men have said that they would do the work as cheaply as the Government could do it. Why not give them an opportunity to go out and make a living? They have their trestle boards in every city in the United States. Does the gentleman not believe that they would be more interested in giving each community something that is going to be a monument to themselves; something that is going to be of benefit to the community?

Mr. BYRNS. Does the gentleman know of any architect that would take the contract for less than 4.8 per cent just to draw the plans and specifications?

Mr. RICH. Why not adopt your stock plan for these buildings?

Mr. BYRNS. Is it not true that the American Institute of Architects fixes the fees for architects?

Mr. RICH. I could not tell the gentleman.

Mr. BYRNS. The gentleman ought to know that; he has investigated the matter. I say to the gentleman that is true. They do fix the fees, and he can not get that work done for less than 4.8 per cent commission.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. TABER. Is it not a fact that these architects get on the Federal pay roll and that they stay there and that it is absolutely impossible to get them off, and that instead of standardizing the plans they just go on and try to hold everybody in? Is not that about the picture?

Mr. BYRNS. No; I do not think that is the picture because this is temporary. It is a provision that was never carried until Congress set out on this very large building program.

This was made necessary because the ordinary force of the Supervising Architect was not large enough to get out the plans and specifications and put up the buildings in the time that Congress and the country expected. If we had not given them this force, they would not be anywhere near completing that program. Of course, that was not what the country expected, and it was not what the Congress expected. This was the only way it could be done. When we give him an extra force, we must give him the space in the city of Washington where they can work. This simply gives him $72,000 with which to acquire sufficient space, if that is necessary, for these temporary employees. There is not any question, when it comes to the standpoint of economy, as to the merits of this proposition.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word.

Mr. BYRNS. Will the gentleman yield to me for just a minute?

Mr. LAGUARDIA. I yield.

Mr. BYRNS. I want to give some information to the gentleman from Missouri. There are about 400 technical employees here in the District of Columbia who are looking after this work.

Mr. LAGUARDIA. Mr. Chairman, I do not desire to enter into any controversy between the gentleman from Pennsylvania [Mr. RICH] and the gentleman from Tennessee [Mr. BYRNS]; but I believe that something ought to be said to offset the impression which the distinguished chairman of the Committee on Appropriations may unintentionally have left, and that is on the question of the architect's fee. Four and eight-tenths per cent is not an unreasonable fee. The architect's work does not consist of simply making a sketch of the building. He must prepare his diagrams, and he must prepare his plans, and his detail plans. For a $500,000 building, which the gentleman took as an example, he requires quite a force of architects and draftsmen to work out and prepare the detail plans. The detail plans for a $500,000 building would require several hundred different blue prints. It requires a trained personnel of draftsmen and architects to do that work, so that a fee of $20,000 would not go to the head architect at all, but his expense in making these plans would be very nearly as much, and, in fact, in some instances, more than the 4.8 per cent.

I want to take this attitude: That having stood on the floor of the House in defense of workers who work with their hands, I say that people who work with their brains and also produce ought to be equally defended, and that is the stand I take. I do not believe this House wants to go on record as criticizing the Society of Architects, which fixed these fees; they are reasonable. Any man who has had experience with building knows they are reasonable. I have had experience in building in connection with city government, as well as in connection with Congress and as a member of the Committees on Military Affairs and Public Buildings and Grounds, and professionally. If the gentleman will take the costs of construction right in our own departments of the Government, the gentleman will

find, when he takes everything into consideration, including rent, overhead, clerical force, and the whole office, together with the technical and professional help necessary, that 4.8 per cent is a very reasonable fee.

Mr. BYRNS. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. BYRNS. I was not criticizing the amount of the fee. I was simply stating what it was, and undertaking to answer the gentleman from Pennsylvania when the gentleman said it was cheaper to get outside architects on all of these buildings than it was to have the Supervising Architect here do the work. I make no question about the amount of the fee.

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Chairman, the chairman of the Committee on Appropriations made the statement that this amount was for quarters that had already been secured. The section of the bill to which I refer reads " not to exceed $72,000 for the rent of additional quarters."

I do not object to the things they have already established because of this building program, but I say it is wrong for us to allow them to increase office space beyond the extent they already have. I say we are wrong in allowing these various departments to make their organizations larger and larger. As has been said by some members of the committee, we will never be able to get rid of these employees, and I say it is time to stop now.

Mr. BYRNS. Will the gentlemen yield?

Mr. RICH. I yield.

Mr. BYRNS. The gentleman refers to this as " additional quarters." These are not additional quarters.

Mr. RICH. It so states in the bill.

Mr. BYRNS. But it is the same language that was used in the bill last year. It is in addition to the regular quarters in the Treasury Building. They have had those quarters for several years, and this gives them the right to continue for 1934. It is not for additional quarters.

Mr. STAFFORD. Will the gentleman yield?

Mr. RICH. I yield.

Mr. STAFFORD. Will the chairman of the Committee on Appropriations explain the need of increasing the amount over that carried in the present appropriation bill from $52,000 to $72,000?

Mr. BYRNS. That was for the reason that Congress, at the last session, appropriated $100,000,000 by way of an emergency relief measure, and 410 projects are now under consideration and being prepared for construction, and therefore it is necessary to have this slightly increased force, if these buildings are to be constructed without unnecessary delay.

Mr. RICH. Last year we appropriated $52,000 for this purpose. Now it is being increased to $72,000.

Mr. BYRNS. I just tried to explain to the gentleman from Wisconsin [Mr. STAFFORD] that at the last session of Congress $100,000,000 was appropriated in addition to the regular building program, as a relief measure, and there is now under consideration the building of 410 projects. The plans and specifications have not yet been drawn. Some of them are in the course of preparation and it is necessary to add $20,000 to enable the Supervising Architect to put those plans into execution in order that we may have them built.

Mr. RICH. The Shannon investigating committee wants the House to know that we are going to oppose this increased expenditure in business on the part of the Government, and we are not here to try to get the Government to expend additional amounts of money. We want the departments of Government operated as economically as possible, and we believe this is a detriment to the welfare of this country by increasing the size of the Supervising Architect's Office.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania. I want to call attention to a paragraph in the hearings, which I think may conduce to the peace of mind of the gentleman from Pennsylvania. In the hearings Governor THATCHER asked Mr. Martin, of the Supervising Architect's Office:

To what extent are you employing outside architects in dealing with relief projects?

And his answer was:

I should say that practically all the large projects will be given to outside architects.

This refers to all of the large projects of the new relief program, which, as all of us know, is a very extensive program.

I merely cite this evidence as showing that there is to be very considerable employment given to the outside architects under the existing Elliot Act.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BLACK. Mr. Chairman, I rise in favor of the amendment.

This new construction program was not an economy measure. If we were thinking of economy at the time, we would have had no construction program. The construction program was an unemployment-relief program. Let not economy stifle relief.

The architect has been one of the leading figures in the whole history of construction. We do not want the architect to be the forgotten man in the relief program. We do not want the relief program to benefit only labor, machinery, and the contractor, but, through the local architect, the relief program can benefit all the white-collared workers associated with the local architects throughout the country.

Were we going to economize on this thing, why not get up a construction gang in the War Department and send this construction gang throughout the country to build these various enterprises? Relief is the only need for this building program, unemployment relief. Economy is not and was not back of the building program.

The evil that we have been aiming at here for years, not very successfully, is the extension of bureaucracy. We have had enough bureaucracy in this country. We do not want bureaucracy to entirely dominate the relief program. We want relief, as far as possible, to be distributed locally. We do not want all of the money for relief to be spent in Washington, D. C., on bureaucracy. [Applause.]

Now, I think it is time Congress got over this very narrow-minded view it has of economy and began to think of the needs of the unemployed of this country, and God knows it is seldom we get a chance to help the white-collar unemployed. I think this amendment affords a splendid opportunity in this direction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 43, noes 40.

Mr. BYRNS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. RICH and Mr. BYRNS.

The committee again divided; and the tellers reported that there were—ayes 46, noes 73.

So the amendment was rejected.

The Clerk read as follows:

PUBLIC BUILDINGS, OPERATING EXPENSES

Operating force: For such personal services as the Secretary of the Treasury may deem necessary in connection with the care, maintenance, and repair of all public buildings under the control of the Treasury Department (except as hereinafter provided), together with the grounds thereof and the equipment and furnishings therein, including inspectors of buildings, repairs and equipment, assistant custodians, janitors, watchmen, laborers, and charwomen; telephone operators for the operation of telephone switchboards or equivalent telephone switchboard equipment in Federal buildings, jointly serving in each case two or more governmental activities; engineers, firemen, elevator conductors, coal passers, electricians, dynamo tenders, lampists, and wiremen; mechanical labor force in connection with said buildings, including

carpenters, plumbers, steam fitters, machinists, and painters, but in no case shall the rates of compensation for such mechanical labor force be in excess of the rates current at the time and in the place where such services are employed, $12,320,000: *Provided*, That the foregoing appropriations shall be available for use in connection with all public buildings under the control of the Treasury Department, including the post office and its annex at North Capitol Street and Massachusetts Avenue and the custom-house in the District of Columbia, but not including any other public building in the District of Columbia, and exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices.

Mr. BLANTON. Mr. Chairman, on page 42, line 4, I move to strike out the word "watchmen."

Mr. Chairman, the District of Columbia and this Capitol Building belong to the people of the United States. This Chamber is a place of business for the Representatives of those people. It is to the interest of the people of the United States that the orderly proceedings of this Chamber when the Congress is working on the business of the Nation be not disturbed.

The time has come, in my judgment, when in order to protect the property of the people, in order to protect the business of the people, in order to protect the orderly procedure in this Chamber, that ones who come here should come with a lawful, proper purpose, that no one during this time of stress should be admitted to the gallery of this Chamber unless he comes properly vouched for and with a proper purpose.

I think that one who enters the gallery of this House ought to go there properly vouched for. Our people back home are known to us in our districts. They should have a card from us when they enter that gallery, and the Member ought to be responsible for the proper conduct of the persons who enter the gallery on his card. [Applause.]

I think this House and the Congress owe a debt of gratitude to our friend the gentleman from Minnesota [Mr. MAAS] [applause], and to our distinguished colleague the gentlewoman from Massachusetts [Mrs. ROGERS], one of the spunkiest little women I ever saw. [Applause.]

It was the wise judgment and the stable action of these two Representatives that averted possibly a most dangerous and terrible calamity.

A person armed with a .38 caliber on a .45 stock pistol in this gallery who is a good shot could hit a dime across this Chamber. There could be numerous deaths here from the discharge of a stick of dynamite; and all this countenancing of cranks and crooks ought to stop.

An anarchist has no business in a gallery of this Capitol of the people. A crank has no business here.

A sane constituent from any district, poor or rich, has a perfect right to come here, and the people of the United States know the Representatives of this country in this Chamber are the friends of the people, that they are working hard and zealously and making many sacrifices to try to solve the present situation and bring relief to the suffering people. It does not help the people for cranks to come here and pull off disturbances.

I hope those who are in charge of the property of this Nation's Capitol will promulgate some kind of rules and regulations which will stop cranks from entering places of advantage and, well armed, menace the safety of property and business of the people, and which will keep them from the gallery, where they could destroy the property of the people in tremendous amount. Steps ought to be taken at once in this direction.

Mr. UNDERHILL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. UNDERHILL. Does not the gentleman think that such occurrences as that of yesterday are encouraged by the criticism of some Member of Congress of the conduct of the police in trying to hold in leash these irresponsible people who come seeking trouble in Washington? A Member of Congress, because the police use other strong or emphatic language, comes out openly and criticizes the police for doing their duty in trying to protect the citizens of the Government.

Mr. BLANTON. The gentleman from Massachusetts is correct. There should be no such criticism. I have never criticized the police for forcing cranks to observe the law. I think they ought to stop the cranks on the threshold of the District of Columbia and send them back. That is how I feel about it. [Applause.]

I feel that if the newspapers would quit calling a bunch of organized anarchists, sent here with money from Russia, "hunger marchers" and would call them what they are—communists, enemies to good government, and enemies of orderly procedure—then we would get a better reaction in this country.

Inciting anarchists by undue front-page reports by the public press is what causes things of this sort to happen, and I am not afraid to say this to such reporters and agencies of the press.

I might mention that with certain reporters for certain big newspapers, and with certain press agencies I am "on the spot" from the gallery. I have been put on the spot up there for a long time, just like the racketeers in other places of the country have put certain people on the spot. Some reporters and some papers can never make a reference to me without trying to reflect upon me in some way. They do not report my speeches. They do not report what really happens. They cowardly hit me with jabs. Their reference in the Herald this morning is an unwarranted reflection and a studied effort to bring me into disrepute. They do this, forsooth, because they do not like my dry policy, they do not like my fights here to require the people of the District to pay their part of their own civic expenses in Washington. They do not like this, that, or the other policy of mine. But the people who read the RECORD over the United States are beginning to find out exactly why they attack me.

[Here the gavel fell.]

Mr. RICH. I agree with some of your statements.

Mr. BLANTON. Do you not agree with all my statements in regard to these anarchists?

Mr. CLARKE of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLARKE of New York. At this point in the bill would it be proper to offer an amendment conferring the congressional medal upon the gentlewoman from Massachusetts and the Representative from Minnesota [Mr. MAAS]? [Laughter and applause.]

The CHAIRMAN. The Chair thinks not.

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Chairman, with respect to the statement made by the gentleman from Texas [Mr. BLANTON] that each Congressman should know all of his constituents before he offers them a card of admission to the gallery, I want to state for my friend from Pennsylvania, a Democrat, who issued this card, that he is not responsible for knowing everybody in his district.

Mr. BLANTON. I meant no reflection whatever upon the gentleman from Pennsylvania [Mr. LICHTENWALNER], who probably did not know the card was issued.

Mr. RICH. This is my time; sit down. [Laughter.]

I do not believe he should be censured because he gave a card to some one who was admitted to the gallery.

Mr. BLANTON. Mr. Chairman, I did not censure and I meant no reflection whatever upon the gentleman from Pennsylvania [Mr. LICHTENWALNER], but I was seeking to get some kind of ruling here that would stop things of this sort.

[Here the gavel fell.]

The Clerk read as follows:

Furniture and repairs of furniture: For furniture, carpets, and repairs of same, for completed and occupied public buildings under the control of the Treasury Department, exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices, and for gas and electric lighting fixtures and repairs of same for completed and occupied public buildings under the control of the Treasury Department, including marine hospitals and quarantine stations, but exclusive of mints, branch mints, and assay offices, and for furniture and carpets for public buildings and extension of public buildings in course of construction which are to remain under the custody and control of the Treasury Department, exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices, and buildings constructed for other executive departments or establishments of the Government, $4,500,000: *Provided*, That the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of $100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether it corresponds with the present regulation plan for furniture or not.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

In this paragraph for furniture to furnish new public buildings we find an increase of two and a half million dollars over the appropriation carried in last year's act.

In the prior paragraph for operating force there is an increase of $1,825,000.

There is protest going on throughout the country against the policy of the Government in constructing public buildings for postal purposes where it is patent that the cost of maintaining these public buildings is greater severalfold than the rental for private buildings which formerly provided this service for the Government.

Years back the policy that the Government followed was only to furnish public buildings where there were not adequate private buildings that could serve the purpose. We have launched upon a new policy in late years, which is more or less "pork barrel," of having a public building for the Postal Service in every community, small and large, regardless of whether there could be suitable accommodations furnished in private buildings or not.

Many years ago, perhaps 10 or 12, when I had the honor to serve with the distinguished chairman of the Appropriations Committee on the subcommittee known as the legislative, executive, and judicial appropriations subcommittee, which had jurisdiction of all the appropriations for the public buildings in the District of Columbia, I made a special study from the returns as to whether it was more economical for the Government to be housed in private office buildings for its departmental activities or whether the Government should erect these large, ornate, white marble and granite front public buildings. From the study I then made it was clear to me that the cost of maintenance and cost on bonded investment of the publicly owned building was far greater than the rental we paid for comparable service in privately owned buildings. I think you can take it as a postulate that in Government operations it is cheaper by far for the Government to rent than it is to construct and operate.

Here we have a glaring instance of the growing expenditures of the Government by reason of the Government constructing its own public buildings throughout the country. There are some instances of protest by the citizens of the locality against the public building, because they know it will be an additional burden upon them to have a publicly owned building rather than have the activities housed in a privately owned building.

As a member of the committee investigating Government competition with private enterprises, popularly known as the Shannon committee, I was amazed on learning that the Bureau of Prisons, on its own initiative, without any support whatever from the Congress of the United States, has gone into the manufacture of steel desks and steel filing equipment.

Twenty-five years ago there was a problem confronting the Congress as to how we could utilize prison labor.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. After thorough study the Congress decided, through a special committee, that at Atlanta we would manufacture cotton and duck and at Leavenworth we would occupy the imprisoned laborers in the manufacture of shoes. Now we are finding the Bureau of Prisons going also into the manufacture of steel furniture, which does not require much labor, but is a machine-made article, and going into the manufacture of bricks, and this in competition with free labor that is now out of employment.

The primal, fundamental objective in the employment of prison labor is not to have them occupied at machine-made production but to give them occupation so they will have something to do during their period of confinement; but the Bureau of Prisons has gone way beyond this proposal, and under a general authorization carried in the authorization act passed a few years ago, is going into the manufacture of steel office furniture and steel filing equipment, which anybody who knows anything about this character of manufacture knows that labor is employed to the extent of only one-tenth of the value of the output.

For one I am more concerned in giving employment to every laborer throughout the country outside of prison walls who is seeking employment, rather than taking away labor from them and giving it to the prison labor. Primarily I am opposed to the bureau trying to manufacture by machines and not giving them major employment at labor. In Leavenworth they manufacture shoes. They are not seeking primarily to give employment to prison labor but they are seeking to manufacture shoes in competition with private industry by modern machine methods.

From a humanitarian standpoint, I would keep prison labor employed, but at such articles where labor is employed to the maximum extent.

I want to ask whether it is the policy of the Committee on Appropriations to approve of this structure that is being constructed in Pennsylvania for the manufacture of steel furniture, to furnish all of the steel furniture required by the Government throughout the country?

We have here an instance of the increase in requirements for furniture. The appropriation last year was $1,940,000, and this year it is $4,500,000, an increase of $2,560,000.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LaGUARDIA. The gentleman is correct. He will remember that when the prison bill was before the House, I suggested putting in an amendment preventing the use of machinery, but it was voted down by the House.

Mr. STAFFORD. Yes. I am willing to give preference to free labor in this country who have not committed any offense against the law. I would give preference to free labor who are begging for work rather than have the Government come into competition with free labor in manufacturing furniture, bricks, brushes, textile goods, and everything. The Bureau of Prisons is seeking to go into the manufacture of all kinds of goods. Where are we going to stop?

The Bureau of Prisons is invading the rights of the private citizenry of the country who are looking for work and giving preference to these unfortunate convicts.

Mr. RICH. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. RICH. The testimony before the Shannon committee given by Mr. Bates was that he was trying to prohibit the use of machinery for doing the work, and then he turns around and puts machinery in this Pennsylvania penitentiary, doing the very thing that he said he was not going to do. The only way to stop this is by law.

Mr. STAFFORD. Am I within the realm of facts when I say that the Bureau of Prisons is adopting a policy of equipping the penitentiary in Pennsylvania with machinery

to manufacture steel filing equipment or furniture, without the approval of the Appropriations Committee?

Mr. BYRNS. I may say to the gentleman that that is not carried in this bill and I know nothing of the facts. All the questions that have been raised by the gentleman will be under consideration by the subcommittee which has charge of the Department of Justice bill, if they are proposed by these estimates. The gentleman is well aware, of course, that Congress has passed a law authorizing the equipment of this penitentiary that he speaks of.

Mr. STAFFORD. With the approval of Congress as far as the appropriation is concerned. There has been no appropriation coming before Congress where it was expressly stated for that purpose so that Congress had any knowledge of what the money was going to be used for.

Mr. BYRNS. Congress some time ago created a working capital fund for prison use.

Mr. STAFFORD. But the law provides that they must come to Congress for appropriations for equipment and construction purposes. I do not recall any item where we passed any law providing for equipment and principal investment.

Mr. BYRNS. I think the gentleman will find it with relation to certain products to be used for the Government, but, as I stated to the gentleman, that is not in this bill.

Mr. STAFFORD. I am quite aware that it comes under the Department of Justice appropriation bill, but I now ask the gentleman what is the real occasion for such a large increase in the appropriation, double that of last year, carried for furniture in public buildings.

Mr. BYRNS. That is due to the fact that next year there will be 22 large buildings and 336 smaller buildings, medium-sized buildings, making a total of 358 new buildings, which will have to be furnished. Your committee cut the estimate $100,000, although we felt that the amount recommended was moderate.

Mr. STAFFORD. Would it be agreeable to the chairman of the committee to incorporate here a limitation forbidding the expenditure of any of the moneys appropriated in this act for the purchase of articles made by prison labor?

Mr. BYRNS. I do not know what effect that would have, and I would not want to consent to an amendment that might prevent the use of these buildings after they have been constructed. I just do not know what the effect of such an amendment would be; therefore I could not consent to it. We are going to have 358 buildings completed during the next fiscal year, 22 of them large buildings and 336 of the smaller, medium-sized type. I would not want to consent to any amendment that might result in those buildings not being opened for the public in the various communities where they have been constructed. I am not in a position to advise the gentleman as to the effect of the amendment.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 43, line 22, insert at the end of the line: "*And provided further*, That no part of the appropriation herein shall be used for the purchase of any articles made by prison labor."

Mr. STAFFORD. Mr. Chairman, I wish to make only this further observation. The paragraph under consideration, to which the amendment relates, refers exclusively to furniture and repair of furniture. I think from what I have said in my preliminary remarks that the sentiment of this House is not in favor in these days of having this appropriation used for the purchase of prison-made goods.

Mr. BYRNS. Mr. Chairman, as I said a moment ago, I do not know what the effect of this amendment will be. I do not know whether it will have any effect at all, because I do not know to what extent this penitentiary to which the gentleman refers will manufacture. I do not know what the plans of the department are. It is a matter that did not come before the committee, and I submit to the gentleman that this amendment would be more in order and more applicable to the real merits of the proposition if he would offer it on the bill which relates to prisons, where we probably could get the information that he desires.

In justice to the subcommittee we are not to be criticized for not having obtained this information, because there is nothing in this bill relating to the subject. We are going to open 358 new buildings next year, and I dare say there will be a building in nearly every congressional district in the United States. There will be none in mine, but 358 buildings will cover a great deal of territory. If you adopt this amendment, I do not know whether it will have any effect on the opening of those buildings or not. I judge not, but I am not certain about it. Therefore I am not in a position to accept the amendment and assume the responsibility for the possibility that some of these buildings in some of your districts may not be occupied during the fiscal year.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LAGUARDIA. I rise to say this, that if it is not contemplated to use prison-made furniture the amendment will do no harm, but if it is contemplated to use prison-made furniture we would better put the amendment in.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 39, noes 45.

Mr. STAFFORD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. STAFFORD and Mr. BYRNS to act as tellers.

The committee again divided; and the tellers reported—ayes 63, noes 72.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for one minute to make an announcement.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, the funeral services for the late Representative DANIEL E. GARRETT will be held to-day at 2 o'clock at the Calvary Baptist Church at Eighth and H Streets NW. The services will be very brief. I am sure the relatives will be glad to have any of Mr. GARRETT'S friends who can get away from the House attend the services before the departure for Texas.

The Clerk read as follows:

Office of the Third Assistant Postmaster General, $725,532, of which amount $23,040 shall be available only for temporary employees.

Mr. RICH. Mr. Chairman, I offer an amendment, which I sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. RICH: Page 47, line 10, after the figure 2, strike out the words "of which amount $23,040 shall be available only for temporary employees."

Mr. RICH. Mr. Chairman, during the hearings conducted by the Shannon investigating committee in Indiana there appeared the Brotherhoods of Railroads and Steamship Clerks, Freight Handlers, Express and Station Employees, including and representing virtually all of the employees of the Railway Agency and Southeastern Express Co. Those men complained of the fact that the Parcel Post Department of the Post Office was operated with the purpose in view of putting them out of business.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. RICH. I yield.

Mr. LAGUARDIA. Who was complaining?

Mr. RICH. The Brotherhoods of Railroad and Steamship Clerks, Freight Handlers, Express and Station Employees, representing virtually all of the employees of the Railroad Express Agency and Southeastern Express Co.

The express companies in this country in 1930 paid taxes to the Federal Government amounting to $1,472,000. In 1929 they paid $1,779,000. The parcel post in the year 1926 lost $3,000,000. In 1929 it lost $20,000,000. The policy of the

Government in 1923, as stated by the Post Office Department, was as follows:

> The public policy, as evidenced by the act of Congress establishing the Parcel Post System, favored the principle that the rates for such matter shall equal the cost of service. This, too, is a wise policy, for there is no sound reason why the Government should conduct the parcel-post business, so analogous to express, for example, on principles other than that of sound business.

The Third Assistant Postmaster General is now conducting propaganda in a private office, for which this amount is asked—$23,040—in which there is employed a gentleman to conduct the propaganda campaign by the name of J. C. Harraman, Director of the Parcel Post, who is beginning to carry out an extensive promotional campaign outlined in the last report of the Postmaster General.

In a speech made in New Jersey on June 10, Mr. Harraman, according to the newspapers, said:

> From now on the Parcel Post Department will enter into a strenuous campaign of competing with the express companies. Advertising will be used and school children will be instructed how to wrap packages properly for shipment in parcel post. From now on we are in keen competition with the express companies. The bars are down to you postmasters. Go out and get the business, and the Parcel Post Service will show a profit in future years.

I complain from the standpoint that this propaganda campaign should cease as far as the Government is concerned. The Government has been offered $2,000,000 for the advertising that could be had by placing their placards on the sides of mail trucks. Instead of that, the Government advertises on those trucks the Parcel Post System. The Government has now employed this man Harraman, who, in turn, has secured inspectors from the Post Office Department, who go out to the various manufacturing concerns in large centers and ask them to ship their merchandise by parcel post. They are starting a campaign of propaganda through this office which is detrimental to the private industries of this country.

One thing that is objectionable to the Parcel Post System is that whenever they get a certain number of clerks to handle their work, during the Christmas season or at peak times, they continue to carry those employees during the whole year, and they build up their organization to that point——

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. They do not want to allow their organization to dwindle as private business would do, and only employ enough clerks to take care of the business to be done by the Post Office Department. If we are going to allow an organization like that established in the office of Mr. Harraman, for which this $23,040 is appropriated, which the Third Assistant Postmaster General told me personally was wrong, this Congress should not sanction it. Yet they are going to try to do away with these private transportation companies. I say it is absolutely wrong for the Government to go into business of this kind. I hope the members of this committee will object to this $23,040 and stop this propaganda. We are only going into a business that we have no right to go into. We are doing that against the private industries of this country. I think it is time it stopped, and I ask the committee if it will not do away with this $23,040, and do away with that office conducted by Mr. Harraman and stop that propaganda.

Mr. BYRNS. Mr. Chairman, I rise in opposition to the amendment.

The trouble with the gentleman's amendment is that it has absolutely no relation to what he is complaining about. It has absolutely nothing to do with parcel post or anything of that sort. This $23,040 is for temporary services made necessary by the great increase in postal savings.

Mr. RICH. This is for temporary employees, for the purpose of stirring up propaganda.

Mr. BYRNS. Oh, if the gentleman had read the hearings he would see that is not true. I say with all due respect to the gentleman that is not correct. There is nothing more clear than the fact that these temporary employees are not used for the purpose which the gentleman seems to think they are being used for. I will read from the hearings. I am not going to ask you to take my word for it. Here is the situation: Mr. Tilton, Third Assistant Postmaster General, was asked why it was necessary to carry this particular appropriation for temporary employees. His answer will be found on page 178 of the hearings:

> I will say, Mr. Chairman, that this estimate relating to salaries of $725,532 includes $23,040 for temporary employees, which is the same amount as was included in the appropriation for 1933 and was authorized on account of the increase in the work of the Postal Savings System. The necessity for continuing these temporary employees will be apparent when it is stated that the work of that division is continually increasing.
>
> During the past two years of increasing activity of the Postal Savings System the increase in personnel has been 18 per cent plus, while the increase in the volume of business has been 382 per cent plus. The condition of the work has not been current during that time and is not now current. During the past fiscal year the number of depositors increased from 770,859 to approximately 1,600,000 and the deposits increased from $538,071,741 on September 30, 1931, to $854,767,262 on September 30, 1932.

So much, said Mr. Tilton, for the item of $23,040. So my friend the gentleman from Pennsylvania has wholly misconceived the purpose of this appropriation. He is simply confusing with something else the temporary employees who are provided for another year to take care of this 382 per cent increase of business which has been unloaded on the service because of the increase in postal savings.

Mr. RICH. Will the committee tell us how we can find out, how the ordinary lay business man can find out, how to stop the expenditure of money by this department of Mr. Harraman's? That is what we would like to do and that is what we are here to do.

If we are wrong in this contention, then I apologize to the committee, but I think it is time the Government took some cognizance of this matter, and I ask the committee in charge of this bill to stop the operations of this particular office. If the committee can help me do that, I shall be greatly obliged to them. I think it is propaganda that should be stopped. It is paid for out of money furnished by the taxpayers of this country. The Federal Government should take cognizance of this fact and discontinue this activity, and I ask the committee to make it a point to see that this office for this propaganda ceases operations.

[Here the gavel fell.]

Mr. BYRNS. I may say to the gentleman there are 13 less employees provided next year than are being carried on the rolls this year, and there is only a limited amount that is being used for parcel post.

Mr. RICH. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman. I move to strike out the last word.

Mr. Chairman, I fear the investigation the gentleman from Pennsylvania is undertaking has become an obsession with him, and that he sees Government competition in every section of every appropriation bill.

Now, I want to point out to the gentleman from Pennsylvania that parcel post has become a part of the postal policy of this country. The transportation of mail is a proper function of government. Parcel post was made necessary by reason of the bad services and greed of the express companies.

It took over 60 years to have parcel post in this country. I can quote no better authority to the gentleman from Pennsylvania than a distinguished son of his State, former Postmaster General John Wanamaker, who said in his day that there were three reasons in this country why we could not have parcel post, and the three reasons were the American Express Co., the Wells-Fargo Express Co., and the United States Express Co.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. In just a moment. Two of these companies were never incorporated, and if a shipper or a consignee suffered loss, or if anyone in our city was injured by their trucks, it was necessary to dig up one of the partners—and I believe there were several thousand partners; it was a sort of a national association—to effect service in order to secure jurisdiction in our State.

Now, I say, by reason of the services given by these express companies it was necessary to adopt parcel post, and, I repeat, it took 60 years to bring it about. It is the necessary part of our postal service. The system is giving excellent service. After we had parcel post the rates of the express services went down. They are lower than they were before, and the service has improved considerably. The express companies are not so arrogant, mean, greedy, and indifferent as they were before parcel post.

I am in full sympathy with the expressions of the Clerks and Checkers Union which the gentleman quotes, but I want to say in all fairness that they are being used now by the express companies and that they had better direct their attentions to getting decent wages and decent working conditions from the express companies rather than to attempt to tear down the parcel post which has been built up in this country.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Just a moment. The gentleman made a tirade on parcel post. I see nothing wrong in the Post Office Department seeking to instruct shippers how to address and pack articles for shipment by parcel post. I see nothing wrong in the additional help required to take care of the increased postal savings. If we have increased postal savings, it is because the American public have been so scared by private banks they are going to deposit their small savings in the Postal Savings System where they know they are safe.

So I want to submit to the gentleman from Pennsylvania who is working so diligently on his investigation of Government competition, that there is enough in that field he can devote his energies and zeal to and leave parcel post alone, because we have had some very sad experiences with private express companies.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield first to the gentleman from Pennsylvania. Then I shall yield to the gentleman from Texas.

Mr. RICH. Mr. Chairman, I do not want to leave the committee under any such false illusion as the gentleman from New York has tried to convey that I did. I do not object to the parcel post.

Mr. LAGUARDIA. Then we can agree on that.

Mr. RICH. But when the Parcel Post System goes in the hole $20,000,000, costs the taxpayers of this country $20,000,000, I think something should be done about it.

I am in hearty sympathy with the Parcel Post System, but I do not want it operated to the detriment of the taxpayers of the country or to the detriment of small individual corporation stockholders.

Mr. LAGUARDIA. I understand the gentleman's point.

Mr. RICH. I believe if it is properly handled it is a good thing for this country.

Mr. LAGUARDIA. Fine. Thanks for that concession.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, I may say to the gentleman from Pennsylvania, he was in error when he said the extra help employed by the Post Office Department during the Christmas rush is permanent help, because it is not. It is a temporary force employed only during the period of rush.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from New York is an authority on the subject of "the guaranty of bank deposits," and he has done some splendid work along that line. I wonder what he has to say as to whether or not the withdrawal of funds from small State banks and the putting of those funds into the postal savings has had anything to do with many of the bank failures over the country?

Mr. LAGUARDIA. No; I do not think so because in the first place the amount permitted in the postal savings is limited.

Mr. BLANTON. In other words, the Government has helped to wreck lots of little banks all over the country.

Mr. LAGUARDIA. Oh, no; oh, not at all.

In the first place the amount of savings in the Postal Service is limited, and, in the second place, it offers facilities that the banks can not afford. We have post offices in many places where there are no banks, and, in the third place, it has done more than any other one thing to give the American people confidence that there is at least one place where they can deposit their money and know that it is safe.

Mr. MILLARD. And, furthermore, the Government, in turn, deposits the money in the banks.

Mr. LAGUARDIA. Yes; but, of course, they have to give the Government security. I am glad the gentleman has brought that point up. Here is the Government demanding security from the banks and making an appeal to the public to come in and put their money in this system, and yet if we suggest the guaranteeing of bank deposits we are destructive, we are radical, we are unsound and unwise. But the Government when it deposits funds demands, and properly so, security, a bond, and a guaranty of its deposits.

Mr. YON. Will the gentleman yield in that connection?

Mr. LAGUARDIA. I yield to the gentleman from Florida.

Mr. YON. I agree with the gentleman with respect to the guaranty of bank deposits. I think the individual depositor should be placed in the same position as the Government; but I do know from my own personal observation in my home town during the last summer that the withdrawal of money from State banks to put into the postal savings bank started a run on a bank and ruined it.

Mr. LAGUARDIA. There are two points involved in that. First, it would not have happened if they had had a guaranty of bank deposits; and, in the second place, may I ask the capitalization of the bank the gentleman has in mind?

Mr. YON. About $50,000.

Mr. LAGUARDIA. That is no bank. That is not even a good pawnshop. [Laughter.]

Mr. YON. That is a good-sized bank in my town.

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

The cost of parcel-post delivery has been brought into the discussion by the gentleman from Pennsylvania [Mr. RICH]. In an informative address delivered last Saturday by the gentleman from Illinois [Mr. ARNOLD] attention was directed to the cost-ascertainment report of the Post Office Department, and the gentleman asked unanimous consent to have a portion of that report incorporated in the RECORD.

I wish to emphasize the report, calling it again to the attention of the committee, because the Members, I dare say, will often have occasion to refer to it. It is found on page 340 of the RECORD. There is an itemized statement of the revenues and expenditures of the Postal Service by classes.

It shows with respect to first class or letter mail that the department estimates an excess of $15,857,000 over expenditures, on second-class mail an estimated deficit of $102,000,000, on third-class mail $28,900,000, fourth-class mail, which includes largely parcel post, if not exclusively, $32,700,000. The estimate of expenditures and revenues is segregated as to parcel post, and shows the surprising fact that the deficit is occasioned by the rates for the carriage of parcel post in three zones, namely, zones 1 and 2, which are looped together, and where the deficit is $25,866,000; zone 3,

where the excess of expenditure over revenues is $7,458,000; and zone 4, $948,000.

It was my high privilege back in 1910, as a member of the Committee on the Post Office and Post Roads, to assist in drafting the bill subsequently enacted at that session of Congress providing for a Parcel Post System, and also for the establishment of the postal savings bank, both of which respective measures had my earnest support not only in the subcommittee that framed them, of which I was a member, but on the floor of the House.

We established the parcel post not primarily with the idea of driving express companies out of business, but as we had established a permanent activity of the Postal Service, namely, Rural Delivery Service, we favored utilizing that service for the benefit of the patrons and thereby derive some revenue by increasing the amount of mail carried.

The express companies were not reaching these 40,000 routes scattered all over this country, and particularly in the West and South, and we wanted to give the patrons on these routes the advantage of parcel-post delivery. We had the rural free delivery established, and accordingly we wanted to give the patrons of these routes the full maximum of service. So we established the Parcel Post Service, with rates to be determined by the Post Office Department that were remunerative, subject to the approval of the Interstate Commerce Commission. We thought that the Interstate Commerce Commission, following this express direction of Congress, would investigate the rates that the Post Office Department would fix; but, far from doing this, the Interstate Commerce Commission merely visaed any rate that the Post Office Department determined upon without any thorough investigation as to the rates being remunerative. We knew from our casual investigation of the rates established by the Post Office Department that they were not remunerative, so we changed the law, and we have recently revised the rates.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. We revised the rates. No one can justify the Government in any activity, whether in competition with private enterprise or not, in carrying merchandise, which is a pure business activity, and not a proper function of the Postal Service, at a rate that is not compensatory, and here you find that the Government to-day is carrying merchandise by parcel post with a loss of nearly $35,000,000. For whom? Largely for the benefit of department stores in large cities that are crowding out the stores in the little trade centers throughout the rural districts. There is where the loss arises.

No one can justify that. We can justify utilizing our activities of the rural free delivery to the maximum so that the farmers can get the benefit, but they should pay a compensatory rate for the service rendered. It is a subsidy, pure and simple, for the benefit of the department stores in the large cities, and incidentally the benefit of the patrons using the service. The Postal Service is a party to this economic loss. It is an economic crime to drive the small merchants out of existence for the benefit of the large department stores in the cities.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LaGUARDIA. The largest deficit is in the first zone?

Mr. STAFFORD. In the local deliveries there is an excess of receipts of $53,000. It is in the combined first and second zone where there is the largest difference of expenditures over receipts, $25,866,000.

Mr. LaGUARDIA. Would not that be an easy matter to correct?

Mr. STAFFORD. Yes; for the Postal Service, but why have they not done it? It is a preferential rate for the direct benefit of the department stores, and to the disadvantage of the little country merchants. It is a subsidy pure and simple.

Mr. PETTENGILL. For the benefit of the mail-order houses?

Mr. STAFFORD. Yes; I am referring to such mail-order houses as Montgomery Ward & Co. and Sears-Roebuck that send out large catalogues, getting service from the Government at less than cost. When they can not get the subsidized service they use private instrumentalities.

I took the floor primarily to direct attention to this schedule of costs of the various activities of the Postal Service, which was incorporated in the RECORD by the gentleman from Illinois, as worthy of study.

The Clerk read as follows:

For gas, electric power, and light, and the repair of machinery, United States Post Office Department equipment shops building, $4,500.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. In last year's appropriation bill there was carried a provision for $40,000 to reimburse the Government Printing Office for heat and light that was furnished to the Post Office Department Building at Massachusetts Avenue and North Capitol Street. I rise to have a statement from the chairman of the committee, inasmuch as there is a provision in the Treasury Department appropriation bill in relation to furnishing heat to these various buildings, as to what the policy of the Government is in relation to the central heating plant furnishing heat to the buildings throughout the Mall?

Mr. BYRNS. I did not quite catch the gentleman's question.

Mr. STAFFORD. In the Treasury Department appropriation bill there is a provision made for the Government furnishing heat from the central heating plant to the Pan American Union Building at not less than cost. I have followed various proposals as to heating the buildings in the Mall. Will the gentleman give the committee the benefit of the policy as to the central heating plant furnishing Government buildings with heat?

Mr. BYRNS. The plan is to heat them from the central heating plant.

Mr. STAFFORD. The present Capitol heating plant will furnish heat for the Capitol and the buildings in its environments?

Mr. BYRNS. Yes; that is true. This new plant supplies the new buildings down town.

Mr. STAFFORD. To heat all of the new buildings contemplated on the Mall?

Mr. BYRNS. That is the intent, and the central plant would be large enough to take care of all those new buildings, some of the old ones, and others to be put up in the future.

Mr. STAFFORD. There was some question a year ago as to the proper location of this central heating plant. That question I believe has been settled?

Mr. BYRNS. The central plant is down here near the water front. That has been located permanently.

Mr. STAFFORD. There was some dispute as to the location of the central heating and power plant?

Mr. BYRNS. Yes; but I do not think that was very serious. I do not think there was any serious contention that it should not be where it is now located.

Mr. STAFFORD. It is to be located on the water front where it will have the benefit of water and rail transportation?

Mr. BYRNS. Yes.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

To enable the Postmaster General to pay claims for damages, occurring during the fiscal year 1934, or in prior fiscal years, to persons or property in accordance with the provisions of the deficiency appropriation act approved June 16, 1921 (U. S. C., title 5, sec. 392), $18,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. The paragraph under consideration carries an appropriation for the adjustment of damages because of injuries to people through the torts of Government employees, mostly in the operation of postal trucks. Some time back

the gentleman from Massachusetts [Mr. UNDERHILL] introduced a bill to increase the amount of damages that the department might be authorized to settle in these cases, and this morning I expressed to him the hope that he would reintroduce the bill to see whether or not we could not in some measure relieve the Private Calendar from these little tort claims that could properly be determined and settled by department officials. The present maximum that the departments are allowed to award are sums not in excess of $500. An exception to that is made in the case of the District of Columbia Commissioners. They are allowed to settle claims up to $5,000.

I have followed the Private Calendar very closely, and I am naturally interested in trying to relieve the Private Calendar of the burden of many small claims that should be determined and settled by department heads. I made inquiry as to the working of this authority in the Commissioners of the District to settle claims up to $5,000. I found there had been no abuse whatsoever, that the number of claims presented were few. I would like to see vested in the department heads authority to settle damage claims against the Government up to at least $3,000—not only to make certain the payment of meritorious claims, but to rid Congress of the need of having claimants seek the preferred consideration of their Representatives, and many of them do not have that as they are strangers to this appeal. I can see no reason why Congress should not increase the authorization whereby department heads may be privileged to settle tort actions from $500 up to $3,000, and to that extent bring quick dispatch and meritorious consideration of private claims against the Government, rather than throwing the burden on the Claims Committee and the Members of the House.

The Clerk read as follows:

For pay of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof, $95,000,000.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. Will the Chairman explain some of these increases and decreases in these two services. Some have been decreased several millions of dollars and some are increased.

Mr. BYRNS. To what does the gentleman allude?

Mr. GOSS. We are on page 54, line 14, right now. There are various increases and decreases right along through the City Delivery Service and the Rural Service.

Mr. BYRNS. There are three increases. Those increases were brought about in this way: We received estimates from the President with reference to the Post Office Department. We conducted our hearings and had the Postmaster General and the First Assistant Postmaster General, Mr. Coleman, before us, and other employees in the first assistant's office. They all stated that the estimates submitted were necessary for the year 1934. About a week after that, possibly less, we received additional estimates, reducing the appropriations in three particular services by the sum of $7,800,000. We asked Mr. Brown to come up and explain the matter. Those decreases applied to the appropriation for post-office clerks throughout the country and city delivery carriers throughout the country and to rural carriers. There was no testimony furnished except that from the Postmaster General. The First Assistant Postmaster General was on record as saying that the appropriations previously asked were necessary. The Postmaster General withdrew his first statement that these appropriations ought to be allowed as originally estimated and stated that he favored a departure from the heretofore accepted policy of not discharging employees. He said that the appropriations for post-office clerks could be reduced something over $4,000,000, and that that could be done in one or two ways.

Mr. GOSS. Is the gentleman speaking now of first and second class offices?

Mr. BYRNS. Yes. If the gentleman will permit, I think I can make this clear. He said that that could be done in one of two ways, either by an additional furlough to all of the employees in the post offices throughout the country of two and possibly three weeks, over and above that provided in the economy bill, or by the absolute discharge from the service of 3,000 post office clerks, upon the theory that the services are now overmanned. He further stated that there were 1,000 city-delivery carriers who were surplus, and he recommended a decrease in the appropriation of about $1,250,000, and said that could be carried out either by an additional furlough of all the city carriers throughout the country of at least one week and possibly more, or by the absolute discharge from the service of 1,000 city-delivery carriers. Then he said that while he had adopted the policy of not consolidating rural routes in the past except where a vacancy occurred, he felt that 5,000 routes could be consolidated in the next fiscal year. Therefore he recommended a reduction in that appropriation, in the consolidation of the routes, which involved the discharge of something over 2,000 rural carriers.

Mr. GOSS. Now, that was the second estimate that came up?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 10 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BYRNS. That was the second estimate that came up. That involved an entirely different change of policy, a policy which has been recommended by the President during the past two or three years, and indorsed by the Postmaster General; a policy which did not involve the discharge of any employee of the Government. Mr. Brown was asked why that change. He said it was evident now there would be no increase in postal revenues next year and that these employees would be surplus. He felt therefore that they ought to be furloughed or discharged, and he said that was his recommendation to the committee and to Congress. He was asked if that was his opinion why he did not himself discharge them last July. He was never able to offer the slightest satisfactory answer to that. Of course, it is perfectly patent to every one in this House why he did not discharge them before November 8. He was then asked, since he had not discharged them in July and since he now insisted they were surplus and there was seven-twelfths of the year remaining in which he could save seven-twelfths of $7,800,000, why he did not act now and why he undertook to pass on to a new Postmaster General on July 1 the performance of a duty which he was unwilling to himself assume. Of course, there was no answer to that proposition.

Now, if the gentleman will permit, your committee felt that there was no reason for a departure from this plan, and turning off something over 8,000 employees of the Government beginning next July, at a time when they could not get jobs anywhere else. So to meet the situation we have written into this bill, as an amendment to the economy bill, a provision so that there can be no mistake about it, giving to the President of the United States the right to furlough surplus employees in any service in the Government where he finds there are more employees than are needed.

In that way he can take care of the situation. Then we figured just how many vacancies would probably occur next year. I do not know whether we figured more vacancies than will actually occur or not, but we undertook to make reductions in the estimates or to make reductions to provide for those vacancies in all the three services.

Now that is a very plain, frank, and candid statement as to what the committee did. I wish to say that Mr. Brown was not very definite in his statement. Mr. Coleman did not come before the committee and retract what he had said or recommended, and no one else connected with the Post Office Department came before the committee. Those men certainly would have more intimate knowledge of the workings of the office than Mr. Brown could possibly have. When Mr. Brown was asked whether or not there were other services in his department which are overmanned he said he had no doubt about it, but that he had not made a sur-

vey. So we felt that rather than discriminate between the three services and in favor of other services which he says are overmanned we ought to adopt this plan.

Mr. GOSS. When we come to this increase in clerks and employees in the second-class offices, $3,491,000, and then turn over the page and find the Rural Delivery Service with an increase of $1,400,000 and another of $203,000 on City Delivery Service, are those three increases over what the Bureau of the Budget recommended, in view of the gentleman's statement?

Mr. BYRNS. No. Those increases are below the Budget estimate in the first instance. But I have just stated to the gentleman that they came with additional estimates a week after they had made their statement in regard to the other estimates, which were sent up immediately after the election.

Mr. GOSS. So that approximately $5,000,000 increase in those three items is because you had taken it out of the original Budget and put it in the revised Budget or put it back where it should be?

Mr. BYRNS. No.

Mr. GOSS. Well, that is what I want to get clear—why those three particular increases?

Mr. BYRNS. Those are increases——

Mr. GOSS. Over the Budget?

Mr. BYRNS. Over the second estimate that was submitted on those three particular services.

Mr. GOSS. How does that leave the situation as far as the so-called surplus employees are concerned?

Mr. BYRNS. It leaves it in this situation: It leaves it for a survey, and after the survey has been made it gives the President of the United States the right to furlough any number that he may feel is surplus, and, of course, as the Members know, he has now the right of discharge, so he can take either horn of the dilemma.

Mr. GOSS. So that these three increases added together would leave the situation about the way it was last year. Is that correct?

Mr. BYRNS. Yes; just about where it was before the election.

Mr. GOSS. Right where it was before the election, getting ready for the next incoming administration? [Laughter.]

The pro forma amendment was withdrawn.

Mr. PATTERSON. Mr. Chairman, I move to strike out the paragraph.

I do not quite understand the gentleman from Tennessee. Does this $95,000,000 for the Rural Mail Service provide that those employees who are now in the Rural Mail Service will not be discharged and put out of employment and their routes consolidated, without any definite survey in the determination of further policy?

Mr. BYRNS. It is not intended by this appropriation to discharge any rural carriers or do otherwise than follow the policy that has been followed during the past year. This figure is supposed to take care of consolidations, where they occur through vacancies in the service.

Mr. PATTERSON. Which has been the policy that has been followed?

Mr. BYRNS. The policy that has been followed by the President, indorsed by the Postmaster General and approved by the Congress, and your committee did not feel it would be justified in changing that policy.

Mr. PATTERSON. Certainly. I can understand that; but I want to ask the gentleman why it is that this was cut down. I understand there have been two estimates sent up, or a different estimate at a later date. Why was this cut made on the Rural Mail Service, when there are numbers of rural mail routes approved throughout the United States, and have been approved by inspectors for several years, and there has been only limited extension or even setting up of new rural carriers, and they have been claiming for two years every time we ask about it or ask them to grant an extension, that the reason they did not do more was because they did not have the money to do so?

I think every Congressman who represents a rural district has met with this statement, that the reason they did not extend it was because they did not have the money, yet they had been approved.

Mr. BYRNS. This allows for a limited number of extensions.

Mr. PATTERSON. I understand it is very limited, still we have room for a limited number.

Mr. BYRNS. Yes; I will read to the gentleman just how much is allowed.

Mr. PATTERSON. I will thank the gentleman from Tennessee for that information.

Mr. BYRNS. One hundred thousand dollars is allowed for extensions for 1934.

Mr. PATTERSON. Does not the gentleman feel this is a very small amount for the whole United States? I have enough extensions approved in the district I have had the privilege and honor to represent here to take $2,000 of that and probably more, because I have one little route there approved from the beginning to the end, a new route, and they claim the reason they did not put it into operation was because they did not have the money.

Mr. BYRNS. Of course, that would not be regarded as an extension; it is the establishment of an entirely new route.

Mr. PATTERSON. There are a number of extensions which have been approved. It occurs to me, in view of the importance of the Rural Mail Service and the way it has justified itself, that it is hardly fair at this time to begin to curtail this work. It is in its infancy and there are a great number of counties in the United States that yet have no rural service.

Mr. BYRNS. I may say to the gentleman that the estimate for additional routes for 1934 carries the same amount of money that was carried for the year 1933.

Mr. PATTERSON. May I ask the gentleman from Tennessee one other question, and that is about the discharge of clerks and the furlough of clerks?

Mr. BYRNS. This does not provide for their discharge, but it gives the President the right to furlough the services of employees in all services where the services are overmanned.

Mr. PATTERSON. Does that mean the employees will lose their civil-service status when they are furloughed?

Mr. BYRNS. Oh, no, indeed.

Mr. PATTERSON. They will still be employees of the Government?

Mr. BYRNS. They will still be employees of the Government.

Mr. PATTERSON. And subject to reemployment?

Mr. BYRNS. Absolutely; at the end of the furlough.

Mr. PATTERSON. I appreciate the gentleman's explanation.

Mr. BYRNS. But it does not contemplate the discharge of any employee. Of course, the President has that right if he wishes to exercise it.

Mr. PATTERSON. I understand that.

Mr. BYRNS. But this gives him the authority to furlough instead of discharge if in his judgment that ought to be done. There are some of us who believe he has that authority now.

Mr. PATTERSON. I hope it will not be necessary to discharge any or furlough them for any indefinite period without employment.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

For inland transportation by railroad routes and for mail messenger service, $100,000,000: *Provided*, That not to exceed $1,500,000 of this appropriation may be expended for pay of freight and incidental charges for the transportation of mails conveyed under special arrangement in freight trains or otherwise: *Provided further*, That separate accounts be kept of the amount expended for mail messenger service: *Provided further*, That there may be expended from this appropriation for clerical and other assistance in the District of Columbia not exceeding the sum of $75,750 to carry out the provisions of section 5 of the act of July 28, 1916

(U. S. C., title 39, sec. 562) (the space basis act), and not exceeding the sum of $37,250 to carry out the provisions of section 214 of the act of February 28, 1925 (U. S. C., title 39, sec. 826) (cost ascertainment).

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the favor of an explanation as to the justification of the committee in reducing the Budget estimate for transportation of mail by railroad routes and mail messenger service $5,000,000.

The report shows that the appropriation for this service for the current fiscal year is $115,000,000, that the recommendation of the Budget is $105,000,000, and that by the committee is $100,000,000, a net reduction of $15,000,000 over last year. I am interested as to the reason the committee thought itself justified in making the large cut of $5,000,000 over the Budget estimate.

Mr. BYRNS. I may say to the gentleman from Wisconsin that while they had an appropriation of $115,000,000 for this year, it was just $8,000,000 too much. They are going to expend only $107,000,000.

This expenditure has been decreasing steadily since 1929 on account of the falling off of the mail. For instance, in 1929 the expenditure was $125,000,000. In 1930 the expenditure was $125,000,000. In 1931 the expenditure fell off to $119,000,000. In 1932 it fell off to $113,000,000; and this year, according to the estimates, it will be only $107,000,000. Now, taking these figures into consideration, we felt they would be able to get by next year with $100,000,000.

Of course, if there is any great increase in the mail, or something of that sort, it may be necessary to come back in December for a deficiency appropriation; but we do not expect that.

Mr. STAFFORD. As I understand, the service would in no wise be crippled by the appropriation?

Mr. BYRNS. Oh, no.

Mr. STAFFORD. The rate of pay is fixed by law, and the Postal Service will utilize the service at existing rates of pay; and if the estimate of the committee is not adequate, as the gentleman states, it will be the basis for a deficiency appropriation?

Mr. BYRNS. Yes. Of course, the mail has to be carried, and the Interstate Commerce Commission fixes the rate.

Mr. STAFFORD. It is only a question as to whether we should take the guess of the budgetary officer or accept the committee's guess based upon the prior years' appropriation?

Mr. BYRNS. I think the committee's guess is the best, because it is based upon expenditures during the last two or three years, and certainly it is in the interest of the Treasury.

Mr. STAFFORD. Whether it is large or small, the amount of the appropriation would not be a criterion for the service rendered. The service will be rendered regardless of the appropriation.

Mr. BYRNS. Undoubtedly.

Mr. STAFFORD. So the appropriation does not result in any real economy.

Mr. BYRNS. To show the gentleman from Wisconsin just what happens: Last year Congress cut this appropriation $3,000,000. We could have cut it $8,000,000, because, as a matter of fact, they did not spend more than $107,000,000.

Mr. STAFFORD. So there is no actual saving. It is merely a question of the amount carried in the appropriation bill.

Mr. BYRNS. The limitation of the amount will serve to make them more careful and to figure more closely.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For rent, light, heat, fuel, telegraph, miscellaneous and office expenses, telephone service, badges for railway postal clerks, for the purchase or rental of arms and miscellaneous items necessary for the protection of the mails, and rental of space for terminal railway post offices for the distribution of mails when the furnishing of space for such distribution can not, under the Postal Laws and Regulations, properly be required of railroad companies without additional compensation, and for equipment and miscellaneous items necessary to terminal railway post offices, $975,000.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I desire to direct a question to the chairman of the committee.

Referring to the total appropriations that are made for railway mail and for mail messenger service, I think the situation in my section of the country probably is similar to that in many other sections where, due to cancellations of trains and the elimination of Railway Mail Service, we have had to establish a good many special routes. I notice a very considerable saving is made all along the line, but the question I wanted specifically answered is this: Are these appropriations transferable? For instance, if a Railway Mail Service is abandoned and no appropriation is applicable for that, would it be automatically possible for the department to establish another star route by autotruck or other means to take the place of the service which had been performed by the Railway Mail Service?

Mr. BYRNS. The gentleman, of course, is aware that under the economy bill the right is given to the departments to transfer not exceeding 12 per cent of any particular appropriation, and this bill contemplates continuing that for next year. If that is done, of course, there could be a transfer from one appropriation to another not exceeding that percentage in order to take care of any such situation. If the star-route appropriation was not sufficient, they could take it from the railway mail appropriation, provided they had enough money in that appropriation to take care of the service and in this way relieve the star-route situation.

Mr. KETCHAM. That is the point I am getting at. Taking the two into consideration, is there an adequate appropriation so that certain new routes may be established and the plea of economy can not be set up against establishing that?

Mr. BYRNS. We think so; at least, that was the idea of the committee.

Mr. STAFFORD. If the gentleman will permit——

Mr. KETCHAM. I yield.

Mr. STAFFORD. At the last session, as the gentleman will recall, we authorized the railroads to carry mail by passenger-bus service at the same rates that they carried the mail by train. In many instances, as the gentleman has said, the railroad has established bus service in lieu of train service, and we authorized the Postmaster General to continue the service by bus just as if the service were being performed by train.

Mr. KETCHAM. And the gentleman understands that that carries with it the use of the funds provided for that purpose?

Mr. STAFFORD. The appropriation for railway transportation would be available for the substituted character of service.

The Clerk read as follows:

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the merchant marine act of 1928 (U. S. C., title 46, secs. 861–889; Supp. V, title 46, secs. 886–891x), $35,500,000: *Provided*, That not to exceed $7,000,000 of this sum may be expended for carrying foreign mail by aircraft under contracts which will not create obligations for the fiscal year 1935 in excess of $7,000,000: *Provided further*, That the Postmaster General is authorized to expend such sums as may be necessary, not to exceed $250,000, to cover the cost to the United States for maintaining sea-post service on ocean steamships conveying the mails to and from the United States, including the salary of the Assistant Director, Division of International Postal Service, with headquarters at New York City.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 57, in line 3, after the figures "$35,500,000," insert: "*Provided*, That no part of the money herein appropriated shall be paid on contract No. 56 to the Seatrain Co."

Mr. LAGUARDIA. Mr. Chairman, I do not want to unduly harp upon this question. This matter has been before

the House many times, and I do not believe there is any doubt in the mind of any member of the committee that the contract was improperly entered into.

The gentleman from Illinois [Mr. ARNOLD], in his statement on the bill, made it clear that it was not the intention of the committee to pay any money on this contract. If it were in the hands of the gentleman from Illinois or the committee, that in and of itself would be sufficient; but I want to call the attention of the House to the fact that we had a specific provision in the independent offices appropriation bill, passed by both the House and the Senate, prohibiting the making of any loan to this company, and yet a $3,000,000 loan was made.

Mr. HARE. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. HARE. Would the gentleman mind explaining to the House the provisions of this contract and the amount involved?

Mr. LAGUARDIA. Yes; I am coming to that. Is the gentleman interested in this, too?

Mr. HARE. Yes.

Mr. LAGUARDIA. Good.

It was known at the time the bids were made for the construction of these ships that this company expected to engage in coastal trade. I stated this, I believe, when I appeared before the committee, and it was stated on the floor of the House, so it is no surprise to us. Let not the Post Office Department plead surprise. After the Seatrain Co. received the loans, and received the loans on the basis of foreign trade, where the interest rate is lower, and built the ships, they announced that it was necessary to engage in coastal trade. The stop at Habana, I would say, was only an incident to the coastwise trade that was originally planned by this company.

Some of the Members may forget the history of this company. When the bids were made for the transportation of railroad cars, it was so made that only this company could bid. At that time it was a Canadian company owning one ship built in England, with an English mortgage on it, flying the British flag. After this contract was given to them, they changed the registry of this one ship from English to American and had ceremonies about it besides; but, mark you, in the meantime they were competing with American ships having the privilege of operating under British laws, which is one-third cheaper than under American laws.

Now they have received this loan. They are supposed to engage in foreign trade between New Orleans and Habana, and after they got the money, notwithstanding there was a prohibitive proviso in the appropriation bill of last year, they now announce that they want to run up the Atlantic coast carrying these cars. I predict now that this company will default on the loan.

I want to ask the gentleman from Tennessee [Mr. BYRNS] if he will not consent to this proviso, so there may be an express statement on the part of the House to carry out the intention of the committee as expressed by the gentleman from Illinois [Mr. ARNOLD] that there is no intention of giving this company further subsidies under the false pretenses under which they obtained their loan.

A few days ago there was distributed to the membership of the House a very elaborate pamphlet, the Romance of Seatrain.

I do not know why they call it romance, but we call it by another ugly, short word in my city. The whole contract of the Seatrain Co. is predicated on false representation.

Mr. BYRNS. I want to say that the committee, in connection with this appropriation carried in the bill, eliminated the appropriation for that contract. While the Postmaster General had made the contract, the company had waived the pay for six months. They were extending their line from New Orleans to New York by the way of Habana. It was a coastwise service that was being rendered, and I do not think that was in contemplation of the law.

Mr. LAGUARDIA. They knew it at the time.

Mr. BYRNS. For that reason the committee eliminated the appropriation. I do not know what effect it is going to have on the contract; they may have the right to go into the Court of Claims.

Mr. LAGUARDIA. If their contract is valid, which I doubt. The Comptroller General questions its validity.

Mr. BYRNS. The committee eliminated the appropriation; and as far as I am concerned, I have no objection to the amendment offered by the gentleman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The amendment was agreed to.

Mr. HARE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 57, line 4, strike out lines 4, 5, 6, and 7, down to and including the figures "$7,000,000."

Mr. HARE. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 57, line 4, after the word "*Provided*," insert the word "further."

Mr. LAGUARDIA. I offer that because of the amendment which was just approved by the House prior to this proviso.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 57, after Mr. LAGUARDIA's amendment, insert a colon and the following: "*Provided further*, That no portion of this sum shall be paid for the transportation of mail for any voyage or for any portion of a voyage of a vessel between ports of the United States."

Mr. DAVIS of Tennessee. Mr. Chairman, this amendment, if adopted, is not only not in abrogation of the law or of any legal contract awarded under the law but it is to insure that the expenditure of funds appropriated for the purpose of paying ocean mail contracts under the 1928 merchant marine act may be applied only in accordance with the law. You are aware, doubtless, that this authority to award ocean mail contracts for the transportation of the mails of the United States is only authorized in the case of vessels engaged in foreign trade. It is not authorized in the case of any intercoastal service. Foreign ships are not permitted under the law to operate in the coastwise trade of the United States, so that the United States ships have absolutely no foreign competition in the coastwise trade; and, of course, there is no reason on earth why this ocean mail pay should be awarded for the transportation of any mail in the coastwise trade; in other words, between ports of the United States.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. LAGUARDIA. I believe the gentleman ought to amend his proposed amendment by inserting the language "under the provisions of the merchant marine act," because otherwise, as I look at the amendment, it would even prevent the carrying of mail on the poundage basis, which, of course, is permissible under the law and necessary.

Mr. BYRNS. I was about to make that same suggestion to the gentleman.

Mr. DAVIS of Tennessee. I will state to both gentlemen that that is what is intended, and my language follows the provision—

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the merchant marine act of 1928, $35,500,000.

My amendment follows that and I supposed it would be presumed it had reference to that.

Mr. BYRNS. If the gentleman will permit, the gentleman's amendment provides that no portion of this sum shall be paid for the transportation of mail for any voyage or any portion of a voyage of a vessel between ports of the United States. As suggested, that would prevent payment for carrying mail on the poundage basis.

Mr. DAVIS of Tennessee. In the first place, we are not carrying any mail of that kind that I know of in coastwise vessels on the poundage basis; but I had reference to a contract under the 1928 act, which had just been recited preceding the amendment. However, in order that there may not be any question about it, I ask unanimous consent to amend my amendment, as suggested by the gentleman from Tennessee and the gentleman from New York, by adding the language "under the provisions of the merchant marine act of 1928."

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to withdraw his amendment and to offer in lieu of it a modified amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 57, after Mr. LAGUARDIA's amendment, insert a colon and the following: "*Provided further*, That no portion of this sum shall be paid for the transportation of mail for any voyage or for any portion of a voyage between ports of the United States under the provisions of the merchant marine act of 1928."

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. ARNOLD. Is not this amendment in its present form simply declaratory of existing law? They have no right under existing law to pay out money or to make contracts for the carrying of mail on coastwise ships.

Mr. DAVIS of Tennessee. That is true; but they are doing it.

Mr. ARNOLD. They may do it if we adopt this amendment.

Mr. DAVIS of Tennessee. I do not think that the Comptroller General would permit it when this limitation is placed on this specific appropriation. I do not think the Post Office Department is responsible for some of the practices which have arisen. I am advised that they have awarded some contracts which were regular under the law, where the ships of a certain line would leave a certain American port for a foreign port, and that since that was done, since the contract was awarded, the ships have taken on additional American ports. To give you an example, a ship, we will say, will leave Boston, then go to New York, then to Charleston, then possibly to Jacksonville, and then to some of the foreign West Indies ports. Under the law they are not entitled to any mail pay under section 405 of the merchant marine act of 1928 except when they leave the last American port for a foreign port, because up until that time they are engaged in the coastwise trade.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. ARNOLD. Suppose a vessel leaves the port of Boston with mail destined to a European port, and they stop at these other ports on the American coast which the gentleman suggested, does this amendment prohibit payment under any contracts for carrying mail from Boston to a foreign port even though the ship does stop at some other American ports?

Mr. DAVIS of Tennessee. Yes; and that is the law. Permit me to read section 404 of the merchant marine act of 1928, in which the authority is given to the Pstmaster General to execute the very contracts which we are discussing. Here is what it states:

The Postmaster General is authorized to enter into contracts with citizens of the United States whose bids are accepted, for the carrying of mails between ports between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States, to carry merchandise.

Now, it is lawful for a vessel not documented under the laws of the United States—in other words, a vessel of a foreign flag—to operate from Boston to a foreign port, or from New York to a foreign port, or from Charleston to a foreign port, but it is not lawful for it to operate between two American ports. Consequently, it is clearly what is classified as the coastwise trade whenever it is between ports of the United States. They are not entitled to this mail pay under the law until they leave the last American port for the foreign port.

Mr. BACON. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. BACON. I think the gentleman's amendment carries the words "or any portion of a voyage." Would that not exclude a voyage from the last American port to the foreign port?

Mr. DAVIS of Tennessee. No. The purpose of that is for the express purpose of not excluding from the application of the mail contract any portion of it except that portion between ports of the United States.

Mr. BACON. For instance, I have in mind the Grace Line, which goes from New York to Habana and then stops in Mexico, Honduras, and Costa Rica, and then goes through the canal and stops in Salvador, Nicaragua, and Guatemala, and going up the Pacific coast eventually gets to San Francisco. Would that line be excluded?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BACON. The Grace Line is a line that is obviously in the foreign trade of the United States.

Mr. DAVIS of Tennessee. But is it not also true that they stop at several ports before they leave for a foreign port?

Mr. BACON. Only New York. They leave from New York and stop at 8 or 10 foreign ports before they reach San Francisco.

Mr. DAVIS of Tennessee. But is it not a fact that they are now and for some time have stopped at other Atlantic ports before they leave?

Mr. BACON. I do not think so.

Mr. DAVIS of Tennessee. Well, my information is that several of them have. I would not make that as a positive statement.

Mr. BACON. The particular line I am talking about is really engaged in the foreign trade with Central America, and stops at a great many different ports, and eventually reaches San Francisco. That line has built four new ships under a mail contract.

Mr. DAVIS of Tennessee. I will state that under the facts which the gentleman states it would not apply unless there should be a portion of that trip where they went from one American port to another.

Mr. BACON. Well, I wanted to get an interpretation of the gentleman's amendment, because it seems to me it is so broad that it would affect this line which is honestly engaged in the foreign trade of the United States.

Mr. DAVIS of Tennessee. I will cite another instance. It was urged that if a ship leaves New York for Hamburg and then immediately turns around and makes the return voyage to New York, that that is one continuous voyage. The Supreme Court of the United States has held that it is not; that it is a completed voyage when it goes from a United States port to a foreign port, because it must enter there and get clearance papers to return, and that could not be construed as a voyage between ports of the United States.

Mr. BACON. I do think the gentleman's amendment applies to the Grace Line, that I have specifically mentioned, and I did want to have the gentleman's interpretation of his own amendment.

Mr. DAVIS of Tennessee. It would not apply unless they make several American ports before they leave for the foreign voyage; and in that case, under this amendment, that

mail pay would only commence at the last American port before they leave for a foreign port; and it should apply, and does apply under the law.

Mr. BACON. What effect does the gentleman's amendment have on a voyage beginning at New York and eventually ending at San Francisco, even though the ship has stopped at seven or eight or a dozen foreign ports on the way?

Mr. DAVIS of Tennessee. Well, if it actually entered and cleared foreign ports in the conduct of its business, I would say it did not apply, because those would be separate voyages, but if it was a mere subterfuge, as is the case in one instance, it should not apply and I hope would not apply, although it is being applied now.

Mr. SIROVICH. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. SIROVICH. Suppose a ship leaves New York and goes to Charleston, S. C., then to Savannah, Ga., then to South American ports, and it takes on mail in New York, why should it not get credit for mail all the way from New York to where it goes, instead of only from the last place in the United States?

Mr. DAVIS of Tennessee. Between New York and Charleston would be coastwise trade.

Mr. SIROVICH. But it is on its journey to South America where this mail is going.

Mr. DAVIS of Tennessee. But, of course, the question of the carriage of the mail is not a very important item.

Mr. SIROVICH. But how would it be affected by the gentleman's amendment?

Mr. DAVIS of Tennessee. This is valuable mail pay. That is what it is. We have to consider it from that viewpoint. In addition to that, this mail pay has risen far beyond what was contemplated and predicted by the officials. It is becoming a burdensome proposition, and the committee which reported this bill has made a reduction in the appropriation for this purpose under what it was for the last fiscal year, as I understand.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes. I have been interrupted a great deal.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. This affords an opportunity to apply that cut at places where it will be in accordance with the law and not do an injustice to any company which is only undertaking to draw pay in accordance with the law.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. WOOD of Indiana. Suppose a vessel starts from New York and docks at New Orleans in the course of its trip to its destination in South America. Under the gentleman's amendment, where would its pay commence?

Mr. DAVIS of Tennessee. At New Orleans.

Mr. WOOD of Indiana. At New Orleans?

Mr. DAVIS of Tennessee. At New Orleans, because between New York and New Orleans it is operating between ports between which a foreign-flag vessel can not operate.

Mr. WOOD of Indiana. Suppose their stopping at New Orleans is simply an incident and not a matter of trade, that they are carrying no particular goods to New Orleans but that it is along their line, and that they pick up mail again, or that they pick up mail both at New York and at New Orleans, and that the stop at New Orleans is for the purpose of picking up mail, then what would be the working of the gentleman's amendment?

Mr. DAVIS of Tennessee. Of course, you can not very well draw a distinction as to how much cargo they are to pick up, for they are not likely to go clear around to New Orleans without being engaged in that service.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. LEHLBACH. Take a line that operates in the trans-Atlantic trade, covering the North Atlantic ports of New York, Boston, Philadelphia, and Baltimore; it stops at two or possibly three of these ports on its outward voyage to pick up cargo and not to do intercoastal or coastwise business whatsoever. This line would be affected by the amendment would it not?

[Here the gavel fell.]

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DAVIS of Tennessee. Answering the gentleman from New Jersey, I think it resolves itself back to the law itself. Of course, I could not offhand state what interpretation might be placed upon different phases that might be presented by those who would have the authority to interpret it, but I am simply undertaking to restrict this to the clear statement and intent of the law under which the contracts are awarded. If they were observing the law in accordance with the provisions of the merchant marine act of 1928 I would not offer this amendment.

I agree with the gentleman from Illinois that it does not change the law. It is not intended to change the law. It is intended simply to direct attention to it and to place a limitation upon it that would perhaps be effective, whereas the legislative act itself is being ignored in part.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. BLAND. Is it intended that the amendment should apply to a situation where a steamer starts, for instance, from Baltimore, stops at Philadelphia, not for the purpose of transacting business between Baltimore and Philadelphia or carrying any cargo to Philadelphia, but simply for the purpose of picking up at Philadelphia additional cargo for its foreign destination, and so on to other ports? Would this amendment affect the mail pay from the original point? In such a case the ship, though stopping at domestic ports, is not engaging in coastwise business, but the intermediary ports would be rather ports of call on its voyage?

Mr. DAVIS of Tennessee. We have this identical question under the present provisions of the law, and I am not prepared to state what interpretation the Postmaster General has placed upon it, but I may say that, personally, I think the mail pay should not commence until the ship leaves the last American port, because, in the very nature of things, the Postmaster General can not supervise all these ships to see whether or not they are carrying any merchandise or passengers between these different American ports that they make. I think this was the intent of the original law, and this is the way I would interpret it, but I do not know how it may be interpreted by others.

Mr. ARNOLD. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. ARNOLD. Has the gentleman in mind specific cases applying to these contracts where there is an abuse such as the gentleman seeks to correct by this amendment?

It seems to me this amendment is going quite far; and none of us had any notice of it, but it is just being presented from the floor. It seems to be rather sweeping in its scope, and unless there is something that ought to be remedied by it we should not take a chance or speculate as to the results that may follow from the adoption of a new amendment.

Mr. DAVIS of Tennessee. I am convinced there are abuses. But, if there are no abuses, certainly the amendment would be harmless. I am sure there are abuses. In fact, I know that there are.

Mr. FIESINGER. Does the gentleman's amendment apply to the Great Lakes?

Mr. DAVIS of Tennessee. No. The merchant marine act of 1928 does not apply, and there are no mail-pay contracts awarded on the Great Lakes.



Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. SIROVICH. Is it not a fact known to most members of the Committee on the Merchant Marine, Radio, and Fisheries that even with all the advantages the Government is putting at their disposal those engaged in the coastwise trade are almost ready to go into the bankruptcy court to-day, and if we add this burden it will make matters that much worse?

Mr. DAVIS of Tennessee. It does not apply to vessels exclusively engaged in the coastwise trade. It would protect those engaged exclusively in the coastwise trade. Vessels engaged in the coastwise trade are not entitled to any mail pay for any portion of the voyage. If the vessel is engaged partly in coastwise trade and partly in foreign trade, it is entitled to pay for only such portion as is foreign.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I rise in opposition to the amendment.

It occurs to me, Mr. Chairman, from the questions propounded to the proponent of this amendment that it should not be adopted for very many reasons.

In the first place it is entirely new. It is a matter of far-reaching importance, or may be a matter of far-reaching importance, so much so that we should know beyond a question of doubt what its practical effect would be. Now, the gentleman from Tennessee has admitted in answer to questions propounded by the gentleman from New York and the gentleman from New Jersey, that he does not know what might be the interpretation of the Postmaster General, or of the comptroller, whether it would be considered a violation of law were the vessel to stop simply at ports of call for the purpose of taking on additional cargo. In his opinion he says he does not think they would be entitled to pay until they left the last port of call. It is going to result in confusion, it is going to result in lawsuits, it is going to result in very grave disaster to the merchant marine of the United States.

The merchant marine of the United States, as has been stated here, is having a very difficult time to live. I do not believe there is anyone here who wants to destroy the American merchant marine. We all know how this country suffered when we had no merchant marine. There is no other country upon the face of the earth that has a merchant marine but what to-day is doing more by way of subvention and subsidy than the United States.

Mr. SIROVICH. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. SIROVICH. Does my distinguished friend realize that even the American merchant marine that is going to the foreign countries is already bankrupt?

Mr. WOOD of Indiana. There is not a bit of doubt about that.

You gentlemen who are from New York, perhaps, saw that wonderful Italian vessel that came in there a few days ago. My attention was also called to it. It has not an equal upon the seas. Its construction was made possible by reason of subventions and subsidies granted by Italy. It is larger than the Leviathan. It is more spacious than any other vessel that has ever been built or attempted to be built. It has 11 decks, with more than half a dozen elevators reaching these various decks. To my mind, this ought to be sufficient argument to the American people that we should guard carefully this great asset of the United States, not only in time of peace but in time of war. We were in a most pitiable position when the World War broke out because we had no merchant marine at all. There were but two vessels upon the Atlantic and only one upon the Pacific at that time that could even be called an excuse for a merchant marine. We have been trying ever since that time to establish an American merchant marine, and the law referred to had no other purpose than the establishment of such a merchant marine, and we were getting well on our way until this great depression struck us. To-day we have more tonnage laid up than any other country on the face of the earth because of lack of patronage, because of lack of trade, because of lack of international trade, and this amendment, I fear, would prove disastrous to the merchant marine of this country.

As has been stated, the committee has made a cut in the appropriation and we should not hamstring this activity by taking away from it the possibility of taking advantage of every port of call they can make.

Mr. BLAND. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. BLAND. Is not the loss of patronage, in part, due to the fear of shippers to-day that the American merchant marine may not be maintained?

Mr. WOOD of Indiana. That is absolutely true and the enemies of our merchant marine are spreading that propaganda every day and every night. They have paid agents in the United States to-day circulating the very story that has been suggested by the gentleman from Virginia. They are stating that you can not afford to make a contract for shipment in this or that vessel of the American merchant marine because, they say, in all probability it will not be able to carry it out. I do trust this amendment will be defeated.

Mr. LEHLBACH. Mr. Chairman, there is no one in this House who is more cognizant and more appreciative of the services rendered the American merchant marine than the gentleman from Tennessee [Mr. DAVIS], but I can not follow his lead in proposing this amendment. There are lines, such as the Baltimore Mail, covering Newport News, Baltimore, and possibly Philadelphia, that pick up portions of cargo at each one of these ports and proceed to Europe. They do not engage and could not be bothered with engaging in coastwise trade, but would be affected adversely by this amendment. The America-France line, now operated by the Government, and for sale, if given a mail contract, covers the ports of Baltimore, Philadelphia, New York, and Boston, and would be adversely affected by this amendment.

I am informed that on the Pacific coast the mail contracts support American-flag ships in competition with the Japanese and the English. If they stop at Honolulu in Hawaii, it breaks their mail contract under this amendment.

The amendment is a blow at substantial, honest, American merchant-marine interests that we fostered, in order to get at some imaginary and some negligible evil.

Mr. LOZIER. Mr. Chairman, I rise in support of the amendment of the gentleman from Tennessee and to make an observation. Of course, we can not amend substantive law in the consideration of an appropriation bill, but I hope the Congress of the United States may, at no distant date, take time to consider the unsound provisions of the merchant marine act, the maladministration of that act, and particularly the prodigality of the Post Office Department in entering into ocean mail contracts. Here we have the rottenest, most wasteful, and probably the most graft-infected activity of the Federal Government.

Under statutes authorizing the execution of these contracts, unconscionable, indefensible, inexcusable, profligate, wasteful agreements have been made by which certain steamship companies sailing from the United States to distant ports with which we have practically no commerce, and to countries with which we have no substantial trade, and many of these companies are paid thousands of dollars per pound for carrying the ocean mail.

Mr. SIROVICH. Will the gentleman yield?

Mr. LOZIER. In just a moment.

Here is subsidy gone to seed, and governmental favoritism in the most vicious form. The system strikes at the fundamental principles and concepts of our Government. It may be that the shipping companies are hard pressed financially, but the agricultural classes of America are bankrupt, the retail merchants of America are facing insolvency, the wholesale merchants of America are on the brink of disaster. Every vocational group is about to be broken or has already been broken on the rock of insolvency, and yet we

have the lamentable spectacle of the United States Government paying thousands of dollars per pound for carrying a few sacks of mail across the ocean. This policy can not be justified in periods of prosperity, and it is indefensible in this unprecedented period of depression. I repeat that while this abuse can not be corrected in the consideration of this appropriation bill, these excessive subsidies approach the point of a national scandal.

No man in this House, no upstanding, forward-looking man in America can justify the contracts and payments that have been made under the maladministration of this agency of the Government. I hope the American people will call upon this Congress or on the next Congress to clean this Augean stable and to correct the maladministration, the extravagance, and the profligate expenditure of public funds, under the guise of patriotism, and under the specious plea that these appropriations and these malodorous contracts are necessary in order to build up our national merchant marine, extend our foreign trade, and guard against external aggression in the future.

Mr. BLAND. Mr. Chairman, I move to strike out the last three words. As a member of this committee I regret to hear the intemperate utterances of my distinguished friend from Missouri [Mr. LOZIER], who doubtless has not given to this question the consideration that it actually deserves. There may have been mistakes in the administration of this law. I do not say that they have not existed, but I do deny that there has been fraud, corruption, or graft.

Soon, in a short time, to my regret—and no man can say it with more feeling than I—there will leave this Chamber one of the warmest, most devoted friends of the American merchant marine that the American merchant marine has had, one of the most loyal and patriotic Members who has ever sat on this floor. [Applause.]

I refer to the distinguished chairman of the Committee on Merchant Marine, Radio, and Fisheries, the Hon. EWIN L. DAVIS, of Tennessee. [Applause.]

The Democrats have been in charge of this House for nearly two years, and if the condition existed which has been depicted by the gentleman from Missouri, no man would more quickly have brought it to the attention of this House than the distinguished gentleman from Tennessee.

The Committee on Merchant Marine, Radio, and Fisheries has been endeavoring to carry out the mandate of Congress, when in 1920 it declared as a national policy of these United States that it is necessary for the national defense and for the proper growth of the foreign and domestic commerce of the United States that it should have a merchant marine of the best-equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be owned and operated privately by citizens of the United States.

The ports to which some of these vessels sail may have comparatively little cargo now, but it is in execution of this declaration and mandate of Congress that they are endeavoring to build up the commerce of the United States.

Are we prepared to-day to strike down the American merchant marine and trust our foreign commerce to those adversaries who are building high their tariff walls and trying to-day to shut out the commerce of the United States?

We want our own delivery wagon. We want to carry our own commerce and our own mail. Every ship that carries the mail under this act is built for national defense, constructed upon plans approved by the Navy, and with gun emplacements so that it can be converted instantly into an instrument of defense in time of war.

Not only that but there is a provision whereby these ships can be taken over in time of national emergency without any added expense by reason of the emergency. In other words, it is a powerful far-seeing provision for the future.

Men of the South, you have need of an efficient American merchant marine. You remember that just before the World War the cry went around, "Buy a bale of cotton." Your cotton was ready to be sent abroad, but you could not ship it because British ships had been taken off the water, and you did not have an American merchant marine to carry your goods to foreign countries. [Applause.]

Availing myself of the leave granted for the revision and extension of my remarks, I would emphasize the immense advantage of an American merchant marine to the shippers of America on many occasions in affording facilities for foreign shipment of American goods when otherwise ships would not have been available, as, for instance, the movement of wheat a few years past for the farmers of the Middle West and also at another time in the transportation of coal.

The important organization known as the Mississippi Valley Association, which embraces all States between the Appalachian and Rocky Mountains in the great Mississippi Valley and which has for its objects the furtherance and promotion of the economic, industrial, commercial, and agricultural interests of that section, unqualifiedly went on record at its recent meeting in St. Louis in favor of the retention and development of the present services of the American merchant marine.

This meeting of this association was attended by more than 400 delegates from 25 States. By appropriate resolution, this association declared that the whole world is preparing for the highly competitive conditions that exist and may be expected to continue in the commercial struggle for export markets; that as a safeguard favorable ocean rates will be maintained which will assist the farmer and manufacturer to sell their products in world markets—in peace and in time of war—regular, adequate, and dependable American-flag ocean services, connecting at the ports with our inland water and rail routes, must be maintained; and that these services afforded free access to foreign markets, which were an insurance against excessive ocean freight rates and an invaluable naval and military auxiliary in time of national emergency.

This association declared that the amount contributed by the Government toward the maintenance of the American merchant marine is small indeed in comparison with the great benefits, direct and indirect, which the possession of this merchant marine affords agriculture, industry, and labor.

It was truly said by that association that American ships can not operate in foreign trade without Government aid, and it was for this reason that this powerful association declared itself as strongly favoring the continuance of the present policy of aid to our merchant marine and recommended as sound policy and real economy the early award of ocean mail contracts to our remaining essential Government lines to make possible their sale.

It is interesting in this connection to note that this association also opposed transferring the activities of the United States Shipping Board Merchant Fleet Corporation to any other Government department or bureau and favored the continuance of the Merchant Fleet Corporation as an agency of the Shipping Board until the lines are sold and matters relating to such sales are completed.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, the gentleman from Virginia [Mr. BLAND] refers to the proper use of the merchant marine act, and with that we have no quarrel. It is the abuses in the administration of the merchant marine act that the amendment now before the House seeks to correct. We need not be reminded that the coastal trade is an exclusive, noncompetitive trade in this country and in every other country of the world having a merchant marine. The trouble is that the practice has grown up where subsidies are paid under the provisions of the merchant marine act under the guise of postal contracts to companies who are engaged in coastwise trade and not in foreign trade. The amendment of the gentleman from Tennessee does not seek to apply to a bona fide foreign route, stopping at an American port, as incidental to that. It seeks to prevent subsidies

based on fictional foreign trade. Take this contract which I have in mind, that I investigated, of a New York-San Francisco route, via the Panama Canal, with a technical stop at a Panaman port. I submit, gentlemen, that that line is not engaged in foreign trade within the meaning of the merchant marine act, and yet that line is receiving at this time $250,000 or $300,000 in the nature of a subsidy. I called the attention of the comptroller to this particular contract at the time, and it was held valid on a technicality that the stop at Colon or Cristobal is a stop at a foreign port. I submit that a line of that kind having the benefit of receiving loans under the merchant marine act receives all of the help that the Government can properly give to a noncompetitive business of that sort, that it is not entitled to the subsidies under the fiction, if you please, of engaging in foreign trade simply because it goes through the Panama Canal.

The gentleman from Virginia [Mr. BLAND] makes a most forceful appeal, that we must meet foreign competition, and the House is with him on that, but I submit that it is difficult for some of us to understand how we can meet this foreign competition with these subsidized lines, when they enter into a conference with foreign steamship lines and controlled by foreign interests to fix schedules and rates. I can not see the sense of entering into an agreement on freight and passenger rates and as to schedules, and at the same time pretend to be in competition with foreign steamship lines.

Mr. BACON. But the trouble with the gentleman's amendment is that it goes much farther than to meet the conditions that the gentleman from New York describes.

Mr. LAGUARDIA. I do not believe he intends to.

Mr. BACON. I know, but this has been brought in quickly, and his amendment would hurt the oceanic line going from San Francisco, stopping at Honolulu and Samoa to Australia, and doing splendid work in building up American trade in the Pacific.

Mr. LAGUARDIA. There is no quarrel with that. The gentleman and I discussed that. I think he mentioned the Grace Line. That line, of course, is engaged in foreign trade.

Mr. BACON. But this amendment would affect the Grace Line, a line which has done more to build up foreign trade in this country with Central American countries than anything that has ever been done in that direction.

Mr. LAGUARDIA. I agree to that; but I submit that if abuses of the benefits of the merchant marine act continue the American people will not submit to it. That will end subsidies. Fictional foreign trade must end, and control of American shipping through the foreign-controlled conference must end.

Mr. BACON. Why does not the Merchant Marine Committee bring in an amendment after careful hearings, and not have the matter brought up on an appropriation bill so that it will hurt a lot of innocent people?

Mr. LAGUARDIA. That is a matter for the committee, but I say that where the foreign trade is purely a fiction, as it is under the example that I have given, they are not entitled to a subsidy, and there is a second point that I have made that has not been heeded in this House, and I have made it several times, and that is that subsidized American lines receiving aid from the Government to compete with foreign steamships should not enter into a conference or pool with foreign steamship companies in respect to the fixing of rates and schedules.

Mr. BARTON. Mr. Chairman, I want to confine my remarks to the specific language of the amendment, and I ask that the Clerk again report it.

The CHAIRMAN. Without objection, the Clerk will again report the Davis amendment.

There was no objection, and the Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 57, after Mr. LAGUARDIA's amendment, insert a colon and the following: "*Provided further*, That no portion of this sum shall be paid for the transportation of mail for any voyage or for any portion of a voyage of a vessel between ports of the United States under the provisions of the merchant marine act of 1928."

Mr. BARTON. Mr. Chairman, I take it from what has been said that the merchant marine act would authorize certain transportation and prohibit other. If I understand the amendment, with a technical construction, it means that if the mail is carried under the provisions of the law—that is, in accordance with the law—then nothing of this appropriation can be paid to that vessel. It is directly the opposite of what is intended. I think the amendment should be modified so as to say "in violation of" or "as prohibited by the merchant marine act."

Mr. GIFFORD. Mr. Chairman, as is usual when the matter of mail subsidy comes up annually, there is much discussion and the administration is subjected to criticism. I had to-day intended to make a few remarks on the subject, but it has been sufficiently discussed and the amendment is to fail. It has been shown that such an amendment is work for the legislative committee and not properly to be added to an appropriation bill, which would result in forcing these people into a Court of Claims. I want to indorse what the gentleman from Virginia [Mr. BLAND] has said relating to the gentleman from Tennessee [Mr. DAVIS], who is retiring, for I am in hearty agreement.

The gentleman from Tennessee has done excellent service for the country in matters affecting our merchant marine. Furthermore, the gentleman from Virginia [Mr. BLAND], who is soon to take his place, has to-day shown us what we may expect of him, and we all feel reassured by his emphatic expression of defense of the present administration in its awarding of these mail contracts.

However, it is now plain—and I mean to call special attention to the fact—that as the day of your full responsibility approaches you gentlemen on the Democratic side will be more and more ready to take back much of the criticism which you have heretofore made on the floor of this House relating not only to this particular matter but to many other phases of the Republican administration as well—criticism with which some of you have taken delight in filling the pages of the CONGRESSIONAL RECORD.

Now we hear the ringing tones of the incoming chairman proclaiming that, after all, the administration of the law in this respect has probably been wise and proper. It is now desired to forget those former criticisms as you come to a realization that your party can do no better. I expect to be with you for at least two more years, and may have further occasion to remind you as you are forced to retract many a harsh criticism of the present administration which you have made in recent years. [Applause.]

Mrs. KAHN. Mr. Chairman, I rise in opposition to the amendment.

It seems to me it will be the most severe blow the merchant marine of our country has received in years, if the amendment is incorporated into the law. On the Pacific coast we are in competition with lines running to the Orient, running to Australia and to New Zealand. The merchant marine on the Pacific coast is doing everything it can to build up the trade of the United States. We have the Japanese lines running from San Francisco to Japan. We have American lines running from San Francisco to Japan and to the Philippines via Honolulu. We have the Grace Line, which is doing a tremendous work, as the gentleman from New York [Mr. BACON] stated, in building up our trade with Central and South America. They have ships running about every two weeks. They are planning weekly schedules between San Francisco and Los Angeles and South American and Central American ports as soon as the large new boats they are now building will be completed. Those people will be handicapped in their endeavor to do this great work for our country if this amendment becomes a part of the law.

We have the Oceanic Line running from San Francisco to Honolulu, to Samoa and New Zealand and Australia. The part from San Francisco to Samoa will be practically cut out, a distance of almost 5,000 miles, if this amendment becomes law. Just as the merchant marine of this country is beginning to see daylight, we are starting in to give it

a terrific body blow. I sincerely hope, as one who has been interested all of her life in the merchant marine, as was Mr. Kahn before me, who did everything he could to build up the merchant marine, that this amendment will not be adopted. [Applause.]

The CHAIRMAN. The time of the lady from California has expired. All time has expired.

The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 7, noes 61.

So the amendment was rejected.

Mr. HARE. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARE: Page 57, line 4, after the words "*Provided further,*" strike out lines 4, 5, 6, and 7, down to and including the figures "$7,000,000," and insert in lieu thereof the following: "that no part of this sum shall be used in payment for transportation of foreign mails by aircraft."

Mr. HARE. Mr. Chairman, of course we will not confuse this amendment with the one upon which we have just voted. The provisions of this amendment apply solely to that part of the bill that would make appropriation for promoting foreign air mail service.

I feel that now is the time when Congress should, in its efforts to economize, eliminate appropriations for what may be classed as the luxuries of government. The transportation of mail by aircraft is not a real necessity, but what we might call a luxury in government. There is no actual or urgent necessity for it. Some say that business has gone to the bad. As a matter of fact, there is little or no business going on in our own country or with foreign nations. We see from reports that our exports are growing less and less every day; and, if this be true, I can not understand why we should proceed in making the enormous appropriation of $35,000,000 to be used at the discretion of those in authority, for transporting mail to foreign countries.

Mr. LEHLBACH. Will the gentleman yield for a question?

Mr. HARE. I yield.

Mr. LEHLBACH. Some large liners are expecting to be equipped with space for plane carriers. When approaching the coast of Europe they intend to send the mail forward in a plane, thereby saving possibly 10 or 12 hours, and also have late mail overtake the steamer after it has left the port of New York or other ports on the American coast from which the ship departs. Would the gentleman's amendment bar the liner using such auxiliary service?

Mr. HARE. I think it would, or at least it should, because if a steamship is approaching a foreign port, the condition of the country is such that it will not warrant an appropriation of $35,000,000 to save just a few hours in the delivery of a few bags of mail. The economic conditions of the country will not justify it. The economic conditions of the country do not demand it, and the depleted condition of our Treasury will not warrant it.

Mr. MAAS. Will the gentleman yield?

Mr. HARE. I yield.

Mr. MAAS. Does the gentleman realize that this money is already obligated under a valid contract?

Mr. HARE. No.

Mr. MAAS. Well, it is. It is an obligation of the Government. It is contracted for, in good faith, and we must pay it.

Mr. HARE. Well, it reads "will not create an obligation for the fiscal year 1935." If our Government is making contracts beyond the year for which appropriations are made, then I submit that the Committee on Appropriations should make appropriations only so long as the contracts exist.

Mr. GOSS. Will the gentleman yield?

Mr. HARE. I yield.

Mr. GOSS. In this bill the Committee on Appropriations has appropriated money for three years in advance, in connection with rents for post offices, and so forth. I call the gentleman's attention to this word "aircraft," on line 25, page 56, which is in the original text. What will happen if the gentleman's amendment is adopted, with that word left in, which is in the existing law?

Mr. HARE. It simply means that this part of the appropriation will not be used for paying foreign air mail service.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mrs. OWEN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from South Carolina [Mr. HARE] has advanced economy as his reason for introducing this amendment. I think we all recognize, even at a time when economy in government is vitally necessary, that there are certain reductions in expenditure which would constitute a false economy. I want to address myself briefly to two points; first, the invaluable services rendered by the foreign air mail; and, secondly, the comparatively small cost to our Government of these services.

I feel there is no Member in this House who has paid a greater price for war than I personally have paid. No one more deeply deplores its waste and devastation, and yet I must recognize that until we have methods by which we can adjust the quarrels between the nations without resort to arms it is folly to endanger the national defense of our country. All of those who watched the scientific developments throughout the World War realize that future wars will not be fought between combatants on the ground. We found out that it is possible for one airplane to carry explosives and gas that represented a far greater destructive force than a host of armed men.

Without minimizing the services of our own Army and Navy air forces, we must recognize that if we are going to have the power to suddenly expand our air force we require two major factors: We need a body of men with technical training, and we must have factories which can produce aircraft of the latest possible model.

I want to call the attention of the House to the potential national defense represented by personnel and the production units provided by the companies carrying the foreign air mail for our Government.

I want to call attention specifically to the service of the Pan American Airways. Do you realize that the Pan American Airways now employs a personnel of approximately 2,500 men who are, many of them, skilled technicians? If our Government paid for the training of their pilots, $5,000,000 would have to be expended. An annual budget of $500,000 would be required to keep this number of skilled airmen at the disposition of the Government, and yet this mighty factor in national defense is retained by the Government at no cost beyond the contract that is given to the foreign air mails.

Let me call your attention to the actual expenditures of this one company. The capital invested by the Pan American Airways is $18,370,000. The capital invested in airplanes, airplane engines, hangars, and equipment is $9,200,000.

In addition to this tremendous potential force of national defense, I want to call your attention to the advance in mechanical and inventive genius that is represented by the achievement of this one company. At present there are on order by the Pan American Airways six planes, marking a new advance in aviation. Three great flying boats are being made by the Sikorsky Co. in Bridgeport, Conn., and three by the Glenn Martin Co. in Baltimore. These new 4-motor planes will advance the speed of air travel to 145 miles an hour. The mechanical details were perfected by their own corps of engineers under the direction of Col. Charles Lindbergh. These new planes will be able to travel 2,400 miles without refueling, with 50 passengers and a full load of mail. To illustrate: They will be able to travel from San Francisco to Hawaii on a nonstop passenger flight.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask that the gentlewoman from Florida be given five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mrs. OWEN. Other governments have provided a direct subsidy to the air companies, but in the United States our only governmental encouragement to aviation is the contract we have given these companies for carrying the mail.

Let me now give you the actual cost to our Government of the operation of this one company. The revenue per mile received by the Pan American Airways, as allotted by the United States Post Office Service, is $1.89 a mile. The revenue received from its operation has been rising steadily since the contract was given. This figure has increased to 45 cents per mile from 27 cents for the year 1930 and 16 cents per mile for the year 1929. Therefore the Government is paying now only $1.44 per mile for the carrying of its foreign mail.

If you will verify the confidential statistics available in the State Department and the Department of Commerce, you will find that it is an actual fact that foreign governments pay twice as much in subsidy to their air companies as the United States Government pays to the Pan American Airways, which is actually in the forefront of airplane invention in the world to-day.

In addition to the potential national defense that is represented, I want to answer the gentleman from South Carolina [Mr. HARE] in regard to the service rendered by the foreign air mail to trade. My colleague has pointed out that we are in need of foreign markets. In the South American countries lies the greatest undeveloped field for foreign trade in the world to-day. While the European countries have been developing their foreign markets for a number of years in South America, it is only since we had the contact by air, which permits quick communication with the United States, there has been a steady increase in our trade with South American Republics.

The Pan American Airways now unites the United States by ties of commerce with 33 nations, and I put to the House, Mr. Chairman, that service which to-day opens to the United States the markets of South America, at a time when we as an export nation need above all things an increased market for our products, I put it to the House that in a time like this such an invaluable service merits the appreciation and encouragement of this Government.

May I call attention to just one other factor? The foreign air mail has not only admirably promoted the interests of international commerce, it has, I believe, performed another valuable service which in times of international stress must be recognized by the thoughtful representatives of a government. We are bound to the South American Republics by the Monroe doctrine. We are bound to them by ties of mutual interest and governmental sympathy. The air mail has effectively cemented a new and closer bond between the Republics of the Western Hemisphere. In time of disaster at Santo Domingo, Belize, and Managua it was the airman who carried the first relief from our Nation to the neighboring nation in distress.

Each place where the air mail has established a port, it has cemented friendliness between our country and another. So, in the interest of the development of the trade of the United States, in the interest of the strongest potential factor in national defense, and in the interest of a mighty bond cementing the nations of the Western Hemisphere, I ask for the continued support by our Government of the foreign air mail service. [Applause.]

[Here the gavel fell.]

Mr. THATCHER. Mr. Chairman, I do not know that I can add anything to the very able argument that has just been made by the Member from Florida. We are not living in a horse-and-buggy age. Air development has come, and the only question is whether we are dealing with it wisely. These contracts for Latin American air mail transportation have been made under authority of Congress and these contracts run for periods of 10 years. If we should withhold appropriations and undertake to annul these contracts by this procedure, the contracting companies could go into the United States Court of Claims and recover damages.

Mr. HARE. Will the gentleman yield for a question?

Mr. THATCHER. Yes.

Mr. HARE. I have listened to the argument of the gentlewoman from Florida and the gentleman from Kentucky, and I am wondering whether this appropriation is made purely for foreign mail service or whether the funds are being used for the development of foreign trade and for national defense. I think the Congress ought to know whether or not these funds are used as the bill says for carrying mail, or whether the appropriations are used for developing trade in different countries, or whether they are used for purposes of national defense, because if the latter is true the relationship would be entirely different.

Mr. THATCHER. The appropriations are made, primarily, for the transportation of mail, but other considerations enter into these appropriations; considerations of foreign trade and relationship, considerations of amity between our country and the countries south of us—the countries that in the years to come must constitute the great foreign-trade resources of the United States of America. Germany, France, and other countries of the Old World are sending their fleets of the air across the sea into these countries and invite trade. They are securing trade in this way and in the very nature of things we must meet this situation. We are attempting to meet it by the execution of these contracts for the transportation of mail, and through the transportation of passengers by means of these air lines. In no other way can we hope to meet the trade competition involved.

Mr. HARE. Will the gentleman answer one more question?

Mr. THATCHER. Make it short, if you please.

Mr. HARE. The gentleman speaks of developing amity between this country and other nations. I was under the impression we had a State Department and a Consular Service, an entirely different activity, for that purpose, and it had not dawned upon me that the air mail service was being used for that purpose.

Mr. THATCHER. There is no better way to develop good will between countries than by contacts of trade, and this is an agency that functions for that purpose.

If legitimate appropriations by Congress were withheld it would amount to confiscation of hundreds of thousands of dollars, or perhaps millions of dollars of property. These companies, in good faith, relying upon these contracts, have gone into the Latin American countries and have bought certain areas for their operations and they have made contracts with local governments. At very heavy cost they have equipped their transportation lines, based upon these contracts, and if we should withhold appropriations, the practical effect of such action would be the confiscation or destruction of the property of these American concerns.

Mr. STAFFORD. Will the gentleman yield?

Mr. THATCHER. Yes.

Mr. STAFFORD. Last year when this item was under consideration one of the members of the committee gave us the amount of postal revenue that was derived from the carriage of the mail by foreign craft. Can the gentleman give the amount of that revenue?

Mr. THATCHER. I can not give it with exactness offhand.

Mr. KELLY of Pennsylvania. If the gentleman will permit, for 1932 it amounted to $1,075,000 as a result of this foreign mail service.

Mr. THATCHER. When the frequency of air service was increased on the west coast of South America the postal receipts of this country greatly increased; and the testimony of the officials of the Post Office Department has been that where we increase frequency, making this service more and more available, there comes an increase in the revenues of the Post Office Department and a closing of the gap between receipts and expenditures. Every just consideration requires that the amendment proposed by the gentleman from South Carolina be defeated.

In Latin America the great maritime and aviation countries are eternally vigilant and everlastingly active. The French have an air line extending from France southward through Africa to French colonial territory; thence across

the Atlantic to Pernambuco, on the east shore of Brazil; thence down the east coast, via Rio de Janeiro, to Buenos Aires; thence eastward over the Andes to Santiago, Chile. The French Government is paying to these lines much higher rates of subsidy than our Government is paying to our American air lines engaged in Latin American mail service.

German air lines operate along the east coast of South America, connecting the principal seaboard cities of Brazil with the principal cities of the Rio Plata (River Plate) region—Montevideo and Buenos Aires. The Germans also have concessions to operate air lines from Buenos Aires and Brazil into Bolivia. For some time there has been in operation in Bolivia a German-controlled company. These German lines are also subsidized. In addition the *Graf Zeppelin*, the great lighter-than-air ship, has made a number of trips—all successful—from Germany to South America and return. All the aircraft involved in both these French and German operations carry mail as well as passengers.

The Italians have made a number of trial flights from Italy to South America, and these flights have been undoubtedly for the purpose of testing out the feasibility of permanent air service between that country and the Latin American countries with the idea of developing trade.

To anyone familiar with the situation, it is known that the Latin countries of Europe—France, Spain, and Italy—because of considerations of language, literature, historical background, and racial kinship feel that they should have the first call on Latin American trade and markets. It is very clear, therefore, that the moment we may cease to maintain our air contacts with the Latin American nations, the Latin countries of Europe as well as Germany, with their present air lines maintained and expanded, would be tremendously advantaged over our own country as regards Latin American trade and political relationships.

To-day the United States is linked by American air lines with all countries of Latin America and the West Indies, with the exception of Bolivia and Paraguay. The greater part of these air-line activities pivot on the Panama Canal, and they are closely coordinated with the operations of our domestic air lines. Hence, one may to-day travel by air from almost any section of the United States to any region of the great world south of us; and the reverse is also true.

In this age of speed and competition this situation means everything to our commercial development and political relationships.

If you will pardon the observation, permit me to suggest that, because of my residence in Latin America as a member of the Isthmian Canal Commission during the construction period of the Panama Canal, I believe that I am somewhat qualified to speak upon a subject of this character. I feel that I know something of the value of contacts by air and by sea between our own country and the nations in that quarter of the globe, and something also about the reaction involved by reason of these contacts. These air services between the United States and those countries I regard as being of the most vital importance, both to ourselves and to them. These services are supplemental and greatly helpful to the Panama Canal itself, as well as to our merchant marine and our general trade. To destroy these activities of the air through a withholding of appropriations—activities built up under the authority of the Congress itself, and by the expenditure of millions of dollars of American capital invested in our own and in these other lands—would, indeed, prove in its injustice and effect an act of repudiation wholly unworthy of our great Nation and one that would not be sustained by the courts.

With how much grace can we condemn France for striving to repudiate its sacred obligation to ourselves, if we endeavor to repudiate the obligations incurred through duly authorized contracts between our own Government and our own citizens? When a contract is entered into under full legal authority, let it remain a sacred obligation binding on both the contracting parties in all its terms, unless or until fraud may be shown in its execution or performance, or until the parties shall mutually modify or terminate it. If the policy may prove unwise, it need not be maintained when the contract period shall expire. These air-mail contracts run for 10 years, and in that time the wisdom or unwisdom of the enterprise may be determined. It would hardly have been possible to have induced American capital to embark in an undertaking so uncertain and hazardous for a less period.

Our Latin American neighbors are watching us to learn whether we are merely experimenting or intend to maintain a permanent policy in our air-mail and merchant-marine operations. They know that the great European countries are intensely in earnest as regards both means of transportation. They know that they can count upon settled, abiding policies on the part of European nations to maintain air and sea transportation, whatever governmental aids and bounties may be required.

It is true that the cost of the country's air mail and shipping policies, under recently enacted legislation, has been heavy; but the need for their establishment has been of the gravest character. Not only are mails and trade served by these operations, but, because of the features of national preparedness and defense involved, the life of the Nation itself may depend on their proper development and maintenance. The frightful unpreparedness on land, on sea, and in the air, experienced by our Nation during the World War taught us the need for our development along these lines. Of course, policies of this character must be administered with the greatest care and integrity. If abuses creep into administration, they can be ferreted out and corrected. If mistakes are made, they should be rectified as soon as conditions may permit. If fraud or wrongdoing should be found at any time, the same should be dealt with, of course, in summary fashion. Let us, however, be just and fair in our judgments, and withhold condemnation unless we are prepared to submit the facts which justify it. This much I say, in the interest of fair play, and in the belief that our shipping and air mail policies should have a fair opportunity to prove their worth. I doubt not that mistakes have been made in the administration of the laws involved, just as it is inevitable that mistakes will be made in the administrative effort to carry into effect any great legislative policy involving the expenditure of large sums of money, and the planning of nation-wide and world-wide activities.

In this general connection, Mr. Chairman, permit me to emphasize the importance of sustained and continuing policies. The development of the American merchant marine should not be menaced every time we are called on to make the appropriations required by contract authorized by the act of 1928. By that act, and by the Post Office Department under the authority of that act, shipbuilders and shipowners were invited to enter into 10-year contracts with the Government—not merely to carry mails, but, as well, to render other important service in behalf of national commerce and national defense. This service, under these contracts, is not to be rendered from year to year, subject to annual appropriations, but for the full period of the contract. The work of achieving and holding a strong position in international shipping and trade is not a task for a day or a year, but one for many years of sustained and intelligent effort. Only by such effort has Great Britain been able to establish and keep upon the seven seas her great merchant marine. Had her policy been one of vacillating character this result could not have been accomplished. The American shipping lines, operating under the merchant marine act, are obligated to maintain service on routes found by the Shipping Board to be essential to American commerce. The shipping lines by contract, in all but a few cases, were required to build new, larger, and faster ships under specifications approved by the Navy Department or to modernize old ships.

Thus the element of national preparedness and protection was written into the picture. Half a million tons of new ships have been built under the act; and in the event of war these ships can be instantly taken over by the United States Government, at their fair, actual value, without any war-

time enhancement of value due to emergency considerations. Again, all officers and two-thirds of the crews must be citizens of the United States. The schedule and routes, under the law, must be satisfactory to the Postmaster General; and the act delegates to that official and to his department the authority to deal with the subject.

In the pending bill the appropriation for the transportation of foreign mail, including not exceeding $7,000,000 for foreign air mail purposes, is $35,500,000. This total is $1,950,000 less than the Budget estimate involved; that is to say, for the fiscal year beginning next July. As a member of the subcommittee charged with the duty of conducting hearings upon and formulating this bill, I know that the interests of the taxpayers have been kept in mind. The Appropriations Committee, however, can not legislate, nor should there be legislation, wherever possible to prevent it, in an appropriation bill. The Appropriations Committee has no right to change the law which Congress has enacted. The most that it can do is to follow the law, and within the limits of the law itself to reduce expenditures to the lowest possible level. Under leave given me therefor I quote the following from the report of the committee touching the items under discussion, as follows:

The appropriation for transportation of foreign mail is recommended at $35,500,000, which is the amount of the estimated expenditures for the current fiscal year. The current appropriation is $38,695,600, of which it is estimated that approximately $3,200,000 will remain unexpended. The Budget estimates suggested a total of $37,450,000, a decrease of $1,245,600 under the 1933 appropriations and approximately $2,000,000 more than the 1933 estimated expenditures. Aside from $7,000,000 devoted to foreign air mail transportation and carriage of ocean mail on poundage basis, practically the entire amount remaining is for ocean mail service under the subsidy provisions of the merchant marine act of 1928. These contracts are for a fixed period of years with compensation at rates per mile depending upon the class of vessels employed in the service. There are, however, certain flexible items in the contract compensation. In making the allowance of $35,500,000 the committee feels that the expenditures for subsidy purposes should be held to the lowest possible figure consistent with existing mandatory contract requirements.

In making the deduction in the Budget estimates the committee has also eliminated the amount of $120,400 for contract service with the Seatrain Co., about which there was considerable discussion at the last session. No compensation has been paid under this contract to date, the company foregoing pay voluntarily under the contract for mail service between New Orleans and Habana after entering the coastal business by operating car ferries between New York and Habana. So long as no payments are being made and the situation has been complicated by the coastal operations, the committee felt that deductions from the appropriations should be made.

Mr. Chairman, a study of the bill, which makes appropriations for the Treasury and Post Office Departments for the fiscal year 1934, will disclose the fact that the subcommittee, in the first instance, and the Appropriations Committee in the second, have substantially reduced the estimates submitted by the Bureau of the Budget. These reductions include the items for ocean-going and other mails wherever possible.

Mr. BYRNS. Mr. Chariman, I wonder if we can not come to some agreement as to limitation of debate on this paragraph and all amendments thereto. We have been discussing this for over an hour.

I ask unanimous consent that all debate on this paragraph and all amendments thereto be limited to 12 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this paragraph and all amendments thereto close in 12 minutes. Is there objection?

There was on objection.

Mr. KELLY of Pennsylvania. Mr. Chairman, every member of the committee will admit that offering an amendment to an appropriation bill striking down an established policy of government is not the proper way to legislate. The foreign air mail has had consideration on the part of the appropriate committees and has been developed to a point which should have the approval of every Member.

The gentleman from South Carolina wants to know about the business developed by the air mail service. The Postal Service in 1932 sustained a reduction in revenue of $68,000,000. The foreign air mail had an increase of 30 per cent in receipts. If we could have had a 30 per cent increase in all postal revenues, there would not have been a dollar of postal deficit in 1932 and we would not be struggling with that question.

There has been a continuous growth; and solely as a matter of revenue, within the period of the contracts now in valid existence we should see a self-sustaining service. Not only that but when the Post Office Committee went into this matter four years ago, we were faced with the urgent necessity of taking action. German air transportation companies already had concessions in South American countries for carrying the mail. German, French, and British companies were organized, and we faced the proposition of whether we could tolerate foreign planes carrying mail over the Panama Canal Zone. Therefore, this American-owned air mail plan was worked out, whereby we should have control of all flights over the Panama Canal. I may say that the South American Republics welcomed our action, and they are now paying for the services rendered by this great system of air mail. The total receipts include, of course, the amounts paid by foreign countries. I insist, Mr. Chairman, that this expenditure of $7,000,000 a year is a necessary expenditure and is in reality one of the most profitable expenditures we have. With the contracts already in force under the law, we will in time have a self-sustaining service for the benefit of American business, for the promotion of good will among the Pan American nations, and for the betterment of the Postal Service.

Mr. MAAS. Mr. Chairman, the elimination of this item of $7,000,000 for foreign air mail would not only not be an economy but would be a tremendous extravagance. I do not know of any appropriation from which we get so many benefits as we do from this particular one.

I do not know how many Members of the House have been over these lines. I have been over them a good deal, I have flown through parts of South America and Central America, and have seen at first hand the direct benefit of this expenditure. This is needed in our trade with South America, which we must keep if we are to keep any foreign trade at all. We can render more efficient delivery service and better repair service than any other country. We are also maintaining equipment for national defense, which we are getting without any direct cost to the national-defense appropriation. Most of all, however, is the business we are building up, the whole set-up, the American trade with South America is being changed to an air basis. The most fatal thing we could do is to destroy it and turn the whole thing over to European countries. [Applause.]

Mr. LUDLOW. Will the gentleman yield?

Mr. MAAS. I will.

Mr. LUDLOW. As a contribution to the forceful address made by the gentleman from Minnesota, I want to say that from January 1 to December 31, 1931, they carried 45,979 passengers, and from January 1 to September 30, 1932, 43,387 passengers. It was testified before our committee by the Second Assistant Postmaster General that practically all of these passengers were salesmen and company officials of American concerns traveling in South and Central America. I think that is corroborative of the statements made by the gentleman from Minnesota and is illuminating as well.

Mr. MAAS. I am glad of the contribution of the gentleman, and I know that a great many South American officials are traveling on these lines.

Mr. MEAD. Mr. Chairman, this legislation was sponsored by our legislative committee on postal affairs. I do not believe this amendment, which will injure our foreign air service, should be considered during the discussion of an appropriation bill,

Some time ago the House passed a resolution authorizing our committee to investigate all postal facilities, including the air mail, and the committee will shortly present its findings to the House.

We have another method of approaching this problem, and I believe our report will be both helpful and informative to

the Members of the House who are interested in the progress of our air mail.

We may recommend a field audit, whereby the revenues of all the companies will be checked, those that are operating with a high rate of efficiency, those that are to-day earning their subsidies, as well as the poorly managed, inefficient organizations that are retarding aviation's development.

There are companies in operation to-day that should be controlled and supervised, and the way in which that can be brought about is by a field audit conducted by the Post Office Department rather than by the present system of audit, which is an audit made by the companies themselves.

We found that some companies were transporting ice-cream freezers and charging it up to mail poundage. We found other companies actually earning more than the Post Office Department was giving them in the way of a subsidy, and our committee will be ready to make its report, will be ready to offer suggestions and remedies in this matter in the near future. We believe that the subsidy is justified, that it promotes not only peace and commerce but it also aids the national defense. And so I say amendments of this nature on an appropriation bill are entirely out of order, especially when a legislative committee created by this House is looking into the very subject and is about ready to make its report.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. HARE. I am glad to learn the committee is making this investigation. I am much interested in some of the findings of the report. I really did not know that they were shipping ice-cream freezers and churns and charging it up as mail. Is it the purpose of the report to recommend at the conclusion that in future subsidies be not granted for the purpose of carrying such things as ice-cream freezers, and so forth?

Mr. MEAD. We will make a very interesting report. I am sure the gentleman will agree that we are doing a good job.

I may add, however, that Pan American is paid on a mileage basis and not on a space basis, as is the case with our domestic lines. So far we have no criticism to make of our foreign air lines.

Mr. CLANCY. Mr. Chairman, many Members of the House will remember the day about five years ago this House unanimously passed a bill granting the congressional medal of honor to Col. Charles A. Lindbergh. I happened to be with him for a few nights when he was in seclusion from the curious and the hero-worshippers who besieged him, and I heard some of his brilliant plans outlined for the development of air transportation.

One United States transcontinental air company was to be backed by a railroad to the tune of $3,000,000.

I heard some of the plans discussed to open up the Latin American routes which he later pioneered as a pilot, and which are doing a noble and useful work.

I am glad to hear the gentlewoman from Florida [Mrs. OWEN] refer to-day to his continued interest in the Latin American routes and that he has planned these six large ships to carry each 50 passengers and much freight and have a cruising radius of 2,400 miles.

Also at that time, five years ago, they discussed the northern route to Europe, which we thought was the most important of all. It was thought possible to clear a landing field in Labrador, and then one in Greenland, Iceland, and Denmark, or some other point in Europe, and jumps of five or six or seven hundred miles could safely and easily be made.

Some of these grand visions are now actualities and in operation.

There could not have been this development if it were not for the genius and foresight and generosity of the American Congress, through granting these subsidies, because these airplane companies could not have been developed nor survived otherwise and they can not survive now if these subsidies are withdrawn. There would not have been the development in aviation in the United States also, if the Army and Navy branches of the Government had not been contributed to so wisely and generously by the Congress. Foreign trade, national defense, and American progress require these continued subsidies.

I hope the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was rejected.

The Clerk read as follows:

For balances due foreign countries, $1,000,000.

Mr. SCHAFER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Page 57, line 15, after the figures "$1,000,000," insert "*Provided*, That no part of this appropriation shall be paid to any country which shall have failed to meet its obligations to the Government of the United States under its debt-funding agreement."

Mr. LaGUARDIA. Mr. Chairman, I make the point of order against the amendment.

Mr. BYRNS. Mr. Chairman, I make the point of order against the amendment. It undertakes to legislate on an appropriation bill in the form of a limitation, and, furthermore, is not germane.

Mr. SCHAFER. This is a limitation to save the taxpayers some money. It is clearly in order.

Mr. LaGUARDIA. Will the gentleman from Tennessee add that these payments are made under international treaties, which have all the binding effect of law? The gentleman's amendment would change existing law, and therefore this is legislation on an appropriation bill.

The CHAIRMAN. The Chair is ready to rule. The Chair feels that while it may be a limitation, it is not germane to the bill, and sustains the point of order.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, this amendment was offered in good faith. Under the last Democratic administration America was driven into the Great War, notwithstanding the fact that the presidential candidate of the Democratic Party in campaign utterances promised to keep her out of war.

Mr. BARTON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. If the gentleman will get me some more time, I will yield.

Mr. BARTON. Will the gentleman yield for a question?

Mr. SCHAFER. No. Prior to the World War our national debt was about $1,000,000,000. Under the Democratic administration it reached the staggering and stupendous sum of over twenty-nine and one-half billion dollars. To-day the American people and the taxpayers are carrying that burden. One-quarter of the expenditure of the taxpayers' money by the Federal Government in these days of misery and depression and despair is to pay the interest and sinking fund on those war debts.

About another one-quarter is properly appropriated for disabled veterans of that war, and their widows, orphans, and dependents. The press reports to-day indicate that the Republic of France, by an overwhelming vote, refused to pay the insignificant sum of about $20,000,000 due on the 15th of this month, notwithstanding the fact that America saved the French Republic from extermination and notwithstanding the fact that under the liberal debt-funding agreement entered into American taxpayers were saddled with an additional burden of over $4,683,000,000 which was relieved from the backs of the French taxpayers.

In these days of economy in America we are asked to reduce the tax burden. The international bankers, who helped drive us into the World War, demand that Congress reduce appropriations which give benefits to disabled veterans of the World War, their widows, orphans, and dependents, in the name of economy, in the name of balancing the Budget. It is too bad, from the standpoint of the American taxpayers, that the last Democratic administra-

tion when in control of the Government, even after the date of the armistice, sent billions of the taxpayers' dollars to France and the other foreign countries. We are paying now for the folly of the Democratic administration, and I sincerely hope that the new Democratic administration does not shell out the American taxpayers' money to foreign governments as the last one did.

France has the capacity to pay. She maintains a huge standing army of over 686,000 men. She had sufficient funds to carry on oppressive warfare against the Syrians and destroy the ancient city of Damascus. She had sufficient funds to maintain a huge military establishment in Alsace-Lorraine.

The little, paltry $20,000,000 due to-morrow from the French Government is less than 3 per cent of the amount she is expending annually for military and naval and air establishments. So it is ridiculous for the American people to swallow the propaganda that France does not have the capacity to pay. As the years move on and we observe the results of this great World War which the Democratic Party launched America into, we come to realize that the late Senator La Follette, from the State of Wisconsin, was a prophet when he opposed our entrance into the war and indicated what the results would be. Do not get confused when I refer to " the late Senator La Follette, of Wisconsin." I do not refer to his son, who in the last campaign subscribed to paragraph 5 of Mr. Roosevelt's acceptance speech, thereby getting on the Woodrow Wilson Democratic administration band wagon and in glowing terms indorsing the Wilson administration—this same Democratic administration which tried its best to drive the late Senator La Follette from Wisconsin into political oblivion for fighting a noble fight for what he deemed to be right and which the passing years have proved right.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BYRNS. Mr. Chairman, the gentleman from Wisconsin states that the present situation is due to the folly of the Democratic administration. I appeal from the gentleman from Wisconsin to what was quoted in this morning's paper from the Premier of France, who says it was due to the folly of President Hoover.

Mr. SCHAFER. If the gentleman will yield, it was the Democratic Party and President who sent billions of the American taxpayers' dollars to the French and other foreign governments even after the armistice was signed.

Mr. BLANTON. Mr. Chairman, in order to get the floor, I move to strike out the enacting clause of the bill.

Mr. BYRNS. Mr. Chairman, let us not get into any discussion. Permit me to say to my friend from Texas that we are trying to conclude this bill, and the more we talk about extraneous matters, the longer Members will be kept here.

Mr. BLANTON. I only need about three minutes to reply to the Wisconsin speech.

Mr. BYRNS. I made a mistake in permitting the gentleman from Wisconsin to speak outside the limits of this bill, and I am not going to make that mistake any further, but in view of that statement, I will not object to the gentleman from Texas having three minutes.

Mr. BLANTON. That is all I want.

The gentleman from Wisconsin, who is still a Republican, in spite of the Republican reverses, and who has been a Republican for a long time, and a Republican leader here, and who followed his Republican leader and party in granting a moratorium to Europe last year is most amusing. Did not the gentleman vote for the moratorium? Did not the gentleman from Wisconsin [Mr. SCHAFER] vote for the moratorium last year? Why does he not answer? Is he speechless? [Applause and laughter.] So, all of this speech of his is folderol.

Everyone knows that France is not going to default when to-morrow comes. She can not afford it. Everyone knows that France realizes that she borrowed from this Government $1,970,000,000 before the armistice, and she borrowed from us $1,434,000,000 after the armistice, and it saved the civilization and Republic of France. France knows that if she were to show base ingratitude—and the most despicable trait of the human character is ingratitude, either in the breast of the individual or in a nation—she knows that if she should exhibit such ingratitude to America, there would not be another American dollar loaned to France. This country would not let an American national ever loan another dollar to the French country or a French national. She knows that the summer tourist business from this country would be stopped, because passports would be denied to France. Do you think she is crazy? Herriot knew what he was doing when he risked the life of his cabinet in proposing that France sustain the honor of her own signature. So it is foolishness for the gentleman from Wisconsin to vote for a moratorium and then to speak as he did a while ago.

Mr. SCHAFER. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GOSS. Mr. Chairman, what happened to the motion of the gentleman from Texas to strike out the enacting clause?

Mr. BLANTON. That was a pro forma motion in order to enable me to do something I could not otherwise do.

Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GOSS. Mr. Chairman, I object.

Mr. BLANTON. Well, we will vote it down, then.

The CHAIRMAN. The question is on the motion of the gentleman from Texas.

The motion was rejected.

Mr. GOSS. Mr. Chairman, I demand a division.

Mr. BYRNS. Mr. Chairman, I move the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MCMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. SWICK (at the request of Mr. DARROW), for the balance of the week, on account of illness.

Mr. GILLEN, indefinitely, on account of illness.

MESSAGE FROM THE PRESIDENT—STUDY OF BATTLEFIELDS IN THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Military Affairs:

To the Congress of the United States:

In accordance with the provisions of section 2 of the act of June 11, 1926, I transmit herewith for the information of the Congress the report of the Secretary of War of progress made under said act, together with his recommendations for further operations.

HERBERT HOOVER.

THE WHITE HOUSE, *December 14, 1932.*

FEDERAL-AID HIGHWAYS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the bill (H. R. 13025) to extend the time during which the emergency appropriation for Federal-aid highways shall be available for expenditure be withdrawn from the Committee on Ways and Means and referred to the Committee on Roads. The chairmen of both committees join in the request.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DEMOCRATIC PARTY AND BUREAUCRACY

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, if there is one fact particularly emphasized by the election on November 8 it is that the people of the United States voted themselves a new deal. The basic cause of the amazing political revolution that took place at the ballot box was economic. The people voted for food and for clothes and they asserted their God-given right to work. They voted to rehabilitate poverty-stricken homes and to end the hunger marches. They voted to substitute the song of happiness for the sad refrain that has been heard incessantly in every State and section in these years of travail. The verdict of the electors unfolds to the Democratic Party a wonderful opportunity and with it an awe-inspiring responsibility.

By their votes the people commanded that the ax be applied to the roots of bureaucracy. They expect, and have a right to expect, an early, resolute, and faithful compliance with that plank of our Democratic national platform which pledges us to "an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance."

That pledge was the economic pièce de résistance, the economic core of our platform—a magnet that drew to the support of the Democratic Party countless thousands who are oppressed by an unbearable burden of taxation caused by bureaucratic waste and excesses and who are clamoring for the new deal.

By reason of that pledge the reorganization of the Government of the United States to eliminate bureaucracy and extravagance and to set an example to the States for like action becomes an immediate and imperative duty devolving upon those who are charged with the responsibility of speaking and acting for the Democratic Party in the new régime. And what an epochal task it is!

The plan of Washington, Jefferson, and the other founding fathers of this Nation contemplated that all of the functions of government should be transacted through the great departments which, starting with 4 in Washington's time have grown to 10, but this original foundation, the most beautiful structure of government ever known to mortal man, has become covered with bureaucratic excrescences and wasteful tax-eating agencies until a volume of 147 printed pages, which may be seen in the Library of Congress, is required merely to catalogue the bureaus, boards, commissions, and tax-consuming appendages of the United States Government! To remove these excrescences and to restore the Government of our fathers to its pristine simplicity and vigor so that it will again function for the benefit of the common man is the challenge to twentieth century effort. No less a task than this faces the Democratic Party upon its restoration to power in all of the branches of government.

We find that the Federal Government of to-day is a conglomeration of multiplied overheads, a perfect maze of duplicated activities, bureaus founded on a shoestring to serve some special purpose or special interest now spending millions and spreading their meddlesome activities over a continent; bureaus with more hands than the fabled Briareus reaching for the money of the taxpayers; 4,000 disbursing officers engaged in disbursing Government funds when Comptroller General McCarl with his own lips told me a few weeks ago that at least 3,960 of that number could be dispensed with and the country would be better off; everywhere activities overinflated, perniciously paternalistic, and many with no excuse for existence, while favored special beneficiaries and interests fatten on the tribute levied from the taxpayers.

The reorganization plan of President Hoover, which was sent to Congress December 9, while it contains some good features, hardly scratches the surface. It is in the main merely a reclassification and rearrangement of bureaus without a reduction of personnel and with only a bagatelle of saving. Reorganization must go much farther and strike much deeper if the Nation is to be divested of the menacing and costly peril of bureaucracy which oppresses the taxpayers and threatens the perpetuity of our institutions, and it will be up to President-elect Roosevelt to approach the task in a more fundamental way.

To Franklin D. Roosevelt, with his splendid mind and vast experience, is committed the leadership in this great fight to redeem the Nation from the thralldom of bureaucracy. He has demonstrated vision and courage abundantly, and I have faith to believe that, monumental as the task is, he has ability to cope with it successfully. His shoulders are broad and his will is firm.

One of the inalienable privileges of every American citizen is the privilege of making suggestions to the President of his country. As one of 120,000,000 citizens, I have exercised this pro bono publico right by sending a letter to President-elect Roosevelt suggesting that he take steps at once to appoint an unsalaried committee or group of advisers to study bureaucracy this winter so that governmental reorganization may become the first order of business in the new administration, and thus disposal of the subject may be prompt and effective. With indulgence of the House I shall close my remarks by reading this letter, as follows:

NOVEMBER 25, 1932.

Hon. FRANKLIN D. ROOSEVELT,
Warm Springs, Ga.

DEAR GOVERNOR ROOSEVELT: Please permit me to present a suggestion which I believe to be timely. It is that you consider the advisability of appointing at once an unsalaried committee or small group of unofficial advisers to take up for early study and determination the problem of reorganizing the Government in compliance with that provision of the Democratic national platform, which says:

"We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government."

As I see it, the prompt, faithful, and complete fulfillment of this platform pledge, on which the economic recovery and welfare of the country so greatly depends, is the most important obligation now facing the Democratic Party under your leadership. The entire Nation is looking forward to early and energetic action in carrying out this pledge. Much-needed economies are necessarily retarded until the whole problem of governmental reorganization can be considered in all of its aspects and interrelations. To illustrate: It was testified the other day before our Committee on Appropriations, by Robert Le Fevre, superintendent of supplies, that there are 400 or 500 Government purchasing agencies and that a consolidation of these and elimination of overheads probably would effect a saving of half a million dollars a year in the District of Columbia alone. This leak of the taxpayers' money necessarily will go on until a general consolidation is accomplished, and this is only a lesser one of a thousand similar situations in the Government service which it would be a crying shame to continue a day longer than they can be corrected, and which can be cured by a faithful execution of this pledge of our national platform.

By appointing an unofficial advisory committee on Government reorganization now and directing it to sit during the winter months in close association and cooperation with the sources of information at Washington, you could have presented to you for your information and guidance, and for the information of the Congress, a definite, concrete plan of reorganizing the Government by the time the Congress reconvenes in special session next spring, if there shall be a special session, and in any event it will place this accomplishment so far ahead and in the foreground that the country will take heart, and general confidence in economic recovery will be promoted.

This is a matter in which the Congress should, and undoubtedly will, recognize your leadership. I do not know to what extent the Congress can legally commit the reorganization of the Government to the Executive, but as one Member of the law-making body, I do not believe an effective reorganization ever will be accomplished unless it is done by the President. He must submit to the Congress the complete and perfected plan and the Congress, or at least a substantial majority thereof, must agree to accept the President's plan if we are to achieve the results our bureaucracy-ridden country is demanding and which it has a right to expect in the light of our unequivocal platform pledge.

My excuse for writing to you and suggesting that you take early action in this direction, in order that the preliminaries may be disposed of prior to the convening of the next Congress, comes from a keen realization of the importance of this issue as a sine qua non of national stability and a deep conviction that the happiness of our people is being throttled and American institutions

are being endangered by the costly, overshadowing bureaucracy that now oppresses the Nation.

With the very best wishes for the success of your administration,

Faithfully yours,

LOUIS LUDLOW.

ANNOUNCEMENT

Mr. DARROW. Mr. Speaker, on yesterday my colleague the gentleman from Pennsylvania [Mr. SWICK] was confined to his home on account of illness. He wishes me to state that had be been here he would have voted "yea" on roll call 131 on the McFadden impeachment resolution.

SENATE BILLS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 4553. An act for the relief of Elizabeth Millicent Trammell; to the Committee on Foreign Affairs.

S. 4767. An act for the relief of Mucia Alger; to the Committee on Foreign Affairs.

S. J. Res. 195. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; to the Committee on Military Affairs.

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co.; to the Committee on War Claims.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on December 13, 1931, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 503. Joint resolution authorizing the payment of December salaries of officers and employees of the Senate and House of Representatives, Capitol police, etc., on the 20th day of that month.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Thursday, December 15, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, December 15, 1932, as reported to the floor leader:

AGRICULTURE

(10 a. m.)

Hearings on farm program.

SHANNON SPECIAL COMMITTEE

(10 a. m.)

Continue hearings on Government competition with private enterprise.

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on New Jersey shore-protection project.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 4095. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonius possession or reception of the same," approved February 13, 1913, as amended (U. S. C., title 18, secs. 409–411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken; with amendment (Rept. No. 1791). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 313. A resolution to pay Ide Early, son of William Early, six months' compensation and an additional amount, not exceeding $250, to defray funeral expenses of the said William Early (Rept. No. 1790). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 3 of Rule XXII, the Committee on Ways and Means was discharged from the consideration of the bill (H. R. 13025) to extend the time during which the emergency appropriation for Federal-aid highways shall be available for expenditure, and the same was referred to the Committee on Roads.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONNOLLY: A bill (H. R. 13652) to authorize the Secretary of War to sell to the highest bidder the port of Newark Army base, giving the preference to purchase to the city of Newark; to the Committee on Military Affairs.

By Mr. MARTIN of Massachusetts: A bill (H. R. 13653) to amend the revenue act of 1932 by repealing section 605; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 13654) to increase the statutory limit for repairs and alterations to capital ships of the Navy; to the Committee on Naval Affairs.

By Mr. WARREN: A bill (H. R. 13655) to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495); to the Committee on the Judiciary.

By Mr. HOWARD: A bill (H. R. 13656) to provide for the method of appointment of superintendents of Indian reservations and certain other employees of the Bureau of Indian Affairs of the Department of the Interior; to the Committee on Indian Affairs.

By Mr. McFADDEN: A bill (H. R. 13657) to extend the provisions of the Reconstruction Finance Corporation act and the emergency relief and construction act of 1932 to the Virgin Islands; to the Committee on Banking and Currency.

By Mr. LONERGAN: A bill (H. R. 13658) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. ALLEN: A bill (H. R. 13659) granting the consent of Congress to the State of Illinois to construct a bridge across the Rock River south of Moline, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER: A bill (H. R. 13660) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Ways and Means.

By Mr. KNUTSON: A bill (H. R. 13661) relative to the securities of foreign governments which have defaulted in their contract obligations to the United States; to the Committee on the Judiciary.

By Mr. DAVIS of Tennessee: A bill (H. R. 13662) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promot-

ing the dairy industry of the United States and protecting the public health; to the Committee on Agriculture.

By Mr. FULBRIGHT: A bill (H. R. 13663) proposing a 25 per cent reduction in the salaries of the Members of the House of Representatives; to the Committee on Expenditures in the Executive Departments.

By Mrs. KAHN: A bill (H. R. 13664) to authorize the construction and use of underground pneumatic-tube service; to the Committee on the Post Office and Post Roads.

By Mr. BOEHNE: A bill (H. R. 13665) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD: A resolution (H. Res. 321) disapproving part of the Executive order dated December 9, 1932; to the Committee on Expenditures in the Executive Departments.

By Mr. SMITH of Idaho: Joint resolution (H. J. Res. 507) authorizing the removal of certain statues from Statuary Hall to the corridor running north and south on the ground floor of the House wing of the Capitol; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY: A bill (H. R. 13666) granting a pension to Annie A. Edwards; to the Committee on Pensions.

By Mr. BACHMANN: A bill (H. R. 13667) granting a pension to Matilda Anderson, née Carpenter; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 13668) for the relief of Laurence R. Lennon; to the Committee on Claims.

By Mr. CULKIN: A bill (H. R. 13669) for the relief of Rose Louise Trapolina; to the Committee on Claims.

By Mr. FINLEY: A bill (H. R. 13670) for the relief of Luther M. Anderson; to the Committee on Military Affairs.

By Mr. HANCOCK of New York: A bill (H. R. 13671) for the relief of Elizabeth Millicent Trammell; to the Committee on Foreign Affairs.

By Mr. HARDY: A bill (H. R. 13672) granting a pension to Minnie Lea Crump; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 13673) for the relief of Milton Smith; to the Committee on Naval Affairs.

By Mr. HOGG of Indiana: A bill (H. R. 13674) granting an increase of pension to Malinda McGinnes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13675) granting an increase of pension to Elizabeth Hire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13676) granting a pension to Mary E. Michaud; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13677) granting an increase of pension to Minerva Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13678) granting an increase of pension to Nancy C. Lett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13679) granting an increase of pension to Sophia Kniss; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 13680) for the relief of John S. Pryor; to the Committee on Military Affairs.

By Mr. SCHNEIDER: A bill (H. R. 13681) granting an increase of pension to Fannie Muttart; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 13682) granting an increase of pension to Amanda J. Griswold; to the Committee on Invalid Pensions.

By Mr. STULL: A bill (H. R. 13683) for the relief of Grant William Moore; to the Committee on Naval Affairs.

By Mr. LAMNECK: A bill (H. R. 13684) granting a pension to Estella H. Long; to the Committee on Pensions.

By Mr. LEAVITT: A bill (H. R. 13685) for the relief of the Hood Labor Office; to the Committee on Claims.

By Mr. LEWIS: A bill (H. R. 13686) granting a pension to Almira Yost; to the Committee on Invalid Pensions.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 13687) granting a pension to Armor Ellsworth Needy; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H. R. 13688) granting an increase of pension to Rachel A. Scott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13689) granting an increase of pension to Martha J. Capwell; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS. A bill (H. R. 13690) for the relief of Bernard Cyrus Snyder; to the Committee on Military Affairs.

By Mr. MANLOVE: A bill (H. R. 13691) granting an increase of pension to Sarah Hitchcock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13692) granting an increase of pension to Maria M. Parmele; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13693) granting a pension to Eva Whittington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13694) granting a pension to E. Jane Spencer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13695) granting an increase of pension to Eliza J. Keith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13696) granting an increase of pension to Helen Dorsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13697) granting a pension to Mary E. R. J. Murray; to the Committee on Invalid Pensions.

By Mr. MOBLEY: A bill (H. R. 13698) granting a pension to John H. Wilder; to the Committee on Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 13699) granting a pension to Joseph Armstrong; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 13700) granting an increase of pension to Hannah Bailey; to the Committee on Invalid Pensions.

Also, a bill (13701) granting an increase of pension to Susanah Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13702) granting an increase of pension to Estelle Eby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13703) granting an increase of pension to Ida S. Fasnaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13704) granting an increase of pension to Mary M. Poling; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13705) granting an increase of pension to Alwilda Ray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13706) granting a pension to Ira B. Jeffries; to the Committee on Pensions.

Also, a bill (H. R. 13707) granting a pension to Debbie Klingler; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 13708) for the relief of John Barnett; to the Committee on Military Affairs.

Also, a bill (H. R. 13709) granting a pension to Sallie Deaton; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8899. By Mr. BLAND: Petition of 20 citizens of Messick, Va., urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

8900. Also, petition of 14 citizens of Elizabeth City and York Counties, Va., urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

8901. By Mr. CAMPBELL of Iowa: Petition of 54 voters of Ireton, Sioux County, Iowa, protesting against changes in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8902. Also, petition of the pastors of the Methodist Episcopal Church, Reform Church, and the Presbyterian Church of Ireton, Iowa, urging the passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Census.

8903. By Mr. COCHRAN of Pennsylvania: Petition of 148 citizens of Rimersburg, Pa., urging the passage of the stop-alien amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Census.

8904. Also, resolution signed by Mrs. J. J. Garber, president, and Lilla A. Bathurst, secretary, of the Woman's Home Missionary Society, with 40 members, of Clarendon, Pa., urging the establishment of a Federal motion-picture commission, with a view to regulating and supervising the motion-picture industry as a public utility; and further urging the passage of Senate bill 1079 and Senate Resolution 170, now before the Interstate Commerce Committee; to the Committee on Interstate and Foreign Commerce.

8905. By Mr. CONDON: Petition of Arthur E. Haun and 149 other citizens of Rhode Island, protesting against the repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

8906. By Mr. CULKIN: Petition of Rev. A. Leslie Potter and 23 other citizens of Black River, Jefferson County, N. Y., urging the adoption of the so-called stop-alien representation amendment to exclude aliens when making future apportionment for congressional districts; to the Committee on the Judiciary.

8907. Also, petition of Rev. B. G. Miller and 41 other citizens of Brownville, Jefferson County, N. Y., urging the exclusion of aliens when making apportionments for congressional districts; to the Committee on the Judiciary.

8908. Also, petition of Woman's Home Missionary Society of Oswego, N. Y., urging censorship of motion pictures and the establishment of a Federal motion picture commission for this purpose; to the Committee on Interstate and Foreign Commerce.

8909. By Mr. ESTEP: Memorial of Rev. William M. Baumgartner, pastor, and 66 members of the congregation of Mary S. Brown Memorial Methodist Episcopal Church, of Pittsburgh, Pa., protesting against any legislation that would legalize beer and light wine or otherwise weaken our national prohibition law; to the Committee on Ways and Means.

8910. Also, memorial of Rev. R. B. Johnson, minister of the Fourth United Presbyterian Church, of Pittsburgh, Pa., and members of the congregation, protesting against any legislation that would legalize beer and light wine or otherwise weaken our national prohibition law; to the Committee on Ways and Means.

8911. Also, memorial of Rev. William Howard Ryall, minister, and 21 members of the congregation of the Lemington Presbyterian Church, of Pittsburgh, Pa., protesting against any legislation that would legalize beer and light wine or otherwise weaken our national prohibition law; to the Committee on Ways and Means.

8912. Also, memorial of Sophia C. Fishel, Mary R. Fishel, and Ida L. Fishel, of Pittsburgh, Pa., protesting against any nullification of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

8913. Also, memorial of the Women's Foreign Missionary Society of the Friendship Park Methodist Episcopal Church, of Pittsburgh, Pa., protesting against repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on Ways and Means.

8914. Also, memorial of the Young Ladies' Adult Bible Class, Pittsburgh, Pa., expressing satisfaction with the present prohibition laws and requesting their retention and stricter enforcement; to the Committee on Ways and Means.

8915. Also, memorial of 30 members of the Altman Bible Class, Pittsburgh, Pa., protesting against any repeal of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

8916. By Mr. GARBER: Petition of the Minnesota Woman's Christian Temperance Union, urging retention of the prohibition laws; to the Committee on Ways and Means.

8917. Also, petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

8918. By Mr. GUYER: Petition of citizens of Osawatomie, Kans., favoring the retention and enforcement of the Volstead Act and the eighteenth amendment; to the Committee on Ways and Means.

8919. By Mr. HOUSTON of Delaware: Petition of 44 residents of Lewes, Del., favoring the stop-alien representation amendment; to the Committee on Immigration and Naturalization.

8920. Also, petition of 52 members of the Laurel (Del.) Woman's Christian Temperance Union, favoring the stop-alien representation amendment; to the Committee on Immigration and Naturalization.

8921. Also, petition of 19 residents of Harrington, Del., favoring the stop-alien representation amendment; to the Committee on Immigration and Naturalization.

8922. By Mr. KOPP: Petition of Mrs. W. B. Smith and other citizens of Yarmouth, Iowa, urging support for the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in the country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Census.

8923. By Mr. LINDSAY: Petition of International Brotherhood of Paper Makers, Local No. 45, Deferiet, N. Y., favoring immediate tariff protection of the pulp and paper industry; to the Committee on Ways and Means.

8924. By Mr. MURPHY: Petition of 35 citizens of Kensington, Columbiana County, Ohio, protesting against any measures seeking to nullify the Constitution by legalizing beer, an intoxicating beverage; to the Committee on the Judiciary.

8925. By Mr. PARKER of Georgia: Petition of W. M. Whelpley, Savannah, Ga., and 46 others, expressing disappointment on account of my vote against House Joint Resolution 480; to the Committee on Ways and Means.

8926. Also, memorial of the Evangelistic Club of Homerville, Ga., expressing appreciation of my vote on House Joint Resolution 480; to the Committee on Ways and Means.

8927. Also, memorial of the Woman Christian Temperance Union of Greensboro, Ga., expressing their thanks and appreciation of vote against the repeal of the eighteenth amendment; to the Committee on Ways and Means.

8928. Also, petition of Mr. and Mrs. J. F. Funderburk, of Richland, Ga., and 37 others, requesting vote against legalizing the sale of beer; to the Committee on Ways and Means.

8929. Also, petition of 141 members of the Tifton (Ga.) Woman's Christian Temperance Union, protesting against any change in the eighteenth amendment or the Volstead Act; to the Committee on Ways and Means.

8930. Also, memorial of the Georgia Baptist Convention, declaring itself strongly against the repeal of the eighteenth amendment; to the Committee on Ways and Means.

8931. Also, memorial of Shiloh Sunday School, Reidsville, Ga., extending congratulations for vote against repeal of the eighteenth amendment; to the Committee on Ways and Means.

8932. Also, memorial of Women's Missionary Society of the Bull Street Baptist Church, Savannah, Ga., urging that no change be made in prohibition law; to the Committee on Ways and Means.

8933. Also, memorial of the Woman's Christian Temperance Union of Screven County, Ga., protesting against any change in the prohibition law; to the Committee on Ways and Means.

8934. Also, petition of Mrs. J. Beasley and 42 other members of the Reidsville (Ga.) Woman's Christian Temperance Union, protesting any change in the prohibition law; to the Committee on Ways and Means.

8935. By Mr. RUDD: Petition of International Brotherhood of Paper Makers, Local No. 45, Deferiet, N. Y., favoring tariff protection of the pulp and paper industry; to the Committee on Ways and Means.

8936. By Mr. SMITH of West Virginia: Resolution of the Woman's Home Missionary Society of the Methodist Church of Charleston, W. Va., favoring Federal supervision of the motion-picture industry, etc.; to the Committee on Interstate and Foreign Commerce.

8937. Also, resolution of the Young Women's Auxiliary of the Sixth Street Methodist Church, Charleston, W. Va., favoring Federal supervision of the motion-picture industry, etc.; to the Committee on Interstate and Foreign Commerce.

8938. By Mr. SNELL: Petition of residents of Ticonderoga, N. Y., urging prompt action on stop-alien representation amendment; to the Committee on the Judiciary.

8939. By Mr. STRONG of Pennsylvania: Petition of the Methodist Episcopal Church of Homer City, Pa., favoring the proposed amendment to the Constitution of the United States to exclude aliens in the count for the apportionment of Representatives among the several States; to the Committee on the Judiciary.

8940. By Mr. SWING: Petition of 35 members of the Methodist Women's Council and Woman's Christian Temperance Union of Corona, Calif., in behalf of the stop-alien representation amendment to the Constitution of the United States to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

8941. Also, petition of the Nonpartisan League of Imperial, Calif., indorsing Congressman PATMAN's proposition for paying the American Legion members by Congress issuing emergency currency good for all debts public and private and retiring said certificates of indebtedness; and protesting any new Federal tax increase to pay Government expenses; to the Committee on Ways and Means.

8942. Also, petition of 50 citizens of Costa Mesa, Calif., in behalf of the "stop alien representation" amendment to the Constitution of the United States to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

8943. By Mr. TIERNEY: Petition of Ignatius K. Werwinski, requesting that October 11 of each year be declared General Pulaski's Memorial Day; to the Committee on the Judiciary.

8944. By Mr. TURPIN: Petition of citizens of Luzerne County, Pa., urging passage of "stop-alien representation" amendment to the United States Constitution; to the Committee on the Judiciary.

8945. By Mr. WHITE: Petition of Woman's Home Missionary Society of the St. John's Methodist Church, Toledo, Ohio, pertaining to regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8946. Also, petition of the Young Women's Home Missionary Society of the St. John's Methodist Episcopal Church, Toledo, Ohio, pertaining to regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8947. Also, petition of Grace Canfield Auxiliary of the Home Missionary Society, Toledo, Ohio, pertaining to Federal regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8948. By Mr. WITHROW: Petition of the congregation of the Methodist Episcopal Church of Tomah, Wis., petitioning the Congress of the United States against the legalization of beer and the resubmission of the eighteenth amendment; to the Committee on Ways and Means.

8949. Also, petition of the congregation of the Church of God of Tomah, Wis., petitioning the Congress of the United States against the legalization of beer and the resubmission of the eighteenth amendment; to the Committee on Ways and Means.

8950. By the SPEAKER: Petition of veterans' committee, urging immediate cash payment of the adjusted-service certificates and other veterans' legislation; to the Committee on Ways and Means.

SENATE

THURSDAY, DECEMBER 15, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 42) to extend the time for the filing of the report of the United States Roanoke Colony Commission, in which it requested the concurrence of the Senate.

ROANOKE COLONY COMMISSION

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to take from the Vice President's desk the House concurrent resolution which has just come over from the House, and I ask for its immediate consideration. The time in which the commission must report expires to-day, and there is necessity for an extension. The extension is until the 15th of January. I think there will be no objection. I ask that the concurrent resolution be reported.

The VICE PRESIDENT. The concurrent resolution will be read for the information of the Senate.

The Chief Clerk read the concurrent resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution (H. Con. Res. 42) was considered by unanimous consent and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That section 6 of the House concurrent resolution establishing the United States Roanoke Colony Commission, Seventy-second Congress, be, and the same is hereby, amended to read as follows:

"SEC. 6. That the commission shall, on or before the 15th day of January, 1933, make a report to the Congress in order that enabling legislation may be enacted."

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kean	Schall
Austin	Davis	Kendrick	Schuyler
Bailey	Dickinson	Keyes	Shipstead
Bankhead	Dill	King	Shortridge
Barbour	Fess	La Follette	Smith
Barkley	Frazier	Logan	Smoot
Bingham	George	Long	Steiwer
Black	Glass	McGill	Swanson
Blaine	Glenn	McKellar	Thomas, Okla.
Borah	Goldsborough	McNary	Townsend
Broussard	Gore	Metcalf	Trammell
Bulkley	Grammer	Moses	Tydings
Bulow	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Coolidge	Hayden	Pittman	Watson
Copeland	Hebert	Reed	White
Costigan	Howell	Reynolds	
Couzens	Hull	Robinson, Ark.	
Cutting	Johnson	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained in attendance on the funeral of the late Representative Garrett.

I also desire to announce that the Senator from Illinois [Mr. LEWIS] is detained on official business.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] and the junior Senator from Arkansas [Mrs. CARAWAY] are detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

COMMODITY PRICES AND SILVER PRICES

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the Senator from Nevada [Mr. PITTMAN] at the Thirty-fifth Annual Convention of the American Mining Congress, held in Washington, D. C., at the Mayflower Hotel, on December 15, 1932, on the subject of Commodity Prices and Silver Prices.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

I intend, as briefly as I may, to discuss informally with you the silver problem as it affects international trade and commerce and particularly our export trade. The enormous loss to our mining industry in this country, the recession in mining operations, the resultant unemployment and suffering are too well known to you of the mining congress to require discussion.

The world problem to-day is the commodity-price problem. The prosperity of industry, trade, and commerce depends upon the ability of people to purchase not alone the bare necessities of life but those things that make for comfort, enlightenment, high standards of living, and happiness. This purchasing power ultimately goes back to the price of commodities. The normal purchasing power that existed in most countries prior to 1930 has depreciated to its disastrous present level through the destructive depreciation in the price of commodities.

The agricultural problem—and the prosperity of agriculture is admitted to be the base of all prosperity—is the problem of raising commodity prices to a point where there will be a profit to the industry. To-day many of our chief agricultural products must be sold below the cost of production. The effect upon the purchasing power of such producers is obvious. At least one-third of our people are directly dependent for their purchasing power upon profits derived from the products of agriculture. When these people are unable to purchase the products of the manufacturer, the manufacturer is compelled to reduce his output; and as he reduces his output, he discharges labor. Labor, as a group, is admittedly second in importance as a purchaser in our domestic market. As labor is compelled to join the ranks of the unemployed, it also joins the ranks of nonpurchasers, and thus continues the process of the necessary reduction in plant operations. This is a vicious and unending circle which can not and never will be terminated until the purchasing power of those engaged in agriculture have the price of their products raised to a level that will show a profit to the industry. The value of lands is dependent upon the profits that may be derived from them, and that in turn is dependent upon the profits that may be obtained from the commodities raised thereon. The value of manufacturing plants is determined by their earning capacity, and no plant operating on 15 or 20 per cent of its normal capacity can show a profit.

So when commodity prices are below the cost of a profit level, then property values decrease. As property values decrease, the power of governments to obtain money from taxation decreases, whether such taxes be levied against physical property or incomes. So the budget problem is inevitably and eternally involved in the price of commodities. Our real problem can never be solved until the prices of commodities are raised, not only above the cost of production but to a level that will show a profit. When plant operations are reduced through loss of purchasers, carloadings fall off, and nothing can restore such loss save the restoration of the purchasing power of the people within our country. So again I repeat that all of our problems, both governmental and individual, are involved in the problem of commodity prices.

There is no overproduction as measured by the normal demands of our people for consumption. Production is less than it was prior to 1930, and yet our population has increased and the desires of our people for those things that they consumed prior to 1930 are unchanged. Surplus products in practically every country of the world have beaten down domestic prices. These surplus products, restrained from their natural foreign markets, have been thrown back on domestic markets with a natural inevitable destruction of domestic prices.

This cessation or stagnation of foreign trade may be due to several causes, but undoubtedly it is chiefly due to two major causes. Tariff walls erected by 41 governments of the world in the last few years for the purpose of protecting their own markets against importation from foreign countries have undoubtedly been a major cause in the stagnation of trade.

The depreciation in the currencies of most of the countries of the world, as measured by the gold standard, has had the same effect as a tariff wall, and, in most cases, has multiplied the effect of tariff duty walls. Even Great Britain's currency, since she went off the gold-standard basis, has depreciated over 30 per cent. The currency of other countries has depreciated very much more. Great Britain to-day, in purchasing our products, must buy our gold exchange with her depreciated currency and then pay our gold-standard price for our products. She can buy much more of the same products in countries where currency has depreciated as much as has hers or to a greater extent. The pound sterling will purchase in Argentina or Russia at least 50 per cent more wheat than it will buy in the United States. That is because the money of Argentina has depreciated in value even to a greater extent than has the currency of Great Britain. We are similarly affected by similar conditions in most of the countries of the world.

It seems to me inevitable that we will be isolated from world trade unless we lower the value as related to gold of our own currency or the other countries of the world formerly on the gold standard have their currencies restored to their normal value with relation to gold. We do not desire, if it may be prevented, to lower the standard of value of our currency. It would have a disrupting effect upon our economic system and upon many of our financial obligations and indebtedness.

The difficulty of other governments returning to the gold standard is obvious. What aid our Government may give them is not clear. The United States and France have nearly three-fourths of the monetary gold of the world. The problem of the redistribution of this gold, in the immediate future at least, appears almost insurmountable, and yet those governments that have gone off the gold standard can not return to the gold standard until the normal distribution of gold throughout the world has been restored. Let us for the time being, therefore, dismiss this problem.

There is another money exchange problem that is destroying our export trade. I refer to the problem involved in the tremendous depreciation of the price of silver and its consequent effect upon the exchange value of the silver money of silver-money-using countries with our gold-standard money. Over half of the people of the world have no money save silver money. They have never used any other kind of money. To them it is money, good money, that maintains its par value within their own countries.

Take China as an illustration. The silver dollar, a dollar containing about the same amount of silver as our standard silver dollar, is the unit of money value in China. The fluctuation in the price of silver does not affect its purchasing power materially, if at all, within China. But when China seeks to purchase products of our country, she is compelled to pay our price for our products and in our gold-standard money. What is the result? We only value the Chinese money at the price of the silver in the dollar, measured by the world price of silver, which, as you know, is uniform throughout the world. The Chinese silver dollar contains about seventy-eight one-hundredths of an ounce. The world price of silver to-day is around 25 cents an ounce. So the value of the silver in the Chinese silver dollar, in exchange for our currency, is worth only about 20 cents. In other words, the Chinese importer has to pay nearly five of his dollars for one of our dollars with which to purchase our products. He can not afford to do it, with the result that he is only purchasing in the United States those things that are actually necessary in China and which China does not produce and can not purchase elsewhere cheaper.

This is not the worst of it. Gold is flowing into China to purchase cheap silver money with which to cultivate products which they once purchased in the United States and to build factories to manufacture those things which they once bought from us.

This same condition applies to every country where the ultimate purchaser must pay for our products in silver. We must raise the price of silver so as to raise the exchange value of silver money if we are to restore our exports to such countries and maintain our trade there. The question is: How may we do it? Silver has depreciated in value since 1928 from around 59 cents an ounce to its present low price of around 25 cents an ounce. Let us consider the chief cause in the depreciation of the price of silver. It was not due to overproduction because the production of silver during that time has decreased from 260,970,029 ounces throughout the world in 1929 to approximately 130,000,000 ounces throughout the world during the first 10 months of 1932.

While it has not been due to overproduction, it has been due to oversupply and a threat of unlimited oversupply. First, Great Britain, France, and Belgium, after the war, started debasing their silver coins and throwing the residue of silver on the markets of the world. This caused an oversupply measured by the normal demand for silver.

Then, in 1928, the British Government for India commenced to melt up its silver rupee coins that were in the treasury and to dispose of the metal as bullion on the world market. The treasurer for India was authorized to melt up any quantity of silver coins and to sell them in any quantities at any time and at any price. The sale of this silver commenced in 1928 and has continued. It has not only created a tremendous oversupply, with all of its bear effects, but the maintenance of the policy, the threat that accompanies it, and the vast supply of silver still

available for such purposes has almost destroyed confidence as to any stable value in the price of silver. This must be stopped or offset. It may be stopped by an international agreement that governments will abandon—or at least suspend for a sufficient period of time—the practice and policy of melting up silver coins and disposing of the metal on the world market. If the Government for India refuses to enter into such a treaty, then other governments may place an embargo upon the importation of silver from India.

Our Government may adopt an act which I have introduced to purchase silver produced in the United States at the world market price of silver and with silver certificates of the denominations of $1, $5, and $10. This is not a new practice. It would cost our Government nothing. It would only expand our currency issue at the present time seven or eight million dollars annually in the form of these silver certificates, but it would take off the market of the world the silver produced in the United States, which, to a certain extent, would offset the dumping from India of silver derived from the melting up of silver coins. If the Governments of Canada, Mexico, and Australia should pursue the same policy, then silver would be restored to its parity with gold as it exists with regard to our own silver coins in the United States.

The United States Government might accept, in full or partial payment, from Great Britain and other countries, silver at an agreed price, possibly slightly above its world market price, in payment of the international obligations due the United States. This silver could be placed in the Treasury of the United States, part of it coined into silver dollars against which silver certificates would be issued, redeemable as are our present silver certificates with the silver dollars, if the holders of the silver certificates so desired. At the present market price of silver there would be surplus bullion for every dollar's worth purchased sufficient to coin three or more additional dollars to insure that the silver certificate issued would not depreciate below its par value. We have approximately $500,000,000 of such silver certificates now in circulation. They are circulating at par. No one questions their soundness. The Government of India owes the British Government, so it is reported, about $35,000,000. The Government of India desires to get rid of so much of its silver, so we are informed. India could pay its debt to Great Britain and Great Britain could utilize this silver to pay its debt to the United States without in any way impairing its gold reserve. This would exhaust the alleged excessive surplus of India, and would induce India to enter into an agreement to abandon the practice and policy of melting up silver coins and disposing of the metal on the market of the world. This would insure, for many years at least, the restoration of the law of supply and demand based upon normal mine supply which has been uniform through the ages and the normal demand which has been equally uniform. If there were any fear in the minds of those who shiver when the name of silver is mentioned that there would be an oversupply for the United States, then our Government could place a limit upon the quantity of silver that it would accept for such purposes.

Of course, you and I know that the production of silver is as uniform as the production of gold, and that from the beginning of statistics covering hundreds of years there have only been 14½ ounces of silver produced to each ounce of gold. You know, as I know, that the only large available supply of silver in the world consists of five hundred million and odd standard silver dollars lying in the Treasury of the United States, against which silver certificates have been issued and are in circulation. You know that when the British Government for India in 1918 required 200,000,000 ounces of silver to redeem its silver rupee notes, that the only place they could find a surplus supply of silver available was in the Treasury of the United States in the form of these same standard silver dollars, and we had to take them out and make them available to the British Government for India as a matter of war emergency.

Even the issuance of silver certificates against the large quantity of silver which might be taken into our Treasury, through the plan I have last suggested, would not place in circulation in proportion to our gold reserves as much silver currency as was in circulation in 1900 with relation to our gold reserves.

Through international agreement silver reserves might be gradually established in the treasuries of various countries, not in lieu of gold reserves upon which to base the gold standard, but as a support and relief to such gold standard. In my opinion, the easiest and the most direct relief of the economic situation throughout the world can be brought about through a larger use of silver money.

It would be absolutely unnecessary to attempt to fix the price. I am opposed to all price-fixing schemes. I know of no case in which they have worked. I only seek to restore the law of supply and demand. Once stabilize the supply to the normal mine supply, and the normal use and the exchange value of silver money would be substantially stabilized. Certainly the fluctuation in the exchange value of such silver money would not be sufficient to interfere with credit transactions based upon the future value of silver money.

BANKING ACT

Mr. GLASS. Mr. President, I desire to present a unanimous-consent request. I think it is pretty generally agreed on both sides of the Chamber that the banking bill should follow the determination of the Philippine bill, but a consultation with certain members of the Banking and Currency Committee and certain leaders has brought us to the conclusion that a little delay would enable us to iron out some controversial questions in connection with the bill. Therefore, I ask unanimous consent that the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes, be made a special order for January 5 next and that it be continued to its conclusion, except that it shall be laid aside for appropriation bills.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

Mr. McNARY. Mr. President, I hope there will be no objection to the unanimous-consent request proposed by the Senator from Virginia. It will be a very great accommodation to him and, I am informed, meets with the approval of the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Mr. President, I concur in the suggestion of the Senator from Virginia, having discussed the matter with a number of Senators. There are some other measures that may be taken up and disposed of in the interim, including possibly a general appropriation bill.

Mr. BLAINE. Mr. President, I merely wish to suggest that the unanimous-consent request is rather broad and goes beyond the usual unanimous-consent request. As I understood the Senator from Virginia, the request is to make the bill the unfinished business beginning on January 5 and continuing as such until disposed of, except that it would be temporarily laid aside for the consideration of appropriation bills.

Mr. McNARY. The request made by the Senator from Virginia was to make the bill a special order for January 5, so that if there were any unfinished business pending it would yield and take its place only when there was no unfinished business after the 5th of January.

Mr. BLAINE. May I make this inquiry? The request also was that it be continued for consideration until disposed of except to be laid aside for the consideration of appropriation bills.

Mr. McNARY. That is quite an unnecessary request. It is quite the procedure anyhow. We always continue with the unfinished business until it is disposed of, although it may be laid aside temporarily for something deemed more important.

Mr. BLAINE. Would the request preclude a motion to take up some other measure?

Mr. McNARY. It would not, in my opinion. A motion of that kind can be made at any time.

Mr. BLAINE. With the understanding that the request is merely to make the bill the unfinished business or a special order as of January 5, I have no objection; but if it goes to the proposition that no other legislation may be considered except appropriation bills until it is disposed of, then I would object.

Mr. GLASS. Of course, the matter could be displaced by action of the Senate at any time.

Mr. BLAINE. Other than by a unanimous-consent request?

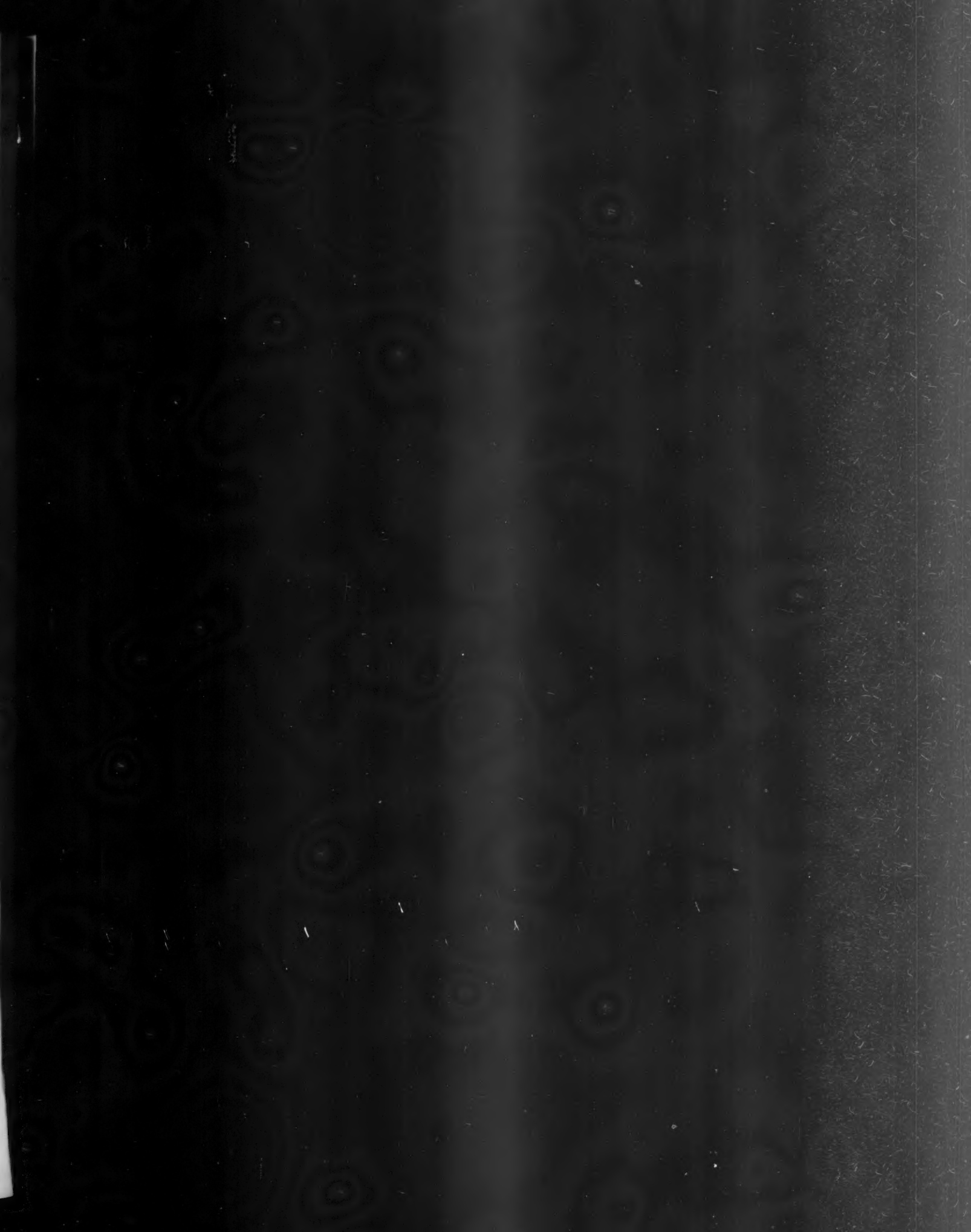
Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Connecticut rises for the purpose of propounding a parliamentary inquiry. The Senator will state it.

Mr. BINGHAM. In case the unanimous-consent request submitted by the Senator from Virginia is granted, would it be possible during the discussion of the banking bill to make a motion to take up anything except an appropriation bill?

The VICE PRESIDENT. The Chair is of the opinion that, because of the way the request is worded, it would not be possible except by unanimous consent.

Mr. BLAINE. That is the point to which I was directing my inquiry. I object to any unanimous consent request



that would preclude the Senate from acting under the rule other than by unanimous consent.

Mr. GLASS. Then I will modify my request and ask merely that the bill to which I referred be made a special order for January 5. If the Senator from Connecticut thinks he can get his beer bill up in the meantime, the Senate will have to determine that question.

The VICE PRESIDENT. The Senator from Virginia modifies his request and asks unanimous consent that the bill referred to may be made a special order for January 5. Is there objection? The Chair hears none, and it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

SENATOR FROM OKLAHOMA

The VICE PRESIDENT laid before the Senate the credentials of ELMER THOMAS, chosen a Senator from the State of Oklahoma for the term commencing on the 4th day of March, 1933, which were ordered to be placed on file and to be printed in the RECORD, as follows:

STATE ELECTION BOARD,
STATE OF OKLAHOMA.

CERTIFICATE OF ELECTION

The State of Oklahoma to Whom these Presents Shall Come, Greeting:

Know ye, that at a general election held throughout the State of Oklahoma on the 8th day of November, A. D. 1932, ELMER THOMAS, the regularly selected and legally qualified candidate for the office of United States Senator on the Democratic ticket, received the highest number of votes cast at said election for said office, as appears from the records of the State election board of said State.

This is to certify that the said ELMER THOMAS is the regularly and legally elected United States Senator of said State for a term of six years beginning with and from the 4th day of March, A. D. 1933.

In testimony whereof the State election board of the State of Oklahoma has caused this certificate of election to be issued by its secretary and its official seal to be hereunto affixed on this the 19th day of November, A. D. 1932, in the capital of said State.

[SEAL.] J. WM. CORDELL,
Secretary of the State Election Board of the State of Oklahoma.

INDIVIDUAL CLAIMS OF SIOUX INDIANS (S. DOC. NO. 152)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, reporting, pursuant to law, on claims of certain individual enrolled Indians under the Pine Ridge, Standing Rock, Cheyenne River, and Rosebud Sioux Agencies for "allotments of land and for loss of personal property or improvements where the claimants or those through whom the claims originated were not members of any band of Indians engaged in hostilities against the United States at the time the losses occurred," etc., which, with the accompanying draft of proposed legislation, was referred to the Committee on Indian Affairs and ordered to be printed.

CHAIN STORES (S. DOC. NO. 153)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 224, Seventieth Congress, first session, a report on short weighing and overweighing in chain and independent grocery stores, which, with the accompanying report, was referred to the Committee on the Judiciary and ordered to be printed.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a list of records on the files of the Veterans' Administration at Washington, D. C., and in the field which are no longer of use in current work nor of historical value, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SMOOT and Mr. HARRISON members of the committee on the part of the Senate.

ARABELLA E. BODKIN *v.* THE UNITED STATES (S. DOC. NO. 154)

The VICE PRESIDENT laid before the Senate a letter from the assistant clerk of the Court of Claims of the United States, transmitting a duplicate certified copy of the special finding of fact, conclusion, and memorandum by the court, filed March 11, 1929, in the cause of Arabella E. Bodkin *v.* The United States, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from Noel Gaines, president of the American Flag Movement, Frankfort, Ky., remonstrating against the ratification of the World Court protocols and membership of the United States in the World Court on the ground that such action would be without constitutional authority, which was ordered to lie on the table.

He also laid before the Senate a letter from C. L. Brown, president of the Northfield Iron Co., Northfield, Minn., submitting a plan for immediate farm and business relief, known as the Northfield plan, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate resolutions adopted by a town-hall meeting at the Public Forum of Brooklyn Heights (Inc.), of Brooklyn, N. Y., opposing the repeal of the eighteenth amendment of the Constitution and the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a memorial from members of the Woman's Christian Temperance Union of Fredonia, Kans., remonstrating against repeal of the eighteenth amendment of the Constitution and the repeal or modification of the national prohibition law, which was referred to the Committee on the Judiciary.

He also laid before the Senate memorials of sundry citizens of Fredonia, Kans., remonstrating against repeal of the eighteenth amendment of the Constitution and the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., favoring the establishment of a Federal system of unemployment insurance, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., favoring the establishment of a commission, composed of well-known authorities on social reform, to investigate the so-called Mooney-Billings and the Scottsboro cases, as well as prison conditions in certain States, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., favoring the recognition of the Soviet Government of Russia, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., indorsing the so-called hunger march and favoring the courteous reception of the hunger marchers, which were referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., opposing the making of further expenditures for war purposes, which were referred to the Committee on Appropriations.

Mr. BINGHAM presented resolutions adopted at Philadelphia, Pa., by Filipino delegates, residents of the State of Pennsylvania, opposing the passage of the pending so-called

Hawes-Cutting Philippine independence bill, which were ordered to lie on the table.

Mr. GRAMMER presented petitions of members of Fern Hall Methodist Episcopal Church, of Tacoma, and the Green Lake Methodist Episcopal Church Woman's Home Missionary Society, of Seattle, in the State of Washington, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. KEAN presented resolutions adopted by the New Jersey branch of the Railway Mail Association, favoring the passage of a suggested program of legislation on behalf of employees of the Railway Mail Service during the present session of Congress, which were referred to the Committee on Appropriations.

He also presented memorials, numerously signed, of sundry citizens of the State of New Jersey, remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented petitions of the Woman's Home Missionary Society of the Methodist Episcopal Church of Amityville, and the Woman's Home Missionary Society of Binghampton, in the State of New York, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society of Binghamton, N. Y., praying for the passage of legislation providing supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented resolutions adopted by members of Caduceus Post, No. 818, the American Legion, in the State of New York, opposing the immediate cash payment of the so-called soldiers' bonus, which were referred to the Committee on Finance.

ENROLLED BILL PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on the 14th instant that committee presented to the President of the United States the enrolled bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 5189) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931; to the Committee on Education and Labor.

By Mr. HAYDEN:

A bill (S. 5190) to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz."; to the Committee on Indian Affairs.

By Mr. LA FOLLETTE:

A bill (S. 5191) granting a pension to Charlott C. Oliver (with accompanying papers); to the Committee on Pensions.

By Mr. HEBERT:

A bill (S. 5192) for the relief of Apostolis B. Cascambas; and

A bill (S. 5193) for the relief of George Lancellotta; to the Committee on Claims.

By Mr. SWANSON:

A bill (S. 5194) for the relief of Martha Edwards, Norfolk Protestant Hospital, and Dr. Julian L. Rawls; and

A bill (S. 5195) to confer jurisdiction on the Court of Claims to hear and determine the claim of Mount Vernon, Alexandria & Washington Railway Co., a corporation; to the Committee on Claims.

By Mr. DALE:

A bill (S. 5196) to amend an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, and May 29, 1930; to the Committee on Civil Service.

By Mr. McKELLAR:

A bill (S. 5197) to amend an act entitled "An act to regulate the issue and validity of passports, and for other purposes," approved July 3, 1926; to the Committee on Foreign Relations.

By Mr. CUTTING:

A bill (S. 5198) to amend the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation laws," approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. BINGHAM:

A bill (S. 5199) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture and Forestry.

PROPOSED FAIR TRADE LEGISLATION

Mr. BULKLEY. Mr. President, it appears that there is some hope that the Senate may give early consideration to the so-called fair trade bill, S. 97. By this measure it is proposed to restore to producers and distributors of trade-marked products the liberty of contract as to resale prices, of which they were deprived in 1911 by a decision of the Supreme Court in the Doctor Miles Medical Co. case.

At that time as a member of the Committee on Patents of the House of Representatives I became interested in the principles involved in resale price maintenance. I have never found any reason to change the view that I then adopted in accord with the dissenting opinion of Mr. Justice Holmes in the Miles case. It seems appropriate at this time to bring to the attention of the Senate an excerpt from that dissenting opinion which clearly states the principles involved in the discussion. I quote:

> There is no statute covering the case. There is no body of precedent that by ineluctable logic requires the conclusion to which the court has come. The conclusion is reached by extending a certain conception of policy to a new sphere. On such matters we are in perilous country. I think that at least it is safe to say that the most enlightened judicial policy is to let people manage their own business in their own way unless the ground for interference is very clear. What, then, is the ground upon which we interfere in the present case? Of course, it is not in the interest of the producer. No one, I judge, cares for that. It hardly can be in the interest of subordinate vendors as there seems to be no particular reason for preferring them to the originator and first vendor of the product. Perhaps it may be assumed to be the interest of the consumers and the public * * * I see nothing to warrant my assuming that the public will not be best served by the company being allowed to carry out its plan. I can not believe that in the long run the public will profit by this court permitting knaves to cut reasonable prices for some ulterior purpose of their own, and thus to impair, if not destroy, the production and sale of articles which it is assumed to be desirable that the public should be able to get.
>
> The conduct of the defendant (the price cutter) falls within a general prohibition of the law. It is fraudulent and has no merits of its own to commend it to the court. An injunction against a defendant dealing in nontransferable round-trip reduced-rate tickets has been granted to a railroad company upon the general principles of the law protecting contracts and the demoralization of rates has been referred to as a special circumstance in addition to general grounds. * * * I think that the importance of the question and the popularity of what I deem mistaken notions makes it my duty to express my view in this dissent. (Dr. Miles Medical Co. *v.* Park & Sons Co., 220 U. S. 409.)

It should be noted that in flatly stating, "There is no statute covering the case," Mr. Justice Holmes took direct issue with the majority's application of the Sherman Law.

Another very brief and clear statement of the principle involved in S. 97 occurs in the decision of the New Jersey Court of Chancellery in the case of Ingersoll against Hahne, decided August 24, 1919, which I quote:

> The proofs before me demonstrate that if defendant and others are permitted to pursue their practice of price cutting the business of complainant will be ruined, and thereby the volume of inter-

state trade be reduced, or a method of distribution will have to be adopted which will greatly increase the price to the consumer, which will necessarily result in reducing the volume of interstate traffic; that in either event competition will be effectively reduced. And to what purpose? So that retailers may make use of the trade name and good will established after extensive advertising to the extent that the public have associated with the article a standard value, to fool the public into a belief that because a standard-priced article can be sold at a cut price all other goods are sold similarly low priced; in other words, to defraud the public. (Ingersoll *v.* Hahne, 89 N. J. Eq. 332.)

I desire also to call attention to a statement made in 1915 before the House Committee on Interstate and Foreign Commerce by Mr. Justice Brandeis, at that time a member of the Boston bar:

A man must start out in business some way. He has certain liberties guaranteed to him by the Constitution which should be protected by the laws of the land, and one of them is liberty of contract. The liberty of contract, however, guaranteed by the Constitution, is not absolute; it is subject to the police power of the Federal Government, either as applied by legislation or by limitation in other ways. The law has a right to step in and should step in so far—and only so far—as liberty of contract is used to the injury of the public. I say that the right of the individual to fix a resale price for his goods is consonant with the public interest.

The thing the Supreme Court was passing on was not a thing involving legal erudition. If the court had followed what other courts had said on this subject, it would have decided the other way. It merely exercised its judgment as to what the interests of the country demand and made its interpretation as to what Congress intended by the Sherman Act.

The fact that the Supreme Court by a 5-to-4 decision in the Sanatogen case says that such a contract is in restraint of trade does not prove that such a business practice does actually restrain trade. That decision proves only that such is the law of the Federal courts until that court reverses its decision, or Congress, which has the supreme power of declaring the law in this respect, says otherwise. It is Congress which must ultimately determine questions of economic policy in matters of interstate commerce.

The Supreme Court has the right to determine what is public policy in a limited number of cases as long as Congress has not declared what it is. The Supreme Court has, in passing upon this quasi legislative question, made what I respectfully submit is an error, and if so, it is the duty of Congress to correct that error.

The court merely expresses its opinion that such agreements are against public policy and that it believes Congress intended to prohibit them when it enacted the Sherman law. I submit most respectfully that this is a most erroneous supposition. There is nothing against the public interest in allowing me to make such an agreement with retail dealers. The public interest clearly demands that price standardization be permitted.

There is no reason why five gentlemen of the Supreme Court should know better what public policy demands than five gentlemen of the Congress. In the absence of legislation by Congress the Supreme Court expresses its idea of public policy, but in the last analysis it is the function of the legislative branch of the Government to declare the public policy of the United States. There are a great many rules which the Supreme Court lays down which may afterwards be changed and are afterwards changed by legislation. It is not disrespect to the Supreme Court to do it.

The American principle is that a man has a right to do anything he pleases with the article he buys unless he has an agreement with the man from whom he bought it that he shall do something else.

There is no constitutional question involved. The only question is, "What does the general interest of the community demand?"

What I say is this: Such a restriction upon individual liberty, instead of being beneficial, is harmful, and therefore Congress in its wisdom ought to correct the error.

There are certain liberties we have found by experience it is wise to curtail. But wherever you do not have to curtail liberty, wherever the exercise of full liberty by a business man is consistent with the public welfare, public policy demands that we should allow him that liberty, because freedom is the fundamental basis of our Government and our prosperity.

The object here is to restore the individual right to make a legitimate contract. * * * What is being asked for here is not any privilege at all, it is a measure to restore a right commonly enjoyed in the leading commercial States of this country, which the leading commercial countries of the world enjoy as a matter of course, and which was abridged in respect to interstate commerce by certain decisions of the Supreme Court.

And finally I want to submit a brief quotation from the excellent report of the House Committee on Interstate and Foreign Commerce on the fair trade bill, H. R. 11, in the Seventy-first Congress:

In a memorandum of the Federal Trade Commission dated December 12, 1927, with regard to investigations made by it, it is stated as follows:

"The question of resale price maintenance is one of the most troublesome with which the commission has to deal in the present state of the decisions. The early Federal cases trace the principle to a passage in Coke on Littleton dealing with restraints on alienation. Courts, in attempting to apply these ancient principles, have fallen into hopeless confusion. Orders of the commission, issued under its organic act, have been upheld in some circuits and set aside in others on almost undistinguishable states of fact.

"And in a recent opinion in a case before the sixth circuit court of appeals, namely, the Toledo Pipe Threading Machine Co. against the Federal Trade Commission, decided in March, 1926, Judge Denison said that in his opinion, 'The state of the law as to price maintenance may rightly be said to be in a confusion.'"

In view of the above statements and by reference to the proposed bill it will be seen that substantially what is accomplished by the bill is to restate the principle of the common law and to restore liberty of contract so far as the Sherman Act interferes with that liberty in the special class of cases covered by the bill.

The necessity for new legislation must be apparent. We have the statement of Judge Denison of the circuit court that the state of the law "is in confusion" and the statement of the Federal Trade Commission that it "is in hopeless confusion." Under these conditions it is the duty of Congress to act, and, in the public interest, to act quickly.

This is a major problem. It involves a menace to the consuming public—the menace of concentration of control in merchandise distribution. It involves a threat to destroy, through unfair competitive methods, the business lives of at least a million and a half of independent merchants.

It may surprise many that in free America we should be compelled to legislate in order to restore to business men what is and has always been an unquestioned right in all other leading commercial countries of the world. As has been shown, this necessity for legislation is not due to legislative error by the Congress but to judicial application of the Sherman Act, and to judicial interpretations of the law, in a manner never intended by Congress.

I hope an early opportunity may be provided for consideration of S. 97, one of the most constructive measures before us.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. TYDINGS. Mr. President, in listening to the debate on the question of Philippine independence, I have reached the belief that all Senators are now of the opinion that a bill should be passed carrying that idea into effect. The question, therefore, has been boiled down primarily to one of time, or, in other words, what length of time should elapse between the granting of independence in a bill and its actual consummation following the passage of the bill. One school of thought adheres to the opinion that the quickest possible time is seven years. The committee has held the view that this is too short a period of time to make independence effective and stable. I have a few figures, which it will not take me more than 10 or 15 minutes to present, which, I believe, are wholly accurate, and when they are understood it appears to me that no Senator can well maintain that a term of seven years is a proper period in which to confer complete independence upon the Filipinos.

First of all, the Filipinos are now operating on an annual budget of 40,000,000 pesos, or about $20,000,000 a year. I find that they owe to the people of the United States, through the instrumentality of debts or bonds floated in this country, $100,000,000, in round numbers.

Mr. DILL. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Washington?

Mr. TYDINGS. I should prefer to finish the statement, if the Senator will permit me to do so.

Mr. DILL. But I want to understand correctly the Senator's statement.

Mr. TYDINGS. Very well.

Mr. DILL. I was shown this morning the report of the Department of Insular Affairs, which sets forth that the bonded debt of the people of the Philippine Islands is $66,000,000.

Mr. TYDINGS. I am coming to that in the next sentence.

Mr. DILL. But the Senator just said their indebtedness was $100,000,000.

Mr. TYDINGS. Yes; but the Senator did not give me a chance to finish my statement. The Filipinos owe $100,000,000, of which they have $35,000,000 in a sinking fund, making a net obligation of $65,000,000 now owing; in other words, one of the conditions of this bill is that they shall pay the $65,000,000 which is remaining upon their $100,000,000 of obligations owed to the people of the United States. Their total annual budget is only $20,000,000. In order to pay off the $65,000,000 in seven years it would require one-seventh of $65,000,000 or, roughly, $10,000,000 a year, which they would have to take out of their annual revenues to liquidate the debts now owing to the people of the United States and to be in a position to comply with the provisions of the bill.

Mr. KING and Mr. BROUSSARD addressed the Chair.

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I shall yield in a moment. If the annual budget of the Filipinos is predicated upon revenues of $20,000,000 a year, which is now the case, they will be compelled by this bill to take $10,000,000 of those revenues which are now being used for other purposes to pay off these debts to the United States. It occurs to me that that fact alone should bring to the minds of Senators the absolute impossibility of the Filipinos, being in a position to comply with the condition.

However, the question does not stop there; the proposition is not so limited. At this time they are exporting to this country about 90 per cent of their entire exports, but at the conclusion of the period of seven years our tariffs will operate against those exports. They will then be forced either to overcome those tariff barriers or to find markets in other countries for the goods which they now sell to us in superabundance.

Therefore, faced with a decline of revenues as a result of the passage of this bill on one hand, and faced with the mandate to pay off the $65,000,000 worth of indebtedness on the other hand, with an annual budget now of only $20,000,000, I do not believe that any Senator will conclude that it is humanly possible for those people to do what it is proposed we shall compel them to do in order to achieve independence in the period of seven years.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Utah?

Mr. TYDINGS. I yield to the Senator from Utah.

Mr. KING. Mr. President, I ask the Senator—my memory is not quite clear in respect to the matter—if it is not a fact that there is a very large fund, between twenty-five and forty million dollars, owned by the Filipinos and now in the United States, available to meet the obligations due to those who hold Philippine bonds?

Mr. TYDINGS. The Senator from Utah is correct. I have just stated that the total Philippine debt is $100,000,000 and that the Filipinos have a sinking fund of $35,000,000, leaving $65,000,000 of the debts owing American investors unprovided for, and that they will be compelled under this bill to pay off those debts in a period of seven years, which would require, with interest, in round numbers, $10,000,000 a year. Their total budget is only $20,000,000 a year, and, therefore, they would have to take $10,000,000 out of their annual revenues, 50 per cent of their annual revenues, in order to discharge this one condition alone; and at the same time they would be faced with a curtailment of the American market, the absolute loss of the American market, after seven years, and forced by necessity to look to other places for the sale of their products, 90 per cent of which now come to the United States. It is practically impossible for the Filipinos to achieve independence under such a set-up.

Mr. KING. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Maryland yield further to the Senator from Utah?

Mr. TYDINGS. I yield.

Mr. KING. I was going to ask the Senator if it would not be possible for the Philippine government, when it should become independent, to fund or refund its indebtedness—assuming that the Senator is right and it must be paid in seven years—as other nations are doing and as the Government of the United States is compelled to do?

Mr. TYDINGS. While that would be entirely possible, I know the Senator is fair enough to recognize that, with the propaganda that has gone out, it would be very difficult, indeed, for the Filipino government, which is yet to become a government, to fund an obligation, certainly in this period of depression.

Mr. BROUSSARD. Mr. President, will the Senator from Maryland yield to me?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. Yes; I yield gladly; but if Senators would let me make my presentation, I should prefer to do that and to yield afterwards.

Mr. BROUSSARD. Would not the Senator like to have his attention called to a statement with which I disagree?

Mr. TYDINGS. Yes.

Mr. BROUSSARD. I think the statement is not well founded.

Mr. TYDINGS. Very well.

Mr. BROUSSARD. How does the Senator make the period seven years?

Mr. TYDINGS. It is eight years, I think.

Mr. BROUSSARD. It is eight years, but it will take over a year to adopt the constitution, and that will make nine years.

Mr. TYDINGS. Yes; but the mandate of the bill is to start to apply, of course, at once.

Mr. BROUSSARD. But it will be nine years at least before independence will be achieved.

Mr. TYDINGS. Yes.

Mr. BROUSSARD. Let me ask another question.

Mr. TYDINGS. I hope the Senator will let me finish.

Mr. BROUSSARD. If the bill does not provide for taking care of the obligations of the Philippines, then it should be amended in some proper way, but my impression is that it does so provide.

Furthermore, the Senator fails to take into consideration the fact that they will have the right to tax the enormous quantity of American goods which the proponents of a long intervening period before independence claim are imported into the Philippines free of duty.

Mr. TYDINGS. Let me put a few more colors on the canvas of this impossible picture. First of all, the Filipinos are exporting 95 per cent of all the hemp they produce in the islands, and over half of it now comes to the United States. They are exporting 90 per cent of all the sugar they raise in the islands, and practically all of it comes to the United States. They are exporting about 100 per cent of their dry copra to the United States; they are exporting about 75 per cent of their tobacco to the United States; they are exporting about 10 per cent of their lumber to the United States. Of their total exports 92 per cent comes to the United States—that is, of those commodities which are protected by our tariff act—and 48 per cent of the commodities upon which no tariffs are levied by the United States likewise come to this country.

Senators, with a budget now of $20,000,000 with which to run the affairs of the Philippine Islands, confronted with the necessity of placing $10,000,000 a year in a sinking fund to liquidate the debts now owed to the American people, or 50 per cent of their total budget, and faced, on the other

hand, with a complete loss in seven years of 90 per cent of their export market, how in the world can they get the money with which to operate, and how in the world can they arrange their affairs so that the new government will endure when the Philippines shall obtain independence?

If you, Mr. President, were running a cotton mill, if you were running a city, if you were a governor of a State, or the President of this Nation, and were asked, on the one hand, to assume new obligations equivalent to one-half of all your revenues over a period of seven years, and confronted, on the other hand, with a reduction of those revenues, you would say the conditions were impossible. But, lo and behold, such a state of affairs is being enforced upon a country about which until recently there was much debate as to their ability to govern themselves. I venture to say that the United States Government, confronted with conditions contained in this bill, to be worked out over a 7-year period, could not endure, with all its resources, in the face of such obstacles as we have set up here. What will happen? At the end of eight years there will be a period of absolute stagnation in the Philippine Islands.

British capital is invested there; Spanish capital is invested there, and about—I have forgotten the amount, but I think about—$100,000,000 of American capital are invested there. What will be the result? Riots will break out, revolution may happen, and then we will have to intervene and go over the long road again, perhaps, to Filipino independence. There will have been placed upon the record of these people a blot for which they will be in no way responsible because of a condition which no government or group of governments could surmount, and they will be charged in popular opinion as being incapable of governing themselves because we forced them to be incapable of governing themselves.

Mr. DILL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Washington?

Mr. TYDINGS. Yes; I yield.

Mr. DILL. I want to ask the Senator why it is necessary to provide that the Philippine Islands shall pay their debt in seven years, when we gave to European countries 63 years in which to pay their debts?

Mr. TYDINGS. That is a very apt question; but may I say to the Senator from Washington that under the committee amendment we do not compel them to pay their debts in seven years.

Mr. DILL. But the Senator's argument is based upon the assumption that they must pay in seven years.

Mr. TYDINGS. Because that is so under the amendment which was offered by the Senator from Louisiana and which has been adopted by the Senate.

Mr. DILL. That amendment provided for independence in eight years.

Mr. TYDINGS. But all these conditions must be fulfilled.

Mr. DILL. I am asking the Senator why it is necessary that we require the new Philippine nation, that has been a part of our own country, to pay its full debt to the United States in eight years—instead of seven it is eight——

Mr. TYDINGS. It is eight.

Mr. DILL. While we gave to European countries 63 years after we canceled half of what they owed us.

Mr. TYDINGS. Because after long and careful hearings before the Committees on Territories, both sides being represented, both the American investors, the American Government and the Filipino people, it was agreed to pay off in full the money which they owed to the investors in this country, namely about $65,000,000 remaining. That agreement was incorporated in the bill, and such time was provided as would enable the Filipino people to make good this condition.

Mr. DILL. Now I want to call the Senator's attention to the report of the Bureau of Insular Affairs for 1932. On page 38 I find the statement that the amount of the outstanding indebtedness of the Philippines is $66,000,000. There is nothing said here about any sinking fund at all. In that connection I call attention to the report of the Philippine delegates to the House Committee on Territories that the Philippines have on deposit in the United States $61,000,000, an amount equivalent to 15 per cent of their currency being protected, which would leave them about $50,000,000. I want an explanation of the figures.

Mr. TYDINGS. Let me say to the Senator as to his first question that the amount of bonds floated by the Philippine government in the United States was, in round numbers, about $100,000,000.

Mr. DILL. This report says $81,000,000.

Mr. TYDINGS. I am going to correct that in a moment. There are $100,000,000 of American-owned obligations of the Philippine government and its political subsidiaries, all of which are guaranteed by the Philippine government. For example——

Mr. DILL. Let me say to the Senator——

Mr. TYDINGS. The Senator from Washington will not allow me to complete the statement.

Mr. DILL. I want the Senator to give me his authority——

Mr. TYDINGS. I am coming to it just as fast as I can.

Mr. DILL. I want the Senator to give me his authority for his statement in view of the statement of the Bureau of Insular Affairs.

Mr. TYDINGS. That is what I am trying to do.

Mr. DILL. I should like to have the Senator's authority for the statement he is making.

Mr. TYDINGS. Every political subdivision in the Philippine Islands has its bonds guaranteed by the Philippine government, whereas in our country the bonds of the State of Maryland are not guaranteed by the Federal Government. In other words, the total obligations of the Philippine government and those guaranteed by the Philippine government are roughly $100,000,000.

Mr. DILL. What is the Senator's authority for that statement?

Mr. TYDINGS. The law. That is the law.

Mr. DILL. The law does not say "$100,000,000."

Mr. TYDINGS. The law compels the Philippine government to guarantee the bonds of its subsidiary or political subdivisions.

Mr. DILL. If the Senator will permit me to read to him from the annual report of the War Department Bureau of Insular Affairs, I will do so.

Mr. TYDINGS. That deals only with the national obligations.

Mr. DILL. Let me read what it says:

The following statement shows the bonded indebtedness of the Philippine Islands and of its Provinces and municipalities.

What else is there in the Philippine Islands that is guaranteed besides the Provinces and the municipalities? Then the figures I have quoted are set out—$81,000,000 of bonds having been issued and $66,000,000 still outstanding.

That is the authority I quote. What authority does the Senator quote to override that?

Mr. TYDINGS. I have not it available right here, and of course I can not recall; but, even assuming that the Senator's figures are right and mine are wrong, by turning to the next page he will see that the amount of the sinking fund is only $21,000,000, which would leave, roughly, $60,000,000 still outstanding.

Mr. DILL. No; $60,000,000 with $20,000,000 off would be $46,000,000.

Mr. TYDINGS. No; the Senator must take that off the $80,000,000.

Mr. DILL. No; the amount outstanding, unpaid, is $66,000,000, as shown on page 38.

Mr. TYDINGS. No; the Senator will find that $81,000,000, in the first column, is the amount of bonds issued.

Mr. DILL. Yes; and $66,000,000 unpaid outstanding.

Mr. TYDINGS. That is what I am saying. The sinking fund, subtracted from the amount outstanding, leaves $66,000,000 still owing.

Mr. DILL. Nothing is said about a sinking fund here.

Mr. TYDINGS. If the Senator will turn to page 40, the following page, he will see the sinking fund set out in detail.

Mr. PITTMAN. Mr. President——

Mr. DILL. Before I leave that, I want to know what the Senator has to say about the $50,000,000 on deposit in Government depositories of the United States, over and above the requirement of 15 per cent of the circulation?

Mr. TYDINGS. The Senator must realize that the Filipinos have their own money.

Mr. DILL. But the Senator is talking about their ability to pay, and I want to get this clear. The Senator was wrong $40,000,000 on the amount of indebtedness. I want to see whether he is correct in his other statement that there is not any money to pay it except the revenue.

Mr. TYDINGS. No; the Senator from Washington was wrong. Assume that there were $40,000,000 of indebtedness: As a matter of fact, there is $66,000,000, which the Senator will ascertain by subtracting the sinking fund from the very amount of bonds which he himself mentioned.

Mr. DILL. I only have the report to which I have referred.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Maryland yield to the Senator from Nevada?

Mr. TYDINGS. I yield to the Senator.

Mr. PITTMAN. I simply desire to call attention to the fact that the Senator from Washington [Mr. DILL] has either failed to notice the word "net" there, or, if the word "net" does not appear there, it does appear in the Commerce Reports.

In the Commerce Reports on the indebtedness of the Philippine Islands as of December 31, 1930—I think those were the last figures——

Mr. DILL. This is June 30, 1932, I may say to the Senator.

Mr. PITTMAN. I am only calling attention to the language in the Commerce Reports. The total net bonded indebtedness as of December 31, 1930, was $60,468,000. The sinking fund was $32,000,000. When we add the $32,000,000 to the $60,000,000 we have the gross bonded indebtedness as of 1930, but we have the net amount when we subtract the money they have on hand to pay; so there is very little difference between the Senator from Maryland and the Senator from Washington.

Mr. DILL. I call the Senator's attention to the fact that this report is two years later than his report.

Mr. PITTMAN. Yes; but if it uses the word "net," then by taking that out of the sinking fund, by subtracting it from the gross, we arrive at the net amount.

Mr. TYDINGS. Let us assume that either one of these sets of figures is the accurate one. The point I want to make is that there are roughly sixty-five or sixty-six million dollars which, according to the terms of this bill, must be paid off by the Philippine government before independence can be accomplished.

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. TYDINGS. Yes, sir.

Mr. BLACK. I desire to ask the Senator a question on that line.

I am very much interested in the Senator's statement that under the terms of this bill the Filipinos are compelled to pay this indebtedness in order to obtain independence. I am against that feature of the bill. I should, therefore, like to have a direct reference to it so that at the proper time I can offer an amendment to strike it out.

I am still in favor of giving a period not of seven years but of five years; and the mere fact that the bill provides that they must make this payment within that time, in my judgment, is not an argument against quicker independence but is an argument for taking it out. Therefore, I wanted to get a reference to it so that I might ask to strike it out.

Mr. TYDINGS. The Senator's observation is a very fair one. May I say to him that there were many members of the committee who likewise felt as the Senator feels; and the reason why that provision was put in the bill was that the Filipino people wanted, as a matter of complete independence, to put themselves in a completely liquid position to the mother country, so to speak; and they themselves advocated writing in this provision, asking only that sufficient time be given to them to make the independence of the Philippines complete. As all of their obligations were floated in the United States, they felt that they were in the nature of advances to the people of the Philippines, notwithstanding they came from our citizens here rather than from our Government; and in order to show that they appreciated all the help that it generously extended to them, had taken it up and had paid it off and put themselves in a completely independent position, they acquiesced in this proposition. That is the reason why it is in the bill.

May I say to the Senator that, just and generous as his observation is, the committee did not put the provision there over the protest of the representatives of the Philippines themselves, but they put it there with their consent. If the committee had not had their consent, the provision would not have been in the bill.

Mr. BROUSSARD. Mr. President, will the Senator yield to me?

Mr. PITTMAN. Mr. President, as one member of the committee who assisted in the preparation of this provision that during the 5-year step-up in tariff the Philippines shall have a right to put an export duty on certain exports to the United States, I desire to say that the reason I voted for it in the beginning may have been different from the reasons of others, but, at any rate, it was this:

The Philippines are not permitted at the present time to raise any revenue through tariffs, and under existing law they will not be permitted to raise any revenues through tariffs until they are independent. When they get independence they will have no revenues with which to meet the payment of outside debts unless a sinking fund of sufficient amount is provided. They have a tariff as against importations from other countries than the United States, but when we realize that the imports into the islands are nearly all from the United States we can see that that revenue is very small.

If we should give the Philippines the right to change their tariff laws—that is, to lower their tariff walls as against other countries, and to place them against us—they would be raising a revenue during the period of time before they are freed; but we could not help but look with fear upon a government being freed after a period of eight years, and during that time being restricted in their power to raise revenue to meet their foreign obligations; and there is no law providing for that.

Consequently, there were two reasons for a tariff step-up as Senators know. One was to let the people of the Philippines get used to a tariff. The other was a more important reason, as far as I am concerned, and that was to give them some way of raising revenues from customs duties before they were thrown against the world's tariffs.

Mr. TYDINGS. Mr. President, may I interrupt the Senator from Nevada before the Senator from Washington [Mr. DILL] leaves the floor? I was about to make an answer to one of his questions, but was not certain, and since I have had a little opportunity to look up the matter I have secured the information.

The amount of money which is on deposit in the United States—I think it is around $50,000,000——

Mr. DILL. This report says it is $61,000,000.

Mr. TYDINGS. Whatever it is, that money was put here in pursuance of a law of Congress which compels the Philippines to put a guaranty fund back of their currency before they can issue it.

Mr. DILL. But only 15 per cent of their circulating medium is required. They have only $54,000,000 circulating, so that would take only about $8,000,000.

Mr. TYDINGS. I am not in position to answer the Senator fully; but I can say, and I think it is substantially accurate, that that entire sum of money in one form or

another is deposited in this country as a result of the requirements of acts of Congress requiring the Philippines to have deposits here against which they may issue currency.

Mr. DILL. I do not know about other acts, but I know they are required to keep 15 per cent of their circulating medium on deposit here.

Mr. TYDINGS. Maybe they keep a larger amount.

Mr. DILL. They have $54,000,000 in circulation, so that 15 per cent of that would be about $8,000,000.

Mr. TYDINGS. We have the same situation here. We are required to have a 40 per cent gold reserve, and we have 70 per cent.

Mr. DILL. Then there would be $53,000,000 excess in this country that could be considered in connection with the bonded indebtedness we have been talking about

Mr. BROUSSARD. Mr. President, will the Senator yield now?

Mr. TYDINGS. Let me finish. I am getting away off on these other matters. All that I really rose to call to the attention of the Senate was this:

There is no government possible, white or black, Anglo-Saxon or Malay, that can discharge the provisions of this bill in seven years. It can not be done; and if we compel the Philippine government to do it, in my humble opinion at the end of seven years we will find chaos in the Philippine Islands, necessitating the landing of troops there by the interested parties where there is capital invested, and we will walk this long road all over again. More than that, it may be the spark that will touch off the powder magazine in the east; and we ought not to walk into that situation without giving ample time to prevent it, if possible.

Mr. BROUSSARD and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the senior Senator from Louisiana. Then I will yield to the junior Senator.

Mr. BROUSSARD. First of all, Mr. President, the bill provides for a period of 8 years, and it will take fully 2 years to adopt a constitution, so it is really a total of 10 years hence.

Referring to the question propounded by the Senator from Alabama [Mr. BLACK], I wish to refer him and the Senator from Maryland to subdivision (g) on page 22 of the bill, which says:

> The debts, liabilities, and obligations of the present Philippine government, its Provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

How does the Senator arrive at the conclusion that this bill requires them to pay in seven years?

Mr. TYDINGS. The bill says these debts shall be paid by the new government, and the new government will certainly be in being.

Mr. BROUSSARD. It says they shall be "assumed."

Mr. TYDINGS. Assumed, of course.

Mr. BROUSSARD. The indebtedness is to be "assumed," not "paid."

Mr. TYDINGS. Oh, no; the condition there is that it shall be paid. That was the understanding of the committee, whatever the language is.

Mr. BROUSSARD. The language of the committee is, "shall be assumed."

Mr. TYDINGS. I do not wish to be diverted, Mr. President.

Not alone have we that condition, which is only one of the factors in this whole situation, but how in the name of common sense this country is going to find a market for its goods I should like some one to explain. If we put the tariff on sugar as we now have it, the cost of the freight and the tariff is more than the price of the sugar now; and therefore they could not ship sugar into this country, which at once strikes at their very largest field of exports. In seven years they will be compelled to displace this entire market and find a new market, or they will have all these fields producing sugar and no place beneath the heaven in which they can sell it.

Then there are other factors: First of all, the Philippines purchase, may I say, one-third of all the cotton textiles which we export from this country. They are a large buyer of many other kinds of our production, machinery particularly. As we say good-by to this relationship, are we going to slap them in the face and undo in a bill what was accomplished by the expenditure of the treasure, the blood, the sacrifice, the guidance, and the helpfulness and the good will which we have extended and built up over a period of 30 years?

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WALSH of Montana. I was likewise troubled, upon a study of this bill, in an effort to discern any provision in it which required these debts to be paid within the period of seven years. It is true that there is an obligation that the new government shall assume all liabilities of the existing government of the Philippines; but that is always the case when one government succeeds another and never implies an immediate payment. When the Constitution of the United States was adopted, there was provision that the new government should assume all debts and obligations of the Confederation, but that did not mean that the United States was to pay those debts before the Constitution went into force and effect. When a new State is admitted into the Union, it is always provided that the State shall assume all liabilities of the Territorial government, but, of course, that does not mean that they must be immediately paid.

Mr. TYDINGS. Yes; but the Senator leaves out the very important fact that by act of Congress these Filipino bonds were made negotiable for bank notes in the United States, and consequently I, as a holder of one of the bonds, bought it with the knowledge that the Federal Government of this country had given it a certain standing in a financial way. If these debts are assumed by the Filipino government, that stability is lacking in the new bonds, and I, as a bondholder, would refuse to surrender my old bonds.

Mr. WALSH of Montana. That may be; but no provision has been made for that situation by the bill here. All that is provided by the bill is that the new government of the Philippine Islands shall assume all obligations of the present Philippine Government.

Mr. TYDINGS. Obviously no bondholder is going to surrender his bond until he gets one as good as the one he now holds.

Mr. WALSH of Montana. That may be; but it has not been provided that he shall or that he shall not. All that is provided in the bill is that the new government shall assume all those obligations.

Mr. TYDINGS. How would the new government be able to assume them without paying them off?

Mr. WALSH of Montana. If I assume an obligation for some one else, I do not necessarily pay it off; I simply become obligated to pay it off.

Mr. TYDINGS. I do not follow the Senator, because in this case the United States Government itself has underwritten these bonds.

Mr. WALSH of Montana. The point I am making is that the bill does not provide for the payment of the bonds within the period of seven years.

Mr. CUTTING. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New Mexico?

Mr. TYDINGS. I yield to the Senator from New Mexico, who knows more about that point than I do.

Mr. CUTTING. I call to the attention of the Senator from Montana the fact that on top of page 31 of the unofficial print he will find that all funds received from the export taxes shall be placed in a sinking fund and applied "to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged."

It has been figured out that this fund will be quite sufficient to discharge the indebtedness of the Philippine gov-

ernment some time before the expiration of the term provided in the bill. If the Senator from Maryland will yield to me for a moment further, I should like to say that the point of paying the bonds was not primarily to assist the bondholders but was primarily to start the Philippine Islands Republic with a clean slate so far as indebtedness was concerned.

In the second place, the payment of these bonds has been repeatedly stated to be a moral obligation of our Government. It was so stated by Secretary Knox, and by other Government officials. The bonds have had a privileged status at all times. If that is a moral obligation on the Government of the United States, it seems to me that that obligation must be fulfilled before we give the Philippines independence, rather than afterwards, because we can not have a moral obligation which we are totally unable to carry out.

Mr. WALSH of Montana. Mr. President, let me remark that that might be a good reason why the bill should so provide, but the question now presented is, Does it so provide?

Mr. CUTTING. Yes, Mr. President; under the provision which I read, I think the language is adequate.

Mr. TYDINGS. Mr. President, while the Senators are looking that point up, if I may be allowed to go on, I will take only five more minutes, and then I will have finished.

May I say that, over and above the question of Filipino independence, there is another question which has received all too scant attention here, and that is the question of the effect of Filipino independence in the Far East, where already there is a great deal of trouble brewing.

We know what has recently happened in Manchuria. We realize what has happened in India, and is happening there. Therefore, to throw in another spark of disorganization, to permit a situation in the Philippine Islands to come into being which would weaken the stability and the law and order of that country is something which, in my judgment, is one of the very major factors in this whole situation. Therefore, if a period of seven or eight years may precipitate that lack of stability, is it not better, in the interest of world comity and peace and good will, and in the interest of order in the Orient, that we should add two or three years, and make sure that this young nation, just starting on the pathway of nationhood, will be strong enough to walk on its international legs, before we let go of its hand for the last time? Can we afford to gamble with the 7-year period, even if the 7-year period is enough, so long as there is a reasonable question about that being a sufficient length of time?

In my judgment, we should make sure, above every other thing, that when we say good-by to the Philippine Islands, that they are in a position to maintain themselves; and to turn them loose without feeling that assurance would be the most ungrateful act we could possibly perform, in view of their long and splendid advancement during the past 30 years, upon which record there has been no blot whatsoever.

If the provisions of this bill are not carried out, through lack of time, I want to say now that disorder, chaos, unemployment, rioting, and perhaps revolution, will break out in the Philippine Islands, and when that happens, we will feel that we were somewhat responsible for it, that we did not treat this nation fairly. There will be advocates of new intervention. Other countries may want to intervene. We may be compelled to intervene, and when we do, we will bring down upon ourselves consequences which we should strive in every way to avoid.

Now is the time to prepare against that contingency, not when it happens. I respectfully submit again, in conclusion, that to compel this nation, as I supposed the bill did, and certainly it was our intention that it should do, to pay off these $66,000,000 worth of obligations to citizens of this country in a period of eight years, with a national income at the moment of only $20,000,000 a year, which is all the Filipino people have, and to take nearly all their export trade away from them at the end of eight years, without giving them new trade in place of it, is to invite the most serious consequences.

I therefore entreat the Senate to reconsider the short period of time which we wrote into the bill a few days ago, to vote for the motion to reconsider, so that we can bring other amendments before the Senate, perhaps not giving the length of time originally set forth in the bill, perhaps a shorter length of time, but sufficient time, in any event, so that we may conclude our arrangements with the Filipino people without having been dishonorable or ungrateful, and with no lack of that friendship toward them about which we frequently beat our breasts, and to which we have pointed with such pride and justification in our past dealings with those people.

Mr. METCALF. Mr. President, I want to compliment the sponsors of the pending bill for the fair way in which they studied the bill. They were open to suggestions, they studied all the points, and they brought in what I believe to be a just and fair bill.

The statements of nearly all the Presidents in regard to the Philippines have been put into the RECORD, but I can not find that the remarks of my friend the distinguished Senator from Mississippi [Mr. HARRISON] in regard to that subject have been inserted.

We have obligations in the Philippines, and they must be observed. We can not afford, guardian as we are of the Philippine people, to alter our revenue laws in such a policy as will destroy the industries of the islands. Whatever is done toward their independence must be done sanely and with the idea of giving them every opportunity and time to adjust their fiscal policies to meet our altered policy.

That was the stand which the committee took. Of course, there has been a very strong lobby against this bill. I hold in my hand a newspaper advertisement of last Sunday signed "A Cuban Taxpayer." The idea is that if we shut out sugar from the Philippines, then there would be more opportunity for Cuban sugar to come in.

Mr. President, we have no quarrel with the Cuban taxpayer. We all feel for any taxpayer; we are having a hard enough time in our own country paying taxes. When one considers how the committee tried to be fair to all; that only 12 per cent of the sugar used in this country comes from the Philippines; that only 20 per cent is grown in our own country; that 24 per cent comes from our other islands—44 per cent from Cuba—when we consider that 12 per cent comes, as it does, when the cane sugar and the beet sugar are not being marketed; when we consider that we have a trade of $80,000,000 or $90,000,000 with the Philippines, and how many thousand people are working whose products are going to the Philippines, and when we have a surplus of cotton and grain, why do we want to destroy part of the market for them? Do we not want more customers? Mr. President, I think we will make a great mistake, if we do not adopt the policy of the bill which has been so carefully studied and prepared and brought before us by the committee.

Emerson has said: "Be an opener of doors to those who come after you."

Mr. COPELAND. Mr. President, preliminary to what I have to say I ask that an editorial appearing in this morning's New York Herald Tribune be read from the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The legislative clerk read as follows:

[From the New York Herald Tribune, Thursday, December 15, 1932]

"THE PHILOSOPHY OF THE SENATE"

Unpleasant and humiliating as the spectacle is which the Philippine discussion is making of the Senate, the show descended yesterday to a bungle that the public can afford to welcome as "comic relief." In the anxiety that all hands are showing to do their worst by the Filipinos, a misguided sugar lobby amendment to the Hawes-Cutting bill was adopted, by a vote of 42 to 38, which not only reduced the trial period from 15 or more years to 8 but which eliminated the plebiscite provision from the Hawes-Cutting formula. Thus amended, the bill provided for the speedy ruin of the island sugar, cordage, and oil industries and for the unconditional alienation of the Philippines as well, without fur-

ther reference to the Filipinos. This was decidedly upsetting to the senatorial illuminati, who, like the ancient augurs, are in the habit of laughing in one another's face.

The amendment was no sooner passed than a number of those who had voted for it without reading it, because it was introduced by the Louisiana Senator who has confessed himself closest to the Cuban sugar interest, learned from Senator Hawes that "this vote absolutely kills the philosophy of the Senate." The careless innocents were naturally aghast. A sin against "the philosophy of the Senate" is an outrage which, it appears, the hardest old scion shudders to contemplate. It is like blowing out the vestal fire. At any rate, public contrition and confession came as swift sequels to the terrible Hawes indictment. Senator BULOW spoke for the delinquents. Alas, they had voted for they knew not what! Faith ill-placed had moved them; and, in the name of that all-but-unmentionable entity, "the Senate's philosophy," they humbly besought from their colleagues a chance to recant.

What Senator HAWES meant by "philosophy" was, of course, "conspiracy." His reference was to the understanding that exists within the ranks of the senatorial cognoscenti that the Philippine bill must be so tragically ruinous to the islands that the Filipinos themselves will, 15 or 20 years hence (by virtue of the plebiscite clause), reject independence; but that it will, in the meantime, establish a precedent of prohibitive and ruinous tariffs against Philippine industries which no American Congress will dare to violate. The attitude toward the Filipino of those who subscribe to this esoteric "philosophy" is "heads I win, tails you lose." To those who do not believe in the alienation of the islands the prophets of this "philosophy" give positive assurance that the Filipinos will, in the last instance, be so wretched economically that they will reject all thought of independence. To the lobbies they say that whether the Filipinos elect to stay with us or cut adrift, the Hawes-Cutting bill provides, meanwhile, for their lasting industrial alienation.

This is the "philosophy of the Senate," against which a number of those who assumed that the Cuban sugar lobby could not be wrong found, at a late hour yesterday, that Senator BROUSSARD's amendment was a clumsy and deplorable heresy. To-day's efforts to recover from this gaucherie will be worth watching.

Mr. COPELAND. Mr. President, after what happened yesterday, no Senator can be accused of talking too much. Certainly, that was a field day of oratory.

The matter before us is so tremendously important that it is to be hoped the Senate will pass a bill which will be as harmless as possible to the Philippine people. Personally I can not understand how anybody in these troublous times could think of throwing another stone into the turbulent pool of world-wide distress. To turn the Filipinos loose at this particular time of economic trouble would be fatal to their ambition. It might even embroil the world in another disturbance, as suggested by the Senator from Maryland [Mr. TYDINGS] a few moments ago.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. BROUSSARD. Does the Senator think if there is any possibility of trouble in the Orient that we should have a plebiscite 18 or 20 years from now and in the meantime delegate a certain sovereignty to a new government in the Philippine Islands without knowing whether or not it will be able to carry on?

Mr. COPELAND. I can hardly bring myself to give serious consideration to any feature of the pending bills. All of them are repulsive to me because they are violative of the Constitution, which we have sworn to support. I can hardly bring myself to discuss their provisions.

Yesterday on two occasions when the roll was called I voted "present." That action does not indicate that I have no conviction regarding what "philosophy" should prevail. But I am so convinced that the whole system—the entire proposal—is wrong, is unconstitutional, is unlawful, that I could not bring myself to vote either way upon amendments to the measures here presented. When it comes to the final passage of the bill, I shall vote against it.

I am not deluding myself at all as to what will happen. I realize fully that I stand practically alone in the position I have taken in this matter. But the position I assume is founded on the profound conviction that we can not alienate sovereignty to the Philippines without consent of the sovereign people.

As I have pointed out time and again, sovereignty is not in the Congress. Sovereignty is in the people. It is an elementary and fundamental thing to say that the Congress has no more power than has been delegated to it by the people. But of all the powers which have been so delegated, as I see it, the power to alienate sovereignty over any one of our possessions has not been given to Congress.

Regardless of what may be the ultimate decision of the Senate, I am gratified to find in my mail a number of letters and also a number of telegrams from distinguished attorneys of this country commending me for my stand and stating that the study which they have made of the problem has convinced them that the position I am taking here is a sound one. For the first time in my life I regret that I am not a lawyer. I do not think I ever before had such a regret and I do not intend to let it trouble me very long. But if I had had the advantage of a legal training and had law degrees that were real instead of honorary more attention would be given to the statements which I have made and some which I intend to make to-day.

There is no public question which has presented itself in the 10 years since I have been in the Senate which has commanded so much of my time, devoted attention, and serious study as this one. If the opinions I venture to express were casual ones, were mere curbstone opinions, I would not take them very seriously myself. But having read everything I can find on the subject and studied the opinions of distinguished judges, I am satisfied that there is no power now held by the Congress of the United States which would justify the alienation of sovereignty and the disposition of the Philippine Islands.

I am amazed that any group of Filipinos would have enthusiasm for any one of the measures presented here. I hope that ultimately, by legal and constitutional action, the Filipinos may have their liberty. I want them to have full freedom when they are ready for it. But when they do have it I want it to be without blot.

In this connection I want to say another thing. For years it has been the practice of my party, the Democratic Party, to include in its platform a declaration in favor of immediate independence for the Filipinos. If any matter dealt with by the platform of my party had to do merely with a policy and was in no way associated with a constitutional inhibition, I would be for it, of course. I am just as much for liberty for the Filipinos as any Democrat who ever lived. But when that freedom comes I want it to be honest freedom, a possession given to them from the heart and in accordance with the Constitution of our common country.

I do not want action taken here, either, and I would not be disposed to be for it even if it were a constitutional thing, if that action were founded upon selfishness and sordidness. No honest man believes that these bills arise from any sentiment in American hearts stimulated by a desire to give freedom for freedom's sake.

Every honest man knows that the motives back of these bills have to do with sugar and cotton and copra and other products, as well as labor. The pending bill would not be here and would not be considered for five minutes if the one question of independence, divorced entirely from selfishness, were the impelling force back of it; and every man and woman within the sound of my voice, if informed on this subject, knows that I speak the full truth.

Mr. BROUSSARD. Mr. President, will the Senator from New York yield to me?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. BROUSSARD. I think we might reverse that picture and say that the only reason why the American people have not carried out their pledge to give the Filipinos their independence has been the selfishness of those who enjoy the Philippine market without the imposition of duties against their goods. They seek now to perpetuate that situation, because in that case the subsidies which the people of the Philippines receive are paid by the farming element of this country, and the manufacturing interests of the Nation are opposed to paying their share of it from now on.

Mr. COPELAND. Mr. President, I do not care what selfish interest drives a man either to be for or against these meas-

ures. So far as I am personally concerned, I am against all of them, because no one of them is properly here. Every one of them is violative of the Constitution of the United States.

Mr. President, the only reason I rose to-day was because in reading over the debates which have taken place I found that in my own argument I left certain loose ends which, in justice to myself, I feel it necessary to take up to-day. I am expecting no reward from my contemporaries for the position I take; I am seeking the verdict of posterity, Mr. President.

What I am saying here I hope will be helpful to the Supreme Court of the United States when it comes to pass upon this question. There are those who say that it can never reach the Supreme Court because it is a "political question" and that that body will not pass upon it. I am not so sure about that. In my judgment, the day will come when the able, prominent, and distinguished jurists of the Supreme Court will pass upon this question; and, Mr. President, if I can marshal any facts and references which will be helpful to that body when the time comes, I shall feel well rewarded for the trouble I have taken.

In a colloquy the other day with the Senator from Idaho [Mr. BORAH] I find that I slurred over somewhat and failed to make a fully responsive answer to his question. He asked me about a statement made by Mr. Justice Fisher, formerly of the Philippine Supreme Court, a statement which is included in his booklet on the constitutional power of Congress to withdraw the sovereignty of the United States over the Philippine Islands. It has been printed several times in the RECORD and was reprinted last Thursday in a speech of the Senator from Missouri [Mr. HAWES], which he then had inserted in the RECORD. In this booklet of Mr. Justice Fisher he says this:

> The essentially temporary nature of the control of the United States over the Philippine Islands has repeatedly been affirmed by our Presidents and by the national legislative bodies. The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended by approval of the cession of the Philippines by Spain to "incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor * * * to permanently annex said islands as an integral part of the United States; but * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

I have discussed the pending matter with those who are inclined to disagree with the position I take because of a different conclusion they have reached. I find that some of them point out that at the time the treaty was pending in the Senate, in the early part of 1899, the newspapers of the country gave the public the impression that the treaty was being ratified, with an understanding that it really did not mean what it said. It is true that the newspapers at the time had much to say on the subject. I recall distinctly the debates which were reported in the public press and the arguments which were made. I have told the Senate before that one of the first matters that ever attracted my attention, so far as public affairs are concerned, was the Spanish-American War, and that my own effort, as a young man, was directed toward creating a sentiment in my State, urging that the people call upon President McKinley to intervene in Cuba. So, after the intervention and after the successful war, it was natural that I should follow in the press, as I did, the debates which took place here and the discussions printed in the newspapers.

Col. William Jennings Bryan was the leader of thought in our country against imperialism. He was indeed an anti-imperialist. He felt it was a dreadful thing that the United States should be in the colonial business. He said we were becoming an imperialistic country. He did not have much regard for Britain, and he thought that we were becoming too English in embracing the idea of having colonies and possessions across the sea.

There is no question, Mr. President, that the newspapers carried the idea to the public that there was no real intent on the part of the framers and signers of the treaty of Paris, and no intention upon the part of the President and the Senate to agree to an instrument which did not contain a reservation, secret or otherwise. I concede that. In the next place it is true that there was debate in the Senate, and a very considerable group of Senators held to the belief that the Senate should declare that there was no intention to incorporate the Philippines and Puerto Rico into our possessions. This group offered no hope whatever that statehood would ever be conferred upon any of this territory.

But, Mr. President, Mr. Justice Fisher in his book gives an utterly false impression as to what was done here in the Senate. He says—and I quote it again—

> The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended * * * to "incorporate the inhabitants of the Philippine Islands into citizenship of the United States."

What are the facts?

Several times during the debate in the Senate immediately preceding the presentation of the treaty for ratification resolutions were presented seeking to limit the effect of the cession. It was declared that there should be no incorporation into American citizenship of the inhabitants of the Philippine Islands.

On the 4th of February, 1899, the following occurred in the Senate. I read from the RECORD of the Fifty-fifth Congress, third session, volume 32, part 2, page 1445:

> Mr. ALLEN. I submit a resolution, which I ask may be read.
> The resolution was read, as follows:
> "*Resolved*, That the Senate of the United States, in ratifying and confirming the treaty of Paris, does not commit itself or the Government to the doctrine that the islands acquired by virtue of the war with Spain are to be annexed to or become a part of the United States, and that the difference in the language of said treaty as respects the island of Cuba and its inhabitants shall not be construed or be held to be a difference in effect, but that it is the intention and purpose of the Senate in ratifying said treaty to place the inhabitants of the Philippine Islands and Porto Rico in exactly the same position as respects their relations to the United States as are the inhabitants of Cuba."

That resolution, as I said, was presented on the 4th of February. Later in the same day it was laid before the Senate and discussed, chiefly by Mr. Chilton and Mr. Wolcott. The latter made a very vigorous statement regarding the pending treaty; and I want to read just a few words from his speech. What I shall read is found on page 1450 of the RECORD of February 4, the second paragraph from the bottom, second column.

This is what he said:

> Bar England, there is not a country in Europe that is not hostile to us.

Things have not changed any, have they, Mr. President? They are about the same now.

> Bar England, there is not a country in Europe that is not hostile to us.

Then, referring to the late war with Spain—the Spanish War—he goes on:

> During all this war they stood in sullen hate, hoping for our defeat and that disaster might come to us; and to-day they wait with eager and rapacious gaze, hoping that some event may yet prevent our reaping the fruits of the treaty which has been agreed upon by the commissioners of the two countries. Yet, while this critical condition of affairs exists, it has become evident within the last few days that certain political leaders in this Chamber believe that a new issue should be brought before the American people to be determined at the next presidential election. They intend that the American people shall be called to pass on the questions arising out of the war, and that this shall be the issue of the next campaign.

Of course, that was the suggestion of a prominent Republican, looking forward to the next presidential campaign. I have no doubt that Mr. Wolcott had every reason to believe, from what Colonel Bryan was saying throughout the country, that that would be, as indeed it was, one of the issues of the next campaign.

On the next page, at the top of the first column, Mr. Wolcott goes on:

> For my part, I do not believe these tactics can win. There are on both sides of this Chamber enough men animated with high patriotism, ready to obliterate party lines and to stand shoulder to shoulder together and with the Government, not because it is a Republican government but because it is an American govern-

ment, and they will agree to fight out hereafter the questions that may arise as to the conduct and disposal of the Philippines when the treaty shall have been ratified.

Of course, Mr. President, the question did become at once a political football; and, as I said a few moments ago, my party, from the next convention to the last one, has had a Philippine-independence plank in the platform. I am with my party always when it is right, but I could not indorse any plank which called upon the American people to repudiate a solemn treaty made with a coordinate power. I could not agree to any proposal which asked me, as a member of my party—a party which I love—to do an unconstitutional act. I shall be with my party for freedom for the Philippines when freedom for the Philippines can be given constitutionally, and not until then.

I wish to quote further from the address made on the 4th of February, 1899, by Mr. Wolcott. He said:

More than this—

Speaking once more of these unfriendly countries—and they are just as unfriendly to-day as they were then, and, in my opinion, more unfriendly.

More than this, they realize that if we to-day abandon those islands as a derelict upon the face of the waters we leave them open to the land hunger and the greed of the countries of Europe that are now seeking to colonize land the wide world over, with the probability that our action would plunge the world in war.

Prophetic words! I believe that what Senator Wolcott said 34 years ago is just as true to-day. We are going to pass a Philippine bill. This bill, in some form—probably so mutilated and changed that its parents will not know it—will pass pretty soon. When it does we shall "abandon those islands as a derelict upon the face of the waters" and "leave them open to the land hunger and the greed of the countries of Europe that are now seeking to colonize land the wide world over, with the probability that our action would plunge the world in war."

Prophetic words, Mr. President!

A little later in his speech, down near the bottom of the second column of page 1451, Mr. Wolcott said:

Mr. President, it has also been frequently said in the progress of this discussion that our continued occupancy of those islands is contrary to the spirit of American institutions.

We have heard some of that here, have we not, in the last few days?—

contrary to the spirit of American institutions.

Mr. Wolcott goes on:

Who shall say this? This Republic represents the first and only experiment in absolute self-government by the Anglo-Saxon race, intermingled and reinforced by the industrious of all the countries of the Old World. For more than a hundred years we have endured, and every decade has brought us increasing strength and prosperity and, it may be, an increasing tendency to greater bitterness in our consideration of questions of internal policy. Who is to say that in the evolution of such a republic as this the time has not come when the immense development of our internal resources and the marvelous growth of our domestic and foreign commerce and a realization of our virile strength have not stimulated that Anglo-Saxon restlessness which beats with the blood of the race into an activity which will not be quenched until we have finally planted our standard in that far-off archipelago which inevitable destiny has intrusted to our hands?

We planted the standard there. We did it deliberately. We did it after full debate and full consideration; and yet There are those who would pull down the American flag, and give up the obligation and the responsibility and the privilege of making of these islands what these men of old wanted to make of them.

Mr. President, half the energy used here to find a way to alienate sovereignty over the Philippines, if devoted to some plan of development of those great islands and of that fine people, half the energy devoted in the direction of their development and of their progress and prosperity, half the energy which we have found expended here in an effort to tear down and destroy, would make of the islands the paradise of the earth.

The discussion I have been reciting was on the 4th of February. That happened to be on Saturday. The next session of the Senate was on Monday, the 6th of February, and I find at the top of the second column, on page 1479, the heading:

POLICY REGARDING THE PHILIPPINE ISLANDS

Mr. McENERY. I offer a resolution, and ask that it be read, and that an hour be fixed before 3 o'clock when the vote shall be taken on it.

The VICE PRESIDENT. The resolution will be read.

The Secretary read as follows:

"*Resolved*, That by the ratification of the pending treaty of peace with Spain it is not intended to incorporate the inhabitants of said islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands, to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

Then Mr. McEnery said:

I ask that a vote be taken on this resolution to-day prior to going into executive session.

Let me make clear what his purpose was. This was the day, the 6th day of February, when final action upon the treaty was to be taken by the Senate. The ratification of the treaty was to come up in executive session later in the afternoon of that day, and Mr. McEnery desired to have action taken upon this resolution before the Senate entered into executive session. So he said:

I ask that a vote be taken on this resolution to-day prior to going into executive session.

The VICE PRESIDENT. The Chair understands the request of the Senator from Louisiana to be for unanimous consent that there may be a vote taken to-day on his resolution prior to the vote to be taken on the treaty of Paris.

Mr. BACON. I could not gather from the reading of the resolution whether it is a joint or a Senate resolution.

The VICE PRESIDENT. The Chair supposes it to be a simple Senate resolution or a concurrent resolution.

Mr. BACON. The Secretary did not read a resolving clause which would indicate it to be a concurrent resolution.

Mr. GALLINGER. Let it be read again in full.

The Secretary again read the resolution.

The VICE PRESIDENT. The Chair is requested to state by the introducer of the resolution that he introduced it as a simple Senate resolution, but he wishes to change it into a joint resolution.

Let me call the attention of the Senate to the significance of this. In an hour or so from the time this resolution was called up the Senate—not the Congress, but the Senate—was to act upon the treaty. Yet Mr. McEnery on this very day, literally the last day, in the afternoon, proposed a joint resolution, attempting to fix the intention of Congress regarding the meaning of the treaty. I do not need to point out to Senators how ridiculous, how utterly absurd, that proposed action was. Anyway, as the Vice President, according to the RECORD, stated, the author of the resolution desired to have it as a joint resolution.

Mr. Frye said:

And he asks unanimous consent that a vote may be taken on it to-day.

The VICE PRESIDENT. The resolution now before the Senate, introduced by the Senator from Louisiana, is intended to be a joint resolution. It will be read by title.

The joint resolution (S. J. Res. 240) declaring the purpose of the United States toward the Philippine Islands was read twice by its title.

The VICE PRESIDENT. The Senator from Louisiana asks that a vote be taken upon the joint resolution this afternoon. Is there objection?

Mr. ALLEN. I object.

The VICE PRESIDENT. Objection is made.

A little later in the day, as the RECORD shows at page 1480, first column, under the heading "Relations with Puerto Rico and the Philippines," the following occurred:

The VICE PRESIDENT. The Chair lays before the Senate the resolution submitted by the Senator from Nebraska [Mr. Allen], which comes over from a previous day. It will be read.

The resolution submitted on the 4th instant by Mr. Allen was read, as follows:

"*Resolved*, That the Senate of the United States, in ratifying and confirming the treaty of Paris, does not commit itself or the Government to the doctrine that the islands acquired by virtue of the

war with Spain are to be annexed to or become a part of the United States, and that the difference in the language of said treaty as respects the island of Cuba and its inhabitants and the island of Puerto Rico and Philippine Islands and their inhabitants shall not be construed or be held to be a difference in effect, but that it is the intention and purpose of the Senate in ratifying said treaty to place the inhabitants of the Philippine Islands and Puerto Rico in exactly the same position as respects their relations to the United States as are the inhabitants of Cuba."

Mr. ALLEN. Let the resolution be passed over.

The VICE PRESIDENT. The resolution will be passed over.

Then Mr. Allen said:

I ask that the joint resolution introduced by the Senator from Missouri [Mr. Vest] be laid before the Senate and read.

I want to speak about that just a moment, Mr. President. The minutes of the executive session, which have since been made public, show that Mr. Gorman, for Mr. Vest, proposed certain amendments. I am going to refer to that again in a moment, but I want to show that previous to the executive session, while the Senate was in legislative session, this resolution of Mr. Vest was laid before the Senate on request of Mr. Allen. The Vice President said:

The Chair lays the joint resolution before the Senate.

The Secretary read as follows:

"A joint resolution (S. Res. 191) declaring that under the Constitution of the United States no power is given to the Federal Government to acquire territory to be held and governed permanently as colonies

"*Resolved, etc.*, That under the Constitution of the United States no power is given to the Federal Government to acquire territory to be held and governed permanently as colonies.

"The colonial system of European nations can not be established under our present Constitution, but all territory acquired by the Government, except such small amount as may be necessary for coaling stations, correction of boundaries, and similar governmental purposes, must be acquired and governed with the purpose of ultimately organizing such territory into States suitable for admission into the Union."

That was the thing for which Mr. Vest, of Missouri, had been contending, and continued to contend for even when the Senate was in executive session, to pass upon the treaty.

Upon the reading of the resolution of Mr. Vest, which I have just quoted, Mr. Allen said:

I also ask that the resolution just introduced by the Senator from Louisiana [Mr. McEnery] be laid before the Senate and read.

The VICE PRESIDENT. The Chair lays the joint resolution before the Senate.

"A joint resolution (S. J. Res. 240) declaring the purpose of the United States toward the Philippine Islands

"*Resolved, etc.*, That by the ratification of the pending treaty of peace with Spain it is not intended to incorporate the inhabitants of said islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States. But it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands, to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

Then there ensued a very bitter debate. I have listened to some debates in my day that were not entirely comfortable, but this was really an argumentative occasion. Mr. Allen and Mr. Clay, and finally Mr. Gorman, took part, and Mr. Gormon was so bitter that Mr. Wolcott begged for an opportunity to reply to him. Mr. Davis said:

I move that the Senate proceed to the consideration of executive business.

Mr. WOLCOTT. Mr. President, I ask unanimous consent that I may have five minutes to answer some personal allusions to myself made by the Senator from Maryland [Mr. Gorman].

Mr. DAVIS. I am very sorry, but under the unanimous-consent rule adopted I feel constrained to object to the request made by the Senator from Colorado.

Mr. WOLCOTT. I hope the Senator will allow me.

Mr. DAVIS. I can not.

Mr. WOLCOTT. I only ask for five minutes, Mr. President.

Mr. GEAR. I ask unanimous consent that the Senator from Colorado may be permitted to proceed.

Mr. DAVIS. I am constrained to object, Mr. President.

The VICE PRESIDENT. Objection is made to the request made by the Senator from Colorado [Mr. Wolcott]. The question is on the motion of the Senator from Minnesota [Mr. Davis] that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 10 minutes spent in executive session, the doors were reopened.

Mr. President, as I said a little while ago, it is true that those who seek to justify their support of pending measures upon the fact that there was discussion in the press and in the Senate, giving the impression to the American people that there was no real intent on the part of the Senate in ratifying the treaty actually to incorporate into our territory the Spanish possessions. I want the record which I am trying to make to be a truthful one, and so at some length I have described to the Senate the state of the public mind, the statements of the press, and the efforts made in the Senate itself to place a limitation upon the treaty.

But no such limitation was placed upon the treaty. Having fresh in mind all the objections raised by those who wished to place an interpretation upon the intent of Congress regarding the act, regarding the ratification, regarding the treaty and its significance—in spite of the heated debate of the very day and the memory of debates of two or three days before, in spite of all that, the Senate went into executive session and what there happened? I want Senators to know exactly what happened. Of course Senators know now, and I merely want to recall it to their minds. That afternoon while Mr. Wolcott was begging that he might be given the floor the Senate went into executive session, and what happened?

I hold in my hand the Executive Journal, volume 31, Fifty-fifth Congress, pertaining to the executive session of February 6, 1899, and at page 1282 I find the following:

The Senate, as in Committee of the Whole, resumed the consideration of the treaty of peace (Exhibit B) between the United States and Spain, signed in the city of Paris on December 10, 1898; and

After debate thereon,

Mr. Gorman (for Mr. Vest) proposed the following amendments to the treaty:

"Article III, strike out the words 'cedes to the United States' and insert in lieu thereof the words 'relinquishes all claim of sovereignty over and title to.'"

I dislike repeating this matter, but for the sake of continuity in the RECORD I should do so. It will be recalled that in the treaty which was pending Article I reads as follows:

Spain relinquishes all claim of sovereignty over and title to Cuba.

Spain relinquishes all claim of sovereignty over and title to Cuba!—

Article II. Spain cedes to the United States.

See the difference. Once more for the record I want to be very clear, and this is all I have in mind, that Article I relating to Cuba read:

Spain relinquishes all claim of sovereignty over and title to Cuba.

But when it came to Article II it reads:

Spain cedes to the United States Puerto Rico.

And in Article III it reads:

Spain cedes to the United States the archipelago known as the Philippine Islands.

In the first article there was a relinquishment of sovereignty over Cuba—no cession, but a relinquishment of sovereignty; but in Article II, relating to Puerto Rico, it was a cession—"Spain cedes to the United States"—and in Article III, "Spain cedes to the United States the archipelago known as the Philippine Islands," and so forth.

Mr. Gorman, for Mr. Vest, wished to change Article III relating to the Philippines so it would read:

Spain relinquishes all claim of sovereignty over and title to the Philippine Islands.

This he desired in order to have the language of Article III identical with the language of Article I, which related to Cuba.

Also, on page 1283 of the Executive Journal, I have read a part of Mr. Vest's proposed amendment to change from "cede" to "relinquishment of sovereignty," and then also he wished the following:

Add at the end of Article III the following:

"The United States, desiring that the people of the archipelago shall be enabled to establish a form of free government suitable to their condition and securing the rights of life, liberty, and property, and the preservation of order and equal rights therein, assumes for the time being and to the end aforesaid the control of the archipelago so far as such control shall be needful for the purposes above stated, and will provide that the privileges accorded to Spain by Articles IV and V of this treaty shall be enjoyed."

That is what Mr. Vest tried to do in his joint resolution previous to the meeting of the Senate in executive session. In executive session he definitely moved to have these changes made. Further than that, in line 2, Article VIII, after the word "Cuba," he moved to insert the words "and in the Philippine Archipelago," in order that the same thought that he had in mind might be continued in Article VIII so there would be no cession of territory, but merely a relinquishment of Cuba as in Article I. Then further in Article IX he wanted certain material stricken out, and in Article XIII to have the Philippines included with Cuba with reference to copyrights and patents. So far as the islands of Cuba and Puerto Rico and the Philippines were concerned, he wanted the language to be identical. He wanted Cuba, Puerto Rico, and the Philippines to have in the treaty exactly the same standing. That was proposed in the Senate itself and in executive session he presented the amendment, and what happened?

Mind you, this matter had been debated in the Senate, in the House, in the newspapers by Col. William Jennings Bryan and other orators and anti-imperialists. The matter had been discussed time and time again in every forum, in every newspaper, in every magazine. All these ideas were familiar to the Senate of the United States, and here was pending an amendment to make the changes proposed by Mr. Vest. What happened? I quote from page 1283 of the Executive Journal:

On motion by Mr. Lindsay, and by unanimous consent, the said proposed amendments were considered together; and on the question to agree to the proposed amendments it was determined in the negative—yeas 30, nays 53.

On motion by Mr. Gorman, the yeas and nays being desired by one-fifth of the Senators present, those who voted in the affirmative are * * * and those who voted in the negative are * * *.

So the amendments were overwhelmingly defeated in spite of the arguments in the Senate prior to and in the executive session itself.

I fail to see how anybody can lean upon the broken staff of public sentiment of a minority of the American people—the limited public sentiment of the time. If we want an excuse for voting for the pending legislation, that is just as good as any. But I have shown to the Senate, and conclusively because it is from the record, that there is no foundation and no justification for the position that public sentiment was united against the Filipinos. It was not intended to cheat them. We had no thought in 1899 of doing less than was done by every other treaty ever made by our country. There is no foundation for the excuse to be offered for these measures on the theory that we really did not mean it when we entered into this treaty with Spain regarding the Filipinos.

After the debate in the executive session and the presentation of these amendments of Mr. Vest and their overwhelming defeat, then, as we see from page 1284 of Executive Journal—

Mr. Davis submitted the following resolution of ratification for consideration:

"*Resolved* (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to ratification of the treaty of peace between the United States and Spain signed at the city of Paris on December 10, 1898."

The Senate by unanimous consent considered the resolution, and on the question, Will the Senate advise and consent to the ratification of the treaty in the form of said resolution, it was determined in the affirmative—yeas 57, nays 27.

The record shows the personnel on each side of the vote. The injunction of secrecy was removed and the treaty was ratified.

It is a matter of interest, I think, to find out what became of the joint resolution. Mind you, Mr. President, the deed had been signed, sealed, and delivered, but on February 14, eight days after the ratification of the treaty by the Senate by an overwhelming vote, Mr. McEnery's resolution was discussed at great length and finally acted upon by the Senate.

I want to call attention to the fact that it was a joint resolution; that it had been considered at great length by the Senate previous to ratification but was still pressed by its author; and so it was considered on February 14, 1899. The joint resolution was read the third time at length, as follows:

Resolved, etc., That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States, but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the United States and the inhabitants of said islands.

After much discussion, the resolution was finally put to a vote, and, the roll call having been concluded, the result was announced—yeas 26, nays 22. The joint resolution was passed by that vote, but, in this connection, I want to give the Senate a statement of the Supreme Court on this subject. It is found in One hundred and eighty-third United States, the Fourteen Diamond Rings case. I do not want anybody to entertain the thought that the fact that by a vote of 26 to 22 the Senate adopted the joint resolution justifies him in voting for one of the pending measures.

The matter of this particular joint resolution had the attention of the Supreme Court and, in the opinion of Mr. Chief Justice Fuller, on page 179, I find this:

The Philippines thereby ceased, in the language of the treaty, "to be Spanish." Ceasing to be Spanish, they ceased to be foreign country. They came under the complete and absolute sovereignty and dominion of the United States, and so became territory of the United States over which civil government could be established. The result was the same, although there was no stipulation that the native inhabitants should be incorporated into the body politic, and none securing to them the right to choose their nationality. Their allegiance became due to the United States and they became entitled to its protection.

Those are the words of Mr. Chief Justice Fuller. He continues:

But it is said that the case of the Philippines is to be distinguished from that of Puerto Rico—

It was urged by counsel that Puerto Rico and the Philippines were not on the same plane—

But it is said that the case of the Philippines is to be distinguished from that of Puerto Rico, because on February 14, 1899, after the ratification of the treaty, the Senate resolved, as given in the margin, that it was not intended to incorporate the inhabitants of the Philippines into citizenship of the United States, nor to permanently annex those islands.

The resolution referred to is the one which I read a moment ago and which was passed by a vote of 26 to 22, the resolution, to quote it again, reading as follows:

Resolved, etc., That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to esablish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the United States and the inhabitants of said islands.

What does the court say about that?—

We need not consider the force and effect of a resolution of this sort, if adopted by Congress, not like that of April 20, 1898, in respect of Cuba, preliminary to the declaration of war, but after title had passed by ratified cession. It is enough that this was a joint resolution; that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum.

The significance of that being that if this were a treaty matter, or the limitation of a treaty, it would be necessary to have a two-thirds vote of the Senate. Of course, it could not be done in this informal way in any event, but, even if it

had been presented in executive session, it would have been necessary to have a two-thirds vote, but the court says:

It is enough that this was a joint resolution; that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum, and that it is absolutely without legal significance on the question before us. The meaning of the treaty can not be controlled by subsequent explanations of some of those who may have voted to ratify it. What view the House might have taken as to the intention of the Senate in ratifying the treaty we are not informed, nor is it material; and if any implication from the action referred to could properly be indulged, it would seem to be that two-thirds of a quorum of the Senate did not consent to the ratification on the grounds indicated.

So, Mr. President, there is no consolation to be had in the attitude of the press or of the publicists of the day. There is no consolation to be had in the discussions and decisions of the Congress, particularly of the Senate. The treaty was duly considered, was fully debated and ratified by an overwhelming vote, and it is the supreme law of the land.

Mr. President, I have attempted fully and completely and from the record to make clear that the Senate had every opportunity to modify the conditions of cession, had every opportunity to do what many Senators here no doubt wish had been done. But the Senate did not do it, and my contention is that there is no possible excuse to lean upon this vain discussion as justification for support of pending measures.

There is another matter I wish to consider. It relates to the disposing clause of the Constitution. It continues to be a matter of amazement to me that anybody would allege that in the third section of Article IV there is any justification for the alienation of sovereignty.

Sovereignty is not territory. Sovereignty is not property. Sovereignty is not something you can sell. Sovereignty does not belong to the Senate of the United States or to the Congress of the United States. Sovereignty is in the people of the United States, and proudly we speak of "the sovereign people"; but I read yesterday, in the Washington Post, an editorial entitled "Alienating Territory":

ALIENATING TERRITORY

The right of the United States to dispose of territory that comes into its possession is being questioned in connection with the bill for independence of the Philippine Islands. Senator COPELAND made a long argument before the Senate on this point.

No occasion has ever arisen for the Supreme Court to pass upon this question, since no territory over which the sovereignty of the United States has definitely extended has ever been alienated. The Constitution is not specific on this point, although it provides in section 3, Article IV, that—

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be construed as to prejudice any claims of the United States, or any particular State."

It is argued by some opponents of the independence movement that the power to dispose of territory is not equivalent to the power to alienate territory. Under this view Congress could do anything with the Philippines, except withdraw the sovereignty of the American Government over them. It seems apparent, however, that the Constitution makers intended to give Congress the broad power of dealing with territorial possessions as it might see fit.

The right of Congress to acquire territory has also been challenged. When Jefferson made the Louisiana purchase he was accused of flouting the Constitution, because it contained no specific authorization for such an act. But it is now a well-established principle that Congress does have the authority to acquire territory. Any other construction upon the fundamental law would have made the present-day United States an impossibility.

There seems to be no logic in the contention that Congress may acquire territory by purchase or otherwise, but has no authority to relinquish such territory. Congress has power to make "all needful rules and regulations respecting territory * * * belonging to the United States." If Congress considers it needful to make the Philippines independent, there seems to be no warrant in the Constitution to prevent such action. The logic of this viewpoint is emphasized when it is recalled that the present movement to free the islands is fostered in the interests of the American farmer and not for the benefit of the Filipinos.

The independence bill will probably fail on its own demerits, either in the Senate or at the White House, and not because of any lack of authority in Congress to deal with the subject.

Mr. President, for reasons which I have given the Senate in full, I do not indorse that editorial in so far as it relates to the disposition of sovereignty. I am sorry that it seems necessary to say anything more about the subject. The learned editor of a great newspaper ought to be informed on the subject, but I am very confident it can be shown by even greater authorities that he is mistaken. When I speak about the greater authorities I am referring to the judges of the Supreme Court. I am not referring to myself as an authority, of course. I am simply reciting to the Senate what I have learned from the judicial decisions.

I attempted to show that section 3, Article IV, can not be relied upon as a good and sufficient excuse for alienating sovereignty over the Philippines. It will be recalled that I quoted Taney, who believed that the disposing clause relates only to territory held in common by the States at the time the Constitution was adopted. Virginia had ceded what we call the Northwest Territory, and the ordinance of 1787 had been passed.

Now I want to read a little more from Taney. I stated a few days ago that I intended to do this; and I can hardly understand how any real student of this subject could fail to be impressed by the logic and convincing argument of Mr. Chief Justice Taney.

In the case of Scott against Sandford, in Nineteenth Howard at page 434, the Chief Justice had already spoken about the cession by Virginia of the Northwest Territory. Then Taney goes on:

The example of Virginia was soon afterwards followed by other States, and, at the time of the adoption of the Constitution, all of the States, similarly situated, had ceded their unappropriated lands, except North Carolina and Georgia. The main object for which these cessions were desired and made, was on account of their money value, and to put an end to a dangerous controversy, as to who was justly entitled to the proceeds when the lands should be sold. It is necessary to bring this part of the history of these cessions thus distinctly into view, because it will enable us the better to comprehend the phraseology of the article in the Constitution, so often referred to in the argument.

Undoubtedly the powers of sovereignty and the eminent domain were ceded with the land. This was essential, in order to make it effectual, and to accomplish its objects. But it must be remembered that, at that time, there was no Government of the United States in existence with enumerated and limited powers; what was then called the United States, were 13 separate, sovereign, independent States, which had entered into a league or confederation for their mutual protection and advantage, and the Congress of the United States was composed of the representatives of these separate sovereignties, meeting together, as equals, to discuss and decide on certain measures which the States, by the Articles of Confederation, had agreed to submit to their decision. But this Confederation had none of the attributes of sovereignty in legislative, executive, or judicial power. It was little more than a congress of ambassadors, authorized to represent separate nations, in matters in which they had a common concern.

Mr. President, I have no desire to call a quorum, because I do not want to annoy Senators who are out of the Chamber; but in the absence of human beings in this room it acts like a sounding board, and voices carry amazingly. I can actually hear the conversations and the words spoken.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I yield.

Mr. PITTMAN. I wish to beg the Senator's pardon. I did not desire to disturb him. I am very sorry my conversation interrupted his speech.

Mr. COPELAND. I am not sure I was referring to the Senator from Nevada, but his apology is accepted.

Mr. PITTMAN. I have enjoyed the same speech several times.

Mr. COPELAND. I should be very glad if the Senator would sit down and listen to it and really hear it once. He has heard parts of the same speech several times possibly; but, regardless of what the Senator from Nevada may wish, my state of health is such that I feel able to go on and complete my work this afternoon.

Is it not an amazing thing, Mr. President, that Senators who are so bent upon having their own way, so determined that their way is the right way, should be so unwilling to accord one of their numbers, coordinate in position, and representative of a State at least as important, the same privilege of speaking at some length that they themselves demand on other occasions?

I can well recall when, at a time when we had important business that we wished to transact, the Senator from Nevada [Mr. PITTMAN] held the Senate on the 4th of March at great length, discoursing on reclamation in Nevada—a matter of vital importance to him at the time, but probably of as little concern to the Senate as what I am saying is of concern to the same body.

But Mr. Justice Taney said of this Congress that—

They had an undoubted right, as independent sovereignties, to accept any cession of territory for their common benefit, which all of them assented to; and it is equally clear, that as their common property, and having no superior to control them, they had the right to exercise absolute dominion over it, subject only to the restrictions which Virginia had imposed in her act of cession.

There was, as we have said, no Government of the United States then in existence with specially limited and enumerated powers. The territory belonged to sovereignties, who, subject to the limitations above mentioned, had a right to establish any form of government they pleased, by compact or treaty among themselves, and to regulate rights of person and rights of property in the territory, as they might deem proper. It was by a Congress, representing the authority of these several and separate sovereignties, and acting under their authority and command—but not from any authority derived from the Articles of Confederation—that the instrument usually called the Ordinance of 1787 was adopted; regulating in much detail the principles and the laws by which this territory should be governed;—

Then he makes a reference to slavery in that connection, which of course was the matter pending before the court. I omit that, and go on to the next paragraph:

This was the state of things when the Constitution of the United States was formed. The territory ceded by Virginia belonged to the several Confederated States as common property, and they had united in establishing in it a system of government and jurisprudence, in order to prepare it for admission as States, according to the terms of the cession. They were about to dissolve this federative union and to surrender a portion of their independent sovereignty to a new government, which, for certain purposes, would make the people of the several States one people, and which was to be supreme and controlling within its sphere of action throughout the United States; but this Government was to be carefully limited in its powers, and to exercise no authority beyond those expressly granted by the Constitution, or necessarily to be implied from the language of the instrument, and the objects it was intended to accomplish; and as this league of States would, upon the adoption of the new government, cease to have any power over the territory, and the ordinance they had agreed upon be incapable of execution, and a mere nullity, it was obvious that some provision was necessary to give the new Government sufficient power to enable it to carry into effect the objects for which it was ceded, and the compacts and agreements which the States had made with each other in the exercise of their powers of sovereignty.

Chief Justice Taney continued:

It was necessary that the lands should be sold to pay the war debt; that a government and a system of jurisprudence should be maintained in it to protect the citizens of the United States who should migrate to the territory in their rights of person and of property. It was also necessary that the new government, about to be adopted, should be authorized to maintain the claim of the United States to the unappropriated lands in North Carolina and Georgia, which had not then been ceded, but the cession of which was confidently anticipated upon some terms that would be arranged between the General Government and these two States. And, moreover, there were many articles of value besides this property in land—

All this has an important bearing upon the disposing clause of the Constitution, because Chief Justice Taney was pointing out the different kinds of property—territory, lands, and movable property—and he said:

Furthermore—

there were many articles of value besides this property and land, such as arms, military stores, munitions, and ships of war, which were the common property of the States, when acting in their independent characters as confederates, which neither the new Government nor any one else would have a right to take possession of, or control, without authority from them; and it was to place these things under the guardianship and protection of the new Government, and to clothe it with the necessary powers, that the clause was inserted in the Constitution which gives Congress the power "To dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." It was intended for a specific purpose, to provide for the things we have mentioned. It was to transfer to the new Government the property then held in common by the States, and to give to that Government power to apply it to the objects for which it had been destined by mutual agreement among the States before their league was dissolved. It applied only to the property which the States held in common at that time, and has no reference whatever to any territory or other property which the new sovereignty might afterwards itself acquire.

Mr. FESS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. FESS. The statement which the Senator has just read involves a question which has very frequently been raised; that is, without a doubt, that particular clause in the Constitution was inserted with reference to the Northwest Territory.

In 1784 Jefferson proposed the famous ordinance, and for some reason it was not accepted at that time. Then, in 1787, the ordinance as we now know it was introduced, not by Jefferson but by another, but it involved about the same principles which the proposed ordinance of 1784 covered, including that question of the exclusion of slavery. That was one of the subjects before the Constitutional Convention. Here was property which was not in any of the thirteen States under the organic act, but was a sort of an addition. It would be termed "territory." This particular phrase, that Congress shall have power "to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States," without a doubt was put in with special reference to the Northwest Territory.

I think it was broad enough, however, in its comprehension, to take in territory later acquired, whether by annexation, as in the case of Texas; by purchase, as in the case of Louisiana; or by occupation, as in the case of Oregon. I think it was broad enough to cover such cases.

The Senator knows I have listened to his argument with more than ordinary interest. I think he is making a very strong presentation, although I can not go along with him in his conclusions. What has been troubling me all along, however, is this: It seems to me that if we do not include in that clause a sufficient power and authority to dispose of outlying territories, like Hawaii, the Philippines, or Puerto Rico——

Mr. COPELAND. Does the Senator mean, now, the sovereignty, or simply land in those territories?

Mr. FESS. Of course, that is the very heart of the thing, whether this provision which had to do with this particular area to which I have referred did not include the people as well as the land. I think that is an open question. It seems to me it did. But if this is not broad enough, then we would be left in an unfortunate situation if, by act of war, we should come into possession of territory that is not contiguous, like Alaska, but is on the continent, or territory that is far removed, as in the case of the Philippines. If, as the result of war, we should come into any sort of control over such territory, we would be left totally helpless to make any disposition of the territory. I doubt whether a correct construction of that clause would go to the extent of saying that we could not make any disposition of the territory.

For example, let us take Texas. The people of Texas were peculiarly situated, for 10 years having an independent republic, securing their independence in a contest with Mexico, then, on application, bodily coming into the Union, not coming as a Territory, but coming in full-fledged as a State. Does the Senator mean that if Texas desired to be an independent republic, and the United States were willing that she should be, there is no power by which that could be brought about?

Mr. COPELAND. I thank the Senator for his comments. I regard the Senator from Ohio as a very learned man; I know he is a student of history, and I like what he has said to-day. I find myself in almost perfect agreement with him.

It seems presumptuous for me to say it, but I would not go as far as Chief Justice Taney went regarding the application of the disposing clause of the Constitution. I feel it is pertinent to the discussion to insert what he said in the RECORD, however, because he says so much better than I could what he held to be true regarding the application of the disposing clause, and later, as I read, the Senator will note that he makes a very considerable point of the second

clause in this section, "nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State." If that language were not there, I think we could go very far in the use of the disposing clause as a means of getting rid of territory, if for any reason we desired to rid ourselves of territory.

Mr. FESS. Mr. President, if the Senator would permit me, I frankly state that while I have not agreed with the conclusions the Senator is bringing out, I do think, in fact, I know, that the contribution which the Senator is making by the citation of these various court decisions, and the opinions of such men as Justice Taney, is not lost time, but will be read with considerable interest in the future, whenever this question may be revived. I do not want the Senator to get the impression that I have had any object other than to get his viewpoint.

Mr. COPELAND. I thank the Senator from the bottom of my heart, because to have one Member of the Senate indicate his appreciation of certain work which I have done—and I have done a tremendous lot of work, as the Senator must realize—is very gratifying to me.

But I want to come back to the question the Senator asked me, and that is what we are going to do if by the fortunes of war or other circumstance we have brought to us territory which we do not want and which we do not want to keep. That is a very pertinent question. It points the way to the very thing for which I am contending here. This is a wonderful Constitution of ours, a wonderful instrument, the greatest instrument, Mr. Gladstone said, ever struck off by the hand of man—I can not give the quotation exactly.

Mr. FESS. It is from William E. Gladstone, who said it is "the most wonderful instrument ever stricken off by the brain or purpose of man at any one time," published in 1878 in an article contributed to the North American Review.

Mr. COPELAND. I thank the Senator for the reference. Gladstone was one of my great heroes, and I am very glad to have the exact quotation.

Mr. President, the thing I have been contending for is this. We can not alienate sovereignty in my judgment without the consent of the people. There was no power granted by the Constitution to alienate sovereignty. I am not sure I could reconcile myself as to these pending bills, even though I had no conscientious objection to the procedure, but I think the Constitution ought to have one more amendment. I have not always been in sympathy with amendments to the Constitution, but there ought to be power given to the Congress to alienate territory. If that power were clearly given, the time that we have devoted to the consideration of these bills would be wholly justified; but in my judgment, in the absence of definite authority, we are doing a thing we have no right to do. But I would like to have the Constitution amended so that unincorporated territory might be dealt with at the pleasure of the Congress.

I recognize that there is a difference between our relationship to the Philippines and our relation to the Territory of Alaska at the time of the treaty with Russia. There is a difference. It is a distinction which differentiates this treaty from all the other treaties we have made. No definite provision has been made for the incorporation of the inhabitants of these islands. I have no doubt that by act of Congress they could be incorporated into our common possession and when so incorporated they could never be alienated. No Senator would say that Florida or Louisiana or Alabama could be cut out of the Union. No one of us would contend such a thing. They have become incorporated in our possessions.

Senators will remember the language of the Articles of the Confederation, for instance, in relation to the Northwest Territory, which we have been discussing:

> The said territory and the States which may be formed therein shall forever remain a part of this confederacy of the United States of America, subject to the Articles of Confederation and to such alterations as shall be constitutionally made.

Our possession of the Philippines is such that we could incorporate them and accept them into statehood. Where we have such possession, such ownership of a part of the world, that by an act of Congress that territory could be incorporated into our possessions and made into a State, it seems preposterous to think that we could in this offhand manner dispose of it.

Mr. President, when I had the interruption which I welcomed from the Senator from Ohio [Mr. FESS] I was quoting from Mr. Justice Taney. I thank the Senator from Ohio for his interest in the matter. I know it is profound, and I thank him for the questions which he asked.

Speaking once more about the disposing clause of the Constitution, let me quote from Mr. Justice Taney:

> The language used in the clause, the arrangement and combination of the powers, and the somewhat unusual phraseology it uses, when it speaks of the political power to be exercised in the government of the territory, all indicates the design and meaning of the clause to be such as we have mentioned. It does not speak of any territory nor of territories, but uses language which, according to its legitimate meaning, points to a particular thing.

Let me turn aside from the quotation. This is what the Constitution says:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

I continue now from Mr. Justice Taney:

> The power is given in relation only to the territory of the United States—that is, to a territory then in existence and then known or claimed as the territory of the United States. It begins its enumeration of powers by that of disposing, in other words, making sale of the lands, or raising money from them, which, as we have already said, was the main object of the cession, and which is accordingly the first thing provided for in the article. It then gives the power which was necessarily associated with the disposition and sale of the land—that is, the power of making needful rules and regulations respecting the territory. And whatever construction may now be given to these words, everyone, we think, must admit that they are not the words usually employed by statesmen in giving supreme power of legislation. They are certainly very unlike the words used in the power granted to legislate over territory which the new Government might afterwards itself obtain by cession from a State, either for its seat of government or for forts, magazines, arsenals, dockyards, and other needful buildings.

Let me refer to that. It will be found in Article I, section 8, of the Constitution, paragraph 17:

> To exercise exclusive legislation in all cases whatsoever, over such district (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings.

There is no question about the language. It is there. It is very different from that used in the disposing clause.

I continue quoting from Mr. Justice Taney:

> And the same power of making needful rules respecting the territory is, in precisely the same language, applied to the other property belonging to the United States—associating the power over the territory in this respect with the power over movable or personal property—that is, the ships, arms, and munitions of war, which then belonged in common to the State sovereignties. And it will hardly be said that this power, in relation to the last-mentioned objects, was deemed necessary to be thus specially given to the new Government in order to authorize it to make needful rules and regulations respecting the ships it might itself build, or arms and munitions of war it might itself manufacture or provide for the public service.
>
> No one, it is believed, would think a moment of deriving the power of Congress to make needful rules and regulations in relation to property of this kind from this clause of the Constitution.
>
> Nor can it, upon any fair construction, be applied to any property but that which the new Government was about to receive from the Confederated States. And if this be true as to this property, it must be equally true and limited as to the territory which is so carefully and precisely coupled with it—and, like it, referred to as property in the power granted.

I do not see how anybody can question the logic of this statement. Then he continues:

> The concluding words of the clause appear to render this construction irresistible.

And I want to call particular attention to this because always when we quote the disposing clause we omit the second section of that clause and we forget that there is another section. I just quoted this to the Senator from Ohio [Mr. FESS]. The second section of this clause reads:



That nothing in the Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

These two sentences must be read together. One can not be read without the other, and one can not be interpreted without the other. So Mr. Justice Taney said:

The concluding words of the clause appear to render this construction irresistible, for after the provisions we have mentioned it proceeds to say, "That nothing in the Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

Now, as we have before said, all of the States except North Carolina and Georgia had made the cession before the Constitution was adopted, according to the resolution of Congress of October 10, 1780. The claims of other States that the unappropriated lands in these two States should be applied to the common benefit in like manner was still insisted on, but refused by the States. And this member of the clause in question evidently applies to them, and can apply to nothing else. It was to exclude the conclusion that either party by adopting the Constitution would surrender what they deemed their rights. And when the latter provision relates so obviously to the unappropriated lands not yet ceded by the States and the first clause makes provision for those then actually ceded it is impossible by any just rule of construction to make the first provision general and extend to all territories which the Federal Government might in any way afterwards acquire, when the latter is plainly and unequivocally confined to a particular territory, which was a part of the same controversy and involved in the same dispute and depended upon the same principles. The union of the two provisions in the same clause shows that they were kindred subjects; and that the whole clause is local and relates only to lands within the limits of the United States which had been or then were claimed by a State; and that no other territory was in the minds of the framers of the Constitution or intended to be embraced in it. Upon any other construction it would be impossible to account for the insertion of the last provision in the place where it is found or to comprehend why or for what object it was associated with the previous provision.

This view of the subject is confirmed by the manner in which the present Government of the United States dealt with the subject as soon as it came into existence. It must be borne in mind that the same States that formed the Confederation also formed and adopted the new Government, to which so large a portion of their former sovereign powers were surrendered. It must also be borne in mind that all of these same States which had then ratified the new Constitution were represented in the Congress which passed the first law for the government of this territory; and many of the members of that legislative body had been deputies from the States under the Confederation—had united in adopting the Ordinance of 1787 and assisted in forming the new Government under which they were then acting and whose powers they were then exercising. And it is obvious from the law they passed to carry into effect the principles and provisions of the ordinance that they regarded it as the act of the States done in the exercise of their legitimate powers at the time. The new Government took the territory as it found it and in the condition in which it was transferred and did not attempt to undo anything that had been done. And, among the earliest laws passed under the new Government is one reviving the Ordinance of 1787, which had become inoperative and a nullity upon the adoption of the Constitution. This law introduces no new form of principles for its government, but recites, in the preamble, that it is passed in order that this ordinance may continue to have full effect and proceeds to make only those rules and regulations which were needful to adapt it to the new Government into whose hands the power had fallen.

It appears, therefore, that this Congress regarded the purposes to which the land in this territory was to be applied, and the form of government and principles of jurisprudence which were to prevail there, while it remained in the territorial state, as already determined on by the States when they had full power and right to make the decision; and that the new Government, having received it in this condition, ought to carry substantially into effect the plans and principles which had been previously adopted by the States, and which no doubt the States anticipated when they surrendered their power to the new Government. And if we regard this clause of the Constitution as pointing to this territory, with a territorial government already established in it, which had been ceded to the States for the purposes hereinbefore mentioned—every word in it is perfectly appropriate and easily understood, and the provisions it contains are in perfect harmony with the objects for which it was ceded, and with the condition of its government as a territory at the time.

Mr. President, it seems to me that is a very conclusive statement regarding the meaning of the disposal clause of the Constitution. Mr. Chief Justice Taney proceeds:

We can, then, easily account for the manner in which the first Congress legislated on the subject—and can also understand why this power over the territory was associated in the same clause with the other property of the United States, and subjected to the like power of making needful rules and regulations. But if the clause is construed in the expanded sense contended for, so as to embrace any territory acquired from a foreign nation by the present Government, and to give it in such territory a despotic and unlimited power over persons and property, such as the confederated States might exercise in their common property, it would be difficult to account for the phraseology used, when compared with other grants of power—and also for its association with the other provisions in the same clause.

The Constitution has always been remarkable for the felicity of its arrangement of different subjects, and the perspicuity and appropriateness of the language it uses. But if this clause is construed to extend to territory acquired by the present Government from a foreign nation, outside of the limits of any charter from the British Government to a colony, it would be difficult to say why it was deemed necessary to give the Government the power to sell any vacant lands belonging to the sovereignty which might be found within it; and if this was necessary, why the grant of this power should precede the power to legislate over it and establish a government there; and still more difficult to say why it was deemed necessary so specially and particularly to grant the power to make needful rules and regulations in relation to any personal or movable property it might acquire there. For the words, "other property" necessarily, by every known rule of interpretation, must mean property of a different description from territory or land. And the difficulty would perhaps be insurmountable in endeavoring to account for the last member of the sentence, which provides that "nothing in this Constitution shall be so construed as to prejudice any claims of the United States or any particular State," or to say how any particular State could have claims in or to a territory ceded by a foreign government, or to account for associating this provision with the preceding provisions of the clause, with which it would appear to have no connection.

The words "needful rules and regulations" would seem, also, to have been cautiously used for some definite object. They are not the words usually employed by statesmen, when they mean to give the powers of sovereignty, or to establish a government, or to authorize its establishment. Thus, in the law to renew and keep alive the Ordinance of 1787, and to reestablish the government, the title of the law is: "An act to provide for the government of the territory northwest of the River Ohio." And in the Constitution, when granting the power to legislate over the territory that may be selected for the seat of government independently of a State, it does not say Congress shall have power "to make all needful rules and regulations respecting the territory"; but it declares that "Congress shall have power to exercise exclusive legislation in all cases whatsoever, over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

The words "rules and regulations" are usually employed in the Constitution in speaking of some particular specified power which it means to confer on the Government, and not, as we have seen, when granting general powers of legislation. As, for example, in the particular power to Congress "to make rules for the government and regulation of the land and naval forces, or the particular and specific power to regulate commerce"; "to establish a uniform rule of naturalization"; "to coin money and regulate the value thereof." And to construe the words of which we are speaking as a general and unlimited grant of sovereignty over territories which the Government might afterwards acquire, is to use them in a sense and for a purpose for which they were not used in any other part of the instrument. But if confined to a particular Territory, in which a government and laws had already been established, but which would require some alterations to adapt it to the new government, the words are peculiarly applicable and appropriate for that measure.

I have been pointing out the expressions of Mr. Justice Taney on the disposing clause of the Constitution. This matter has been called to my attention repeatedly in letters and telegrams I have had from various lawyers about the country. I should like to say, for the RECORD, that I am glad they have sent me these messages; and if others read the RECORD and are so disposed, I hope they will continue calling attention to any further citations which may be valuable in determining the question at issue.

I venture to say that the senior Senator from Ohio [Mr. FESS] will be interested in an apparent conflict between Mr. Chief Justice Taney and Mr. Chief Justice Marshall in another case bearing upon the same disposing clause of the Constitution. In the decision from which I have been quoting Mr. Justice Taney makes reference to the decision rendered by Mr. Chief Justice Marshall, as will be seen from the quotation which will follow in a moment. I continue reading from the decision at the bottom of page 441:

Whether, therefore, we take the particular clause in question, by itself, or in connection with the other provisions of the Constitution, we think it clear that it applies only to the particular territory of which we have spoken and can not, by any just rule of interpretation, be extended to territory which the new government might afterwards obtain from a foreign nation. Consequently, the power which Congress may have lawfully exercised

in this Territory, while it remained under a territorial government and which may have been sanctioned by judicial decision, can furnish no justification and no argument to support a similar exercise of power over territory afterwards acquired by the Federal Government. We put aside, therefore, any argument drawn from precedents, showing the extent of the power which the General Government exercised over slavery in this Territory as altogether inapplicable to the case before us.

But the case of the American and Ocean Insurance Cos. *v.* Canter (1 Pet. 511) has been quoted as establishing a different construction of this clause of the Constitution.

I am very glad that Chief Justice Taney saw fit to call up this particular decision. It is significant that wherever the court has started out to justify some procedure by founding the action upon the disposing clause, the court has almost immediately turned to some other clause of the Constitution to make certain that there was another reason for the action. Rarely has the court depended on the authority given by the disposing clause itself.

In this case of the American and Ocean Insurance Cos. Chief Justice Taney said:

There is, however, not the slightest conflict between the opinion now given and the one referred to; and it is only by taking a single sentence out of the latter and separating it from the context, that even an appearance of conflict can be shown. We need not comment on such a mode of expounding an opinion of the court. Indeed it most commonly misrepresents instead of expounding it. And this is fully exemplified in the case referred to, where, if one sentence is taken by itself, the opinion would appear to be in direct conflict with that now given; but the words which immediately follow that sentence show that the court did not mean to decide the point, but merely affirm the power of Congress to establish a government in the Territory, leaving it an open question, whether that power was derived from this clause in the Constitution, or was to be necessarily inferred from a power to acquire territory by cession from a foreign government. The opinion on this part of the case is short, and we give the whole of it to show how well the selection of a single sentence is calculated to mislead. The passage referred to is in page 542—of First Peters—in which the court, in speaking of the power of Congress to establish a Territorial government in Florida until it should become a State, used the following language:

This, of course, is the quotation from Chief Justice Marshall:

In the meantime, Florida continues to be a Territory of the United States, governed by that clause of the Constitution which empowers Congress to make all needful rules and regulations respecting the Territory or other property of the United States.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. I would not interrupt the Senator, but I know he has been talking quite a long time, and perhaps he would welcome an interruption. I will not interrupt him if he prefers to go ahead.

Mr. COPELAND. I am glad to hear from the Senator.

Mr. TYDINGS. This morning there came up the question as to the relationship which would be in effect after Filipino independence was granted respecting the bonds floated by the Filipino government in this country, as to whether or not the mere assumption of those debts by the Filipino government would be sufficient.

I find that that question has been submitted to the Attorney General, and that the Solicitor General of the United States has delivered himself of an opinion on that particular feature, and if the Senator does not mind the interruption—it is not long—I would like to read it.

Mr. COPELAND. How long is it? I ask because, while I do not mind the interruption, I honestly and truly want to get through to-day.

Mr. TYDINGS. It will take but a very few minutes.

Mr. COPELAND. Very well.

Mr. TYDINGS I read:

This issue and sale of bonds is authorized by the national power and, while in the strict and legal sense, the faith of the United States of America is not pledged as a guaranty for the payment of the loan, or for the due use of the proceeds, or the observance of the sinking-fund requirements, the entire transaction is to be negotiated under the auspices of the United States of America, and by its recognition and aid. There can be no doubt, therefore, that the national power will take the necessary steps in all contingencies to protect the purchasers in good faith of these securities.

That is an extract from a circular of the Bureau of Insular Affairs, November 16, 1926, offering $274,000 of bonds, Philippine Islands, 4½ per cent collateral loan of 1926, due in 1956.

Speaking generally on this situation, Mr. W. Cameron Forbes, in his book the Philippine Islands, has the following to say:

The payment of principal and interest of Philippine government bonds is not guaranteed by the United States Government. However, as the bonds have been issued pursuant to authorization by Congress, the Department of Justice and the War Department have held that these bonds constitute a moral obligation of the United States. In the advertisements offering bonds of the Philippine government for sale, it is the practice of the War Department to quote an extract from an opinion by the Attorney General of the United States, dated August 11, 1921, regarding the liability of the United States for a former issue of Philippine bonds. This might have a very important bearing on the relationship between the Philippine Islands and the United States in case the question of withdrawing the sovereignty of the United States were under serious consideration.

The authorized borrowing capacity of the Philippine government in 1926 had reached $95,870,722.72. The total bonded indebtedness of the Philippine government, including municipal bonds, on June 30, 1926, was $81,815,000. The per capita bonded indebtedness for all branches of the Philippine government in 1913 was $1.29; in 1921, $2.95; and on June 30, 1926, $6.82.

Sinking funds adequate for the retirement of bonds issued by the Philippine government were established and due restrictions imposed regarding their investment. These restrictions were modified and safeguards lessened during the Democratic régime. Early in 1922 the legislature, on the recommendation of Governor General Wood, revised the law, strengthened the safeguards of the sinking funds, and limited the investment of these funds to securities of the government of the Philippine Islands or of the Government of the United States.

May I add that these Filipino bonds, by act of Congress, can be used as a bond for Federal deposits in the United States? There can be no question now but that the opinion of the Solicitor General of the United States, saying that we are morally obligated to make these bonds which the Filipino government has sold to American investors good, and that the matter of their payment, incidental to complete independence, should have prime consideration.

I thank the Senator for the opportunity to make this statement.

Mr. COPELAND. Mr. President, I thank the Senator for his valuable contribution to the debate. I agree fully that our relation with the Philippines is such that there must be resting upon us a very solemn obligation regarding those particular issues.

Mr. President, the editor of the Washington Post was misled, as so many casual readers of the Constitution are, by the apparently clear language of the disposing clause. A little while ago, in a colloquy with the Senator from Ohio [Mr. FESS], I spoke about how important it is always to observe the guarded language used by the court wherever the disposing clause is relied upon at all as justification for a proposed act. In this decision of Chief Justice Taney he quotes a much-cited decision of Chief Justice Marshall. Chief Justice Marshall's decision is one to which I have noted reference time and time again in connection with the written or spoken debate on the pending matter. Please note what Chief Justice Taney has to say about it. He first quotes Chief Justice Marshall's decision, which is as follows:

In the meantime, Florida continues to be a Territory of the United States, governed by that clause of the Constitution which empowers Congress to make all needful rules and regulations respecting the Territory or other property of the United States—

If the decision had stopped there, we would have to admit at once that the court had held that the disposing clause was sufficient reason for the particular government which was placed over Florida. But it goes on:

Perhaps the power of governing a Territory belonging to the United States, which has not, by becoming a State, acquired the means of self-government, may result necessarily from the facts that it is not within the jurisdiction of any particular State and is within the power and jurisdiction of the United States. The right to govern may be the inevitable consequence of the right to acquire territory. Whichever may be the source from which the power is derived, the possession of it is unquestionable.

I do not see how anybody can fail to see that Chief Justice Marshall was quite unwilling to found the Government of Florida upon so unstable a thing as the disposing clause of

the Constitution, and therefore he gave other reasons, and wound up by saying:

Whichever may be the source from which the power is derived, the possession of it is unquestionable.

This is Chief Justice Taney's comment, as appears on page 443:

It is thus clear, from the whole opinion on this point, that the court did not mean to decide whether the power was derived from the clause in the Constitution or was the necessary consequence of the right to acquire. They do decide that the power in Congress is unquestionable, and in this we entirely concur, and nothing will be found in this opinion to the contrary. The power stands firmly on the latter alternative put by the court—that is, as "the inevitable consequence of the right to acquire territory."

And what still more clearly demonstrates that the court did not mean to decide the question, but leave it open for future consideration, is the fact that the case was decided in the circuit court by Mr. Justice Johnson, and his decision was affirmed by the Supreme Court.

I am not going to cite that, but it is found in a note on page 517 of First Peters and is a remarkably clear dissertation on the right of government over acquired territory. I think it is well worth reading.

I turn now to page 446 of Mr. Justice Taney's decision where he said:

This brings us to examine by what provision of the Constitution the present Federal Government under its delegated and restricted powers is authorized to acquire territory outside of the original limits of the United States and what powers it may exercise therein over the personal property of the citizens of the United States while it remains a territory and until it shall be admitted as one of the States of the Union.

We come now to something which ought to be somewhat consoling to the advocates of the pending measure. Mr. Justice Taney says:

There is certainly no power given by the Constitution to the Federal Government to establish or maintain colonies bordering on the United States or at a distance, to be ruled and governed at its own pleasure; nor to enlarge its territorial limits in any way, except by the admission of new States. That power is plainly given; and if a new State is admitted, it needs no further legislation by Congress, because the Constitution itself defines the relative rights and powers, and duties of the State, and the citizens of the State, and the Federal Government. But no power is given to acquire a territory to be held and governed permanently in that character.

I contribute this, Mr. President, to the proponents of the pending measure to give them some consolation.

Mr. Justice Taney continues:

And indeed the power exercised by Congress to acquire territory and establish a government there, according to its own unlimited discretion, was viewed with great jealousy by the leading statesmen of the day. And in the Federalist (No. 38), written by Mr. Madison, he speaks of the acquisition of the Northwestern Territory by the confederated States, by the cession from Virginia, and the establishment of a government there, as an exercise of power not warranted by the Articles of Confederation and dangerous to the liberties of the people. And he urges the adoption of the Constitution as a security and safeguard against such an exercise of power.

We do not mean, however, to question the power of Congress in this respect. The power to expand the territory of the United States by the admission of new States is plainly given; and in the construction of this power by all the departments of the Government it has been held to authorize the acquisition of territory not fit for admission at the time but to be admitted as soon as its population and situation would entitle it to admission. It is acquired to become a State and not to be held as a colony and governed by Congress with absolute authority and as the propriety of admitting a new State is committed to the sound discretion of Congress, the power to acquire territory for that purpose, to be held by the United States until it is in a suitable condition to become a State upon an equal footing with the other States, must rest upon the same discretion. It is a question for the political department of the Government and not the judicial; and whatever the political department of the Government shall recognize as within the limits of the United States, the judicial department is also bound to recognize and to administer in it the laws of the United States, so far as they apply and to maintain in the Territory the authority and rights of the Government, and also the personal rights and rights of property of individual citizens, as secured by the Constitution. All we mean to say on this point is that, as there is no express regulation in the Constitution defining the power which the General Government may exercise over the person or property of a citizen in a Territory thus acquired, the court must necessarily look to the provisions and principles of the Constitution and its distribution of powers for the rules and principles by which its decision must be governed.

I can see no possible objection to the doctrine that, if we admit the right to acquire territory, we have the right to govern it. We do not need to discuss the question of right to acquire territory. We did that last week, pointing out Mr. Jefferson's reluctance to acquire the Louisiana Territory. There can be no doubt in my mind that the right to acquire, once admitted, carries with it the right to govern. It was not necessary to have any disposing clause in the Constitution as regards the territory which might be acquired in later days, because under the implied right to acquire there necessarily follows the right to govern. The rules and regulations which were spoken of in the clause and which were to satisfy Justice Taney must have relation, as he states, to some specific territory, and undoubtedly that was the Northwest Territory.

I quote further from Taney:

Taking this rule to guide us, it may be safely assumed that citizens of the United States who migrate to a territory belonging to the people of the United States, can not be ruled as mere colonists, dependent upon the will of the General Government, and to be governed by any laws it may think proper to impose. The principle upon which our governments rest, and upon which alone they continue to exist, is the union of States, sovereign and independent within their own limits in their internal and domestic concerns, and bound together as one people by a General Government, possessing certain enumerated and restricted powers, delegated to it by the people of the several States, and exercising supreme authority within the scope of the powers granted to it, throughout the dominion of the United States. A power, therefore, in the General Government to obtain and hold colonies and dependent territories, over which they might legislate without restriction, would be inconsistent with its own existence in its present form. Whatever it acquires, it acquires for the benefit of the people of the several States who created it. It is their trustee acting for them, and charged with the duty of promoting the interests of the whole people of the Union in the exercise of the powers specifically granted.

At the time when the Territory in question was obtained by cession from France it contained no population fit to be associated together and admitted as a State; and it therefore was absolutely necessary to hold possession of it, as a Territory belonging to the United States, until it was settled and inhabited by a civilized community capable of self-government, and in a condition to be admitted on equal terms with the other States as a member of the Union. But, as we have before said, it was acquired by the General Government, as the representative and trustee of the people of the United States, and it must therefore be held in that character for their common and equal benefit; for it was the people of the several States, acting through their agent and representative, the Federal Government, who in fact acquired the Territory in question, and the Government holds it for their common use until it shall be associated with the other States as a member of the Union.

If that had been written with particular reference to the Philippines it could not be more definite and more positive. When we took the Philippines and entered into the treaty with Spain, we were acting as the agents of the people of the United States. The ownership of the Philippines is in the people. We have no more right to alienate sovereignty over the Philippines than an attorney at law would have to deed away the property of his client without having explicit power from his client so to do. We are, as Mr. Justice Taney said, "the representative and trustee of the people of the United States."

This vast territory in the Pacific does not belong to the Senators from New York and New Jersey, Michigan, Georgia, and other States. This territory belongs to the sovereign people, the people of the United States, and until they delegate authority by constitutional amendment to this body to act for them, we have no right to presume to alienate sovereignty and dispose of that territory.

But until that time arrives—

Mr. Justice Taney says—

it is undoubtedly necessary that some government should be established in order to organize society and to protect the inhabitants in their persons and property; and as the people of the United States could act in this matter only through the government which represented them and through which they spoke and acted when the Territory was obtained, it was not only within the scope of its powers but it was its duty to pass such laws and establish such a government as would enable those by whose

authority they acted to reap the advantages anticipated from its acquisition and to gather there a population which would enable it to assume the position to which it was destined among the States of the Union.

That is the destiny of the Philippines as I see it. This property is to be held until such time as the Congress determines that it is fit to be incorporated into the United States and become a State of the Union or several States of the Union. That is the one thing that can be done. If we do not want to do that, we ought not to preserve them for ever and ever as colonies, but ought to ask the people of the United States to delegate to Congress the power to alienate sovereignty.

Mr. Justice Taney then proceeds:

The power to acquire necessarily carries with it the power to preserve and apply to the purposes for which it was acquired. The form of government to be established necessarily rested in the discretion of Congress. It was their duty to establish the one that would be best suited for the protection and security of the citizens of the United States and other inhabitants who might be authorized to take up their abode there, and that must always depend upon the existing condition of the Territory, as to the number and character of its inhabitants, and their situation in the Territory. In some cases a government consisting of persons appointed by the Federal Government, would best subserve the interests of the Territory when the inhabitants were few and scattered and new to one another. In other instances, it would be more advisable to commit the powers of self-government to the people who had settled in the Territory, as being the most competent to determine what was best for their own interests. But some form of civil authority would be absolutely necessary to organize and preserve civilized society and prepare it to become a state, and what is the best form must always depend on the condition of the Territory at the time, and the choice of the mode must depend upon the exercise of a discretionary power by Congress, acting within the scope of its constitutional authority, and not infringing upon the rights of person or rights of property of the citizen who might go there to reside, or for any other lawful purpose. It was acquired by the exercise of this discretion, and it must be held and governed in like manner until it is fitted to be a state.

Mr. President, how could any principle be more clearly defined to the people of the United States than that which Mr. Chief Justice Taney has outlined in this famous decision. It points clearly to the path of duty, and I hope that the words of the Chief Justice will be pondered by all those who are interested.

I do not wish to pass from this decision without quoting briefly from the opinion of Mr. Justice Campbell, who concurred in Chief Justice Taney's opinion. I turn to the middle of page 510 to begin my brief quotation from Mr. Justice Campbell. He makes reference here to the Farmer's Letters written by John Dickinson in opposition to the English ministerial measures.

It will be recalled that in 1767—I think that was the year—these letters had much to do with the repeal of the stamp act. They are charming letters, and, if Senators will forgive me for being schoolmasterish for a moment, they will recall the opening paragraph of the first letter, in which the author says:

I am a farmer, settled, after a variety of events, near the banks of the River Delaware in the Province of Pennsylvania. I received a liberal education and have been engaged in the busy scenes of life but am now convinced that a man may be as happy without bustle as with it. Being generally a master of my time, I spent a good deal of it in my library, which I think a most valuable part of my small estate, and have acquired, I believe, a greater knowledge of history and of the laws and Constitution of my country than is generally attained by men of my class.

Mr. Justice Campbell said:

The author of the Farmer's Letters, so famous in the ante-Revolutionary history, thus states the argument made by the American loyalists in favor of the claim of the British Parliament to legislate in all cases whatever over the Colonies: "It has been urged with great vehemence against us," he says, "and it seems to be thought their fort by our adversaries, that a power of regulation is a power of legislation; and a power of legislation, if constitutional, must be universal and supreme, in the utmost sense of the word. It is, therefore, concluded that the Colonies, by acknowledging the power of regulation, acknowledged every other power."

This sophism imposed upon a portion of the patriots of that day. Chief Justice Marshall, in his Life of Washington, says: "That many of the best-informed men in Massachusetts had perhaps adopted the opinion of the parliamentary right of internal government over the Colonies; that the English statute book furnishes many instances of its exercise; that in no case recollected was their authority openly controverted"; and "that the General Court of Massachusetts, on a late occasion, openly recognized the principle."

But the more eminent men of Massachusetts rejected it; and another patriot of the time employs the instance to warn us of "the stealth with which oppression approaches," and "the enormities toward which precedents travel." And the people of the United States, as we have seen, appealed to the last argument rather than acquiesce in their authority. Could it have been the purpose of Washington and his illustrious associates, by the use of ambiguous, equivocal, and expansive words, such as "rules," "regulations," "territory," to reestablish in the Constitution of their country that fort which had been prostrated amid the toils and with the sufferings and sacrifices of seven years of war? Are these words to be understood as the Norths, the Grenvilles, Hillsboroughs, Hutchinsons, and Dunmores—in a word, as George III would have understood them—or are we to look for their interpretation to Patrick Henry or Samuel Adams, to Jefferson, and Jay, and Dickinson; to the sage Franklin, or to Hamilton, who from his early manhood was engaged in combating British construction of such words? We know that the resolution of Congress of 1780 contemplated that the new States to be formed under their recommendation were to have the same rights of sovereignty, freedom, and independence as the old. That every resolution, cession, compact, and ordinance of the States observed the same liberal principle. That the Union of the Constitution is a union formed of equal States; and that new States, when admitted, were to enter "this Union." Had another union been proposed in "any pointed manner" it would have encountered not only "strong" but successful opposition. The disunion between Great Britain and her Colonies originated in the antipathy of the latter to "rules and regulations" made by a remote power respecting their internal policy. In forming the Constitution, this fact was ever present in the minds of its authors.

The people were assured by their most trusted statesmen "that the jurisdiction of the Federal Government is limited to certain enumerated objects, which concern all members of the Republic," and "that the local or municipal authorities form distinct portions of supremacy, no more subject within their respective spheres to the general authority, than the general authority is subject to them within its own sphere." Still, this did not content them. Under the lead of Hancock, and Samuel Adams, of Patrick Henry and George Mason, they demanded an explicit declaration that no more power was to be exercised than they had delegated. And the ninth and tenth amendments to the Constitution were designed to include the reserved rights of the States, and the people, within all the sanctions of that instrument, and to bind the authorities, State and Federal, by the judicial oath it prescribes, to their recognition and observance. It is probable, therefore, that the supreme and irresponsible power, which is now claimed for Congress over boundless territories, the use of which can not fail to react upon the political system of the States, to its subversion, was ever within the contemplation of the statesmen who conducted the counsels of the people in the formation of this Constitution? When the questions that came to the surface upon the acquisition of Louisiana were presented to the mind of Jefferson, he wrote: "I had rather ask an enlargement of power from the Nation, where it is found necessary, than to assume it by a construction which would make our powers boundless. Our peculiar security is in the possession of a written Constitution. Let us not make it blank paper by construction. I say the same as to the opinion of those who consider the grant of the treaty-making power as boundless. If it is, then we have no Constitution. If it has bounds, they can be no others than the definitions of the powers which that instrument gives. It specifies and delineates the operations permitted to the Federal Government, and gives powers necessary to carry them into execution." The publication of the journals of the Federal convention in 1819, of the debates reported by Mr. Madison in 1840, and the mass of private correspondence of the early statesmen before and since, enable us to approach the discussion of the aims of those who made the Constitution, with some insight and confidence.

I do not see how we can turn from that reasoning and be loyal American citizens. This Congress has no more power than is delegated to it by the people. These great exponents of the Constitution have made that clear. Every high-school student knows it; it is taught everywhere; and yet, with no delegation of power to the Congress, it is gravely proposed, Mr. President, that we should turn adrift the Philippines. I can not understand it. To me it is one of the most amazing experiences of life. When the case is so clear-cut, so definite, so conclusive, and is founded on the decisions of the great Justices of our great court, I can not understand how Senators can be willing apparently to disregard the plain facts and situation as it is and to seek to alienate sovereignty without having the power to do it.

Quoting further from Mr. Justice Campbell—he says:

I have endeavored with the assistance of these to find a solution for the grave and difficult question involved in this inquiry. My opinion is that the claim for Congress of supreme power in the Territories, under the grant to "dispose of and make all needful rules and regulations respecting territory," is not supported by the

historical evidence drawn from the Revolution, the confederation, or the deliberations which preceded the ratification of the Federal Constitution.

I purposely added to the extensive quotation from Mr. Chief Justice Taney these words of Mr. Justice Campbell in order that it might be shown that there is no difference of judicial opinion as regards this great question. I read further from the opinion of Mr. Justice Campbell:

The Ordinance of 1787 depended upon the action of the Congress of the Confederation, the assent of the State of Virginia, and the acquiescence of the people who recognized the validity of that plea of necessity which supported so many of the acts of the governments of that time; and the Federal Government accepted the ordinance as a recognized and valid engagement of the Confederation.

In referring to the precedents of 1798 and 1800, I find the Constitution was plainly violated by the invasion of the rights of a sovereign State, both of soil and jurisdiction; and in reference to that of 1804, the wisest statesmen protested against it, and the President more than doubted its policy and the power of the Government.

Mr. John Quincy Adams, at a later period, says of the last act, "that the President found Congress mounted to the pitch of passing those acts, without inquiring where they acquired the authority, and he conquered his own scruples as they had done theirs." But this court can not undertake for themselves the same conquest. They acknowledge that our peculiar security is in the possession of a written Constitution, and they can not make it blank paper by construction.

They look to its delineation of the operations of the Federal Government, and they must not exceed the limits it marks out, in their administration. The court have said "the Congress can not exercise municipal jurisdiction, sovereignty, or eminent domain within the limits of a State or elsewhere, beyond what has been delegated." We are then to find the authority for supreme power in the Territories in the Constitution. What are the limits upon the operations of a government invested with legislative, executive, and judiciary powers, and charged with the power to dispose of and to make all needful rules and regulations respecting a vast public domain? The feudal system would have recognized the claim made on behalf of the Federal Government for supreme power over persons and things in the Territories, as an incident to this title—that is, the title to dispose of and make rules and regulations respecting it.

And so, Mr. President, as I see it, we are going back to the feudal system for the power to alienate sovereignty—a power which certainly has not been given us by any delegation from the American people.

The Norman lawyers of William the Conqueror would have yielded an implicit assent to the doctrine that a supreme sovereignty is an inseparable incident to a grant to dispose of and to make all needful rules and regulations respecting the public domain.

There is a temptation to repeat that to make clear the meaning, the sting of those words:

The Norman lawyers of William the Conqueror would have yielded an implicit assent to the doctrine that a supreme sovereignty is an inseparable incident to a grant to dispose of and to make all needful rules and regulations respecting the public domain.

But an American patriot, in contrasting the European and American systems, may affirm "that European sovereigns give lands to their colonists, but reserve to themselves a power to control their property, liberty, and privileges; but the American Government sells the lands belonging to the people of the several States (i. e., United States) to their citizens, who are already in the possession of personal and political rights, which the Government did not give and can not take away." And the advocates for Government sovereignty in the Territories have been compelled to abate a portion of the pretensions originally made in its behalf, and to admit that the constitutional prohibitions upon Congress operate in the Territories. But a constitutional prohibition is not requisite to ascertain a limitation upon the authority of the several departments of the Federal Government. Nor are the States or people restrained by any enumeration or definition of their rights or liberties.

To impair or diminish either the department must produce an authority from the people themselves, in their Constitution; and, as we have seen, a power to make rules and regulations respecting the public domain does not confer a municipal sovereignty over persons and things upon it. But as this is "thought their fort" by our adversaries, I propose a more definite examination of it. We have seen Congress does not dispose of or make rules and regulations respecting domain belonging to themselves but belonging to the United States.

These conferred on their mandatory, Congress, authority to dispose of the territory which belonged to them in common; and to accomplish that object beneficially and effectually they gave an authority to make suitable rules and regulations respecting it. When the power of disposition is fulfilled the authority to make rules and regulations terminates, for it attaches only upon territory "belonging to the United States."

Consequently, the power to make rules and regulations, from the nature of the subject, is restricted to such administrative and conservatory acts as are needful for the preservation of the public domain, and its preparation for sale or disposition. The system of land surveys; the reservations for schools, internal improvements, military sites, and public buildings; the preemption claims of settlers; the establishment of land offices, and boards of inquiry, to determine the validity of land titles; the modes of entry, and sale, and of conferring titles; the protection of the lands from trespass and waste; the partition of the public domain into municipal subdivisions, having reference to the erection of Territorial governments and States; and perhaps the selection, under their authority, of suitable laws for the protection of the settlers, until there may be a sufficient number of them to form a self-sustaining municipal government—these important rules and regulations will sufficiently illustrate the scope and operation of the third section of the fourth article of the Constitution.

Mr. President, how can we get away from that?

I do not see how the Washington Post or anybody in public or private life can contend for a moment that the disposing clause of the Constitution is sufficient to justify the release of sovereignty. It just can not be done in that way.

In closing, Mr. President, I want to make one more reference to the book on Philippine Constitutional Law of my old friend Mr. Justice Malcolm, associate justice of the Supreme Court of the Philippine Islands, and professor of public law in the University of the Philippines. This, by the way, happens to be a presentation copy which he sent me some years ago.

I regard him as the great authority on this particular subject. I am sorry that he reaches a conclusion which is in opposition to the one I hold; but, nevertheless, I respect him greatly.

On page 169 of his book he says:

Turning to the legal phases, no valid objection to a cession of the Philippines can be seen. Of course, it is true that there is no express provision of the Constitution authorizing a transfer of territory in the possession of the United States to another power.

There is a concession that in his opinion there is nothing in the Constitution which authorizes such a transfer of sovereignty as we are talking about now.

He says, further:

No precedent can be pointed to in which the United States alienated territory indisputably its own to another country. The most that has been done has been to make certain adjustments of boundaries and to remove any cloud to the title of the United States to the region in question. But neither was there an article in the Constitution authorizing acquisition of territory, and neither was there a precedent when Louisiana was purchased, but yet acquisition is recognized as an inherent attribute of the American Government.

If sovereignty permits the United States to secure additional domain, conversely, the same correlative right of sovereignty must permit the United States to dispose of its territory. If the President can initiate a treaty to annex territory and the Senate can approve the treaty, obviously the President and the Senate can, by the same means, cede territory. While acquisition is naturally more pleasing to imperialistic patriotism than cession, the latter is legally just as constitutional. The higher law of national expediency, benefits, or necessity must govern the dealings of one country with another. As the United States Supreme Court has said: "It certainly was intended to confer upon the Government the power of self-preservation." What other great nations have done, the United States can do.

As this is yet merely an academic question, decisive authority is lacking. One line of cases has suggested that the authorization of the State within which the territory is situated would have to be obtained before cession of political jurisdiction could be made to a foreign power. As other authorities have refuted the theory, the stand is made stronger for territory like the Philippines, which is not within the boundaries of any State. But this question is beside the point as to the Philippines.

Neither is the argument of Mr. Justice White in Downes *v.* Bidwell applicable because that concerned territory which is "an integral part of the United States," and the Philippines have been held by the United States Supreme Court to be an unincorporated territory, thereby conceding in a way that because of their status the Philippines might be sold or traded.

I should have to dispute the particular interpretation which Mr. Justice Malcolm has placed upon the language of Mr. Justice White, but it is of no particular moment in the argument which I am hoping to make in a moment regarding it.

Moreover, in the same series of cases, Mr. Justice Brown remarked that, when territory is "once acquired by treaty, it belongs to the United States, and is subject to the disposition of Congress."

But the question before the court in the Insular cases did not directly decide the point under consideration for the Philippines.

We gain a little light when we find that several treaties concerning boundary disputes have surrendered areas claimed by the United States to foreign powers, even going so far as to make use of words of cession. Outside of this we also find legislative opinion, judicial dicta, and textbook conclusion.

Thus, when the Federal Constitution was before the convention of the State of Virginia for ratification, Gov. Edmund Randolph, opposing a proposed amendment regulating treaties ceding, contracting, restraining, or suspending the territorial rights or claims of the United States, said: "There is no power in the Constitution to cede any part of the territories of the United States." But when the treaty for the Louisiana Purchase was before Congress, Mr. Nicholson, speaking for the administration, said: "The territory was purchased by the United States in their confederate capacity and may be disposed of by them at their pleasure." Again, when Edward Everett, then Governor of Massachusetts, confidentially asked the opinion of Mr. Justice Story concerning a resolution of the Massachusetts Legislature, in which it was declared that no power delegated to the Constitution of the United States authorized the Government to cede to a foreign nation any territory lying within the limits of a State of the Union, Mr. Justice Story, in his reply, recalled a conversation previously had on the subject with Mr. Chief Justice Marshall. "He was," said Mr. Justice Story, "unequivocally of the opinion that the treaty-making power did extend to cases of cession of territory, though he would not undertake to say that it could extend to all cases; yet he did not doubt it must be construed to extend to some."

Of course, he was talking about a cession of territory to straighten out boundaries—an entirely different thing from the alienation of sovereignty.

Finally, an argument could be put forth, predicated on the clause of the Constitution empowering Congress "to dispose of" territory.

Doctor Willoughby, in his standard treatise on the Constitution, after a review of the authorities and of the principles underlying them, expresses the opinion that "the United States has, through its treaty-making organ, the constitutional power, in cases of necessity, to alienate a portion of, or the entire territory of a State or States. The same reasoning which supports the power of the United States as a sovereign power in international relations to annex territories is sufficient to sustain its power to part with them, even should the area so parted with be a part of one of the States or include one or more of them.

Although other corroborative authority could be cited, it would seem more logical and consistent to base the right of the United States to alienate unincorporated territory on the fundamental principle of sovereignty, reinforced to an extent by the very fact that territory in this position is not yet a part of the United States.

That quotation from Malcolm covers the whole case so far as any argument can be brought forth to justify the pending measure; but you see how guarded the language is. Mr. Justice Malcolm realizes and says that so far as the disposing clause is concerned, there is nothing to that; and, so far as I am concerned, I am satisfied that the only way we could dispose of unincorporated territory, the unincorporated Philippine Islands, would be by treaty with a power equal to ours. By treaty it might be done. But we can not make a treaty with ourselves. We can not make a treaty with the Filipinos, because they are our people. There is no coordinate power with which we can deal.

Mr. President, in all frankness, with the testimony of these great jurists before us, how can we think for a moment of alienating sovereignty over the Philippines? By treaty with another power, perhaps, in case of a calamitous war, certainly by treaty, the Philippines or any other territory could be ceded.

As I have studied the problems involved, I have become convinced that we could incorporate them, when the time came, and admit them to statehood, or we could turn to the American people and ask them to delegate the power to us to justify granting the Filipinos their freedom, as is proposed by the bills before us.

When the Filipinos have their freedom I want them to have the whole grant. I do not want it to come through sordidness or selfishness. I want it to come because of the genuine desire of the liberty-loving people of the United States to pass on to our friends across the Pacific the same degree of liberty which we possess.

Mr. President, I realize that these bills will be brought together in some form and a measure will be enacted. But I have thought it my duty, in view of the study I have given the subject, to express the conviction which I have, that we have no right under the Constitution to pass such a law.

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD a wire from John Brandt, president Land O'Lakes Creameries, Minneapolis, Minn., pertaining to the Philippine independence bill now under consideration.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *December 13, 1932.*

THOMAS D. SCHALL,
United States Senate, Washington, D. C.:

Would not favor passage of Philippine bill unless provisions provide tariff take effect immediately. Four years from now may not do any good. Tariff on all imports, foreign oils, and fats should be raised to point where they will actually protect American farmer. Protection more essential than independence.

JOHN BRANDT,
Land O'Lakes Creameries.

TROOPS AT CAMPS STEPHEN D. LITTLE AND HARRY J. JONES

Mr. HAYDEN. Mr. President, I submit a resolution, and ask for its present consideration.

The PRESIDING OFFICER. The clerk will report the resolution for the information of the Senate.

The resolution (S. Res. 306) was read, as follows:

Senate Resolution 306

Whereas under section 315 of the legislative appropriation act, approved June 30, 1932 (Public, No. 212), "the President is authorized, during the fiscal year ending June 30, 1933, to restrict the transfer of officers and enlisted men of the military and naval forces from one post or station to another post or station to the greatest extent consistent with the public interest"; and

Whereas the purpose of said section was to effect economies in the way of limiting the amount to be expended on travel by and within the military and naval forces; and

Whereas the Secretary of War has issued orders for the removal of troops from Camp Stephen D. Little and Camp Harry J. Jones, Ariz., thereby incurring a needless travel expense and imposing an additional charge on the United States Treasury, all of which is inconsistent with the intent and purpose of section 315 of said act; and

Whereas in addition to imposing an extra burden of expense on the Treasury in contravention of said act, the removal of said troops from Camp Stephen D. Little and Camp Harry J. Jones will withdraw from the cities of Nogales and Douglas, Ariz., a substantial pay roll upon which these two communities greatly depend for their present commercial existence; and

Whereas the removal of said troops, by reason of the consequential loss of said pay roll, will make the present deplorable conditions in said cities more desperate and will make necessary additional drains on the Treasury through the Reconstruction Finance Corporation for direct relief: Now, therefore, be it

Resolved, That the Secretary of War be and is hereby requested to direct that the troops heretofore stationed at Camp Stephen D. Little and Camp Harry J. Jones be retained at said posts and that all orders for the transfer of said troops be rescinded.

Mr. McNARY. Mr. President, it is the expressed desire of the senior Senator from Pennsylvania [Mr. REED] to be present when that matter is brought up for consideration, and therefore, in his absence, I object.

Mr. HAYDEN. Then let the resolution go over under the rule.

The PRESIDING OFFICER. The resolution will go over under the rule.

Mr. McNARY. Should not the resolution be referred to the standing committee having general jurisdiction?

The PRESIDING OFFICER. The Chair thinks that the resolution would in the usual course go to the Committee on Military Affairs.

Mr. HAYDEN. I would prefer to have it go over under the rule.

The PRESIDING OFFICER. If the Senator asks for immediate consideration and objection is made, the resolution will go over under the rule; and objection having been made, that order will be entered.

INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

Mr. COPELAND. Mr. President, I suppose this is a bad time for me to ask anything from the Senate, having occupied so much of the time of the Senate to-day, but on the table is Senate Joint Resolution 217, authorizing the President to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States in 1935. They are to meet in Madrid in January.

This is an organization of men devoted to building up methods of protection of the people in the case of warfare. The joint resolution involves the expenditure of no money. I have spoken to the chairman of the Committee on Foreign Relations about it. It is important to have it passed now, because it is a joint resolution and must go to the House, and it is necessary to get the invitation across the water by the 1st of January.

Mr. McNARY. Mr. President, when this matter was first called to the attention of the Senate on yesterday, some Senator on the Democratic side objected to its immediate consideration.

Mr. COPELAND. It was the senior Senator from Montana [Mr. WALSH] who did not want what appeared to be a filibuster going on. He had no interest in this matter.

Mr. McNARY. I see the Senator from Montana present. I was going to object if he had not come into the Chamber.

Mr. COPELAND. I am very confident the Senator from Montana has no objection. The Senator said to me yesterday he had no interest in the matter. Does the Senator have any objection?

Mr. WALSH of Montana. The Senator is referring to the joint resolution spoken of yesterday?

Mr. COPELAND. Yes.

Mr. WALSH of Montana. I have no objection to its passage.

Mr. McNARY. Does the joint resolution carry an appropriation?

Mr. COPELAND. It carries no appropriation.

Mr. McNARY. I have no objection.

There being no objection, the joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States in 1935.

FOREIGN DEBTS

Mr. HARRISON. Mr. President, I give notice that to-morrow, on the convening of the Senate, I shall occupy the time of the Senate for a brief period to speak on the foreign debts.

Mr. McNARY. Immediately on the convening of the Senate?

Mr. HARRISON. Yes.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until to-morrow, Friday, December 16, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 15, 1932

The House met at 12 o'clock noon.

The Rev. John Compton Ball, pastor of the Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

We thank Thee, O God, for the beauty of this day. That after days of storm and gloom the physical sun has dissipated the clouds and flooded the land with the glory of its light, and we pray that so may the sunshine of Thy blessed presence pierce all clouds of depression and doubt and flood our hearts with the glory of hope and happiness. O God, hasten the day when prosperity shall reign and homes ring with the songs of happy mothers and the laughter of well-nourished children. To this end bless this House of Representatives. Give to our Speaker and every Member wisdom from on high that Thy will may be done in the government of our country.

Hear our prayer for the nations over the sea that they may not lose their sense of gratitude, and with equal fervor we plead that we may not lose our sense of grace. May "hands across the sea" be clasped in gratitude and grace, and the tie that binds minister to the universal brotherhood of men and the spiritual uplift of the world. In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

The message also announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 42. Concurrent resolution amending section 6 of the House concurrent resolution establishing the United States Roanoke Colony Commission.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado, from the Committee on Appropriations, reported the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes (Rept. No. 1792), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. THATCHER reserved all points of order.

THE PUBLIC INTEREST IN RAILROADS AND OTHER FORMS OF TRANSPORTATION

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein some remarks I made over the radio on the problems of transportation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

RADIO ADDRESS OF HON. SAM RAYBURN, OF TEXAS, CHAIRMAN OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, SATURDAY, OCTOBER 8, 1932

Our modern system of transportation is highly developed and very complicated. It is the result of hundreds of generations of human experience. If we go back through the ages far enough we come to a time when man possessed nothing but his hands with which to get food, to protect himself, and to satisfy his needs. The first men who began in that situation had to learn everything for themselves. By slow experience and long effort we have continued to learn.

When the first tool was invented we do not know. What it was we can not conjecture. But every tool, however simple, had to be invented. Each tool or device we now have grew out of an earlier invention, and each would have been impossible but for the discoveries which went before it. We could go back to where there would be no one to build a cart because no one had invented a wheel. A few thousand years ago there were no sailors to pilot people across the seas because no ships had been built. Perhaps the earliest transportation by water consisted of merely floating downstream on driftwood or on a log. Experience and skill were acquired in guiding the drifting timber. Then came efforts to stabilize the log, and finally there was developed a raft, a canoe, the small boat, and the use of oars. Men learned to go upstream as well as down. For generations they hugged the shore of the mainland. Finally sails were attached to boats. About 5,000 years ago sailboats began to put out to sea. We know that Egyptians had sailing ships during the twenty-eighth century before Christ.

In the late eighteenth century there were an astonishing number of inventions. At first it was thought that the new machinery would be run by water power. James Watt took the lead in developing a steam engine. He labored from 1763 to 1819. In 1785 steam was first used to run spinning machines in a factory at Popplewick in Nottinghamshire. The tremendous development of labor-saving machinery and the use of steam in supplying the power increased the volume of goods to where transportation became one of the most important problems of the nineteenth century.

With improvement in seagoing vessels and the opening up of markets in new countries, the problem of transportation within a particular country became all-absorbing. West of the Appalachian Mountains a whole continent pregnant with limitless

resources beckons to the hardy pioneer. These frontiersmen rapidly occupied the land along every navigable stream. River boats were developed and steam applied to their operation. Canals were dug, opening up fertile lands which had not been favored by nature with water transportation. Hard-surfaced roads were built at tremendous sacrifice. Covered wagons, canal boats, river craft of every description, appeared in answer to the insistent demand for transportation. Still there were fertile plains which could not be reached by any kind of water transport. Their expanse was so great that transportation on hard-surfaced roads with wagon and teams became prohibitive in cost. Those with the hardihood to preempt the virgin soil of the West found themselves practically cut off from civilization except for an annual excursion with pack animals or the lumbering oxcart. Thomas Jefferson thought it would take a thousand years to occupy all the land acquired by the Louisiana Purchase.

About 1830 came the application of steam to transportation. The Baltimore & Ohio Railroad four years ago in the Fair of the Iron Horse set forth in a most dramatic way the early beginnings in the development of rail transportation. At first it was believed that railroads would merely supplement water transport on canals and navigable streams. By 1850 the railroad demonstrated its superiority to all other means of transportation. The infant railroad industry was opposed by canal companies and by those engaged in transport on the highways. Toll companies and livery-stable operators made common cause with the canal companies in fighting the new railroads.

The railroad was rapidly used to tie the Pacific to the Atlantic, to bind the new possessions acquired from Mexico to the rest of the country, and to bring to the markets of the world grain and cotton grown in the heart of the American continent. So rapid was our development as a result of rail transportation that at the outbreak of the World War 35,000,000 of our people were using machinery and labor-saving devices in producing goods that had a market value of more than $25,000,000,000 a year. Contrast this great output supporting nearly 100,000,000 people with the production carried on by the Indians when America was discovered. The Indians had the same gifts of nature that we now enjoy. With their economy they could sustain only 500,000 people. To-day, by reason of rapid transportation, Americans are able to utilize their manifold machinery to bring from nature's storehouse goods sufficient to sustain more than 100,000,000 people.

The American economy, the American industrial development, the American civilization is based upon rapid transportation of goods. The very life of cities, of farms, of ranches remote from water transportation depends upon rail transport. Our second largest city, Chicago, would be a small lake port without the network of railroads spreading to the West, the South, and the East. Rail transportation has transformed Baltimore, Philadelphia, New York, and Boston from rambling salt-water towns to the fairest cities of human history. By reason of rapid transportation cities like Dallas, Omaha, Kansas City, Denver, Salt Lake City, and a hundred others have been built where a few years ago the wild beasts of the plains roamed undisturbed.

It was inevitable that grave economic and political problems should appear as by-products of so rapid a development. We were so eager to get the railroads that the public lavished its credit and gifts of the public lands to hasten railway construction. Greedy and selfish men took advantage of the situation. There were the railway scandals of the Grant administration reaching even to the Cabinet of the President of the United States, as shocking as the more recent scandals in connection with the oil industry which flowered in the Cabinet of President Harding.

Such abuses called for correction. Moreover, by 1870 it was apparent that railroad transportation had become essentially monopolistic. Competition can not be relied upon to regulate a business which is in character a monopoly, and where competition brings evils of cutthroat discrimination and receiverships of such magnitude as to precipitate financial panics nation-wide in scope. In 1887 the Congress passed the act to regulate commerce. This was directed toward the most apparent evils that had grown out of irresponsible individualism applied to an industry which was monopolistic in character. John H. Reagan, of Texas, was the leader, who perhaps had more to do with framing the act of 1887 than any other Member of Congress.

In 1920 when the railroads after the war were turned back to their owners, the transportation act was written as an amendment to the act to regulate commerce. The purposes that lay behind that legislation were to protect the shippers from being charged all the traffic would bear; to protect employees in their bargaining power with giant corporations enjoying monopoly privileges; to assure that the public would benefit from economies effected by the management; and to maintain adequate transportation for every American community. To protect the wage earners, particularly in their rights to bargain collectively and toward assuring continuous service, there was provided the labor board for which Congress later substituted the board of mediation; to insure continuous traffic on the weak lines there was a provision for consolidation of the weak with the strong lines; to assure the country that there would be an adequate transportation system, capital was promised a rate structure which would be devised by the Interstate Commerce Commission, and which would yield a fair return on the fair value of the railroad properties; and as a device to prevent some exceptionally located carrier from making excessive profits it was provided that one-half of the earnings of a particular corporation in a given year above the fair return should be recaptured into the Treasury of the United States to be used for purposes defined in the law.

Since the transportation act of 1920 became law there have been revolutionary changes in our transportation situation. In 1920 we were dealing with the railroads as monopolies. In 1932 they have ceased to have a monopoly. New and competing forms of transportation have been developed during the last few years. We have built in this country tens of thousands of miles of hard-surfaced roads. In many instances we have paralleled our railroads with our new highways. There have appeared upon these highways great fleets of trucks, busses, and millions of privately owned cars. Congress has expended many millions of dollars in flood control, and incidentally in improving our navigable streams to where it is more economical to transport by water some commodities which are nonperishable and which do not call for rapid movement. Pipe lines for the transport of oil have become almost transcontinental in their extent. Other pipe lines for the transport of natural gas now constitute a well-nigh transcontinental system. Still others are being utilized for moving gasoline over long distances. Again we have developed our power industry to where electricity is sent by copper wire from generating plant to consumer at great distances, thus cutting down the necessity for moving much coal by rail. Finally, transport by air is becoming increasingly important in moving passengers and the most valuable express packages. The telephone, the telegraph, and the radio supplement and make effective these new and competing forms of transportation.

All this means that the act to regulate commerce, as it has been amended, must be further amended. In recognition of this revolutionary development we shall have to deal with the railroads in the future not as altogether monopolistic but only as partially so, or as possessing monopoly privileges only in certain particulars. We must recognize the new and competing forms of transportation and subject them likewise in so far as necessary to congressional regulation as we were forced to regulate the railroads when they became important in interstate commerce.

There is one school of thought which would use the power of Congress to retard the development and use of the new means of transport. There is another school which would likewise use congressional power through inaction of government to let the new forms of transport run wild, as it were, and engage in all the practices of discrimination between individuals and localities which have been condemned and forbidden in rail transportation and disregard safety on the highways while enforcing strict and expensive regulation to assure safety on the steel highways. I do not agree with either of these extremes. The power of government should never be used to put a legitimate competitor out of business. But it is the duty of government to place under similar reasonable regulation businesses that are competitive and where the public interest requires regulation. I do not believe that the Government should lend its power to suppress a new and developing labor-saving device merely to protect the profits of those engaged in using an older form. On the other hand, I do not believe that the Government through its inaction or indifference should ignore the safety of person and property and leave without remedy the abuses and discrimination which may be as prolific among those engaged in the new forms of transport as formerly they were among the railroads. The people of this country are entitled to the most economical and convenient method of transporting their goods. The new forms of transport must be given a fair chance, but they should not be unduly subsidized at public expense. The railroads must be protected from unfair discrimination without being given an undue advantage over their competitors. On June 21 I introduced a bill to regulate busses and trucks in interstate commerce. I expect to ask for hearings on that bill at the short session, and I am hopeful that Congress may act upon it.

I can see nothing at present which indicates that the railroads will become obsolete. In fact, the new and competing forms of transport appear to me to be largely supplementary to our railroads. Only in minor cases will they be able to supplant the railroads. The highways, pipe lines, new boat lines, and airways will make unnecessary the construction of additional trackage which otherwise would have been built. Apparently, most of the existing trackage, particularly the main stems, will be needed indefinitely. With further development of the country, we will need both the new forms of transport and our railroads, and the railroads will find themselves busy and prosperous.

The present plight of the railroads is due only in part to the appearance of the new and competing forms of transport. The greatest immediate difficulty has been the present financial depression. That is more serious than it first appeared, because it has turned out to be the result of a mistaken policy on the part of our Government; unwise traffic laws, complete neglect of markets for agricultural products, a deliberate and conscious diversion of the savings of the people into expanding industrial plants for foreign markets which were artificially created by lending our people's money abroad—all has resulted in a dislocation of the factors of production in this country, which will require time to readjust. As a consequence car loadings on the railroads are the lowest in many years. Farmers are getting only 7 per cent of the value of the national income instead of 15 per cent of a few years ago, though they are producing about the same quantity of goods as before. That has destroyed their purchasing power to such an extent that many of our factories have had to close down. For example, manufacturers of farm machinery have been running in recent months only 15 per cent normal capacity. With more wisdom in national affairs, the railroads will find themselves with increasing business.

It is not sufficient for the Government merely to lend money to the railroads. The taxpayers in this country can not be expected indefinitely to carry the deficits of those corporations. Yet to permit the railroads to go into receiverships will affect the insurance companies and the savings banks to such an extent as to bring our country disaster as great as that of losing a major war. The mere lending of money by the Government is a palliative; it is treating the symptoms. Something more fundamental must be done.

First, we must win back our foreign markets for agricultural products and readjust our production and distribution on a basis which will enable our manufacturers and farmers to prosper together. Second, in regulating the means of interstate commerce we must recognize that the railroads have ceased to have a monopoly in transportation. Our interest in wage earners must include those who work in the new and competing agencies of transport As a government we must not limit our interest in the workers to any one group. We must insist upon reasonable hours, decent working conditions, devices for safety of person, and fair wages for workers in the new and developing lines of transportation along with those on the railroads. Our views as to consolidation will have to be revised in the light of changed conditions. The weak lines of railroad which we hoped to save through consolidating them with strong lines under the act of 1920 have in many instances already been scrapped. In some instances the consolidations which we desired have been effected. In many other cases a hard-surfaced road with trucks and busses has reached out to the communities which 10 or 12 years ago were wholly dependent upon a weak railroad. The consolidations should not merely call for preserving service on weak railroads but should enable the transportation companies to experiment in coordinating the various agencies of transportation so as to sell the shippers and passengers the transportation they want at the time they want it at the lowest rate which would be fair to all interests. That does not mean that the railroads should be given a monopoly of transportation with a view to strangling the new and competing forms.

The holding company properly regulated will be a device for effecting such experimentation until its success is demonstrated, when complete amalgamation and consolidation would logically follow. The holding company heretofore has been used, not only for such purposes but we have found upon inquiry that it has also been utilized to get around the law, to inflate capitalization, and to thwart the policies of the Government. The people of this country want such abuses stopped and they want the opportunity for irresponsible exploitation to be taken away from men who think more of their own power than they do of the public welfare.

The committee of which I am chairman held hearings on a bill to regulate railroad holding companies at the long session of the present Congress and reported the bill favorably. It is now on the calendar of the House of Representatives, and it is my expectation that this bill will pass during the coming short session. When Congress permitted railroads to consolidate with the approval of the Interstate Commerce Commission, it was not contemplated that one financial interest should acquire two or more railroads through the device of a holding company without saying anything to the Interstate Commerce Commission about it. To permit that sort of thing is to render ineffective the attempt of Congress to regulate the consolidation of railroads in the public interest. The railroad holding company bill is designed to correct this evil and to force holding companies that own two or more railroads to make public through the Interstate Commerce Commission their accounts and to get the authorization of the commission before they issue securities based on their ownership of railroads.

When we looked upon the railroads as complete monopolies, we understood that rates which would be reasonable for all of them would permit some of them to make more than a reasonable return. Congress therefore provided for recapture of what were termed "excess earnings"; that is, a recovery into the Treasury of the United States of one-half of the excess above 5¾ per cent earned any year on fair value. This money as received was to be loaned to the weaker railroads. This provision has become obsolete, first, because the railroads are no longer in the position of complete monopoly. Second, because experience has shown that the Interstate Commerce Commission, with all the money and facilities furnished by Congress can not evaluate the railroads, compute the earnings, and collect the excess within any reasonable time. Again, the recapture of these earnings which were enjoyed before 1929 by particular railroads, if enforced, would put most of such roads into receivership. The Government of the United States is loaning large sums of money to some of these very roads or affiliated systems to keep them out of bankruptcy. Wouldn't it be the height of folly to loan them money from the Treasury of the United States to prevent bankruptcy and then to ask the Attorney General to institute legal proceedings based upon earnings for a particular year before 1929 which would result in receivership if the Attorney General should succeed in his effort?

I am therefore in favor of repealing the recapture provision of section 15 (a) of the act of 1920, and a revision of the rate-making section thereof. Recapture can be accomplished only after long, bitter, and expensive lawsuits, in which the railroads would assert that the sum they had earned was far less than claimed by the commission. Why go through all that expense and futile litigation when we know that if the Government were successful it would merely force the railroads into receivership? The railroads do not have that money in cash; they spent it for terminals, new locomotives, grade crossings, and the like, which are now not being used to their capacity.

The committee of which I am chairman last spring reported out a bill to repeal the recapture provision of section 15 (a) and to rewrite the rate-making provision of that section. This bill is now on the calendar of the House of Representatives and it will no doubt receive careful consideration of the Congress at the coming short session.

Our legislation with reference to transportation must be constructive. We rely upon private initiative to develop the most economical means of transporting our goods. It is the business of Government to see that those with initiative and leadership are protected in the enjoyment of the fruits of their services to humanity and that the public is protected from the abuses which are incident to the imperfections of human nature and which creep into large enterprises for the reason that human beings are not all perfect either in their capacity to judge or in their estimate of their duty to their fellowmen. Every group in our country, the farmer, the manufacturer, those engaged in transportation and finance, must prosper together. Unless there is fair play and mutual advantage and the opportunity for all to achieve a fair income every group will in the end suffer. Our economic relations have become so interdependent that we must go up together or go down together. It is the business of Government to protect, to correct, and in certain instances to stimulate; but there must be reliance upon the individual for actual performance.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13520, with Mr. McMILLAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The question is on the motion of the gentleman from Texas [Mr. BLANTON] to strike out the enacting clause; and on that question a division has been demanded.

The committee divided; and there were—ayes 0, noes 18.

So the motion was rejected.

The Clerk read as follows:

For the inland transportation of mail by aircraft, under contract as authorized by law, and for the incidental expenses thereof, including not to exceed $27,500 for supervisory officials and clerks at air mail transfer points, and not to exceed $34,000 for personal services in the District of Columbia and incidental and travel expenses, $19,000,000.

Mr. EATON of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the hearings upon the air mail there was some colloquy between the Assistant Postmaster General and three members of the subcommittee tending to show what has been said is a prejudice on the part of the committee members towards certain air mail routes. I am quite sure there is no prejudice on the part of the members of the committee, and that the mere fact that after the last appropriation was made one route was reestablished and two or three new routes added does not indicate any desire on the part of the committee toward directing the Post Office Department to stop these operations. I ask the chairman of the committee——

Mr. BYRNS. I will say to the gentleman that I am quite sure I speak for the entire committee with positive assurance when I say there is no element of prejudice which entered the minds of any of us with reference to action upon this particular item or any other item in the bill with respect to any appropriation or any activity of the service. We try to look at this from the standpoint of the taxpayer and the Treasury and the best results to be obtained.

Mr. EATON of Colorado. I notice from the recommendation and the amount contained in the bill that $1,000,000 was cut off from the amount recommended by the Post Office Department. The recommendation of the department was $20,000,000, the proposed appropriation is $19,000,000, bringing it down to the same figure that was origi-

nally appropriated by the House last year. I understand, from speaking with members of the committee, it is expected the Post Office Department will spread this $19,000,000 over the entire service in accordance with their own administrative program.

Mr. BYRNS. I will say to the gentleman, with reference to the reduction to which he refers, that the estimate was for $20,000,000. The appropriation carried for the present year is $19,460,000. The House last year adopted an appropriation of $19,000,000. When it went to the Senate, despite its great claim for economy, it put on $460,000 and earmarked it for two projects, one of which was to restore night service upon the line from Los Angeles to Salt Lake, which had been cut out voluntarily by the Postmaster General upon the theory that it was not justified in any sense of the word. The Postmaster General was very emphatic in his statement to the committee during the hearings that it was not justified, and even in the recent hearings said that in his opinion it was not justified; but the Senate put that on and then earmarks were taken off, and finally after repeated conferences it was agreed to.

The House felt this way about it: It did not care to increase this subsidy at this particular time. We were told there is going to be a new conference held either the last of this year or the first of next year between the Postmaster General and these contractors and that there is a possibility that $600,000 may be saved as a result of this conference in reducing some of the rates. Of course, if this $600,000 is saved, it is so much more that can be applied to this particular service.

In addition to this, we felt that since the Senate, contrary to the action of the House and contrary to the recommendations of the Postmaster General, had put this additional $460,000 on this appropriation, it was in a sense its own baby and that it could take care of it if it wished to do so when the matter came up over there. We did not feel we were authorized in recommending anything else.

[Here the gavel fell.]

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. THOMASON. Will the gentleman yield for a question?

Mr. EATON of Colorado. May I first answer the statement of the gentleman from Tennessee [Mr. BYRNS]?

Looking backward to what occurred during the year I notice from the statement of the Second Assistant Postmaster General that he stated in the hearings in reference to this route 34 that "Los Angeles is the largest producer of air mail," and he said that "we would have had to spend that money on route 34 out of Los Angeles, because the mail volume was growing so fast that some additional service was necessary." I read the citation from the hearings, page 158.

I did not mean to stir up any controversy over the establishment of any new routes, but I did hope that the attitude of the committee was that the $19,000,000 was intended to be spread over all the service of air mail and that they did not reduce the request of the department a million dollars for the express purpose of cutting out the Los Angeles and Salt Lake service. I would like to ask the chairman if that is the reason?

Mr. BYRNS. No. We cut it down, because the Postmaster General made this statement before the committee. I read from page 20 of the hearings on this bill. He says:

> Now that we have a direct line from Los Angeles and southern points through Albuquerque and Kansas City east, the mail destined to New York is not routed through Salt Lake City any more. That is what made Mr. Glover and me think that this service is not an essential service and that the money could be more profitably spent some place else.

In spite of what Mr. Brown said somebody ordered the route continued. I may say that I do not want to violate the rules of the House, but it is said that a very distinguished gentleman who has been a Member of the United States Senate for a long time was very instrumental in having that done.

Mr. THOMASON. Will the gentleman yield for me to ask the chairman of the committee a question?

Mr. EATON of Colorado. I yield.

Mr. THOMASON. Does this reduction in the appropriation for air mail contemplate putting into effect the recommendations of Professor Crain to the Post Office Committee for the abandonment of the air mail route between Fort Worth and El Paso? If it does, I am opposed to the reduced appropriation and desire to be heard.

Mr. BYRNS. No; the committee did not take up the questions of routes or the abandonment of any existing projects.

Mr. THOMASON. Then, as I understand you, the appropriation is to be spread out over existing lines?

Mr. BYRNS. It is to be used by the Postmaster General in carrying on the service. That is a matter addressed to his discretion. We make the appropriation, and the Postmaster General makes the contracts.

Mr. EATON of Colorado. I am glad to have the explanation by the chairman of the committee. It seemed to me that there would be no prejudice on the part of any of the members of the Committee on Appropriations of the House, that they would not enter into the giving of special directions as to the actual operation of air mail routes.

Mr. THATCHER. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. THATCHER. This is an administrative matter. This appropriation is not made for or against any lines in operation or to be put into operation. The subcommittee has believed that these matters ought to be left to the administrative officers of the Government.

[Here the gavel fell.]

The Clerk read as follows:

> For the purchase, manufacture, and repair of mail bags and other mail containers and attachments, mail locks, keys, chains, tools, machinery, and material necessary for same, and for incidental expenses pertaining thereto; also material, machinery, and tools necessary for the manufacture and repair in the equipment shops at Washington, D. C., of such other equipment for the Postal Service as may be deemed expedient; for compensation to labor employed in the equipment shops at Washington, D. C., $900,000, of which not to exceed $550,000 may be expended for personal services in the District of Columbia: *Provided*, That out of this appropriation the Postmaster General is authorized to use as much of the sum, not exceeding $15,000, as may be deemed necessary for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. The paragraph under consideration carries an appropriation which has been drastically reduced, by almost 33⅓ per cent, from the amount carried in existing law. A reading of the paragraph would lead one to believe that the expense is somewhat constant. Last year we appropriated $1,450,000, and this year the committee recommends $900,000. The Budget also made a recommendation for a decided cut, but the committee went even $50,000 beyond the recommendation of the Budget. Can the chairman of the committee inform the House the reason for this inordinate cut over the appropriation last year, for what must obviously be current expenditures?

Mr. BYRNS. One main reason is the fact that the price of canvas has been greatly reduced, and it is not the purpose of the department to manufacture as many mail bags next year as were manufactured this year. I think they limit it now to about 350,000. My recollection of the testimony is that they have about 17,000,000 of these bags. These bags last on an average of from 12 to 16 years, and the normal requirements are about 1,000,000 a year; but it is stated that they really only needed this excess quantity at certain periods of the year, like the Christmas holidays. The committee felt, and I think the department felt, that on account of the reduction in the cost of material, canvas, it was possible to reduce the number to be manufactured and save this money.

Mr. STAFFORD. I assume from the gentleman's statement that the Postal Service has an oversupply of equipment in the form of mail bags.

Mr. BYRNS. I would not say that they have an oversupply in normal times, but they have with the present amount of mail being handled.

Mr. STAFFORD. For the present postal needs by reason of the depressed business conditions.

Mr. BYRNS. Yes.

Mr. STAFFORD. From the gentleman's statement I would not be surprised if even for the fiscal year 1935 this amount would be justified also.

Mr. BYRNS. I think the gentleman is correct.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

SEC. 4. The provisions of the following sections of Part II of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 101, 102, 103, 104, 105, 106, 107, 108, 109, 112, 201, 205, 206, 211, 214, 304, 315, 317, 318, and 323, and, for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures "1933" shall be read as "1934"; the figures "1934"; as "1935"; and the figures "1935" as "1936", and, in the case of section 102, the figures "1932" shall be read as "1933": *Provided*, That if any provisions of such sections, or the application thereof to any person or circumstances, is held invalid, the remainder of the sections, and the application of the provisions thereof to other persons or circumstances, shall not be affected thereby: *Provided further*, That all acts or parts of acts inconsistent or in conflict with the provisions of such sections are hereby suspended during the period in which such sections are in effect: *Provided further*, That no court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application, as provided in this section of such sections 101, 102, 103, 104, 105, 106, 107, 108, 109, or 112, unless such suit involves the Constitution of the United States.

Mr. MEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 65, line 22, strike out the figures "201."

Mr. MEAD. Mr. Chairman, this amendment to strike out section 201 of the so-called economy act would strike out the section which prohibits promotions earned either by length of service or by being assigned a higher-salaried position. According to the information submitted by the Economy Committee at the last session of Congress, the restoration of these earned promotions would involve an expenditure in the Postal Service of approximately $1,000,000. It was the intention of the Economy Committee, and perhaps of the House and Senate, to levy an equal and just reduction in the salary of all the employees of the Federal Government, but in the case of the employee in the lower grade, in the case of an employee who had been demoted by his supervisor, we would have in effect a severe penalty. For illustration, the average postal employee in the maximum grade in the city post office suffered a loss of approximately $175 a year, but a postal employee in one of the automatic grades, for example in the fifth grade, suffered an additional loss of $100 that year by reason of the fact that his automatic promotion was denied him. He likewise suffered a similar loss for the five years while he is in the automatic grades, providing the economy act is repealed after one year, because each year that he was in the $1,700 class he receives no promotion, and the next year when he would have attained the $1,800 class he loses an additional $100 because he finds himself in the $1,700 class. The following year he finds himself in a class that is paid $100 lower than it would have been had the economy bill never been passed, and so the average loss of an employee in the automatic grades is the loss sustained by the average employee in the maximum grade plus the number of years that he must work to attain the maximum grade in his particular class. So the loss sustained by the postal employee in the lower or fifth grade averages approximately $700 providing the economy bill applies to promotions for the duration of but one year; and I say to you, gentlemen, that is a severe penalty, and, so far as promotions are concerned, we ought to terminate that section of the economy act here and now.

Another question that should merit our consideration at this time is a recommendation that emanated from the Postmaster General. In his letter to Senator BINGHAM he said that for a long time it had been the policy of the Post Office Department to administer, as a disciplinary measure, demotion for a short period of time to certain employees of the Post Office Department. By reason of the interpretation on the part of the Comptroller General a post-office employee who is demerited by reduction to a lower grade finds it impossible under the law to return to his proper grade, even when the disciplinary action on the part of the Postmaster General has been satisfied. So, in order to equalize the penalties inflicted by the economy law, in order to alleviate this injustice to the younger men in the service, to those who have been demerited, those who have been temporarily demoted, I believe this section should be stricken from the bill.

Mr. BYRNS. Mr. Chairman, we have come to that part of the bill which is going to be subject to a great deal of controversy in connection with its consideration. I think we should have a very clear understanding of these amendments as they are proposed because I understand quite a number will be offered. At the outset let me say that there will not be a single amendment proposed which will not to some extent increase the appropriations carried in this bill. I think that ought to be understood by the Congress and it ought to be understood by the country.

Whenever any one of these amendments is adopted we are voting to increase the appropriations carried in this bill, appropriations which have already been eliminated at the instance of the Budget, and by the committee, anticipating that the Congress at this session would do what it did at the last session and continue the so-called economy bill.

I think it is pretty well understood by all the membership that I was not at all in sympathy with much that was proposed by the Economy Committee. There were a number of its recommendations with which I could not and did not agree, but referring particularly to the question of reductions of salaries, my own idea was that we should have reduced those salaries, beginning at a fixed point which was considered sufficient for living purposes, and then to increase, on a graduated scale, the amount of the percentage of reduction up into the higher salaries. For that reason I was opposed to the furlough system and voted against it, but the House adopted it and the Congress adopted it, and therefore your committee, when it came to consider what it should do with reference to its recommendation to the House for the next fiscal year, felt that it ought to recommend to this House and to the Congress a continuance of the provisions which passed by a large majority only at the last session.

Now, this particular amendment seeks to strike out section 201 which is intended to prohibit temporarily, and not permanently, automatic promotions. It was the theory of the Economy Committee at the last session, and I agreed with it in that respect, that since we were reducing salaries and proposed to reduce most or all of the salaries, it would put us in an indefensible attitude to increase some 12,000 salaries in the sum of $100, and that therefore these automatic increases should not take place during this year, and we have now recommended that they not take place next year. I submit that we can hardly go before the country and say that we have cut down and reduced the salaries of thousands of employees of this country and in the same breath increased the salary of any official of this Government.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BYRNS. I do not want to take up time, but I want to make this plain in my opening statement with reference

to this recommendation by the committee. If you adopt this amendment, you not only automatically increase some 12,000 postal employees in the country but you automatically increase a number of thousand employees in nearly every other department of the Government, and the Bureau of the Budget told us it means nearly $4,000,000 which will have to be added to the Treasury Department expenditures for 1934, for that is the sum that the Director of the Budget recommended be reduced in this appropriation, and that is the sum that your committee, accepting the recommendation of the Bureau of the Budget, accepted, and reduced the appropriation. Now, if this section is stricken out, we must add to this bill somewhere, somehow, the sum of $4,000,000, and the taxpayers of this country have to make up the difference.

Now, it does seem to me, regardless of the question of whether there ought to be a reduction or not—and I know there is a sharp difference of opinion, an honest difference of opinion upon the part of many Members of this House with reference to the question of reduction—it does seem to me that no Member of the House ought to be asking at this time, when the large cities of this country throughout the country are reducing salaries, for an increase in the salary of anybody. That is what this means.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. KELLY of Pennsylvania. We understand the gentleman's position, and I know he is perfectly sincere in it. The gentleman admits that the working out of the unprecedented furlough system has resulted in injustices. Is it going to be the attitude of the gentleman to oppose the correction of admitted injustices in this experimental legislation?

Mr. BYRNS. Well, I say I hope we can climb that hill when we come to it. I would not want to say in advance that I would personally oppose any amendment that was offered, because I would first want to see the amendment. But I have no objection to saying to the gentleman that it is my present belief that we ought to go very slow and be very deliberate and very careful about changing the present law upon the subject. I understand there are a great many injustices and inequalities, so claimed by those who propose them, but it was adopted last year at the instance of the Economy Committee, and this House, after very thorough consideration of the whole subject, adopted it. It has been construed by the Comptroller General. The departments now know how to construe it, and if you once enter into the question of changing that law here, and try to meet the views of some individual Member of Congress, you will open a Pandora's box, and you do not know what will happen. Therefore it seems to me that even though it may entail some sacrifice on the part of some employee who is working for his Government and yours, we ought to continue this for one year more, because you know the President of the United States not only recommended a continuance of the economy provisions just as they were passed by this House for this year, but in addition thereto, a week or so ago sent down an additional estimate in which he recommended that there be superimposed upon these reductions an 11 per cent reduction with a $1,000 exemption.

Mr. MAAS. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MAAS. What would be the gentleman's position with reference to an amendment which would permit those who, for disciplinary reasons, have been reduced, to be reinstated? I have a case in mind where an employee merely referred to an inspector as "a suspector," and he was reduced $200. This year it will be $600. It was never intended that he should be fined any such sum; and there are many other cases.

Mr. BYRNS. In a case of that sort, this House can not sit here as a reviewing body. What do we know about the facts which the gentleman mentioned? I will believe anything the gentleman says.

Mr. MAAS. I thank the gentleman.

Mr. BYRNS. But how much does the gentleman know about it? It was passed upon by the postmaster and by the Post Office Department, and I do not see how we can sit here as a reviewing body of every little proposition that is brought before us.

[Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are faced with the question as to whether or not we shall correct undoubted injustices in the operation of the furlough plan which was enacted at the last session. I congratulate the committee and the chairman on the fact that at least they stood against any further reductions in the wage standards of governmental employees.

Last December I stated that if this Congress undertook to choose the downward course, it would drive us still farther into this depression. I also stated that we would be faced with the prospect of going still farther this year. That recommendation has been made in several quarters. The committee has refused to follow such advice. They said, "We will stop here."

In my estimation, we have been as though we were in an airplane in a nose dive. We have been accelerating the drop by every wage cut and every ruthless retrenchment. Now, some method must be evolved to stop the plane by using the controls and leveling out before we can reach the higher altitudes where there will be prosperity. Here is a decision at least that we are going to stop the decline, with a view to reaching higher and better standards for all Americans.

The gentleman from New York [Mr. MEAD] has brought one injustice to our attention. There are several others which should be remedied. No one in this Congress had any intention of penalizing employees who received less than $1,000. We said that if employees received less than that amount there would be no reduction, and yet substitutes in the service getting $400 a year or $500 a year have been obliged to pay 8⅓ per cent of their salaries on account of the working of the economy bill. This should be corrected. There are special-delivery messengers in a pitiful position—each one of them compelled to have an automobile, compelled to keep up that automobile, running an average mileage of 80 miles a day—and yet we have taken 8⅓ per cent off their miserable pittance. The net figure in many cases is $20, $30, and $40 a month. There should be action on this injustice without delay.

In this deliberation we should be able to take these amendments as they are offered and act upon them, in all fairness, and yet not interfere with the general plan of the Appropriations Committee.

I believe this amendment of the gentleman from New York [Mr. MEAD] should be adopted. Then we will say that although we did penalize workers in the lower grades last year $100 in addition to the 8⅓ per cent we are now going to stop it.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. MEAD. The Postmaster General made the suggestion to the Appropriations Committee that we add the following proviso to the first sentence of section 202:

Provided further, That the restoration of employees to their former grade, or their advancement to intermediate grades following reductions of compensation for disciplinary reasons shall not be construed to be administration promotions for the purposes of this section.

This evidently is the attitude of the administration, both on the part of the Postmaster General and the President; it is to correct seeming injustices.

Mr. KELLY of Pennsylvania. Yes; it will not interfere with the program of the Appropriations Committee. I appeal to the Members to look at these amendments as they are offered on the basis of their inherent justice, and to favor amendments that straighten out those things that are admitted by the department, by the gentleman from Tennessee [Mr. BYRNS], and by all of us to be unwarranted even under conditions as they are to-day.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from New York [Mr. MEAD].

The Clerk read as follows:

Amendment to the amendment offered by Mr. MEAD, to be added to section 4, page 66, at the end thereof, line 20: "*Provided further*, That sections 101 and 105 shall not apply to any employee unless the aggregate compensation earned by such employee shall exceed $83.33 per month. The provisions of this paragraph shall not operate so as to reduce the aggregate compensation paid any employee below $83.33 per month."

Mr. BYRNS. Mr. Chairman, I make the point of order this amendment is not germane to the amendment to which it is offered.

The CHAIRMAN. The Chair is inclined to sustain the point of order. The Chair will state to the gentleman from New York that the pending amendment is solely to strike out certain figures in the bill.

Mr. LAGUARDIA. No; if the Chairman please, the pending amendment strikes out of section 4 a paragraph referred to of another law, and my amendment carries a proviso in reference to the same law referred to by the gentleman's amendment. It does not strike out a section from this bill. It strikes out a section referred to in this section.

Mr. BYRNS. Mr. Chairman, the amendment offered by the gentleman from New York [Mr. MEAD] undertakes to strike out the section which relates to automatic increases, promotions in the service.

Mr. LAGUARDIA. Yes.

Mr. BYRNS. Now, the gentleman from New York [Mr. LAGUARDIA] offers an amendment which relates to reductions of a different class of employees altogether.

Mr. LAGUARDIA. But it is in the same section.

Mr. BYRNS. And to a different section of the bill.

Mr. LAGUARDIA. No.

Mr. BYRNS. And does not apply in any sense to section 201.

Mr. LAGUARDIA. It is in the same section of the bill.

Mr. BYRNS. Therefore it seems to me that it is not germane at the present time.

Mr. LAGUARDIA. Mr. Chairman, the gentleman from Tennessee prefaces the proposition by stating that the amendment offered by the gentleman from New York [Mr. MEAD] refers to another section. It refers to another section in another law, but it is in the same section that the amendment which I now offer applies to.

The CHAIRMAN (Mr. MCMILLAN). The Chair sustains the point of order on the ground that it is not germane to the amendment proposed by the gentleman from New York [Mr. MEAD].

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the gentleman from Tennessee [Mr. BYRNS] makes the appeal that any amendment to-day would disturb the present appropriations. Surely this is no argument on the merits of the amendments which are offered to-day to cure injustices which have crept into the economy bill by reason of the way the bill was drawn.

The amendment I just offered, and which will be offered again in the course of this afternoon, seeks only to correct a condition which was never intended by this House, and I want to ask the gentleman from Tennessee, and any Member here to-day, if when pleading for the so-called economy bill, he intended to reduce by 8⅓ per cent the pay of any employee that amounted to $8, $9, or $10 a week?

If there is any Member who wants to go on record that at the time of voting for that bill, when the $1,000 exemption was put in, he intended to reduce the pay of substitute carriers and clerks who are earning $10 or $7 or $8 a week, and intended that they should be included because they are paid at the rate of 65 cents an hour, then I will withdraw all my complaint and all my attempt to correct this injustice.

This is manifestly true. I have spoken with a great many Members, and there is not a Member I have spoken to who has not said that that was not his intention, and I want to plead with the gentleman from Tennessee to correct this grave injustice.

Mr. BYRNS. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. BYRNS. The gentleman has expressed himself heretofore as being very much opposed to that provision of the economy bill which undertook to provide for a reduction of salary where a salary was being paid at the rate of $1,000. I want to ask the gentleman, even though the amendment should prevail and they should not be reduced, whether or not he thinks, regardless of his opinion as to reduction of salaries, that there ought to be any increases of salaries provided for 1934, whether they are automatic or otherwise?

Mr. LAGUARDIA. Increases?

Mr. BYRNS. Yes; that is the plain proposition that is presented on this amendment, and I would like to have the gentleman's opinion about it.

Mr. LAGUARDIA. I am going to vote for the amendment. The gentleman has talked about reduced commodity prices, and I say that is exactly what has ruined the country.

Mr. BYRNS. The gentleman has not answered my question.

Mr. LAGUARDIA. I shall be pleased to answer it.

Mr. BYRNS. My question is whether the gentleman believes that under present conditions in his own great city of New York, where they are undertaking to reduce salaries by millions of dollars and where that question is now a subject of great controversy, and in view of the general condition of the country, Congress should increase the salary of anybody, no matter who he is? That is what this amendment proposes to do. Will the gentleman answer that question?

Mr. LAGUARDIA. Of course I will. The gentleman himself justifies these reductions and the refusal to increase salaries by reason of reduced commodity prices; and I say that we will have to bring up commodity prices, and if we bring up commodity prices we have got to bring up wages. That is the way to cure the situation in this country, and not the way that the gentleman is proposing.

Mr. BYRNS. I still think the gentleman has not answered my question. I ask the gentleman whether he thinks, when we are not increasing the salary of hundreds of thousands of employees, that 12,000 employees of the Government should be selected for an increase and the others not increased?

Mr. LAGUARDIA. No.

Mr. BYRNS. Especially when the great majority of those whose salaries are not going to be increased are not receiving as much as those who will have their salaries automatically increased.

Mr. LAGUARDIA. I will say to the gentleman that the whole policy is a mistake.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAGUARDIA. My objection is to the whole policy.

Mr. BYRNS. I did not ask the gentleman about his objection. I asked whether he favored the increasing of 12,000 employees of the Government under the circumstances I have stated, and it seems to me that is a very plain question, and my friend can answer it.

Mr. LAGUARDIA. I answered the gentleman and stated I would vote for the amendment now before the House. I favor the increase for these 12,000 employees and I favor increases for all Federal employees and I favor increases for all workers who are producing the wealth of this country. I am opposed to tearing down wages and tearing down commodity prices and continuing the depression that we are now suffering under. Does that answer the gentleman?

Mr. BYRNS. Let me now ask the gentleman this further question——

Mr. LAGUARDIA. Certainly.

Mr. BYRNS. Does the gentleman believe that if these salaries should be increased by the appropriations in this and in other bills over $3,900,000 by giving an automatic increase to some 12,000 employees in the Government service

this would have any effect, one way or the other, upon commodity prices?

Mr. LAGUARDIA. I will say this with respect to the policy of the last Congress when responsible Members of the House—I do not know whether the gentleman was one of them or not—took the floor and solemnly told us this policy was for one year only. Even though it was for one year only, it had the psychological effect on the industry and commerce of this country that it was expected to have, and immediately thereafter 10 per cent reductions were put into effect in factories and in business generally all over this country. I say yes, that was detrimental to the economic condition then existing, and your entire mistake is in bringing down commodity prices, bringing down wages, but keeping up interest rates. That is the trouble in this country and that is why this depression has continued. That is why the farmers in the gentleman's State are bankrupt and are being foreclosed and are being put in the position of tenant peasants.

This is why we are opposing this proposition. I have said this many times. If it were the salaries of Government employees that were involved, then it would be another question, but this goes to the very basis of all our economic troubles, and at this very moment factories and employers generally all over the country are waiting for the approval of this bill to give their underpaid, partially employed employees another cut, and, gentlemen, this condition can not continue. The trouble is that everything is being reduced except interest rates.

So that there may be no misgivings about this question, I will repeat, for the benefit of the gentleman from Tennessee, I expect to vote for the amendment now before the House.

Mr. MEAD. If the gentleman will permit, if we carry to its logical conclusion the philosophy of those who would continue to reduce, we would balance the Budget at zero on both sides and we would find ourselves flat on our backs, starving to death, and the only fruits of this economic program would be wasted on additional unemployment, business losses, diminished savings, and we would just go from bad to worse.

Mr. LAGUARDIA. And now you have suggested a sales tax. The picture is complete. If you can get any satisfaction from such a program, you are welcome to it.

Mr. WOOD of Indiana. Mr. Chairman, I rise in opposition to the amendment. I can not understand the logic of the gentleman from New York. He has made bold to state here that by reason of the action of Congress at the last session reducing the salaries it not only caused a general reduction of wages in industry throughout the country but at the same time it reduced commodity prices.

The fact is that every industry of any consequence in this country had lowered the salaries of its employees, not only once but most of them twice, before Congress took any action in lowering the salaries of the Federal employees.

Carrying out the logic of these gentlemen in order to get at the depression, we should double or triple the wages of Federal employees. I can not understand that character of logic. It is trying to lift yourself over the fence by your bootstraps, a thing that can not be done. That the Federal employees, working for the best paymaster in the world, working less time, and doing less work, complain of this slight reduction in this period of depression is hard to understand.

In the campaign just closed, especially those who campaigned in country districts, there was one thought paramount in the minds of the farmers, and that was that we should reduce the cost of government. You heard on every hand the question whether an honest attempt was going to be made to reduce the salaries of Federal employees. Had those who are trying to amend this bill been as industrious in trying to remedy the errors that crept into it as they were to defeat the whole bill, there would not be so much talk about it here to-day.

But the attempt in this amendment to increase the appropriation by $4,000,000, not only by restoring the wages that have been reduced but increasing them, certainly can not meet with favor by any Member of this body who has any consideration whatever for the taxpayers of this country.

It seems that we are considering everybody except the burdened taxpayers, the burdened borrowers of this country. It seems that we are paying more attention to those who do less for the Government than to anybody else. Now, I want to read a letter that I consider typical. It is from a gentleman in Aldie, Va., a historic place, the home of Monroe, and where good people live. The letter is as follows:

ALDIE, VA., *December 13, 1932.*

Hon. WILL R. WOOD,
House of Representatives, Washington, D. C.

DEAR SIR: This is a letter that will need but a minute to read and that requires no answer. I wish to thank you for your speech in the House yesterday on the question of salaries of Federal workers. I know from personal observation and knowledge that what you say of the number of them uselessly and in these times wickedly employed is true. None of them were drafted for the jobs they hold; on the contrary, they made the lives of Senators, Representatives, and others miserable until they obtained these places. If they are not satisfied, nobody will hinder them from going back home.

With reference to their salaries and hours, I beg to compare a recent experience of a farmer neighbor, Frank Williams, Aldie, Va. To try to avoid the sale of his home for taxes he hauled 10 cows 80 miles for sale in Baltimore and received for them 1½ cents per pound. Of course, the pitiful proceeds couldn't save the home, which is advertised for sale by the county treasurer.

This man averages 12 hours of hard work on week days the year round besides the usual farm chores (milking, feeding, etc.) on Sundays. If the Government clerks had a dose of this kind of life, they would stop whining about their salaries.

Very respectfully yours,

FLOYD W. HARRIS.

That is typical of the condition of the farmers of this country, the men who work 12 hours a day and receive 10 cents a bushel for their corn and 8 cents a bushel for their oats; and yet these clerks insistently and persistently are besieging Members of this House and the Senate with a plea not only not to reduce their salaries but to increase them.

So I say that these clerks should be thankful, and instead of having their wages further reduced they should gracefully accept the proposal before us. For us to adopt the proposed amendment increasing salaries of 12,000 Federal employees is, to my mind, indefensible and unjustifiable.

Mr. GREEN. Mr. Chairman, I move to strike out the last word. It was not my intention to speak on this particular item of the bill; but it seems to me some Members of my own party as well as some on the other side of the aisle have been going far afield when they undertake to carry out the recent edicts of the American people. I have some remembrance of having read somewhere in our own platform a plank calling for a reduction in Federal expenditures. I do not think there is anyone in this House who desires to see maintained a high wage standard for Federal employees and civilian employees more than I do. I believe in the dignity of labor and the majesty of toil and shall forever uphold an adequate and safe wage standard. I also desire to see the purchasing power of the dollar come back once more to where it was rather than for a dollar now to buy about four times a dollar's worth of labor, farmer's goods, and manufacturer's goods.

If we are to have the purchasing power of the dollar restored, if we are to be able to maintain the wage standard in industry and that realized by the Federal employees, we must go to the fundamental evils in our general system of government and remove them. Let me say to the distinguished gentleman from New York [Mr. LAGUARDIA] that we are not going to remedy them by standing in the way of every Federal economy. If we are to maintain our wage standards, if we are to bring back the purchasing power of the dollar, we must do things greater than come to the floor of the House and stand in the way of economies in government. I am seriously considering at the proper time offering a motion to recommit this bill, directing the Committee on Appropriations to report it back with at least a 25 per cent reduction on every item contained in it.

I fully appreciate the fact that this great statesman from Tennessee [Mr. BYRNS] has materially reduced practically

every recommendation of our President. He has done this, and in that respect carried out the will of the American people; but he has not gone far enough. I can not help recalling an instance in which a high Cabinet officer—the Postmaster General, I believe—only recently, according to the newspaper story, turned in eight automobiles from his department and then added $1,700 to the amount received in order to buy a great limousine to ride around in, only to find the space above his hat—his head was so large and his hat was even larger—in this great automobile inadequate to hold him; and when he found it inadequate, then he called upon the taxpayers to buy him one a little larger so as to give him a little more space, to let his head magnify a little more, to give his hat a little more space, so he could further high-hat the destitute of the American people. My friends, do you believe this is representative democracy? Does my friend LAGUARDIA uphold this wild extravagance? Have we forgotten the destitute of America? Have we forgotten the 12,000,000 unemployed? Did the American people forget Postmaster General Brown and his kind on November 8? No! No! They spoke in decided language and voted them out.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GREEN. Mr. Chairman, I have not spoken on this bill heretofore or on the other bill. I ask unanimous consent to proceed for another three minutes.

Mr. CLARKE of New York. Oh, I ask that the gentleman be given five minutes.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. GREEN. I thank my genial friend from New York [Mr. CLARKE], even though he frequently does these things in jest. Even in jest many things are done which redound to the benefit of our great country, and I thank my genial friend. What I would like to stress in the minds of my friends is that the American people in their destitution are calling out to the Congress to bring about relief measures. We must enact relief measures, and the first one is to reduce the expenditures of the Federal Government. Now is the time to show our faith. All over our respective States we called upon the electors to return us to power in order that we could reduce Federal expenditures. A cut of 25 per cent—yes; 50 per cent—would not be quite in keeping with the enlarged purchasing power of the American dollar. Think of the thousands of bureau officials who receive large salaries because of this great scheme of bureaucracy that the American people have builded, largely under Republican rule. The reduction of bureaucracy was in the minds of the American people on November 8, and I call on my colleagues on this side of the aisle to join in the abolition of at least three-fourths of these bureaus and return the functions of Government belonging to the States back to the States and let them carry on government as they were empowered to do when our Constitution was agreed to by the 12 original States approving it. There is where your expenditures have gone. I shall insist on further economies in government, and I hope my colleagues will join me. [Applause.]

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. MOUSER. Mr. Chairman, I move to strike out the last word. I have taken the floor at this time to state my position frankly on this position of reducing salaries in the lower brackets of governmental employees. I was indeed surprised that the distinguished chairman of the Committee on Appropriations would ask the gentleman from New York [Mr. LAGUARDIA] if it is not a fact that in New York City they are now considering a reduction of salaries of city employees. I think the distinguished chairman of the Committee on Appropriations has read something about the investigation being conducted by the Hofstadter committee under the able guidance of Mr. Seabury. The reason that city employees of New York City are now being compelled to take a lower wage is because of the spoils system adopted in New York City by Tammany. There has been such a revulsion of feeling because of Tammany's administration of the affairs of New York City that Jimmy Walker had to resign under pressure at a hearing conducted by the next President of the United States, when it got so hot for him that he resigned rather than submit to the humiliation of being fired. It was because that pernicious political system in New York City was literally robbing the taxpayers that to-day the employees receiving small salaries are being forced to take still smaller ones. They are bearing the brunt; they are paying the price of the unholy alliance of Tammany with the minority Republican Party, which gets the minority number of employees in that city because of the political trade that occurred.

Is it any wonder that great Democrat, McKee, who, by virtue of Jimmy Walker's resignation, became the chief executive, because he suggested reforms in New York City government to stop the plunder and graft and maintenance of the spoils system, was not the Tammany candidate for mayor this year?

Tammany did not want McKee. McKee stood for the taxpayers of New York City, and therefore they nominated and elected, with machine control, a man that stood for Tammany. That is why the man who is in humble position in New York City to-day has been compelled to take a reduction in wages. It is because of the selfishness, corruption, and graft that was exposed by Mr. Seabury and his committee in their investigations that has caused the ordinary little fellow to suffer by having his wages reduced.

Now, we are talking about reducing the salaries of employees in the lower brackets, and yet we Congressmen refused to adopt a resolution introduced by the gentleman from Ohio [Mr. COOPER] last session reducing our salaries $2,500. I voted for it. You refused to pass the resolution to destroy the pernicious system of nepotism.

[Here the gavel fell.]

Mr. MOUSER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. BYRNS. Mr. Chairman, reserving the right to object, I submit the gentleman has not discussed the amendment before the House. We have a dozen or probably more amendments. This is a question, I will say to the gentleman, of whether or not the gentleman favors automatic increases for next year. The gentleman has been discussing New York City; he has been discussing Tammany; he has discussed Seabury, and everything else, and I object. I move that all debate upon this amendment do now close.

Mr. MOUSER. I ask unanimous consent to proceed.

Mr. BYRNS. I move that the debate be now closed on this amendment. The gentleman can get his five minutes on some other amendment.

Mr. SNELL. I would like five minutes on this particular amendment.

Mr. BYRNS. The gentleman from New York desires to discuss this particular amendment?

Mr. SNELL. Yes.

Mr. BYRNS. Then I withdraw the motion temporarily.

Mr. MOUSER. I thank the distinguished gentleman from Tennessee.

Mr. BYRNS. I withdraw it for the benefit of the gentleman from New York [Mr. SNELL.]

Mr. MOUSER. I thank the gentleman for Mr. SNELL.

Mr. SNELL. Mr. Chairman, am I recognized?

The CHAIRMAN. The gentleman from New York [Mr. SNELL] is recognized.

Mr. SNELL. Mr. Chairman, it does seem to me that even when we discuss the question of salaries of Government employees we ought to use a little bit of common sense. I am just as much interested in the pay of these men as some of my colleagues who make vehement speeches every day and say they want to increase them, but I remember very well that practically every one of us was a candidate for reelection a short time ago, and I want to see a man stand on the floor of this House to-day and say that he went before the people of this country advocating increased expenditures in any specific line. [Applause.] I want any-

body to stand who says that he went before his people and told them he wanted to increase the salaries of Government employees.

Mr. CONNERY. I will be glad to stand up for the gentleman.

Mr. SNELL. That is all right. I want to find out who these men are.

Mr. BLACK. How about me?

Mr. FITZPATRICK. Will the gentleman yield?

Mr. SNELL. Not at present.

Now, regardless of any conditions or any argument that anybody can make, there is no real, definite, tangible reason why an increase should be given to any class of Government employees at the present time. [Applause.]

I do not want to decrease anybody's salary, but the real object of the amendment before us to be voted upon at the present time is to increase the pay of 12,000 or 20,000 Government employees. Regardless of how you consider any of these other propositions, whether you are for the furlough plan or not, there is no real reason to-day for increasing the pay of any class of Government employees, and that is the real question before us.

There are some things I would like to have changed. There are some inequalities that are wrong, and if we had an opportunity to amend them, I would do so. I do not want to cut anybody who at present is drawing a salary on a basis of less than $1,000, but that question is not before us at the present time. If you vote "yes" on the amendment offered by the gentleman from New York [Mr. MEAD], that means you are in favor of increasing salaries. I do not believe the American people want that done at the present time, and I for one have promised not to do it and do not intend to do it. If there is a man on a farm anywhere that can even pay his taxes, he is mighty lucky, to say nothing about having increased money to take care of other expenses, and we must remember that we represent these people as well as the Government employees.

I am opposed to this proposition for the very reason that it does increase salaries, and I am opposed to that at the present time.

Mr. FITZPATRICK. Will the gentleman yield?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close. There will be other amendments upon which the Members can speak.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MEAD].

The question was taken; and on a division (demanded by Mr. MEAD) there were ayes 25 and noes 87.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: To be added at section 4, page 66, at the end thereof, line 20: "*Provided further*, That sections 101 and 105 shall not apply to any employee unless the aggregate compensation earned by such employee shall exceed $83.33 per month. The provisions of this paragraph shall not operate so as to reduce the aggregate compensation paid any employee below $83.33 per month."

Mr. LAGUARDIA. Mr. Chairman, this is not an increase. This does not disturb in any way the intent of Congress when it passed the economy bill. This simply seeks to correct an unintentional mistake. I repeat now, if there is one man on the floor of this House who voted for the economy bill, that when he did so, intended to take 8⅓ per cent from any employee drawing $10 a week, I will withdraw the amendment.

Now, every Member of this House when he voted for the economy bill understood, or believed, that it provided that there would be no reduction where salaries were under $1,000 a year. Is not this so?

Mr. KELLER. Certainly.

Mr. LAGUARDIA. Unfortunately it was written "At the rate of $1,000"; and the substitute clerk and carrier getting 65 cents an hour is paid at a rate greater than $1,000, so the comptroller has ruled that he comes within the provisions of the economy bill. The result is that 8⅓ per cent is deducted from the check which he receives every two weeks, which, in my city, is less than $15, never over $20—from $7.50 to $10 a week.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. SNELL. While I am opposing any increases I am not opposed to making any changes which are definitely described as, and proved to be, injustices. I think we did not intend to do that when we passed the original bill.

Mr. LAGUARDIA. I thank the gentleman from New York.

Mr. SNELL. And I am not going to object to this amendment so far as I am concerned.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. COCHRAN of Missouri. Will this correct the situation in reference to substitutes as well as the special-delivery service?

Mr. LAGUARDIA. Yes.

Mr. COCHRAN of Missouri. Both?

Mr. LAGUARDIA. Yes.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. SIROVICH. The gentleman from Indiana was correct when he said it was not intended to reduce such salaries.

Mr. LAGUARDIA. I am going to assume a rôle towards the gentleman from Tennessee that I doubt if I can fulfill: I am going to plead with the gentleman from Tennessee on this matter and not fight him. Mr. Speaker, these men are wearing the uniform of the United States, and they must report every morning and remain on call, yet they are earning $8 and $9 a week, and I tell you in some instances their wives, mothers with children, have applied for relief to New York City and they could not get the charity because their husbands were in the employ of the United States Government. These clerks are handling valuable mail, yet they are drawing $7.50 or $8 a week, and that is being reduced by this 8⅓ per cent. They know they have to serve this period of substitution until they may be permanently employed. I want to plead with the gentleman from Tennessee to at least relent in this instance and to correct the mistake that has been made, for it was not the intention of Congress to apply this reduction to these underpaid men. Now I am trying to plead with the committee. I hope the House will respond.

Mr. BYRNS. Mr. Chairman, I always try to be frank with the House, and I would not be entirely frank if I did not say this: I did not expect when the provision was adopted a year ago that it would apply to employees who drew less than $1,000 a year. Those who drew the economy bill, whether intentionally or otherwise, provided that the reduction should be made upon those who received compensation at the rate of $1,000 a year. The Comptroller General ruled, therefore, that it applied to the class of employees the gentleman from New York has referred to, and I think in the strict letter of the law the Comptroller General was entirely correct in his ruling.

I am not going to do more on this occasion than to call the attention of the House to just what the adoption of this amendment means. Then it is up to the House to take such action as it may choose to take. Of course, this amendment if adopted will not apply alone to substitutes in the Post Office Department, but it will apply to thousands of employees in the Forest Service and in other departments of the Government in the field. It means, according to the reports I have received, that if it is adopted there will be added to the expenditures of the Government something over $2,000,000.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. I yield.



Mr. SNELL. How many employees, approximately, are there in the field service who draw less than $83 per month? Can the gentleman from Tennessee answer this question?

Mr. BYRNS. I am not able to tell the gentleman from New York the number. I asked for that, but I was not furnished that in this statement.

Mr. SNELL. I did not suppose that many of the employees in the field service in connection with the Department of Public Lands and the Forestry Service drew less than $83 per month.

Mr. BYRNS. There are a great many temporary employees employed in these services during the year.

Mr. SNELL. Do they draw less than $83 per month?

Mr. BYRNS. They draw less than $1,000 a year.

Mr. SNELL. But the amendment says $83 per month; it is on a monthly basis.

Mr. BYRNS. They draw more than that.

Mr. SNELL. Then it does not apply to them, as I understand it.

Mr. BYRNS. It affects them, because as I understand this amendment applies to all those who throughout the year receive less than $1,000.

Mr. SNELL. No; it says less than $83 per month, at the rate of $83 per month.

Mr. BYRNS. Here is what the Director of the Budget said in answer to my inquiry:

BUREAU OF THE BUDGET,
Washington, December 14, 1932.

Hon. JOSEPH W. BYRNS,
Chairman Committee on Appropriation,
House of Representatives.

MY DEAR MR. BYRNS: This is in response to your request for information as to what amount would be involved if sections 101 and 105 of the economy act were modified in their application to temporary or, in other words, seasonal, emergency, or intermittent employees, so as to apply not to the rate of pay but the compensation earned only when it exceeds $83.33 per month.

You appreciate, I am sure, that it would be impossible without a thorough survey by all of the departments to obtain information upon which to base an estimate, so that without resort to this the best I can do is to give you an approximation based on such information as I have, together with that which I have been able to quickly obtain.

In my opinion the total annual amount involved will probably be less than $1,000,000. This is exclusive of the Postal Service, as your office has advised me that the amount for that service is being obtained from the Post Office Department.

Sincerely yours,

J. CLAWSON ROOP, *Director.*

I have a letter here from the Executive Assistant to the Postmaster General.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Chairman, the letter from the executive assistant to the Postmaster General reads as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 14, 1932.

Hon. JOSEPH W. BYRNS,
Chairman Committee on Appropriations,
House of Representatives.

MY DEAR MR. CHAIRMAN: In response to inquiry by telephone from your office relative to the additional cost to the Postal Service for the fiscal year 1934 in the event that an amendment will be inserted to the effect that the compensation deduction of 8½ per cent shall not apply to any employee unless the aggregate compensation earned by such employee shall exceed $83.33 per month, the department is submitting the following statement of the additional cost for substitute service if the exemption of $83.33 per month is inserted in the Post Office appropriation bill for the next fiscal year. It is assumed that any such amendment will not apply in the case of substitutes in the Rural Free Delivery Service.

Class of employees:	Additional cost per annum
Clerks, first and second class offices, including watchmen, messengers, and laborers	$355,000
City delivery carriers	450,000
Village delivery carriers	20,000
Motor-vehicle employees	$30,000
Railway postal clerks	4,000
Total	859,000

By direction of the Postmaster General.

Very truly yours,

HAROLD N. GRAVES,
Executive Assistant to the Postmaster General.

In addition there should be added whatever amount will be required in the pay of special-delivery messages and for the Rural Free Delivery Service; and while I have no official information to this effect, I am informed it will probably amount to something like $250,000, which would run the sum up to over $1,000,000. This is the justification for my statement to the committee that the adoption of this amendment would mean an addition of something like $2,000,000 to the appropriation.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SNELL. Will the gentleman agree with me that the interpretation that has been put on by the departments was not the original intention of Congress?

Mr. BYRNS. I do not know what the intention of Congress was; I know what my intention was.

Mr. SNELL. I am talking about the gentleman and myself, and there are others here that agree with our view; and if we made a mistake and the matter has not been interpreted as we wanted it, now is the proper time to rectify the mistake; and it seems to me while it will probably cost a little more, I seriously doubt that it will amount to as much as $2,000,000, as stated in the letters which the gentleman has read. I think there is covered there more than we are trying to reach at the present time. [Applause.]

Mr. BYRNS. Mr. Chairman, I ask for a vote on the amendment.

Mr. MOUSER. Mr. Chairman, I rise in support of the amendment.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that all debate on this amendment has been exhausted.

The CHAIRMAN. The gentleman from Alabama [Mr. BANKHEAD] makes the point of order that all debate on this amendment has been exhausted. The point of order is well taken, and the Chair sustains the point of order.

Mr. MOUSER. May I be heard on the point of order?

The CHAIRMAN. The Chair has sustained the point of order.

The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEAD: On page 66, line 5, after the semicolon, insert: "*Provided*, That the Administrator of Veterans' Affairs is authorized and directed to pay from the civil-service retirement and disability fund to each of the persons named in Executive Order No. 5874, dated June 30, 1932, or to the legal representatives of any such person, the sum which each such person would be entitled to receive under the provisions of the civil service retirement act, approved May 29, 1930 (U. S. C., Supp. V, title 5, ch. 14), for the period from July 11, 1932, to July 31, 1932, both inclusive or to the date of death, where death occurred prior to July 31, 1932, if the act entitled 'An act to provide for a uniform retirement date for authorized retirements for Federal personnel,' approved April 13, 1930 (U. S. C., Supp. V, Title V, sec. 47 (a)), had not been enacted."

Mr. BYRNS. Mr. Chairman, I make the point of order on the amendment that it is not germane to the bill or to the subject matter of any of these particular provisions.

Mr. MEAD. Mr. Chairman, I desire to be heard.

The CHAIRMAN. Does the gentleman from Tennessee reserve his point of order?

Mr. BYRNS. If the gentleman from New York wants to discuss the amendment, I reserve the point of order.

Mr. MEAD. Mr. Chairman, the amendment which I offer is aimed to correct an injustice which resulted from the enactment of the so-called economy act. The economy act

was passed and took effect on the first day of the following month, and the Postmaster General found it impossible to dispense with the services of some 2,000 employees who had reached the age limit and were mandatorily retired. The Postmaster General sought an Executive order to retain these men in the service for a period of 10 days. As a result of their serving the Government from the 1st to the 10th of the month, they were denied retirement pay for 21 days of the month of July, because, under the ruling of the Comptroller General, they could not be paid their retirement annuity until the 1st of the next succeeding month following their separation from the service.

Some time ago, in answer to a request from the late Senator Jones, the Postmaster General addressed a letter, which was received by Senator BINGHAM, and in this letter he has this comment to make in connection with this proposed amendment to the economy law:

The department has no doubt that it is the intention of the civil service retirement act that all persons coming under the provisions of that act shall be eligible to receive annuities from the day following their separation from the service except as the act may expressly provide otherwise. The persons named in the Executive order above referred to have apparently been deprived of their rights in this respect by a mere technicality, and it is believed that as a matter of simple justice to them Congress should authorize the payment of the annuities for the period from July 11 to July 31, inclusive.

The Postmaster General then suggests the following amendment, which, in the main, parallels the amendment which I have sent to the desk:

The Administrator of Veterans' Affairs is hereby authorized and directed to make payment from the civil service retirement and disability fund to the persons named in Executive Order No. 5874, dated June 30, 1932, or to their legal representatives, pro rata, annuities at the rate to which such persons were or would have been respectively entitled beginning on August 1, 1932, and covering the person from the respective dates of separation from active service, as may be certified by the proper administrative officers to July 31, 1932, inclusive, or to date of death where death occurred prior to July 31, 1932.

In view of the fact that this technicality crept into the law as a result of the passage of the economy act, and in view of the fact that we are retaining the provisions of the economy act and its penalties in this bill, we ought to correct this injustice here and now; and in view of the fact it is recommended by the administrative officers, and in view of the fact that these men were called upon to work 10 days for which they suffered a financial loss, this is a matter of simple justice and is something that should be corrected by this amendment.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. EATON of Colorado. What is the actual effect of the gentleman's amendment? Does it give them the retirement pay from the 1st of July, or does it carry the regular pay?

Mr. MEAD. It gives them 21 days of retirement pay, or from July 10 to 31.

Mr. THATCHER. How much is involved?

Mr. MEAD. The Postmaster General has not presented any figures in the letter, but he says that the amendment would not have an important effect on the savings in the Postal Service from the economy law.

Mr. THATCHER. How many clerks are affected?

Mr. MEAD. About 2,000; and they would be given 21 days' retirement pay due them.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. The gentleman stated that the amendment he proposed was in the main as that read by him as proposed by the department.

Mr. MEAD. It seeks to achieve the same object.

Mr. STAFFORD. Wherein does the gentleman's amendment and that recommended by the department differ?

Mr. MEAD. They both achieve the same object.

Mr. BYRNS. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. MEAD. Mr. Chairman, it appears to me that the subject matter is germane, because it has to do with the section referred to in the legislative appropriation bill. It is the same as that mentioned in section 4, page 65, of this bill where it says, "The provisions of the following sections of part 2 of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934," and then it mentions, among others, section 104 of the legislative bill.

So with that statement which corrects the legislation which brought this condition about, I feel that right here is the proper place to make such correction.

The CHAIRMAN. The Chair thinks the amendment offered by the gentleman from New York is not germane to the section of this bill to which it is offered. It appears to the Chair that section 4 seeks primarily to extend the terms of the economy act passed in the last session of Congress. The gentleman from New York offers an amendment which seeks to direct the Administrator of Veterans' Affairs to pay from the civil-service retirement and disability fund to persons named in an Executive order certain sums of money.

It appears to the Chair, therefore, that the proposed amendment is not germane to this section, and he therefore sustains the point of order.

Mr. MEAD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 66, line 10, insert "*Provided further*, That there shall be added to the exempted class in section 104 'special delivery messengers.'"

Mr. BYRNS. Mr. Chairman, I reserve a point of order on that amendment.

Mr. MEAD. The object of this amendment is to remove from the application of the economy act special-delivery messengers.

Mr. BYRNS. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. BYRNS. I think if the gentleman will examine the amendment adopted a while ago, and which was offered by the gentleman from New York, he will find that the class of employees who receive less than $83.33 a month have been taken care of, so that if this amendment is in order it is entirely unnecessary.

Mr. MEAD. These are not classified postal employees. They have to have equipment and transportation. They are really not employees in the intent and meaning of the economy act.

Mr. BYRNS. You are discriminating in favor of the special messengers against other employees.

Under the amendment offered by the gentleman from New York [Mr. LAGUARDIA], if they get less than $83.33 compensation per month, their salaries are not reduced, but if they get more than that, they fare just like every other employee. Therefore, I think the gentleman is about to create a discrimination in favor of this class of employees.

Mr. MEAD. Mr. Chairman, in reply to the distinguished chairman of the Committee on Appropriations let me say to him that in the opinion of the department special-delivery messengers are not employees of the Postal Service. They are not civil-service employees. They are employed and dismissed at will. I do not believe there is a special-delivery messenger in the United States who received a salary of $1,200 last year. In the main, the money allotted to them, which is on a fee basis, is divided between what might be termed their earnings and their expenses. They are called upon to furnish their own vehicle, to supply it with the necessary gas and oil, and, in addition to that, they have many other incidental expenses. In the main, these men are contract employees working on a fee system, and they should be exempted and placed in a specific, exempt class. Here is what the Postmaster General has to say on this question:

It is the department's opinion that the persons so employed are not properly considered for the purposes of the economy act to be officers or employees of the United States. Their service is in

the nature of contract service, and they are required to furnish, at their own expense, whatever facilities may be needed to effect the delivery of mail matter entrusted to them.

And the Postmaster General recommends an amendment to the economy act in a letter which he transmitted to Senator BINGHAM. He said:

Add the following proviso to subsection (c) of section 104: *Provided*, That nothing in this act shall be construed to affect the compensation of special-delivery messengers in the Postal Service.

I am merely carrying out the suggestion of the Postmaster General, and certainly all of us who favor the substitute amendment will agree with the Postmaster General, and will agree also that we had no intention of penalizing these underpaid employees when we passed the economy act. They ought to be placed in an exempt class, where the application of the economy act would not apply to them.

Mr. Chairman, in my judgment, this amendment is germane. There is in the economy law, and it is repeated in this bill, an exempt class, and in view of the fact that I want to add to the exempt class another class I feel it is germane, and germane to this section. This amendment specifically applies to this section of the bill.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard on his reservation of his point of order?

Mr. BYRNS. Mr. Chairman, I withdraw the reservation, but I want to be heard upon the amendment. The statements which are being read by the gentleman from New York [Mr. MEAD] as to what the Postmaster General has said with reference to this or that were not statements made to the Committee on Appropriations of the House.

Mr. MEAD. They were made to the Senate committee.

Mr. BYRNS. I assumed they were made to the Senate committee. The House committee did not have the advantage of his observations as we hear them read here from time to time. If these employees are not civil-service employees, not to be considered as employees of the Government, then this act does not apply to them in any sense of the word.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. McCORMACK. May I state to the gentleman that I have taken this case up with the Comptroller General, where a young man in my district who was delivering special-delivery letters and receiving so much for each letter delivered, used his own automobile in connection with the delivery, and 95 per cent of them must have their automobile as a condition precedent to employment. This young man was not permitted to have deducted from the gross earnings a reasonable amount for the maintenance of his machine and gas; for expenses, in other words. I took the matter up personally with the Comptroller General within the last two weeks, and I received a reply from him within the past few days to the effect that he has no discretion, that under the economy act of the last session the 8⅓ per cent deduction must be made from the gross earnings, and there is no discretion to permit a reasonable deduction for operating expenses.

Mr. BYRNS. Mr. Chairman, the committee just adopted an amendment which prohibits the application of the economy act to those who receive compensation in a sum less than $83.33 per month. To that amendment I interposed no objection. So far as I know, it was adopted unanimously. I do not want to see the employees covered by this amendment charged with any greater reduction than is made upon other employees of the postal or any other service. I feel that there should be no discrimination between any employees of the Government, that we ought to treat everyone alike, give everyone a square deal.

Undoubtedly the amendment offered by the gentleman from New York [Mr. LAGUARDIA], which was unanimously adopted, applies to these employees as it does to every other employee of the Postal Service. If that be true, why put in this language? If we do, then, in the event that a few of these special-delivery messengers get over $83.33 per month, the act will not apply to them. This is a plain discrimination, nothing more and nothing less. Why not leave it as it is, and there will be no discrimination among these employees? I do not know how many of them get it, but here is a statement from Mr. Fitch in which he refers to those getting $90 a month. If you are going to reduce the salaries of other employees of the Government getting $90 a month, then these special-delivery messengers should have their salaries reduced likewise. I think this is a plain discrimination.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. CONNERY. The gentleman says that they are in the same position as the $83-a-month men. They are not. They have to furnish their own equipment, their truck or automobile, and have to keep them up out of their own pockets, so that they are worse off than the $83 people.

Mr. BYRNS. We are not going to draw distinctions. That is my objection to the amendments being offered to this bill.

Here was a proposition which came to the committee, to superimpose an 11 per cent additional cut, and the committee declined to approve it. It seems to me that we are only getting into trouble when we undertake to take up every individual Member's objection to some particular feature of the bill.

[Here the gavel fell.]

Mr. MOUSER. Mr. Chairman, I move to strike out the last seven words.

Mr. Chairman, the distinguished chairman of the Committee on Appropriations desires to limit us in talk about this bill because of his desire to address himself on so many phases of it—and I mean no reflection, because by virtue of his chairmanship of the committee he should take all the time he desires. The distinguished chairman of the Committee on Appropriations in one breath talks about his love for Federal employees and in the next breath talks about cutting even the man who carries special-delivery letters for the magnificent sum of a few dollars a week. I will ask the gentleman from New York [Mr. MEAD] how much it is that these special-delivery boys get per month by contract?

Mr. MEAD. In the last year they have not earned enough to pay for their oil and gas.

Mr. MOUSER. The distinguished chairman of the Committee on Appropriations has so much love for the Federal employee that he wants to bar the equitable provision offered by the gentleman from New York [Mr. MEAD], who knows the problems of the postal employees. Yet we Members of Congress are drawing $9,000 a year salary. We Congressmen are opposing the man who is a substitute in the New York City post office and is getting the great sum of $8 or $10 a week and the poor boy who carries special-delivery letters and getting not enough to buy gas and oil for flivvers, let alone something to live upon.

The distinguished gentleman from New York [Mr. MEAD], chairman of the Committee on the Post Office and Post Roads, advises us that during this time of depression the carriers of special delivery have been getting less for their hire than sufficient to run the automobile that he must use. That is the attitude of the distinguished chairman of the Committee on Appropriations, who is here presenting this as an economy measure to carry out the pledge of the Democratic platform for a reduction of 25 per cent in all Government expenditures, as the distinguished candidate for President said upon the stump, in explaining in one breath his love for the Federal employee and in the next breath his desire that we shall not discriminate as against the poor boy who carries special-delivery letters on his bicycle or his automobile. Let us clean our own house first. Let us stop thinking about the psychological effect upon our political futures by reducing the salaries of those in the lower brackets. Let us give the man who works for Uncle Sam a chance to live and an opportunity, by virtue of his patriotic service to his Government, to send his kids through school.

That is not the cause of the deficit. The distinguished gentleman from Tennessee stood here last year when we were talking about economy and agreed with me that this matter of balancing the Budget that we were talking about was unnecessary, but before we voted upon it he explained his former position and said, in effect, that he did not mean what he said.

Mr. BYRNS. I do not understand the remark of the gentleman.

Mr. MOUSER. I mean no reflection. I stated that the gentleman, during the last session of Congress——

Mr. BYRNS. The gentleman accuses me of inconsistency. I want the gentleman to explain his remarks.

Mr. MOUSER. I am not insinuating at all. I am telling the facts.

Mr. BYRNS. What are the facts? The RECORD shows the facts. What are they?

Mr. MOUSER. I am not to be interrupted for a speech.

Mr. BYRNS. I can understand, if the gentleman took this sort of a position on economy in the last election, why he was left home and now belongs to the lame-duck class.

Mr. MOUSER. I am proud to be a lame duck along with many distinguished Republicans who have served their country so long and honorably.

Mr. BANKHEAD. Mr. Chairman, a point of order. I make the point of order that the gentleman from Ohio is not addressing his remarks to the amendment before the committee.

Mr. MOUSER. Oh, yes, Mr. Chairman. I said nothing in my remarks reflecting upon the distinguished gentleman from Tennessee, even though he is now in a state of anger and calls me a lame duck. I am proud of the fact that I am a lame duck, when so many distinguished Republicans have gone down to defeat.

Mr. BANKHEAD. Mr. Chairman, I renew the point of order.

The CHAIRMAN. The gentleman from Ohio will confine his remarks to the amendment before the committee.

Mr. MOUSER. I will be glad to.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Addressing myself to the amendment offered by the gentleman from New York [Mr. MEAD], permit me to try to convey briefly to the Members a picture of what the amendment covers, so that you will understand just what the gentleman from New York [Mr. MEAD] is trying to accomplish. Let us take the city of Boston, for example—and the same thing applies quite generally throughout the country—and let us assume that you are postmaster of the Boston postal district; let us assume that you appoint a young man or, as in these days of depression, some man of middle age to deliver special-delivery letters. The Government pays so much for each letter delivered, a specific sum. Such messengers are not usually under the civil service laws, but the same situation applies to those who are. The messenger receives a certain amount for each letter delivered. Ninety-five per cent of those appointed—and the number is not numerous—but 95 per cent of those appointed must have an automobile in order that the special-delivery letters can be delivered quickly. In the operation of that automobile we know that expenses are incurred. There is upkeep and reasonable repairs. There is insurance. In some States there is compulsory insurance, such as in my State; there is the gas and oil and garage expense and other incidental expenses. Conservatively speaking, in the course of a year such expenses must be around $500—somewhere between $400 and $500. Let us assume the man you appoint earns $800 a year delivering special-delivery letters. Eight and one-third per cent cut is deducted from the $800. There is not one penny allowed for reasonable expenses incurred in the operation of the automobile necessary to perform the duties of a messenger of special-delivery letters.

Now, let us apply it to the LaGuardia amendment. Suppose some such messenger receives $1,100 a year, the 8⅓ per cent cut will be on the $1,100. There is no discretion vested in anyone to determine what would be a reasonable expense to be deducted from gross earnings.

There is a principle involved in this amendment. There is no conflict between this amendment and the LaGuardia amendment. The LaGaurdia amendment does not completely cover the purpose which the gentleman from New York has in mind. It is a case which was not anticipated when we were considering the economy bill last session, but experience of the past several months has shown this condition to exist. In any event this amendment will do no harm, and it will absolutely clarify the situation so that there will be no question in any of our minds that complete justice will be done, if you agree with me that reasonable expenses should be deducted from the gross earnings of messengers of special-delivery letters.

Now, reference has been made to our distinguished friend, the gentleman from Tennessee [Mr. BYRNS]. I am satisfield that if he understood the situation, and I hope I have clarified it for him, that he would have no objection to the adoption of this amendment. We might well read between the lines of his remarks that personally he has no opposition to the amendment except he feels the LaGuardia amendment covers it. I think it does to some extent, but not completely.

Mr. LAGUARDIA. Only to the extent of $83.33 per month.

Mr. McCORMACK. It covers it only to the extent of $83.33 a month, Mr. LAGUARDIA advises me, but makes no provision that if one of these men receives $1,100 a year a deduction for reasonable expenses he has incurred in the operation of his automobile in connection with the performance of his duties may be made and permitted by law. I respectfully submit, no matter how you may look at the pay-cut question, whether you are for it or against it, we all want justice. While this amendment covers only a small group, yet if adopted it will guarantee to this group of men the complete justice which I think they are entitled to.

I wanted to make this brief explanation, giving as thoroughly as I could, a picture of the situation so you would understand just what the meaning and the purpose of the amendment is.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Massachusetts [Mr. McCORMACK], who has just addressed the committee, appealed to you to adopt this motion because it will do no harm. It may do infinite harm. It is a case of the camel trying to get his nose under the tent, and what will happen if this amendment is adopted is that it will furnish a precedent for every one of the the clerks of this Government who is affected to point to and say: "You have discriminated with reference to a particular class; why not make the same discrimination with reference to us?"

The gentleman from Massachusetts also states that it is not of much consequence because it would apply to only a very small class. This may be true. I expect it is. The fact of the business is I have never seen anybody deliver special-delivery letters in automobiles. It may occur in some particular places, but it does not occur in this town, and this is a pretty good-sized town. It does not occur in my town. I dare say it does not occur unless possibly in the city of New York where they have to go some considerable distance. Special-delivery letters are delivered by boys on bicycles.

The point I am making, and want to impress upon you, is not so much what is involved in this case as it is the principle involved, and that is vital. If we are going to break the policy we have adopted, and the program that was put in for this last year and continued in this bill we can break it, but having broken it once what excuse have we for not breaking it in other places? As I say, it is the principle involved. It should not be changed unless we are going to change it all along the line. I hope this amendment will not prevail.

Mr. LUDLOW. Mr. Chairman, it seems to me this House is being maneuvered into a rather ridiculous position by the submission of these numerous pop-gun amendments to this bill.

Of course, there are injustices and inequities. Every one of us, I think, has in mind, or could have in mind if he took a little time to think, similar instances of injustices to those already cited. I would like to see them corrected and will do my part toward that end at the proper time, but this great body, sitting in action on an appropriation bill, can not undertake forthwith to remedy all of the inequities that come before it. It must legislate on general principles.

I feel as much heart interest, I think, as any gentleman in this House, in those who are done injustice, I do not care what the cause of the injustice may be, but here there must be some determination of the policy of whether this economy bill shall be continued; and it should be decided on the merits of the whole proposition without first being subjected to all of these amendments which are small and relatively unimportant in comparison.

I do not share the thought of those who think the Federal employees of this country are opposed, as a whole, to a continuance of the economy bill. I know many of them have come to my office and have talked to me, and without a single exception they have left the impression upon my mind that they would be very glad indeed if they did not get a worse cut than a continuance of the 8.3 per cent for another year. I do not know to what extent industry has cut wages throughout this country, but I have been told that on an average it would be perhaps 10 per cent. So the Federal employees, every one I have talked to, feel that in the distress of the times and in the awful condition of this country they are glad to accept the cut of 8.3 per cent that now prevails. As citizens and as patriots they are willing to do their part. If the 8.3 per cent cut is continued, I believe there will be no injustice done them, and I think on the whole they will be very highly satisfied. I know many of them would unquestionably feel that way if they thought they could get rid of the furlough plan. They would be willing to accept a straight 8.3 cut without regarding it as any injustice. Without for one moment challenging the good faith of those who are offering these amendments, I believe we who stand for the retention of the economy plan in this bill are the best friends of the Government employees, because by their activities these Members are jeopardizing that plan, and if that plan is overthrown the Government employees are likely to be penalized with a much greater salary cut, which might be very unfair and unjust to them. To reject the economy provisions of this bill would throw the whole situation into chaos and might invite excesses that none of us want.

I really felt a great deal of sympathy for the amendment offered a while ago by the gentleman from New York, the able chairman of the Committee on the Post Office and Post Roads, but when he said all of these postal employees embraced in his amendment would suffer losses I think his language was hardly accurate. All they would suffer was the loss of a prospect of securing increases, not actual losses. What would happen to them would be that they would simply be marking time along with the rest of the country, and I think with millions and millions of people without any employment at all in this country that even if these employees who undoubtedly do have a case of injustice to complain of, just marked time for one year with the rest of the country they would be in a pretty fortunate situation. I was very much impressed with the argument of the gentleman from Pennsylvania [Mr. KELLY].

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. The gentleman from Pennsylvania I think was very impressive and very just when he commended the Committee on Appropriations for not going farther than maintaining for one more year the 8.3 per cent cut. He said he thought it was eminently fair and right that the committee would just put a peg there and hold the reduction to 8.3 per cent for another year. I think that ought to sink into the minds of all of us in the House, and I think the House would do well to pass the appropriation bill just as it came from the committee and let the matter stand that way for one more year. [Applause.]

Mr. COOKE. Mr. Chairman, I am sure I have no quarrel with the distinguished gentleman from Tennessee in regard to the provisions of this bill and I am sure the gentleman is going to agree with us when the provisions of the amendment introduced by the gentleman from New York are thoroughly understood.

I do resent anyone getting up here and calling an amendment that affects the welfare and prosperity and happiness of 3,000 people a popgun amendment. If there is any place in the United States where we should correct inequities and injustices which have been perpetrated, unconsciously and unwilling or not, by the Congress in past years, it is upon the floor of the House of Representatives.

Last spring, as has been so well said, we hastily passed an economy bill, and there crept into that bill inequities and injustices. The experience we have been able to accumulate during the past six months has demonstrated to us that something ought to be done to right wrongs unintentionally legislated into the bill.

We are talking now for the special-delivery messengers of the United States. They constitute a group of over 3,000 men. They are not, as the gentleman from Indiana [Mr. WOOD] said, boys running around on bicycles delivering letters. They are a dignified body of mature men from 18 to 45 years of age, many of whom have spent 20 years in this service and who make it their life work, just as much as the mail carrier or the mail clerk makes that his business. I know that every man in this House is willing to wipe out an injustice that applies so generally to so large a group of people.

The LaGuardia amendment does not accomplish this because no provision is made there for deducting the expenses of operation of the business, the maintenance of the automobile, and the repair of the automobile before the Government takes out its 8⅓ per cent.

I am just as zealous as any other man in the House for economy and I want to see abatement of extravagance in government as well as any other man here, but there is a price that I will not pay for economy in government. I refuse to trample upon human rights in order to procure a few dollars for my Government. My Government does not need it so badly that it can take from the man who earns $10 a week 8⅓ per cent of that money and apply it to the reduction of Government expenses. There is some place we have got to stop, but I know that no man or no woman in this House desires to stop short of complete justice for the people for whom we are attempting to legislate.

These men are entitled to this change. They are entitled to an exemption of their entire salary, first deducting from it the expenses of doing business. Let us erase from our mind the idea that they are boys. They are men who are doing man's work. They are handling the most responsible class of mail that comes into the hands of Government employees, and we are trying to do for them something that should have been done last year. Let us make sure that we are giving the man who is earning ten or fifteen dollars a week a square deal by adopting this amendment.

Mr. HARLAN. Mr. Chairman, I move to strike out the last 10 words.

Mr. Chairman, throughout this entire debate it has been my feeling that the committee program in so far as maintaining matter in status quo ought to be followed, not only from the viewpoint of efficient government, not only for the benefit of the departments and the Government, but from the viewpoint of the Federal employees themselves. It would seem to me to be reasonable that the quicker and smoother we can proceed to the business at hand and see that the salaries of these men are not reduced further than

they were in the economy bill, the better off the Federal employees will be and the better off the Government will be, so far as that is concerned.

In the economy act, in using the term "compensation," we inadvertently made a mistake. We did not define that term to exclude expenses in the operation of the job involved, in this particular case the expense of operating an automobile, which amounts to about $40 a month on the average.

These men, in spite of the remarks of the gentleman from Indiana [Mr. WOOD], in large numbers, not only in the large cities but in the comparatively small cities, use automobiles almost exclusively; very seldom do you see them operating bicycles.

When we used the term "compensation" in the economy measure we never intended that term to mean anything else but wages or earnings of Federal employees. It is just as unreasonable to deduct from these men 8⅓ per cent of the cost of their doing their work as it would be to declare the entire compensation of a contractor building a Federal building to be his wages on that job in computing his income tax and not deduct what he had to pay for help and materials to finish his work. These men do not get anything like the amount of money that is turned over to them, and to maintain the conditions and the intention of the economy measure and to be fair to these men, many of whom do not make enough to have a living wage after their expenses are deducted, I feel this amendment should be supported. [Applause.]

Also, we have corrected the other mistake by the adoption of the LaGuardia amendment, whereby we interpreted the term "rate of pay" as meaning the same as pay for one year. There is no more reason for voting for that correction and turning down the Mead amendment than there is for rejecting all the program of the committee. This is no change in the committee program but is simply correcting a mistake, and it seems to me to be too reasonable to have any merit in the opposition.

Mr. MAAS. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. MAAS. Does not the gentleman think we could better afford to get economy by buying silk hats for the Postmaster General that would fit his car rather than to buy cars to fit his silk hat? [Laughter.]

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes.

Mr. MOUSER. Mr. Chairman, I object.

Mr. BYRNS. Mr. Chairman, I move that all debate on the pending amendment close in five minutes.

The motion was agreed to.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last word. I asked the gentleman from New York when he submitted an amendment if that amendment took care of the substitute special-delivery messengers, and he replied that it did. In this he was in error.

I am glad that the substitutes have been taken care of. There is no more disgraceful condition in the administration of the laws of this country than in connection with the substitute clerks and carriers. If a private corporation should treat its employees as the Government is treating the substitute employees of the Postal Service, and it was brought to the attention of the people of the community in which that corporation was located, I say that that community would boycott the products of that corporation. If the facts were presented here, and I am sorry the time will not permit it, the membership of the House and the country, if you please, would be astonished. Some men who have been five and six years acting as substitutes are getting $15 a week or less, and I know instances where they have been getting on an average of four and five dollars a week.

Now, as to the special-delivery messenger. He is required to furnish a closed car. It must be in good condition. He must be able to lock it when he goes to a place to deliver a message. He must pay for the upkeep, and in the end the comptroller has ruled—and properly so; it is his duty to rule in accordance with the law—he has ruled that Congress provided that they should take a part of that money away from him and not give him an opportunity to deduct expenses. I say that that is a grave mistake. It was a mistake of the Congress, unintentional, and now we seek to correct that error.

Let me say that I did not have a rural carrier in my district or anywhere near it, but I fought for them before the Economy Committee and on the floor of the House, because they were being discriminated against. I am against discrimination.

It is true that most of the special-delivery messengers are in the large cities, but they are performing their duty and due to the depression have been very hard hit. They are paid by the letter, not a monthly rate. They have families; they are not young boys; they are men; and they are entitled to a living wage. I believe it is our duty to correct the mistakes made by the Economy Committee that resulted in the comptroller rendering the decision that took this small amount of money away from them, and I hope the amendment will be adopted. [Applause.]

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. BYRNS) there were 53 ayes and 43 noes.

So the amendment was agreed to.

Mr. MEAD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. MEAD: Page 66, line 5, after the colon, insert "*Provided*, That the Administrator of Veterans' Affairs is authorized and directed to pay from the civil-service retirement and disability fund to each of the persons named in Executive Order No. 5874, dated June 30, 1932, or to the legal representatives of any such person, the sum which each such person would be entitled to receive under the provisions of the civil service retirement act approved May 29, 1930 (U. S. C., Supp. V, title 5, ch. 14), for the period from July 11, 1932, to July 31, 1932, both inclusive, or to the date of death where death occurred prior to July 31, 1932, if the act entitled "An act to provide for a uniform retirement date for authorized retirements of Federal personnel," approved April 13, 1930 (U. S. C., Supp. V, title 5, sec. 47a), had not been enacted.

Mr. BYRNS. Mr. Chairman, I make the point of order that the proposed amendment is not germane.

Mr. MEAD. Mr. Chairman, I presented this amendment a short time ago at another place in the bill. It was ruled out of order as not applying to that particular section of the bill. I have resubmitted it and my amendment will now apply on page 66, line 5, after the semicolon. It is my judgment that it is in order at this point. As I said before, the three amendments which I have offered, including this amendment, to correct an injustice in connection with the enforced retirement without annuity for 21 days of some 2,000 postal employees, should be adopted in this bill, and to supplement that statement I made before, the matter was recommended by the Postmaster General in an amendment which in the main is in agreement with the amendment which I have submitted to the House at this time. The Postmaster General said:

This amendment will not have an important effect upon the savings in the Postal Service or upon the various provisions of the economy act.

I believe it is germane because it results in the application of the law which we are to-day extending for another fiscal year; it was made applicable in that law at the point where I have submitted the amendment at this time. In my judgment it is germane and it is in order. It is to correct an injustice that will in no way interfere with the economy plan of the Committee on Appropriations.

Mr. BYRNS. Mr. Chairman, this is exactly the same amendment that was proposed a while ago except that it is now proposed at a different point in the same section. There is nothing in this act applying to the question of retirement. This takes up the question of the refunding of money taken out of the salary of officials. This act applies only to the question of reducing the salaries of employees either by furlough or by application of the 8⅓ per cent cut, and this applies solely and alone to the year 1934 and to no

other year. It seems to me that by no sort of reasoning could this amendment be construed as germane not only to this section but to any other section of the bill. It is the same amendment that was ruled out awhile ago. This bill applies to 1934 and has no application to retirement.

The CHAIRMAN. The Chair a moment ago was called upon to rule on a point of order embracing a similar provision. It occurs to the Chair that this section now under consideration has to do solely with a continuation of the economy act passed last year, and, as the chairman of the committee says, it deals solely with retrenchment and reduction. As a result the Chair is constrained to feel that the amendment offered by the gentleman from New York is not germane to this section, and the Chair, therefore, sustains the point of order.

Mr. EATON of Colorado. Mr. Chairman, I offer the following amendment, which I send to the desk.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that debate upon this section and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: Page 66, line 10, after the word "thereby," insert "and the Administrator of Veterans' Affairs is authorized and directed to pay from the civil-service retirement and disability fund to each of the persons named in the Executive Order No. 5874, dated June 30, 1932, or to the legal representatives of any such person, the sum which each such person would have been entitled to receive under the provisions of the civil service retirement act approved May 29, 1930, for the period from July 11, 1932, to July 31, 1932, both inclusive, the same as if an adverse ruling of the Comptroller General of the United States had not resulted in the nonpayment thereof."

Mr. BYRNS. Mr. Chairman, I make the point of order that the amendment is not germane. It is the same amendment the Chair has twice ruled out of order.

Mr. EATON of Colorado. Mr. Chairman, I appeal to the chairman of the committee. The change in phraseology is an attempt to find a proper way for this committee to rectify one of the greatest injustices that has incurred under an interpretation of the economy law.

Mr. BYRNS. Mr. Chairman, here is a proposition that applies to the year 1933. This bill under consideration makes appropriations for 1934. There is a way by which the gentleman can rectify this trouble, this injustice, if it be an injustice, and that is by introducing a bill and going before the proper committee and having that committee report the bill out. I do not think we ought to put on an appropriation bill for 1934 legislation applying to 1933.

Mr. EATON of Colorado. If the detail is correct, as stated by the gentleman; that is, if this amendment applies to 1932 and applies to retirement pay, the facts on which the detail is construed are these: That under the retirement act and an Executive order of June 30, 1932, the Comptroller General ruled that a certain number of post office and other employees should not receive their pay for a period of 20 days, and I ask leave to put in the opinion of the Comptroller General. Under an Executive order these men were kept on duty for 10 days. Under a statute he ruled that he could not start their retirement pay until the first day of August. Here is the opinion of the Comptroller General:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, December 12, 1932.

Hon. WILLIAM R. EATON,
House of Representatives.

MY DEAR MR. EATON: I am in receipt of your letter of December 2, 1932, as follows:

"I have had some inquiries in regard to a ruling said to have been issued by you pertaining to retirement or other pay, which was not paid to retired railway mail clerks for a period between July 10 and July 31, inclusive, 1932.

"Will you kindly send me a copy of the ruling and such information in regard to the question upon which the ruling is made that I may study the same?"

Section 204 of the economy act provides in part as follows:

"On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary: *Provided*, That the President may, by Executive order, exempt from the provisions of this section any person when, in his judgment, the public interest so requires: * * *."

The act of April 23, 1930 (46 Stat. 253), provides as follows:

"That hereafter retirement authorized by law of Federal personnel, of whatever class, civil, military, naval, judicial, legislative, or otherwise, and for whatever cause retired, shall take effect on the first day of the month following the month in which said retirement would otherwise be effective, and said first day of the month for retirements hereafter made shall be for all purposes in lieu of such date for retirement as may now be authorized; except that the rate of active or retired pay or allowance shall be computed as of the date retirement would have occurred if this act had not been enacted."

In decision of July 13, 1932, A-43281, a copy of which is inclosed, it was held that said uniform retirement date act of April 23, 1930, was still in full force and effect. Accordingly those employees of retirement age on July 1, 1932, who were temporarily exempted by the President from the provisions of section 204 of the economy act until July 10, 1932, were subject to retirement effective August 1, 1932, and were entitled to retirement annuity only from and after that date. If said employees performed no active service for the period July 11 to 31, inclusive, they would not be entitled to receive their active service pay for that period.

If the President had taken no action the employees' active-service status would have terminated automatically June 30, 1932, and their retirement status and annuity would have begun July 1, 1932. Under the law the President could have exempted the employees from the mandatory retirement provisions of the act for the entire month of July, in which event the active status would have continued until July 31, and the annuity would have been payable from August 1, but the President saw fit to continue the active status only until July 10, and, under the plain terms of the act of April 23, 1930, the annuity could not begin until the first of the month following, or August 1, 1932, leaving the employees with neither compensation nor annuity for the period from July 11 to 31, 1932.

Sincerely yours,

J. R. MCCARL,
Comptroller General of the United States.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, July 13, 1932.

The honorable the SECRETARY OF WAR.

SIR: There has been received your letter of July 7, 1932, as follows:

"The uniform retirement act approved April 23, 1930 (46 Stat. 253), contains the following provisions:

"'That hereafter retirement authorized by law of Federal personnel of whatever class, civil, military, naval, judicial, legislative, or otherwise, and for whatever cause retired, shall take effect on the 1st day of the month following the month in which said retirement would otherwise be effective, and said 1st day of the month for retirement hereafter made shall be for all purposes in lieu of such date for retirement as may now be authorized; except that the rate of active or retired pay or allowance shall be computed as of the date retirement would have occurred if this act had not been enacted.

"'SEC. 2. This act shall become effective July 1, 1930. All laws or parts of laws, in so far as in conflict herewith, are repealed.'

"The legislative appropriation act approved June 30, 1932, contains the following provision:

"'SEC. 204. On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary: *Provided*, That the President may, by Executive order, exempt from the provisions of this section any person when, in his judgment, the public interest so requires: *Provided further*, That no such person heretofore or hereafter separated from the service of the United States or the District of Columbia under any provision of law or regulation providing for such retirement on account of age shall be eligible again to appointment to any appointive office, position, or employment under the United States or the District of Columbia: *Provided further*, That this section shall not apply to any person named in any act of Congress providing for the continuance of such person in the service.'

"It is requested that ruling be furnished as to whether or not the provisions of section 204 of the legislative appropriation act of June 30, 1932, above quoted, nullify the provisions of the uniform retirement act of April 23, 1930.

"Mr. Albert Beuk, carpenter, engineer department at large, Mobile, Ala., who was born July 5, 1867, reached the age of 65 years, the age fixed for retirement from the position which he holds, on July 4, 1932. Mr. Beuk has rendered about 25 years of service and therefore is subject to immediate retirement. There is doubt as to whether he may be retained on the rolls until the close of business July 31, 1932, under the act of April 23, 1930, or whether his retirement at close of business July 4, 1932, is required by the provision of the legislative appropriation act above quoted. He has

been placed on furlough without pay pending decision, and should the decision be that he may be retained until July 31, 1932, it is proposed to restore him to duty and pay status for such time as may remain before July 31, 1932. It is requested, therefore, that decision be given at the earliest date possible."

The prohibition in the act of June 30, 1932 (Public, 212), against continuing employees in the service after reaching retirement age has reference to the provisions of the civil retirement act for extending the period of service of employees for stated periods for reasons mentioned in the act. The uniform retirement act of April 23, 1930, did not change or modify the provisions for extension of service but prescribed uniform dates upon which employees should be retired, whether retired immediately upon reaching retirement age or after a period of extension. It applies also to retirements under other laws. This statute was enacted primarily for accounting purposes, and the need therefor has not been lessened by the provisions of the act of June 30, 1932. Accordingly you are advised that an employee who became of retirement age July 4, 1932, should be retired effective as of August 1, 1932.

Respectfully

J. R. McCARL,
Comptroller General of the United States.

It affects about 2,000 employees. It does not amount to a great deal of money in dollars, and there is no better place to take care of it than in the Post Office Department appropriation bill, as I listened to the arguments before us. A proper place is in the proviso giving rules for interpretation of the economy bill. The sentence to which I refer and ask to have the amendment added to has to do with the interpretation of the economy bill, and provides that if any provision of the section is held invalid the remainder of the section and the application of the provisions thereof to other persons or circumstances shall not be affected thereby.

Now, it may be asking the Chairman to stretch the application of the rule, and that is why I appealed to the chairman of the Committee on Appropriations. If the committee will not insist upon the point of order, then these few employees whose 20 days' salary was withheld by this construction may have their money. If the technical ruling was correct before, it is probably correct now, unless by changing the application of the amendment and tying it into this sentence and referring exactly to the holding of invalidity of the sentence will meet the situation.

I have tried to adapt this amendment to the text of the statute for the purpose of making it germane. I hope the Chairman can find it within his discretion to rule with me, and if the Chairman does not I hope that the chairman of the Committee on Appropriations will permit this little group of postal employees to have that small amount.

There is one other detail that I want to draw attention to. Perhaps the fault is in asking for retirement pay instead of their full pay. These men in all fairness have asked to have their retirement pay recognized instead of their full pay. Their time was up on the 1st day of July and they were ordered to continue until the 10th day of July. By the application of this ruling of the Comptroller General they were paid full salary until the 10th of July, no retirement pay and no salary until the 1st day of August, and from the 1st day of August the retirement pay. I submit the case as thus presented for the ruling of the Chairman.

The CHAIRMAN (Mr. McMILLAN). The Chair is ready to rule. The Chair has already on two occasions had this identical question raised on amendments proposed by the gentleman from New York [Mr. MEAD]. The Chair feels, as he has already stated when the other two points of order were raised, that the amendment is not germane to the section, and the Chair therefore sustains the point of order.

Mr. KELLY of Pennsylvania. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. KELLY of Pennsylvania: On page 60, line 10, after the word "thereby," add the following: "*Provided*, That section 211 shall not operate so as to reduce any employee's compensation to an amount less than 91⅔ per cent of his compensation during the fiscal year 1932."

Mr. KELLY of Pennsylvania. Mr. Chairman, section 211 which is dealt with in this amendment, is the night-work differential provision of the economy act. After many years of effort, legislation was enacted some four years ago, providing that postal workers and others compelled to work between the hours of 6 p. m. and 6 a. m. should have a 10 per cent differential in their pay. Under the economy act that differential was reduced to 5 per cent, or, in other words, it was cut in two. I am trying now to carry out the policy of the Appropriations Committee when it says that the cut should be held to 8⅓ per cent.

It is certainly unjust that men compelled to work unnatural hours, in the most disagreeable service within the postal and other governmental services, should bear a double burden, and not only lose 8⅓ per cent of their compensation but also an additional loss on their night differential on account of their working at night. I believe the members of the committee do not desire a double penalty on those who are compelled against their will to work during the night hours. This amendment does not provide for any increase. It provides that the deduction for night workers shall be 8⅓ per cent and no more.

Mr. ARNOLD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. ARNOLD. Does not the gentleman's amendment provide that the reduction shall not exceed 8⅓ per cent below what is received for the preceding year?

Mr. KELLY of Pennsylvania. Nineteen thirty-two, yes.

Mr. ARNOLD. Now, suppose they do not work the same length of time during the year as they did in 1932?

Mr. KELLY of Pennsylvania. Well, at the rate, of course, is what is intended.

Mr. ARNOLD. But that is not the amendment. The amendment provides that under no circumstances can the compensation for 1933 be more than 8⅓ per cent less than he received in 1932.

Mr. KELLY of Pennsylvania. We have exactly the same language in the economy act that has been in operation. We provided that postmasters and supervisors who might be reduced because of the decrease in receipts of their office should not receive less than 91⅔ per cent of their compensation for the previous year. That has been operative under rulings by the Comptroller General without any trouble, and this is the same language as is now carried in the economy law. It is dealt with now without any trouble. It places the various employees of the service on a parity, that is all. We have already taken two classes, postmasters and supervisors, and set them aside on a 91⅔ per cent basis. This amendment provides that we take 40,000 postal workers and others who are compelled to work at night and put them in a class where they shall not have more than 8⅓ per cent reduction for 1934. I believe it is justified in every respect on the basis of action already taken.

Mr. BYRNS. Mr. Chairman, I ask for two minutes on this amendment.

I want to make this very earnest appeal to the House: If we want to practice economy, let us practice it. If we want to make any reductions for 1934, let us do so, and let us not go ahead and adopt these amendments which may mean a great deal or which may mean nothing. How many Members of this House know just what is carried in the amendment offered by the gentleman from Pennsylvania? A subcommittee, consisting of the gentleman from Illinois, the two gentlemen from Indiana, the gentleman from Kentucky, and myself, sat for several days and considered this matter, and I dare say there is not one of them who could tell just exactly what this amendment means and what it will result in if adopted. Of course, I know the gentleman has already stated what in his opinion it will mean.

Mr. KELLY of Pennsylvania. But it is already in the law.

Mr. BYRNS. But it only applied to one service. The gentleman has the Post Office Department always in his mind when he discusses matters on the floor of this House, but I want to say to him there are nine other departments of this Government and a great many employees in those departments.

Let us take no action here which will not mean carrying out the promises that men on both sides of this Chamber made in every speech during the campaign. There is not a Member here on either side of this aisle who did not tell the people whose votes he was asking that if they sent him

back to Congress he was going to protect the interests of the taxpayers and give some attention to their Treasury and to those who have to supply revenues to pay your salaries and the salary of every employee of this Government. Now, I beg of you not to go ahead and adopt an amendment the effect of which you do not know. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KELLY].

The amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Add to section 4 the following: "*Provided further*, That the deductions from compensation authorized under section 101, for purposes of impounding, shall not exceed one-eleventh under subsection (A) or one-twelfth under subsection (B) of the salary in excess of $1,500 per annum, but nothing herein shall be construed to reduce the amount of absence from duty authorized therein, in the case of the former (A) 1 day in each week, and in the case of the latter (B) 24 working days, or 1 calendar month: *Provided further*, That the reductions under section 105 shall in no case exceed one-twelfth of the salary in excess of $1,500 per annum."

Mr. BYRNS. Mr. Chairman, I make the point of order against the amendment that it is not germane to anything in this bill or in this section. I could not hear all of the amendment as read, and do not have it all in my mind, but, as I recall, it referred to the impounding of appropriations. There is nothing in this bill seeking to impound appropriations.

Mr. LAGUARDIA. The amendment refers to the clause in section 4, and would provide an exemption of $1,500. That is all there is to the amendment.

Mr. BYRNS. Making the exemption $1,500 instead of $1,000?

Mr. LAGUARDIA. Yes; instead of $1,000 it provides an exemption of $1,500.

The CHAIRMAN. The Chair is ready to rule. The Chair feels this amendment is germane to the section, and therefore overrules the point of order.

Mr. BYRNS. Mr. Chairman, may I say this: Section 110 of the law for 1933 applies to impounding. There is nothing in this bill that has any reference to the impounding of salaries.

The CHAIRMAN. Inasmuch as the various terms and conditions provided for under the economy act for 1932 are extended to this bill by its own terms, the Chair feels the amendment is germane and is in order, and therefore overrules the point of order.

Mr. LAGUARDIA. Mr. Chairman, this amendment raises the exemption from $1,000 to $1,500. No; it does more than that. The present economy law provides a deduction on salaries over $1,000. My amendment would provide an exemption of $1,500.

I want to be perfectly frank with the chairman. This, of course, will require additional appropriations. It is not like my previous amendment, seeking to correct an unintentional error in the drafting of the bill. This changes the policy of the economy law and provides an exemption of $1,500 on all salaries and makes the deductions applicable on that part of the salary over and above $1,500.

The purpose of my amendment is to bring before the House this proposition which was considered by the House and approved by the House to the extent of $2,500. The economy bill went over to the other body, and there it was changed and we got back an entirely different bill from conference. The House was then told that they should accept the conference report because it was only a temporary proposition.

Now, let us be perfectly frank about this. It is not as though it were going to be a temporary proposition. It comes here for another year. The distinguished chairman makes no promise that it is only for another year, and, of course, he could make no such promise. So I believe we might as well face the facts and realize that it looks as though this deduction is going to be a permanent matter, a matter of policy that will continue for some time.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. BYRNS. I wish to ask the gentleman for an explanation of his amendment. Does the gentleman seek to except $1,500 of every salary from any reduction?

Mr. LAGUARDIA. Yes; I made that statement.

Mr. BYRNS. For instance, if a person gets $1,500 there would be no reduction; the reduction applies to salaries above $1,500?

Mr. LAGUARDIA. Yes; to salaries above $1,500.

Mr. BYRNS. Does the gentleman have any idea how many, many millions of dollars that will mean and how it will increase this appropriation?

Mr. LAGUARDIA. I have so stated.

Mr. BYRNS. How much?

Mr. LAGUARDIA. I know it is quite a substantial amount.

Mr. BYRNS. It might involve nearly half of the amount that is carried in this bill?

Mr. LAGUARDIA. Yes; I suppose so. I do not think it is quite half.

Mr. BYRNS. Of course, if the House wants to adopt the amendment under those circumstances it can.

Mr. LAGUARDIA. It does not amount to half of the bill, no; it does not amount to half of the appropriation carried in the bill.

Mr. BYRNS. Half of the savings.

Mr. LAGUARDIA. Yes.

Mr. BYRNS. Half of the savings of the economy bill?

Mr. LAGUARDIA. Half the savings of the economy bill.

Mr. BYRNS. Half of the $98,000,000?

Mr. LAGUARDIA. For the whole Government, not for this bill.

Mr. BYRNS. This bill applies to all the departments.

Mr. LAGUARDIA. Exactly.

Mr. BYRNS. Therefore if the gentleman's amendment is adopted it applies to the whole Government.

Mr. LAGUARDIA. I have so stated.

Mr. BYRNS. So if the House wants to add $45,000,000 or $50,000,000, just adopt the amendment.

Mr. LAGUARDIA. Now, the gentleman does not insist it is $50,000,000.

Mr. BYRNS. I thought the gentleman admitted that it would be about half.

Mr. LAGUARDIA. I will take the gentleman's figure on it; I think so.

Mr. BYRNS. No; I am not giving any figures. I do not know the effect of the gentleman's amendment.

Mr. LAGUARDIA. I do not say the exact amount, but I say it is a substantial amount. I am not seeking to disguise this amendment at all.

Mr. BYRNS. I know the gentleman is not.

Mr. LAGUARDIA. I stand for it. I think it is the equitable thing to do. If the economy bill had been for one year only, as we believed it was, then, of course, there would be nothing more to it, but we did pass a $2,500 exemption in this House and when it came back from another body it was entirely changed, and we were told it was only for one year. Now, when it comes back for another year, I say we might as well face the situation and make such reductions on an equitable basis. If we exempt $1,500 I think we come nearer exercising fair economy than we do by making these arbitrary deductions and reductions.

Mr. ARNOLD. Mr. Chairman, I can not believe the House will take seriously this amendment.

If this amendment is adopted it means a routing of the savings in the economy bill. The gentleman from New York does not know what it would cost the Government, but does say it will be a substantial amount. Certainly it would run up into the millions.

Now, Mr. Chairman, if we are seriously interested in economy in Government let us quit temporizing on this matter. The Members here who are interested in economy should consider well before voting for this amendment. The Treasury is in a deplorable condition. We should carry along this economy bill for 1934 as it is in force during the current year.

With so little thought and consideration we are able to give to this amendment that will mean an additional burden of millions of dollars on the taxpayers of this country, it is not advisable to support this amendment. A vote for the amendment is a vote to increase wages over what they now are. The people of the country are demanding economy. Both parties are pledged to economy. Are we going to undo largely what was done during the last session of Congress? This amendment goes far along that line and will undo much that was done in the interest of economy in the last session by increasing the exemption from $1,000 to $1,500. No definite estimates are available as to the cost, but we know it will be enormous. The employees are far better off to continue for another year on this year's scale than run the risk of a far greater sacrifice which is impending.

Mr. KVALE, Mr. McGUGIN, and Mr. CONNERY rose.

Mr. KVALE. Mr. Chairman, will I have time to get some information from the chairman of the committee with reference to an amendment I have to offer? How much time is remaining on the amendment?

The CHAIRMAN. The Chair understands there is 15 minutes of debate remaining, and the gentleman is recognized for 5 minutes.

Mr. KVALE. Mr. Chairman, at the proper time I am going to offer an amendment to strike out a section of the economy bill.

The CHAIRMAN. The Chair suggests that the gentleman wait until his amendment is offered. The question now is on the amendment proposed by the gentleman from New York [Mr. LAGUARDIA].

Mr. McGUGIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, here we are confronted with a request to increase the exemption from $1,000 to $1,500. The Government was more than kind to those on its pay roll when it granted an exemption of $1,000. The Government dealt more kindly with those on its pay roll than other institutions dealt with those on their pay rolls. The great mass of people of this country who have suffered reduced wages were not guaranteed an exemption of $1,000. They were not guaranteed steady employment, and yet they have suffered their losses.

Here is where we are leading to in this bill to-day. The postal employees are rather strong. They may be able to ramrod through some injustices in this bill which will mean special privileges to them, but just as sure as they do, the retaliation is going to come from the country and we are going to get some economy which we owe the people.

I will tell you what gave us the economy bill last year. It was after this House had passed three appropriation bills providing for no automatic increases, and then the postal bill came up and the postal employees were strong enough to have that provision stricken from their bill. Now, in this bill, go ahead and get this increase and before this session is over the Congress will be forced to grant the cut that we owe the people of this country. The people who are being dealt with unfairly at this time are the taxpayers of this country and the great mass of people on the outside. To-day the special privileged class in this country are those who are on the public pay roll. They are the ones who are now in these times of distress specially privileged and they might better have some fair regard for the great mass of the people. This attitude of "the people be damned" will no more serve the purpose of the public employees at this time than it served the purpose of the railroads in a former day.

This amendment that is now offered is intolerable. Let me say to my Democratic friends your platform made a pledge to the people of this country. You pledged 25 per cent reduction and the people turned the Government over to you. I want to congratulate you for your pledge and I trust that you will keep that pledge; but the more you increase expenses at this time the more embarrassing will be your task of later trying to keep that pledge. That 25 per cent reduction which you have promised is not a 25 per cent reduction below the amount which may be effective at the end of this session, provided you raise present appropriations, but the 25 per cent pledge which you promised means 25 per cent below the cost of government at the time your platform was written in Chicago. Not only do I hope you keep that pledge, but I want to stand on this floor in the next session and be as loyal as any of the members of the Democratic Party in assisting in keeping that pledge. You Democrats owe it to your party. You owe it to the people and every Member of this Congress in the next session is going to owe it to the people of this country to keep that pledge and to give the country reduced cost of government.

There are some people whom we must represent for a while and they are those who are bearing the burden of the cost of government. With the cost of government now running to nearly one-third of the total income of the country, the cost of government has become intolerable, and you can not reduce it without stepping on somebody's toes, and, so far as the last economy bill is concerned, that 8⅓ per cent reduction was nothing less than an insult to the great mass of toiling taxpayers of this country. That reduction must be, sooner or later, not less than 25 per cent.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I rise in support of the amendment of the gentleman from New York. In these days to say you do not favor strict, parsimonious economy at the expense of Government employees seems to be like a voice crying in the wilderness.

I would like to say to the distinguished gentleman from New York, the Republican leader, that in my district when I was campaigning I did not say I would favor cutting down Government workers below a decent, living wage. I said that I voted against the economy bill and if it came up again I would vote against it in the coming session of Congress.

It seems to me that with the president of the American Federation of Labor telling us there are anywhere from 13,000,000 to 16,000,000 people out of work, the only way to bring back prosperity in the United States is to give buying capacity and buying power to the people of the United States, and we ought to be looking for some way to pay decent, living wages to the Government workers, instead of trying to cut them down to where they can barely live or exist.

The argument that Government workers did not take as bad a cut as the workers in private industry does not seem to me to be a sound argument. On the floor of this House during the last session I called the attention of Members to the fact that the day we passed the economy bill the United States Steel Corporation put through a second cut of 15 per cent upon its workers. They were just waiting to see what this House was going to do and then turned around to their employees and said, "See, the Government cuts its workers; they have cut them below a decent living wage, so we will have to cut you again."

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. LAGUARDIA. Will the gentleman also add that as a result of that cut, dividends were declared?

Mr. CONNERY. Dividends were declared as a result of that cut; yes. It was fine for the big stockholders.

Mr. SNELL. Will the gentleman prove that statement? I would be very much pleased to have that statement proved.

Mr. CONNERY. About the dividends?

Mr. SNELL. Yes.

Mr. CONNERY. The gentleman from New York [Mr. LAGUARDIA] made the statement. I take the word of the gentleman from New York for that statement. The gentleman is usually very accurate about any statement he makes on the floor of the House.

Mr. SNELL. I want proof of the fact that cutting salaries in private industry was caused by the action of Congress.

Mr. CONNERY. The newspaper statement of the cut by the United States Steel Corporation came out the same day. It is a very strange and remarkable coincidence.

Mr. MEAD. Will the gentleman from Massachusetts yield?

Mr. CONNERY. I yield.

Mr. MEAD. Is it not a fact that the keynote of the last Republican campaign was that we would maintain the high standard of wages in America; and is it not true that the other day the President advocated a further cut of 11 per cent?

Mr. CONNERY. Yes; and in Massachusetts as a result of the economy program of the Federal Government private corporations have been cutting and cutting and cutting, so that a neighbor of mine working for the General Electric Co. for his week's work received the munificent sum of $2.75. Girls working in factories are getting $1.75 a week. Men are reporting for work, and are only getting work where they earn sometimes 25 cents a day, and most of the time they can not get work. If cutting the pay of underpaid Government workers is all we can suggest toward bringing back prosperity to the richest country of the world, then there must be something seriously wrong with our economic system. I intend to vote for the amendment of the gentleman from New York. I hope the amendment will pass, and incidentally may I congratulate the gentleman from Tennessee [Mr. BYRNS], the chairman of the Committee on Appropriations, and the members of the subcommittee who, although under tremendous pressure, refused to place an 11 per cent cut on the backs of the underpaid Government workers. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. KVALE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 65, line 22, after the figures "102," strike out the figures "103."

Mr. KVALE. Mr. Chairman, I suppose the proper objection of the chairman to this amendment will be that it goes beyond the purpose it seeks to achieve; namely, to call attention to an unintentional error in the economy act, whereby an unjust penalty is inflicted on a certain group of workers. They are men employed in the Government Printing Office.

Does the gentleman from Tennessee have any information in regard to this situation in the Government Printing Office, and has he knowledge of the facts that obtain there? The compensation is based on 11 months' work, their leave is a regularly computed part of the wage, and when we take away the leave in 1933 they are also assessed in advance, and thus are subjected to a double penalty. It is working a hardship on the men that are employed in the Government Printing Office.

Mr. BYRNS. I do not know that I can answer the question; but if the gentleman's amendment should pass, they would be furloughed for 30 days, and then they would be given an annual leave of 30 days.

Mr. KVALE. There is another provision of the act that cuts annual leave down.

Mr. BYRNS. Here we are giving an annual leave of 30 days, and in another section you are furloughing them without pay. I do not see where you would accomplish anything.

Mr. KVALE. I hope that another body will be able to correct that, after studying the plight of this group, assessed a double penalty.

Mr. BYRNS. I think it would be unwise to adopt any such amendment at this time.

Mr. KVALE. Mr. Chairman, under leave to revise and extend my remarks, I shall include a quotation from the existing law, as found in section 45, title 44, page 1417 of Public Printing and Documents, showing that the section to which I have referred has operated to abrogate a solemn agreement by this Government with more than 5,000 employees of the Government Printing Office, and inflicts on them a reduction greater than that intended, and greater than reductions for other Federal employees with similar wage and salary levels:

45. Leaves of absence: The employees of the Government Printing Office, whether employed by the piece or otherwise, shall be allowed leaves of absence with pay to the extent of not exceeding 30 days in any one fiscal year, under such regulations and at such times as the Public Printer may designate at the rate of pay received by them during the time in which such leave is earned; but such leaves of absence shall not be allowed to accumulate from year to year. Such employees as are engaged on piecework shall receive the same rate of pay for the said 30 days' leave as will be paid to day hands. It shall be lawful to allow pay for pro rata leave of absence to employees of the Government Printing Office in any fiscal year, notwithstanding the fact that 30 days' leave of absence, with pay, may have been granted to such employees in that fiscal year on account of services rendered in a previous fiscal year. The Public Printer is authorized to pay to the legal representatives of any employee who may die, and may have any accrued leave of absence due them as such employees, said claim to be paid out of any appropriation for leaves of absence. (June 11, 1896, ch. 420, S. 1, 29 Stat. 453.)

Well, I want that injustice corrected, but Mr. Chairman, I will withdraw my amendment at this time.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 5. Each permanent specific appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of the sections enumerated in section 4 of this act.

Mr. MEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Amend section 5, page 67, after the word "act," by striking out the period and adding the following: "*Provided*, That this section shall not apply to any appropriation which has already been reduced in accordance with the provisions of Title II, legislative appropriation act, fiscal year 1933, which are to be continued under the provisions of section 4 of this act."

Mr. BYRNS. Mr. Chairman, on that I reserve the point of order.

Mr. MEAD. Mr. Chairman, I have introduced this amendment more to find out from the chairman of the committee just what is the intention of section 5. I assume that the Committee on Appropriations has already reduced all of the appropriations to the limit permitted under the economy law. This section seems to grant further authority to the Director of the Bureau of the Budget that he further decrease all the appropriations to the limit permitted by the economy law. After Congress reduces the appropriations in keeping with the economy act, will the Director of the Budget inflict double penalty upon the workers in the departments?

Mr. ARNOLD. Mr. Chairman, this section 5 applies only to permanent, specific appropriations. It does not apply to the annual appropriations that are carried in the Post Office title of the bill that we now have under consideration, or any of the other regular appropriation bills. Permanent, specific appropriations have a well-defined meaning. There are no permanent, specific appropriations in the Post Office section of this bill. They are all annual appropriations. So this section 5 could not possibly have the effect of permitting an additional cut in the Post Office Department appropriation bill, that we now have under consideration, more than has already been made in the annual appropriations. If there is any question in the mind of anyone as to what permanent appropriations are, or what they include, I suggest that he look at the Budget message, 1932, at page A–162, statement No. 3, which gives a list of all of the permanent appropriations in all the departments of the Government. In none of the permanent appropriations there listed is there anything at all included that could possibly be construed as the subject of a further cut under section 5 so far as annual appropriations in this bill are concerned. The amendment offered neither clarifies nor could it have any effect on the appropriations carried for salaries or wages.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. LANHAM. Could we have assurance, under the statement of legislative intent made by the gentleman from Illinois, that the Comptroller General would not make a ruling to the contrary?

Mr. ARNOLD. I could not tell what the Comptroller General might rule or hold, but he has no authority under the law to hold that under section 5 these appropriations would be subject to a further cut, or that another cut could be authorized more than that already made in the annual appropriations. There is no justification at all for the Comptroller General ruling that a further cut is authorized, because, by express terms, and the language is not uncertain, it is definite, the comptroller can not rule as the gentleman from Texas indicates or fears he might.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. KELLY of Pennsylvania. The Comptroller General, in a ruling in October, I think it was, stated that he was not bound by statements made on the floor of the House in explanation of bills. In view of the fact that the gentleman does not know what the Comptroller General will do, should we not write in the amendment offered in order to make sure that a specific declaration is intended?

Mr. ARNOLD. But the Comptroller General is bound by the specific language of the bill, and the specific language of section 5 of the bill here is "each permanent specific appropriation," and there is not a single annual appropriation carried in this bill that would warrant the Comptroller General in directing a cut.

Mr. KELLY of Pennsylvania. Would there be any harm done in making sure by this amendment?

Mr. ARNOLD. It would be a useless proceeding. There would be no harm done if my good friend from Pennsylvania were to offer an amendment to the effect that none of the money herein appropriated shall be used for the support of the Army and the Navy. Certainly it is not necessary to offer an amendment of that kind. None of this money can be diverted outside of the specific provisions in the bill.

Mr. THATCHER. And if the Comptroller General would disregard the plain provisions of section 5, he would disregard any amendatory language that might be incorporated.

Mr. ARNOLD. If he felt he had authority, as the gentleman suggests, to violate the specific language here, he would likewise feel that he would have authority to violate any language that might be put in by way of amendment.

Mr. KELLY of Pennsylvania. The point is that he might interpret the word "permanent" to mean the appropriations under this bill.

Mr. ARNOLD. If the gentleman will look in the Budget at the page I indicated, he will there see what the permanent appropriations are. The Comptroller General could not by any range of imagination reach the conclusion that the gentleman is fearful he might reach, because the intent is as plain and specific as the English language can make it.

Mr. KELLY of Pennsylvania. We thought that very thing about the provision that the 8⅓ per cent deduction should not be taken from employees getting $1,000 and less, and yet the deduction was taken. This language might possibly lead to a double cut of the entire amount of the economy provisions.

Mr. ARNOLD. I can understand where language in an act is doubtful or somewhat uncertain that the Comptroller General might reach a conclusion in one way that would not be in harmony with the views of other people; but the Comptroller General can not reach a conclusion in interpreting a bill of this kind where the language is so definite and certain as to leave no possibility of doubt.

Mr. KELLY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Does the gentleman from Tennessee insist upon the point of order?

Mr. BYRNS. No, Mr. Chairman. I withdraw the point of order.

Mr. KELLY of Pennsylvania. I want to take a moment to ask the chairman of the Committee on Appropriations to take into consideration the fact that he does not want any chance of a double reduction of 8⅓ per cent of all governmental employees. Neither do I. The word "permanent" is there, and the section requires the reduction from permanent specific appropriations. In the latter part of the section it is stated that the sections enumerated in section 4 of this act shall apply to these appropriations.

Mr. ARNOLD. Can the gentleman point out in the title of this bill a single appropriation that is permanent and specific?

Mr. KELLY of Pennsylvania. I believe that the Comptroller General could say there can not be anything more permanent than an appropriation that has been carried for 150 years during the history of the Post Office Department appropriation measures.

Mr. ARNOLD. But it is reenacted each year. It is an annual appropriation and not a permanent appropriation.

Mr. KELLY of Pennsylvania. But suppose he says it is an annual and a permanent appropriation.

Mr. BYRNS. I may say to the gentleman that there is a very wide difference between an annual appropriation, an appropriation which falls of its own weight at the end of the fiscal year unless renewed by Congress, and an appropriation which is permanent, and which is not appropriated from year to year and goes along whether Congress passes an appropriation bill or not. A permanent appropriation is like the brook that goes on forever. There is quite a distinction between the two. I can not imagine a Comptroller General, certainly not the distinguished gentleman who now holds the position, being so utterly absurd as to say that this, in any sense, would involve a double reduction, because I am just as much opposed to a double reduction as the gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. I realize that and want to make sure our opposition will be effective.

Mr. BYRNS. Now, if the gentleman undertakes to put any language in, in connection with this paragraph, I submit that he is in danger of doing just what he does not want to do. In other words, he may involve the proposition to an extent as to do something he is endeavoring to prevent. I think the best thing to do is to leave this just as it is because there can not be the slightest reason for any confusion in the mind of anyone as to the difference between a permanent appropriation and one that has to be made from year to year; and if there is, this debate will undoubtedly clear that up.

Mr. KELLY of Pennsylvania. The debate does not clear it up at all. That is the trouble; and, since no harm would be done, I think the chairman should accept the amendment.

Mr. BYRNS. Well, I think there may be harm done.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the amendment.

While the gentleman from Pennsylvania [Mr. KELLY] is correct in his statement that the debates in Congress are not, in the construction of a statute, taken into consideration in interpreting the will of Congress, yet it is fundamental in the construction of statutes that the reports accompanying the bills are always considered in the interpretation of those statutes.

Mr. BYRNS. Will the gentleman yield right there?

Mr. STAFFORD. I yield.

Mr. BYRNS. That was demonstrated the other day by the Supreme Court when it ruled on a specific case with reference to the reapportionment act.

Mr. STAFFORD. It was not only illustrated in that decision but it is illustrated in all the decisions of the Supreme Court passing on the construction of acts where the intent is not clear.

I merely take time to call attention to the report accompanying this bill, which points out in unmistakable terms the distinction between an annual appropriation and a permanent appropriation, found on page 8 of the report. As

always, the reports from the Committee on Appropriations, of which the clerk of the committee, the experienced and very efficient clerk, Mr. Marcellus Sheild, has the preparation, they are always illuminating and in every way correct. [Applause.] The report points out in specific language and refers to the specific appropriations under the title of "Permanent Appropriations," and then, as the next title, "Annual Appropriations."

The adoption of this amendment would only confuse and make confusion worse confounded. Any person who knows anything about congressional appropriations knows the difference between an annual appropriation and a permanent appropriation, and there is no need for clarification. It only muddles the interpretative character of the section. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MEAD].

The amendment was rejected.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. I do this to ask the chairman of the Committee on Appropriations if in reality, with this permanent specific appropriation and indefinite appropriation, without any reference to the amendment offered, we are not appropriating in this bill the sum of $2,240,294,000? Did the gentleman hear my question?

Mr. BYRNS. I thought I did.

Mr. GOSS. I said, in addition to the annual appropriation of $961,000,000, found on page 35 of the report, in order to get at the real appropriation for these two departments, we should add the figures on page 37, $1,278,000,000 and the $165,000, for the Post Office Department, which would make a total appropriation for the Treasury and Post Office Departments, including the specific and indefinite appropriations, of $2,240,000,000 odd.

Mr. BYRNS. Of course, if the gentleman wants to get at the total amount, it will be $1,278,731,138 for the Treasury Department, plus $165,000 for the Post Office Department

Mr. GOSS. And then plus $961,000,000 in the annual supply bill. That, in reality, would give us the total amount we are appropriating to-day on this entire bill, including the permanent appropriation, would it not?

Mr. BYRNS. That is the total amount; but we are only appropriating in this particular bill $961,000,000.

Mr. GOSS. But we have to appropriate for the permanent appropriations this other amount of $1,278,000,000.

Mr. BYRNS. We do not appropriate that. That is already appropriated, as I said.

Mr. GOSS. But it is to be considered as a part of the money spent by the department.

Mr. BYRNS. Undoubtedly it is subject to be spent by the departments; but we do not appropriate it in this bill, because it is carried from year to year.

Mr. GOSS. Well, the departments will have the power of spending $2,240,000,000 in this bill, including the permanent appropriations as well? Is that correct?

Mr. BYRNS. Well, I assume the gentleman knows his arithmetic, and therefore he has made a correct addition of the sums. I will accept the gentleman's statement.

Mr. GOSS. What I was getting at was how we are going to accomplish some of these economies in cutting down Government expenditures.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 7. In order to keep within appropriations made for any particular service for the fiscal year 1934, or in cases in which the number of officers and employees in any particular service is in excess of the number necessary for the requirements of such service, the heads of the several executive departments and independent establishments of the United States Government and the municipal government of the District of Columbia, respectively, are hereby authorized and directed, instead of discharging officers and employees from the service, to furlough, without pay, any officers and employees carried on their respective rolls for such time as in their judgment may be necessary to distribute as far as practicable employment on the available work in such service among all the officers and employees of such service: *Provided*, That the higher salaried shall be furloughed first whenever possible without injury to the service: *Provided further*, That any administrative furlough taken pursuant hereto shall be in addition to the furlough required by any of the provisions of section 4 of this act: *Provided further*, That rules and regulations shall be promulgated by the President with a view to securing uniform action by the heads of the various executive departments and independent Government establishments in the application of the provisions of this section.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a real friend of the Government employees of this country, I want to thank the gentleman from Tennessee [Mr. BYRNS] and his associates on the committee, Mr. ARNOLD, of Illinois, Mr. LUDLOW, of Indiana, Mr. WOOD, of Indiana, and Mr. THATCHER, of Kentucky, for playing Santa Claus to the Government employees. In the language of the street, these gentlemen have "taken it on the chin" in behalf of the Government employees. [Applause.] They were faced with the recommendation from the President not only providing for the carrying on of the furlough plan which has existed since last July, but also calling upon that committee to impose a further reduction in the salaries of the Government employees. They were faced with the demand of the people for a reduction in Government expenses. They have reduced the appropriation, but they have left the Government employees in the same position they have been since July 1, 1932.

The Members referred to have defended the bill as reported. One might think when he reads the RECORD, they are not friends of the Government employee, but I say to you the Government employees have no better friends. There is no telling what might have happened in the end if changes had been made in the furlough plan or the exemption raised. It must be remembered that we are running in the red nearly $5,000,000 a day. The Government employees must share with others the burden of reducing the expenses of the Government, and I am sure the great majority of them realize the situation. It is not pleasing work that must be performed by the committee, but they have handled the matter in such a way that every Government employee should feel obligated to them. [Applause.]

During the campaign the Democratic candidate made the statement that he would endeavor to reduce the expenses of the Government $1,000,000,000 if he were elected. The next day the Secretary of the Treasury demanded to know where he would reduce the Government expenditures $1,000,000,000; but two days later President Hoover announced that if he were reelected, he would reduce governmental expenditures by $1,250,000,000, and we heard no more from Mr. Mills. The recommendation came down here that further salary reductions be made, and I think the Government employees are exceptionally fortunate in having members of the Appropriations Committee, especially the subcommittee on the Post Office and Treasury appropriation bill who brought to the House a sensible bill which treated the employees fairly, while at the same time treating the taxpayers fairly. I want to——

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. STAFFORD. For the sake of historical accuracy, I think the record should be kept clear. I do not care particularly to revive campaign issues, but when the gentleman states that the present President of the United States went the President elect one better and said he would reduce the Budget expenses a billion and a quarter, I fail to recall that speech, and I would have remembered it distinctly because I heard the President's speech over the radio in which he criticized the claim of Governor Roosevelt and said it was impossible to take off another $1,000,000,000, and he pointed out the impracticability of so doing.

Now, perhaps the President elect may have duped the people by making them believe he could reduce expenditures by a billion dollars, but the present President of the United States did not say they could be reduced a billion dollars, and I challenge the gentleman from Missouri to point out any statement of the President to that effect.

Mr. COCHRAN of Missouri. All right. I can. The gentleman from Wisconsin lost all interest in the election after the primary, so of course he does not remember.

Mr. STAFFORD. I never lose interest in an election, or interest in my distinguished colleague, the gentleman from Missouri, but to-day he misstated the fact by saying he was not representing rural carriers because he had none in his district when the fact is he was a candidate at large and was looking forward to representing them.

Mr. COCHRAN of Missouri. Not at that time. I was elected to represent a district entirely within the boundaries of the city of St. Louis where there are no rural carriers and I will continue to represent that district until March 4 next.

Mr. STAFFORD. And he knows that very well indeed.

Mr. COCHRAN of Missouri. I did not rise here to get into a discussion with the gentleman from Wisconsin, a valuable Member, one that I admire, who is always looking after the interests of the people. My purpose in speaking was to commend the members of this subcommittee and to have the record show that while they defended the bill as reported in so doing they were not assailing the interests of the Government employees but on the contrary were looking after their welfare. I hope this bill which will be passed in a few minutes will end for this session the question of further reducing Government employees' salaries. If it does, they have the members of the committee previously named to thank for it.

The pro forma amendment was withdrawn.

The Clerk concluded the reading of the bill.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13520 and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BYRNS. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NEUSE RIVER, N. C.

Mr. STEVENSON. Mr. Speaker, I call up a privileged resolution.

The Clerk read as follows:

House Resolution 306

Resolved, That there be printed as a House document the letter from the Secretary of War, dated June 1, 1932, transmitting, pursuant to section 1 of the river and harbor act approved January 21, 1927, a letter from the Chief of Engineers submitting a report with accompanying plans and estimates of costs for the development and improvement of the Neuse River, N. C.

With the following committee amendment:

In line 1, after the word "printed," insert the words "with illustrations."

Mr. STAFFORD. Mr. Speaker, will the gentleman explain what I regard as a rather unusual resolution providing for the printing of some survey or report as to some stream, perhaps the Peewee stream, down in North Carolina?

Mr. STEVENSON. This is not an unusual resolution. Such resolutions have become rather unusual during my incumbency of the chairmanship of the committee, because we have not reported many of them. This is one that the North Carolina delegation has been very much interested in, and the proposition is one that will cost about $600, and the committee saw fit to report it and ask that it be passed. It is not an unusual resolution, but is the usual one.

Mr. STAFFORD. What is the need of having it printed as a special document at a cost of $600?

Mr. STEVENSON. That is the way they are always printed. There have been certain surveys of other rivers that cost something like $50,000 and we have not seen fit to print those. This is a very small matter and the committee saw fit to report it because the report is needed for the purpose of improvement of the Neuse River.

Mr. STAFFORD. Will the gentleman inform the House what is the rule with regard to the printing of these reports, because we have available the reports of the Army engineers without any special resolution of Congress.

Mr. STEVENSON. No; we do not have them in such printed form. This is the form in which they are usually published, but there have been very few of them published recently.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEES

The Chair laid before the House the following communication:

HOUSE OF REPRESENTATIVES,
Washington, D. C., December 15, 1932.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives.

DEAR SIR: I hereby tender my resignation as a member of the following committees of the House of Representatives: Flood Control, Territories, Accounts, Public Buildings and Grounds, effective at once.

WILLIAM J. DRIVER.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that general debate on the Interior Department appropriation bill (H. R. 13710) may be limited to the bill.

Mr. STAFFORD. Mr. Chairman, reserving the right to object, as I stated a day or so ago, perhaps in private conversation with the chairman of the Committee on Appropriations when he proposed a similar request, I question the advisability of shutting off Members absolutely from discussing questions of moment that affect the country. I have no objection to limiting debate and will join with the gentleman from Colorado in such a request, but I question whether it is advisable to shut off this long-established principle which Speaker Clark once said was a necessary essential to give the Members of the House an opportunity to express themselves on general questions. I will join in limiting the debate to one hour or two hours, or even less, but I do not think we should inaugurate a policy of foreclosing general debate.

Mr. BYRNS. Will the gentleman yield?

Mr. STAFFORD. Surely.

Mr. BYRNS. If we do not have general debate upon this bill, its consideration can be concluded in two or three days. There is another important bill, with which the gentleman is familiar, that is now in process of formation in the Committee on Ways and Means.

I have not talked with anyone, but I assume it is expected to take that bill up next week and consider it probably early in the week. We would like to get this bill out of the way, because the Christmas holidays are coming, and whether the holiday is to be long or short we would like to have this bill disposed of. There will be a number of appropriation bills after Christmas with plenty of opportunity for Members to discuss matters of general importance, just as they had an entire week in discussion of the President's message. I do not think anyone is going to be hurt by waiving general debate on this particular bill.

Mr. STAFFORD. Merely limiting the character of general debate does not foreclose the gentleman having the bill in charge from limiting the time of general debate. Mr. Speaker, I object.

Mr. BYRNS. We all know how embarrassing it is to deny a Member the opportunity of making a speech on some general subject when he wants to make one.

Mr. STAFFORD. Mr. Speaker, if this is going to be the only instance where the Committee on Appropriations is going to ask this privilege, I shall not object.

Mr. BYRNS. I would not want to promise that.

Mr. STAFFORD. I do not wish it understood, as a fundamental principle, we are going to foreclose general debate, because that right should not be denied the membership of this House.

Mr. BANKHEAD. Will the gentleman allow me to ask a question of the chairman of the committee?

The gentleman from Tennessee has stated there will be a number of appropriation bills for consideration immediately after Christmas. Is it probable the Interior Department bill will be the only appropriation bill that will be ready for consideration before the Christmas holidays?

Mr. BYRNS. No; I may say to the gentleman that I fully expect the Department of Agriculture appropriation bill will be ready in a few days, and we will then be prepared to go on with that bill if the way is clear.

Mr. BANKHEAD. I ask the question because many gentlemen have been inquiring of me in regard to the program.

Mr. SNELL. Can the gentleman state how long a vacation we are going to have for the holidays?

Mr. BYRNS. The gentleman will have to ask somebody else that question. I will refer him to the Speaker and the gentleman from New York [Mr. SNELL].

Mr. SNELL. I think it is time that we should know, because several Members are making inquiries of me, and I would like to get the information.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I will, but I have not the floor.

Mr. BLANTON. What is the use of meeting here between Christmas and New Year, when there will not be a quorum and we can not transact any business?

Mr. STAFFORD. Mr. Speaker, for the time being I object.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13710, the Department of the Interior appropriation bill, and I will ask the gentleman from Ohio if he has any suggestion to make as to the time for general debate?

Mr. MURPHY. I have only one request for 30 minutes.

Mr. DYER. Let us take 1 hour—30 minutes on a side.

Mr. MURPHY. I would suggest to the gentleman that we have one hour on each side.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that general debate be limited to one hour on each side.

The SPEAKER. The gentleman from Colorado asks unanimous consent that general debate be limited to one hour. Is there objection?

Mr. DE PRIEST. Mr. Speaker, I object. We can not do justice to both sides on this bill in two hours.

Mr. TAYLOR of Colorado. Mr. Speaker, then I move that general debate be limited to one hour on each side.

Mr. SNELL. That is not in order at this time. Let it run along now, and we will decide on that to-morrow.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the debate be controlled one-half by myself and one-half by the gentleman from Ohio.

The SPEAKER. Is there objection?

There was no objection.

The motion of Mr. TAYLOR of Colorado was then agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BLAND in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13710) making appropriations for the support of the Interior Department for the year ending June 30, 1934.

Mr. TAYLOR of Colorado. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman and gentlemen of the committee, I have asked for this time for the purpose of calling attention to a bill which I have to-day introduced.

The so-called soldiers' bonus is a question to which we have all given much consideration, and there is much diversity of opinion as to what policy should be pursued with reference to the proposal for the payment of the remainder of the bonus certificates at this time. However, I wish to address my remarks to possible legislation affecting veterans of the World War which, in my judgment, should not be controversial.

Some time ago a law was passed which authorized the veterans of the World War to borrow one-half of the amount of their adjusted-service certificates.

Since the time these loans were made to the veterans, we have been going through a period of depression the severity of which was anticipated neither by them nor by us. The loans upon these certificates are bearing interest at the rate of 4½ per cent, compounded annually. Under the deplorable conditions which exist, most of these veterans are unable to pay the interest or to repay the loan. If this interest is permitted to continue until the time these certificates terminate by law and become payable, it will in many instances absorb practically all of the remainder of the principal. In view of the fact that these veterans have been thrown into this unfortunate situation through no fault of their own, it seems to me that they are entitled to consideration and to such action in a legislative way as would prevent them from having to forfeit through these interest charges practically all of the remainder that would be due on those certificates when finally paid. At the same time it must be borne in mind, as was evidenced by the fact that the proposal to pay the remainder of the bonus at this time failed of passage in the last session of this Congress, that the Government is not in a position now to make any large outlays. Consequently I have introduced a bill seeking to do justice to the veterans who find themselves in this unfortunate situation and at the same time to do justice to the Government by requiring no large expenditure. I have introduced the bill as a predicate for consideration of the matters involved in it. Perhaps it is not ideal. Perhaps there are some angles not touched by it. Personally, I should like to see all of the interest remitted and the amount which has been received as loans considered as partial payments when the adjusted-service certificates finally mature.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. MOUSER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes; briefly.

Mr. MOUSER. If the gentleman's proposal should be carried into effect, the World War veterans would be satisfied and there would not be a continual agitation for the payment in cash of the bonus or by bonds at a time when the Government can not afford it?

Mr. LANHAM. I think that would likely be the result, and I thank my colleague for his contribution. This bill provides that upon the written request of a veteran the amount which has been borrowed by him against his adjusted-service certificate, plus the interest which has accumulated upon it and been unpaid, shall be applied as a partial payment upon the adjusted-service certificate, and that there shall be turned over to the veteran the certificate which the Government now holds as security for the loan.

I make the same provision, upon the written request of the veteran, when the loan has been negotiated through banks rather than through the agencies of the Veterans' Administration here in Washington. I provide that it shall be upon the written request of the veteran because of the fact that some veterans may desire to pay off the loans and have their adjusted-service certificates remain in their original condition.

This proposal will not likely involve any outlay upon the part of the Government that the Government is not going to be called upon to bear anyway. It will, in my judgment, do justice to these men who, through no fault of their own, are unable in these days of strain and stress and depression to pay the interest which is being compounded annually on their loans, and I think the bill which I have introduced offers the basis for discussion toward a desirable end which will involve no additional present outlay on the part of the Government. At the same time it will relieve many of these veterans who find themselves in such circumstances that they can not pay this interest and are likely to have the remainder of their certificates absorbed by it.

The bill perhaps is not ideal, but I do think, in spite of the many angles presented, something along this line can be worked out that will involve no outlay on the part of the Government other than outlays it will necessarily have to make under present conditions.

Mr. HOOPER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. HOOPER. Does the gentleman's proposal act retroactively as to the interest accrued up to this time, or does it relate to future interest?

Mr. LANHAM. The proposal which I have made is one made purely as a basis for discussion. Personally, I should like to see the interest remitted from the time the loan was made and that loan considered as a part payment of the amount to become due. I have provided here that the interest due up to the time of the enactment of the bill, together with the loan made, shall be a charge against the certificate on final payment and the certificate returned to the veteran, no longer to be held as security.

Mr. HOOPER. It refers to future interest?

Mr. LANHAM. Yes. There would be no future interest accruing. I think this matter worthy of serious consideration, and I trust that Members will give it that consideration from the standpoint of trying to do justice both to the Government and to the veteran.

The text of the bill I have introduced is as follows:

A bill to provide that in certain cases loans to veterans upon adjusted-service certificates shall be considered partial payments, and for other purposes

Be it enacted, etc., That upon written request of any veteran to whom the Administrator of Veterans' Affairs has made a loan upon an adjusted-service certificate prior to the date of enactment of this act, on which the principal and interest have not been paid in full (whether or not the note has matured) prior to the date of such request, the administrator is authorized and directed to deduct from the face value of the certificate the amount of the unpaid principal and the unpaid interest accruing prior to the date of filing such request, cancel the note, and restore the certificate to the veteran.

SEC. 2. Upon written request of any veteran to whom a bank has made a loan upon an adjusted-service certificate prior to the date of enactment of this act, which has been, or is hereafter, satisfied by the administrator by payment to the bank under the provisions of subsection (c) of section 502 of the World War adjusted compensation act, as amended, the administrator shall deduct from the face value of the certificate an amount equal to the sum of (1) the amount paid by the United States to the bank in satisfaction of the bank loan, plus (2) interest on such amount from the date of such payment to the date of such request, and restore the certificate to the veteran.

Mr. MURPHY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Chairman, we all agree that the greatest and most important problem we have before the country to-day is getting men back to work at reasonable wages. The best way to accomplish this, in my opinion, is to endeavor to restore business conditions to normal. So long as factories and mills can not operate at a profit they will not employ men.

We can not restore business conditions to normal, in my opinion, until we can find a market for our surplus goods and commodities abroad. England, Canada, Europe, and South America have not been buying from us anything like the amount they do in normal times.

While the supplying of our 120,000,000 American people with the necessities of life requires a certain amount of labor, transportation, and manufacturing, it is not enough without the aid of foreign markets to keep our huge industrial organizations and corporations working at a profit.

These organizations and corporations were, in a measure, built up and increased to their present size, during the World War and subsequent thereto, to supply a market that was without a doubt augmented by our loans to foreign countries.

England and Canada are our two best customers. England in 1929 purchased $840,000,000 of our goods, while in 1931 England purchased only $320,000,000 worth of our goods. Canada in 1929 purchased $900,000,000 worth of our goods, whereas in 1931 she purchased $320,000,000 worth of our goods; representing a total loss of business of over $1,000,000,000 for the two countries in one year.

We can best judge the future by the past; let us look back at history.

At the end of the Napoleonic wars all the countries of Europe were in debt to England. The burden was so great that commerce was paralyzed until England canceled them all, with one or two exceptions, and after that there was a season of universal prosperity in which England reaped the greatest profits.

I favor a restudy of this important subject of the debts owed by the allied governments to the United States. In order to recall to our recollection some of the facts that were mentioned at the time the money was paid in 1917, I want to quote some statements of Congress, which I procured from the CONGRESSIONAL RECORD (65th Cong., vol. 55, pt. 1):

Mr. RAINEY said:

We are not making this loan for the purpose of making an investment of our funds. We are making this loan in order to further our interests primarily in this World War.

Mr. Fitzgerald said:

I have little sympathy with the suggestion that possibly we will not get our money back. I care not so much if we do not, if American blood and American lives be preserved by this grant of money.

Mr. LAGUARDIA said:

Yes; I believe that a good portion will be in due time returned, but I am certain that some of it will have to be placed on the profit and loss column of Uncle Sam's books. Let us understand that clearly now, and not be deceived later. Even so, if this brings about a speedy termination of the European war and permanent peace to our own country, it is a good investment at that.

Mr. PARSONS. Will the gentleman yield for a question?

Mr. STOKES. I yield, briefly.

Mr. PARSONS. Is it not a fact that practically all of the loans made prior to the armistice were canceled in the Debt Funding Commission of 1923?

Mr. STOKES. I do not think so. Part of them were, but only a small part.

Mr. STAFFORD. Not so, as far as loans to Great Britain were concerned, which were the major loans. More was loaned after the armistice than before to France, and there were other loans made to other countries as well.

Mr. STOKES. Mr. Madden said:

I would not care whether these loans were repaid or not. We are starting out to win a victory, as I understand it, to maintain American rights; and if we can maintain American rights by furnishing money to somebody willing to fight our battles, until we are prepared to fight those battles for ourselves, we ought to do it.

In the Senate the speeches were to the same effect:

Senator McCumber said:

While we are recognizing that we are putting $7,000,000,000 into this battle, we must not fail to recognize that we are not as yet putting in a single one of our American soldiers, while blood is being poured out by our allies in unstinted measure.



Senator Kenyon said:

I want to say this, Mr. President, that I hope none of these loans, if we make them, will ever be repaid, and that we will never ask that they be paid. We owe more to the Republic of France for what it has done for us than we can ever repay.

Senator Cummins said:

I should like to give the Allies $3,000,000,000 if they need the contribution, with never a thought of its repayment at any time or under any circumstances.

Charles Crisp, for 20 years a leading Member of this House and now a member of the Tariff Commission, said in a speech on this floor, December 18, 1931:

Right after the war Great Britain came voluntarily and freely and settled her debts on a generous basis, and if there can be any equity, in a change as to any of them, it is in the case of Great Britain.

The gentleman from Massachusetts [Mr. TREADWAY] stated last week on the floor of the House:

The settlements arrived at by the Debt Commission, at the time, were fair and justly made in proportion to the capacity of the debtor nations to pay.

This statement is very true and I do not deny it. But since the date on which the settlements were made the capacity of the debtor nations to pay has been severely reduced.

There are only two methods by which payment can be made.

First. By payment in gold.

Second. By payment in goods.

The United States now holds $4,300,000,000 in gold, which is between 40 per cent and 50 per cent of the entire world supply.

The British payment yesterday will increase it by $95,550,000.

Most of the foreign nations need what little gold they have as a basis for business credit.

They can not pay in goods because of the great drop in commodities. Wheat at 41 cents is the lowest in its history. Copper last week at 5 cents touched its all-time low. Without giving a detailed statement, we know that nearly all commodities are recording extremely low prices. When these loans were made commodities were four or five times higher than they are to-day.

An authority on cotton, Mr. Clayton, last week said:

The enormous buying power of the South, upon which is dependent the employment of several hundred thousand men in factories throughout the country, is inactive to-day, because Europe can not buy the produce of the cotton farmer.

Calling attention to the fact that the cotton farmer must sell six bales abroad for every five he sells in this country, if he is to prosper, he asserted that the only way out for the grower was to do everything possible to restore the buying power of his best customer, namely the continent of Europe. The swiftest and most effective way to accomplish this, he declared, was to revise the intergovernmental debts downward to a point where they will not interfere with Europe's capacity to buy the cotton that it needs.

The matter of a satisfactory settlement of these debts is, therefore, very important for the interests of the cotton States, and to a lesser extent to the wheat belt.

The Texas Weekly, published at Dallas, dated July 9, 1932, states as follows:

One-third of the people of Texas depend on the foreign market for cotton for their living. The fact that Europe used to spend about one million dollars a day in Texas for cotton alone, but during the past year has not spent much more than half of that amount for cotton in the entire South, ought to prompt Texans to inquire why this is so, and to make an effort to find out the answer to that question.

The National City Bank of New York, in its December review, states as follows:

Emphasis is laid upon the great body of domestic indebtedness in default, and Congressmen say that it is impossible for them to release foreign debtors from their obligations, which are needed to give relief to our debtor classes. This view of the proposals is a mistaken one. The true purpose is to consider the part that international debt payments have played in the breakdown of world trade and the influence they will have, if continued, to prolong the depression. The people of the United States, with their great volume of exports, are as much interested in this as any people. The price of our export commodities, of which wheat and cotton are the outstanding examples, are of vital importance to our own debtor class.

At the time the loans were made the transfer problem was simple, inasmuch as the money was borrowed for the very purpose of buying American commodities. In effect, the United States loaned the goods to Europe, and loaned them at inflated war-time prices. The task of repaying those goods at present deflated prices, therefore, is far from simple.

The German reparations originally placed by the four allies at about $125,000,000,000 were reduced by the Versailles treaty to $31,680,000,000, and then under the Dawes plan to about $12,000,000,000 and later by the Young plan to about $8,000,000,000 and by the Lausanne agreement further reduced to about $712,000,000. Are we not going to do our share in cooperating in the magnificent achievement which Ramsay MacDonald and his associates accomplished? The New York Tribune, in an editorial dated December 1, states:

So far as the Budget is concerned, more real help would clearly be obtained through a lump-sum settlement than through payment in full under present agreements. A number of economists have advocated this proposal. The settlement of reparations at Lausanne was of this kind. By the Lausanne agreement the Allies agreed to accept 3,000,000,000 reichsmarks ($750,000,000) in bonds, sell them, and divide the proceeds. A similar settlement of the allied debts might call for the delivery to us of, say, $1,000,000,000 in bonds, guaranteed by them jointly and severally.

Based upon the above thought the following plan suggests itself: Cancel all foreign government debts and in their place accept a bond issue of, say, $1,000,000,000, at 5 per cent, from the allied powers to run for a period of 50 years. Then sell to the American public a 50-year United States Government 3 per cent bond for the same amount. These latter bonds to be a direct obligation of the United States Government, but specifically secured by the one billion of the allied bonds. The difference in the coupon rate between the two issues of 2 per cent, or $20,000,000 a year, to be used as a sinking fund to amortize the American issue. In this way the entire American issue would be paid off by maturity and we would still have the $1,000,000,000 allied bonds. Meanwhile the Treasury would have $1,000,000,000 in cash to balance the Budget.

In order to preclude misunderstanding, I am not in favor of cancellation but am in favor of a happy mean between the two extremes, if we can agree on it, which may suit all parties.

To be sure, they owe us the money according to the letter of the law, but as we are told, and truly told, by the Apostle Paul, "The letter killeth, but the spirit giveth life."

To-day the entire country, nay, the whole world, needs stimulation, needs the spirit of new life to renew again the confidence, the hope, enterprise, the courage of nations, in the words of Lincoln, "that the weight may be lifted from the shoulders of all and that all may have an equal chance."

With the severe depreciation of the pound sterling and the Canadian dollar, they can not afford to buy our goods, because it means they are paying from 25 to 30 per cent more for the article.

Between September 1, 1932, and November 29, 1932, the decline in sterling brought drastic declines in cotton and wheat, as follows:

	As of Sept. 1, 1932	As of Nov. 29, 1932	Decline
			Per cent
Sterling (exchange rate)	$3.47	$3.14½	9¼
Cotton (price per pound)	.083	.058	30
Wheat (price per bushel)	.57	.44	23

This decline in the commodity price of cotton and wheat applied to the crop this year represents losses of $150,000,000 and $92,000,000, or a total of $242,000,000, in comparison with $95,000,000 to be paid by England on December 15.

Many economists have pointed out that a substantial scaling down of the debts would promote economic recovery

to such an extent that the added tax burden would be far more than offset by the increase in the national income.

The committee for the consideration of intergovernmental debts, after analyzing the part played by the debts in contributing to the present paralysis of world trade and examining the possible disastrous effects of insisting on full payment, states the case for revision as follows:

A reasonable readjustment of intergovernmental debts promises far greater material benefits to the American people than the direct income which would be received if payment could be made in full. Any action on our part which would maintain the solvency of Europe and revive its power to buy American goods would be a stimulus to our own trade and renewed prosperity at home.

It was Napoleon who stated the moral is to the physical as 3 is to 1.

In the reasonable readjustment of these debts we would be giving up very little in the actual cost, but we would be making a tremendous contribution to the moral value of returning confidence in the world, and above all else be adding a powerful factor in the hoped-for advance of world commodity prices, without which neither the farmer nor the wage earner can get very far.

Let us not forget it was not France nor England that first proposed the moratorium but the United States, and conditions now are but little better than they were a year ago.

The Bank for International Settlements in a report dated May, 1932, states:

All the evidence available leads to the conclusion that any hope that a single country may achieve prosperity apart from the rest of world would indeed be based on an insecure foundation.

We appeal to the governments on whom the responsibility for action rests to permit of no delay in coming to decisions which will bring an amelioration of this grave crisis which weighs so heavily on all alike.

Washington in 1784 said to Lafayette:

We have been contemporaries and fellow laborers in the cause of liberty, and we have lived together as brothers should, in harmony and fellowship.

Here in this Chamber, on the right hand of the Speaker, hangs the portrait of Washington, and on his left hand is that of the Marquis of Lafayette, placed here in order to commemorate in perpetuity the friendship of the two great nations, in order that we may never forget all that France did for us when we achieved our independence. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield.

Mr. BLANTON. I want to ask my friend if he is forgiving all his debtors, and if all his creditors are forgiving him, and whether or not this Government is now forgiving all its nationals? The United States is now collecting from our own people dollar for dollar covering everything they owe.

Mr. STOKES. They are doing this to help the farmers in the district of the gentleman from Texas sell their cotton.

Mr. BLANTON. Never in the world. To carry out the suggestions indicated by the gentleman would result in saddling upon the shoulders of the farmers and other citizens of the United States the $11,500,000,000 which the foreign countries owe us and ought in all justice to pay. France can pay, but will not, and is thereby guilty of base ingratitude.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, yesterday I made some observations in reference to subsidies and subventions paid to ocean steamship companies for carrying our foreign mail. Many of the contracts made under authority of the merchant marine act of 1928 are extravagant, wasteful, and involve a prodigal and excessive expenditure of public funds.

To-day I desire to give a few concrete illustrations of the legalized plunder, graft, and reckless pocket picking that is being carried on under provisions of said act. Many of the contracts made by the Post Office Department for carrying our foreign mails can not be justified by any process of reasoning or made to harmonize with any sound public policy. In many instances the compensation has been grossly excessive. The system of subventions and subsidies contemplated by the merchant marine act has been carried to unreasonable limits.

In the last fiscal year we appropriated approximately $36,000,000 to a few concerns for transportation of our air and ocean mail. This is one of the many extravagant expenditures that has unbalanced our Budget and unreasonably and unnecessarily increased the tax burdens of the American people.

For the fiscal year ended June 30, 1931, ocean steamship companies were paid $18,790,765.72 for carrying our foreign mails. If these companies had received for this service only the compensation provided by section 4009, Revised Statutes, the cost to the United States Government would have been $2,925,216.25. In other words, for carrying these ocean mails, a few favored steamship companies were paid a bonus, subsidy, or subvention of $15,865,548.97, receiving, in addition to full pay at standard rates, a bounty or subsidy of more than five times the compensation payable under the general statute fixing compensation for service of this character. The merchant marine act enables the Postmaster General to pay exorbitant rates for this service.

To illustrate:

The American West African Line (Inc.) was paid $87,862.50 for carrying 133 pounds of mail which was at the average rate of $660.62 per pound, while the cost at rates under section 4009 would have been only $42.32. In this transaction this company, for carrying only 133 pounds of mail, was paid a subsidy, bonus, or subvention of $87,820.18.

The Grace Steamship Line was paid $238,500 for carrying 2,892 pounds of mail, which was at the average rate of $82.47 per pound. For carrying 2,892 pounds of mail, this company received a bonus, subsidy, or subvention amounting to $238,041.12.

The Mississippi Shipping Co. was paid $607,792.50 for carrying 161 pounds of mail, which was at the average rate of $3,775.11 per pound. Under the rates prescribed by said section 4009 the cost of carrying this 161 pounds of mail would have been only $95.68, and for this trivial service this subsidized shipping concern was paid a bonus, subsidy, or subvention of $607,696.82.

The South Atlantic Steamship Co. of Delaware carried only 74 pounds of mail, for which it was paid $363,022.50, or at the average rate of $4,905.71 per pound. At rates prescribed by said section 4009 the cost of this service would have been only $32.56, but this beneficiary of governmental favoritism received a bonus, subvention, or subsidy of $362,989.94.

The Tampa Interocean Steamship Co. carried only 85 pounds of mail, for which it received $438,775, or an average rate per pound of $5,162.06. Under the provisions of said section 4009 the cost of this service would have been only $58.64, but this steamship company received as a bonus, subvention, or subsidy $438,716.36.

During the fiscal year ended June 30, 1931, the following sums were paid as bounties, subsidies, or subventions, over and above the cost of the service under said section 4009:

American Line Steamship Corporation	$390,293.49
American Mail Line (Ltd.)	609,086.15
American Scantic Line (Ltd.)	508,311.31
American South African Line (Inc.)	244,498.01
American West African Line (Inc.)	300,645.57
Do	87,820.18
Atlantic & Caribbean Steamship Navigation Co	248,838.60
Colombian Steamship Co. (Inc.)	182,063.54
Dollar Steamship Line	1,961,625.57
Eastern Steamship Line (Inc.)	216,321.68
Export Steamship Corporation	1,378,017.61
Grace Steamship Line	1,358,616.97
Gulf Mail Steamship Co. (Inc.)	15,631.06
Lykes Bros. Steamship Co. (Inc.)	317,721.86
Mississippi Shipping Co	607,696.82
Munson Steamship Line	1,190,263.60
New York & Cuba Mail Steamship Co	1,099,499.47
New York & Puerto Rico Steamship Co	12,933.59
Oceanic Steamship Co	420,855.99
Oceanic & Oriental Navigation Co	881,373.45
Pacific Argentine Brazil Line (Inc.)	286,257.14
South Atlantic Steamship Co. of Delaware	362,989.94
Panama Mail Steamship Co	438,459.74

States Steamship Co	$575,861.42
Tacoma Oriental Steamship Co	346,267.86
Tampa Interocean Steamship Co	438,716.36
United Fruit Co	384,748.42
United States Lines	1,000,134.07
Total subsidies	15,865,548.97

I am not opposed to our development of a great merchant marine, but this end can not be accomplished by hothouse methods. Many of these ocean mail contracts are not far removed from legalized graft. No one is proud of the way in which our shipping interests have been handled since the World War. Under the guise of patriotism and on the specious plea of building up our foreign commerce we are enriching a few ocean steamship lines by the payment of unconscionable subsidies, funds for which must be supplied by the American taxpayers. In the interest of a normal and lasting development of our shipping interests, there should be a radical change in the administration of the merchant marine act. The results are not comparable with the extravagant expenditures of public funds. The merchant marine act of 1928 is being unwisely and extravagantly administered. The grave abuses that have grown up in the administration of this governmental activity must be corrected and the prodigal expenditure of public funds halted. [Applause.]

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. LOZIER. I yield.

Mr. PARSONS. I would like to know if among the list of these companies the gentleman finds listed the name of the steamship company of the publicity manager of the National Economy League, Mr. Archibald Roosevelt, and how much, if any, subvention that company is receiving?

Mr. LOZIER. Answering the gentleman from Illinois, I have not examined the roster of the offiers or the personnel of any of these companies, but I do say as a friend of American shipping that it can not be developed to a high degree by hothouse methods.

[Here the gavel fell.]

Mr. MURPHY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Chairman, I do not want the members of the committee to get any notion that I do not know the proprieties of a newer Member of Congress, and I do not want to consume too much of the time of this committee, but there are certain questions which are to come before us during these strenuous times which I deem of sufficient importance to address myself to as the occasion may require.

I see by the newspapers that the committee appointed by this body to investigate the expenditures incident to the administration of the benefits given World War veterans and the sums these disabled veterans receive has a secret report. I do not know why there should be anything secret about the facts obtained in investigating this question as to whether or not the benefits granted to those who enlisted in that great conflict are greater than they should be, or whether the money we are expending is being diverted into channels that were not intended by this Congress.

I was a member of the subcommittee of three appointed by the then chairman of the Pensions Committee, the gentleman from Minnesota [Mr. KNUTSON], to investigate activities of the Veterans' Bureau in administering the compensation laws we had passed, with a view to drafting legislation which might be presented to the Congress of the United States for the purpose of seeing that justice was obtained for World War veterans. The real author of the so-called disability allowance bill is the gentleman from Pennsylvania [Mr. SWICK]. It was my privilege, along with the gentleman from Georgia [Mr. GASQUE], to serve upon that subcommittee.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. MOUSER. I yield.

Mr. GOSS. I wish to inquire what report of the committee the gentleman refers to?

Mr. MOUSER. It is my understanding it is the committee that was appointed under the economy act of last session.

Mr. GOSS. Is it the one appointed under the economy act of last session?

Mr. MOUSER. Yes; it is the one we are reading about in the newspapers, which has the secret report. I do not know what it contains.

I am speaking in round numbers because I was unable to get the data from my files due to the short notice I had before addressing this body this afternoon upon this question. At that time we developed the fact, and obtained information from the Veterans' Bureau, as it was called then, now the Veterans' Administration, that we were expending in salaries for Veterans' Bureau employees $43,000,000, when there were only one hundred and eighty-one thousand and some odd veterans who had been able to prove by the technical evidence required the service-connected nature of their disabilities.

Mr. PARSONS. What year was that?

Mr. MOUSER. Just a moment and I will bring that out.

I recall this subcommittee had a meeting in the Speaker's office, the distinguished Ohioan, the Hon. Nicholas Longworth, then being Speaker. Mr. Tilson, the then majority leader, was present, as was the gentleman from New York [Mr. SNELL]. I am not going to invade the proprieties of that occasion by discussing attitudes, but suffice it to say that when we presented the figures showing how much money was going for red tape and administration—money which this Congress had appropriated with the idea in mind of taking care of those who actually sustained disability in the service of the country—it was found to be so great that the distinguished leaders of the Republican House at least gave attention to that which we were suggesting.

It was not long thereafter that the gentleman from Minnesota [Mr. KNUTSON] went to the White House. I do not know the conversation that took place there. If I did, I would not reveal what occurred. Suffice it to say the President of the United States, on the 3d day of July, 1930, the day the long session of Congress of that year adjourned, signed that bill.

Now, let us see what has happened. There are those who are now receiving great pensions from this Government who are decrying the fact that many veterans of the World War who were not able to furnish the technical evidence required to show the service-connected nature of their disabilities are now drawing the magnificent sums of $12 to $18 a month, under the disability allowance act of July 3, 1930.

In the last campaign in Ohio the editor of a great newspaper who evidently had listened to propaganda advanced by selfish interests, who wanted to take away from the ordinary citizen, in order that perchance they may not pay any income tax, the meager sum a veteran gets from a grateful Government because he bared his chest in time of war, because he underwent the hardships of camp, because he braved the dangers of submarines in going overseas, because many of them, yea, thousands of whom, laid down their lives, because of pestilence such as influenza and the awfulness of modern warfare.

Mr. McGUGIN. Will the gentleman yield?

Mr. MOUSER. Just for a moment; I have only a short time.

Mr. McGUGIN. Can the gentleman give us any idea what number of cases on the disability allowance roll are what we call border-line cases as compared with those which are obviously for disabilities incurred since the war?

Mr. MOUSER. If I remember the history of the legislation correctly, the very purpose of writing into law provisions for disability allowance or pensions, if you please, was to take care of the border-line cases where veterans were unable to supply the technical proof required by the Veterans' Bureau which, by administrative, action had perfected regulations that were so technical that a man could not possibly supply the evidence required.

I know something about these claims. I have maintained a service office for World War veterans and other veterans and their dependants, and I have paid out of my pocket the expense of this office in Marion, Ohio, and I have sev-

eral hundred active claims pending to-day. I have assisted in preparing the affidavits, and every three weeks while I have been home I have gone to the office of the Veterans' Bureau in Cleveland, because five of my counties are under the jurisdiction of the Cleveland office and one is under the jurisdiction of the Cincinnati office, and to show you how inequitable are the decisions because of different interpretations of regulations I have gotten more service for the boys in the five counties under the jurisdiction of the Cleveland office than I have for those of the one county under the jurisdiction of the office in Cincinnati, yet the claims, on the merits and on the face of the evidence, have been identical.

[Here the gavel fell.]

Mr. MURPHY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MOUSER. My friends, a very distinguished citizen of Virginia flew over the North Pole and because of the remarkableness of his feat, the daring of that flight, made undoubtedly to add luster to his country's name, but probably from the human standpoint to add luster to his own name, it is my understanding that the Congress retired him from the Navy at an early age. He was promoted to rear admiral and was retired at that rank because of his feat, and to-day is drawing the difference between two-thirds of the base pay of a lieutenant commander and that of a rear admiral in the form of a pension. Certain rich people who do not want these boys to get the meager sum they are getting and who are trying to put over the sales tax in order that the ordinary citizen of this land shall bear all of the burden of taxation are back of this movement. The argument of our balancing the Budget last year—and we did not balance it—was a smoke screen to hide behind for those who are rich and powerful and do not desire to pay the Government income taxes. This man has joined a tax league, an economy league, and he joins with others and says that the boys who are now getting this disability allowance should have it taken away.

I am no respecter of persons when it comes to politics along this line. I am well aware of the record of that great leader, Black Jack Pershing, who led the boys in khaki successfully and crushed the backbone of Germany's offensive in the World War. He was kindly and considerate. He was a great leader. I would not detract for a moment from the illustrious name he has given us and our children's children, but, when he is discussing a matter of economy, without casting any reflection upon him I can say to that gentleman, who is receiving thousands of dollars as a pension, or as retirement pay, if you please, at a higher rank than he would have gotten if he had not been the great leader in the war, that he can not tell me that the boy who has been keeping his family in this time of distress upon the $12 or $18 he has received, should not receive this money from a grateful Government.

The newspaper I started to speak about when I was interrupted sent me a questionnaire on economy during the last campaign and the editor asked me this question:

Are you in favor of a general pension law for World War veterans?

I will give the newspaper credit. They printed my reply without comment. I said to that editor, "Do you not know that there is already upon the statute books a general pension for World War veterans and that the basis of all pension legislation has been the degree of disability from which they are suffering?" This policy adopted by the Government as to pensions, harkens back to the Mexican War, the Indian wars, and the Civil War, as well as the Spanish-American War, yea, when the boys who wore the blue were getting from $4 to $6 a month. It was only when they were in the evening of life, in the seventies and in the eighties, that there was any age provision written into the law.

I was one of those who opposed the consolidation of the Bureau of Pensions into the Veterans' Administration because I felt there would grow up in this country a bureaucracy of Federal employees who would be thinking more about maintaining their jobs than anything else. I believe time will justify my conclusions. At the time of consolidation the old Bureau of Pensions, in existence for a hundred years, had 250,000 pensioners upon the rolls, and was being operated for slightly more than a million dollars per annum. Let us be aware in the name of economy, of false doctrines and prophets, who because of selfish purposes are endeavoring to avoid their just share of taxation by taking away well-earned benefits by the defenders of the Republic and the democracy of the world. Let us think of the ordinary citizens, the buck privates of that great worlds catastrophe, their wives and little ones, and not the rich and powerful—many of them war profiteers—who always hold up a scarecrow when humanitarian legislation is being written. The disability allowance payable only when a veteran is at least 25 per cent permanently disabled—a godsend to many veterns' homes, especially now, should not be repealed. If we take away from buck privates, then take away from the officers now receiving thousands of dollars—then this propaganda will cease.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13710, the Department of Interior appropriation bill, and had come to no resolution thereon.

ELECTION OF MEMBERS TO COMMITTEES

Mr. RAGON. Mr. Speaker, by direction of the Ways and Means Committee, I present the following resolution.

The Clerk read as follows:

House Resolution 322

Resolved, That the following Members be, and they are hereby, elected to the standing committees of the House of Representatives, to wit:

WILLIAM J. DRIVER, of Arkansas, to the Committee on Rules; and AMBROSE J. KENNEDY, of Maryland, to the Committee on the District of Columbia, the Committee on Claims, and the Committee on War Claims.

The resolution was agreed to.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, several gentlemen have asked me whether we are to take up the Unanimous-Consent Calendar on next Monday.

The SPEAKER. Next Monday is consent day, and also suspension day. If there is any business on the Consent Calendar it will be called up, and, I might add for the information of the RECORD, possibly suspensions.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech that I delivered last night over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Ladies and gentlemen of the radio audience, I am indebted to the National Broadcasting Co. for the time used in this broadcast. I want to thank the officials of the company for this opportunity to talk to the radio audience on the subject announced.

At the last session of Congress, the House of Representatives by a vote of 211 for to 176 against passed a bill to pay in cash the remainder due on the adjusted-service certificates. This bill was often referred to as the bonus bill. An adjusted-service certificate does not represent a bonus; it represents a debt that has been acknowledged by Congress to a veteran of the World War for services rendered. Three million five hundred and fifty-five thousand and fifty-eight veterans hold these certificates; the average value is $1,000. About 75 per cent of the certificates have been pledged for loans; there is a remainder due at this time after deducting prior loans of about $2,200,000,000.

The bill that passed the House was defeated by the Senate. We expect to urge the passage of a similar bill at this session of Congress. The bill is designated as H. R. 11992.

A large number of people are now enthusiastically advocating the passage of this bill who were opposing its passage a few months ago. We believe that it is the only plan yet proposed that will bring immediate relief to every section of the country.

It is the only way that the currency can be expanded without causing people to get further in debt, pay more interest, or by giving a dole.

The Reconstruction Finance Corporation was given authority by the last Congress to lend $3,800,000,000 to the banks, insurance companies, railroad companies, and other corporations. This credit is not causing an expansion of the currency. No new money involved—just credit and more interest to be paid. The country will be benefited more by paying 3,550,000 veterans $2,000,000,000 than it would be by lending 25 Daweses $80,000,000 each, or $2,000,000,000. If the veterans of Chicago had been paid the $82,031,733.80 that they would get under this bill, Mr. Dawes would not have needed the $80,000,000 loan.

In substance, the bill provides that the veteran can deliver his certificate to the Administrator of Veterans' Affairs and receive in return therefor new money for the amount that is due on it after prior loans are deducted. The new money will be United States notes—the same kind of money that is in circulation to-day. Our opponents can not defend their position in a discussion with an informed person on this subject, but endeavor to condemn the proposal with such terrifying phrases as "fiat money" or "printing-press money." Let us look at the bugbear of printing-press money. There are two kinds of money—paper currency and coin. The public prefers the paper money to coin. The Bureau of Engraving and Printing, which is located here in Washington, prints the paper money in a large-sized manufacturing plant of the modern type, employing 4,500 people. Eighty per cent of the total amount of money in circulation is paper money. This money plant of ours is turning out an average of 3,000,000 new bills (greenbacks) a day of the total value of from three to five million dollars. That is the kind of money we are using. Most of this money that is printed each day is used to replace worn-out currency, but much of it is new money printed for the national banks.

The gold standard act, passed by Congress, March 14, 1900, adopted the policy for our Government of backing our paper money with 40 per cent gold. It is known that paper money can be safely issued on the Nation's credit as long as we have 40 per cent in gold as a reserve to back each dollar. We have sufficient idle gold to authorize the issuance of the money to pay the adjusted-service certificates without reducing our gold reserve to as low as 40 per cent.

Therefore, the debt can be paid with good, safe, sound money that will be worth 100 cents on the dollar, without a bond issue, without increasing taxes, without unbalancing the Budget, without increasing our national debt, and without endangering the gold standard.

The bill, as amended by an amendment suggested by Ex-Senator Robert L. Owen, a former national banker and coauthor of the Federal reserve act, gave the Federal Reserve Board the power to exchange Government bonds for any part of this money and the money so obtained to be returned to the Secretary of the Treasury for cancellation. The power to control the volume of money under this amendment would at all times be subject to the will of the Federal Reserve Board. Therefore, instead of the bill providing for uncontrolled inflation, or even a step in the direction of the kind of inflation experienced by Germany and Russia, it provides for controlled expansion of the currency.

The effect of this distribution of new money will be to give the people $2,000,000,000 more circulating medium upon which no one will be paying interest. The debt must be paid some time, because it has already been confessed by Congress. It can be paid in advance of the time it is made payable, without cost to the Government, and its payment will be of immense benefit to all the people. I do not believe this money will ever have to be retired, as the increase in our population, national wealth, national income, and monetary gold stock causes a necessity for this much permanent addition to our circulating medium. If we do not expect to retire it in the near future, Congress can eliminate from its annual budget the $112,000,000 payment each year, which now goes into a sinking fund to retire the certificates in 1945.

People do not have enough money at this time to do business on. It is reported by the Treasury Department that we have $5,500,000,000 in circulation. The Treasury Department presumes that all the money is now in circulation that has ever been put into circulation, not taking into account what has been lost in fires, such as the Great Chicago fire, and in shipwrecks and in other ways. The statement also presumes that all the money is in the United States, when, in truth and in fact, Cuba uses our money exclusively, Poland uses our money almost exclusively, and much of it is being used in other foreign countries. In addition, a substantial part of the amount of money outstanding is hoarded by the banks and individuals. We do not actually have more than about $10 or $12 per capita money in circulation in the United States to-day.

In Tenino, Wash., money made of wood is being used as a medium of exchange. The wooden money is as good as gold to purchase anything in that city. At Farmersville, Tex., recently, a customer purchasing $1 worth of goods from a merchant gave a $1 check in payment of the bill. The merchant transferred the check, which was in turn transferred to another until the dollar check had 20 indorsements before reaching the bank. When it reached the bank payment was refused because of insufficient funds. Instead of each indorser going back on the one who gave him the check the 20 indorsers contributed 5 cents each to the account of the maker of the check at the bank, the check was paid off and $20 in debts were paid 95 cents on the dollar after deducting the 5 cents paid by each indorser. Even wooden money and hot checks seem to be used to an advantage in this crisis in the absence of sufficient money.

It has been contended heretofore that we did not need so much money in circulation, since credit was available through 30,000 banking institutions. Recently, however, 10,000 of these banking institutions have closed their doors, causing the people to lose billions of dollars in deposits. The bankers have tightened up on their loans until credit facilities are practically frozen. There is only one way, to my mind, that we can make up for this lack of credit and lack of velocity of money, and that is by adding more money—volume.

It is true that if we add such a large amount of money to the circulating medium it will cause a dollar to purchase less. That, however, will be offset by a rise in commodity prices and make debts and taxes easier to pay. The incomes of individuals and corporations will be increased, and this will result in additional Federal revenue. Proper currency expansion will enable the farmers and others to pay their debts on somewhat the same basis at which they were contracted.

The money will go into every nook and corner of the Nation. It will increase the per capita circulation of money about $18. Every community will get a share. It will go to every class, race, and creed; every occupation, avocation, and trade will be benefitted; it will be deposited in the banks, which will increase the reserves of the banks, make the depositors' money safer and credit easier to obtain. This money will be spent, thereby causing an expansion of consumption; it will not be hoarded, but will immediately go into the channels of trade and production. It will benefit the general welfare as well as the veterans. It will provide buying power for the people.

If the veterans are not paid now, by 1945 practically all the remainder of their certificates will be consumed by compound interest which they are forced to pay the banks and the Government on prior loans.

The last 62 years the Government has permitted national banks to deposit Government bonds with the Secretary of the Treasury as collateral security for the issuance to them of new money (greenbacks). The banks not only get the use of the new money, which is issued on the credit of the Nation and is a mortgage on all homes and other property of all the people, but they also get interest on the bonds deposited with the Secretary of the Treasury. The people are not getting the money from the banks because they do not have the required security. The veterans have Government bonds; why should not they be allowed the same privilege. Let us compare the difference in the plan to pay the veterans and the present plan of issuing money to national banks in return for a deposit of Government bonds:

1. In each case a Government noncirculating obligation (bond) is exchanged for a Government circulating obligation (money).

2. In each case the Government obligation that is deposited with the Secretary of the Treasury is payable in 1945 or in the future.

3. In neither case will the total indebtedness of the Nation be increased.

4. In neither case will there be a specific gold reserve set aside as fractional coverage to redeem the paper money. We have, however, sufficient idle gold to establish such a coverage, and the gold parity act of March 14, 1900, in itself provides that all money issued is legally redeemable in gold.

If good money is issued to the banks under the present system, good money will be issued to the veterans under this plan. This same principle was indorsed by Congress in the Glass-Steagall bill and the home loan bank bill.

Every World War veteran who is not a member of a veterans' organization should join one at once. There are three congressionally recognized organizations that the World War veterans may join. They are the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. Every World War veteran who has an honorable discharge is qualified to join one of these organizations. I hope every veteran who can conveniently do so joins all three, if eligible; if not, to at least become affiliated with one. The veterans have influence in proportion to their membership in their organizations. All three of these organizations have indorsed full payment of the adjusted-service certificates. They should double their membership the next few months, and they will if all World War veterans realize the kind of fight that is being put up against them. A march on Washington by destitute veterans will be injurious to the cause of all veterans. Instead of such veterans coming to Washington they should support their organizations at home. The veterans will continue to win as long as they are reasonable, the false and misleading propaganda to the contrary notwithstanding.

Do not forget that this debt to veterans must be paid anyway; it has already been acknowledged by Congress, and the general welfare of the Nation will be promoted if it is paid now, as suggested, without additional cost to the Government.

Remember, too, the chief cause of this depression is lack of buying power. Consequently any additional buying power put in the hands of the public would tend to ameliorate the depression.

Let us make a long step in the direction of restoring this country by paying the adjusted-service certificates.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned until to-morrow, Friday, December 16, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, December 16, 1932, as reported to the floor leader:

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on New Jersey shore-protection project.

AGRICULTURE

(10 a. m.)

Continue hearings on farm program.

EXECUTIVE COMMUNICATIONS, ETC.

806. Under clause 2 of Rule XXIV, a letter from the Administrator of Veterans' Affairs, transmitting a carbon copy of letter dated November 18, 1932, addressed to the Librarian, Library of Congress, Washington, D. C., and also a photostat of reply thereto, dated November 26, 1932, referring to certain records now in storage in the Veterans' Administration, Washington, D. C., and the 125 field establishments of the administration, which are no longer of use in current work nor of historical value, was taken from the Speaker's table and referred to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. TAYLOR of Colorado: Committee on Appropriations. H. R. 13710. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes; without amendment (Rept. No. 1792). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 13534. A bill authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 13607. A bill to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; without amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMBETH: Committee on Printing. House Resolution 306. A resolution to print, as a House document, the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of Neuse River, N. C. (Rept. No. 1796.) Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PEAVEY: Committee on War Claims. H. R. 5151. A bill for the relief of the heirs of the late Frank J. Simmons; without amendment (Rept. No. 1794.) Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAYLOR of Colorado: A bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. BOEHNE: A bill (H. R. 13711) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER of Wyoming: A bill (H. R. 13712) to provide that advances under the Reconstruction Finance Corporation act may be made with lien on crops as adequate security; to the Committee on Banking and Currency.

By Mr. LANHAM: A bill (H. R. 13713) to provide that in certain cases loans to veterans upon adjusted-service certificates shall be considered partial payments, and for other purposes; to the Committee on Ways and Means.

By Mr. BACHMANN: A bill (H. R. 13714) to amend the World War adjusted compensation act, as amended; to the Committee on Ways and Means.

By Mr. LANHAM: A bill (H. R. 13715) to authorize a special rate of postage on periodicals when sent by public libraries; to the Committee on the Post Office and Post Roads.

By Mr. MEAD: A bill (H. R. 13716) to restore former basis of compensation and allowances of postmasters and other employees of offices of the first, second, and third classes, and commissions of postmasters of the fourth class, and for other purposes; to the Committee on Ways and Means.

By Mr. PESQUERA: A bill (H. R. 13717) to authorize the erection of a Veterans' Administration home in Puerto Rico, and to authorize the appropriation therefor; to the Committee on World War Veterans' Legislation.

By Mr. MANSFIELD: A bill (H. R. 13718) amending the law relating to the collection of fees for passports; to the Committee on Foreign Affairs.

By Mr. LEA: A bill (H. R. 13719) to raise revenue by the taxation of light wines; to the Committee on Ways and Means.

Also, a bill (H. R. 13720) to provide revenue by increasing taxes on certain nonintoxicating vinous liquors and to remove the limitation of the prohibition laws upon their manufacture, transportation, and sale in certain cases; to the Committee on Ways and Means.

By Mr. MANSFIELD: Resolution (H. Res. 323) disapproving the Executive order of December 9, 1932, which transfers or changes any of the duties and responsibilities of the Chief of Engineers, Corps of Engineers, or of the officers of the Corps of Engineers, United States Army; to the Committee on Expenditures in the Executive Departments.

By Mr. BRITTEN: Joint resolution (H. J. Res. 508) proposing an amendment to the Constitution of the United States relative to the eighteenth amendment; to the Committee on the Judiciary.

By Mr. CLANCY: Joint resolution (H. J. Res. 509) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. MEAD: Joint resolution (H. J. Res. 510) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. CELLER: Joint resolution (H. J. Res. 511) to investigate the activities of the Irving Trust Co. of New York, as receiver in bankruptcy and equity causes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRITTEN: A bill (H. R. 13721) for the relief of Julian M. Jordan; to the Committee on Naval Affairs.

By Mr. BURTNESS: A bill (H. R. 13722) for the relief of the Morgan Decorating Co.; to the Committee on Claims.

By Mr. CABLE: A bill (H. R. 13723) for the relief of Olive J. Shepherd; to the Committee on Claims.

By Mr. CHINDBLOM: A bill (H. R. 13724) for the relief of Walter Edward Nolde; to the Committee on Naval Affairs.

By Mr. CONNOLLY: A bill (H. R. 13725) for the relief of George B. Marx; to the Committee on War Claims.

By Mr. DYER: A bill (H. R. 13726) for the relief of James P. Spelman; to the Committee on Claims.

By Mr. EVANS of California: A bill (H. R. 13727) for the relief of Carrie Gannon; to the Committee on Claims.

Also, a bill (H. R. 13728) for the relief of Laura B. Crampton; to the Committee on Claims.

By Mr. FISHBURNE: A bill (H. R. 13729) for the relief of Henry Harrison Griffith; to the Committee on Claims.

By Mr. HORNOR: A bill (H. R. 13730) granting a pension to Sarah M. Waugh; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 13731) granting a pension to Mikel Gollenger; to the Committee on Pensions.

By Mr. LAMNECK: A bill (H. R. 13732) granting an increase of pension to Sarah Jane Plummer; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 13733) granting a pension to Harry Slavin; to the Committee on Pensions.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 13734) granting a pension to William M. Caplinger; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 13735) granting a pension to Anna Hindman; to the Committee on Pensions.

By Mr. MEAD: A bill (H. R. 13736) for the relief of Paul Francis Appleby; to the Committee on Naval Affairs.

By Mr. MOUSER: A bill (H. R. 13737) granting an increase of pension to Martha M. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13738) granting an increase of pension to Lee Jones; to the Committee on Pensions.

By Mr. RAMSPECK: A bill (H. R. 13739) for the relief of Capt. Frank J. McCormack; to the Committee on Claims.

Also, a bill (H. R. 13740) for the relief of J. H. Taylor & Son; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 13741) granting a pension to Grover Cleveland O'Dell; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8951. By Mr. CHINDBLOM: Petition of Benner Chemical Co., of Chicago, favoring certain amendments to the bankruptcy law; to the Committee on the Judiciary.

8952. By Mr. COCHRAN of Pennsylvania: Petition of Farrell Local, No. 1411, of National Federation of Post Office Clerks, of Farrell, Pa., urging that best efforts be put forth to prevent a continuance of the furlough provision in the economy law beyond the present fiscal year; to the Committee on Ways and Means.

8953. Also, petition of Woman's Christian Temperance Union and Clarion County Sabbath School Association, urging the passage of the stop-alien representation amendment to the United States Constitution and count only American citizens when making future apportionments for congressional districts; to the Committee on the Census.

8954. By Mr. CONDON: Petition of Frank A. Silberman and 203 other citizens of Rhode Island, protesting against the repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

8955. By Mr. CULLEN: Petition of Civil Service Forum of New York, urging the Congress to repeal the unjust and inequitable provisions of the economy act as a forward step in relieving the stress of unemployment, restoration of national prosperity, and as an act of justice to faithful workers in the service of the United States; to the Committee on Ways and Means.

8956. Also, petition of Linnaean Society of New York, urging upon the Special Senate Committee on Conservation of Wild Life Resources the desirability of the establishment of Admiralty Island as a wild-life sanctuary; to the Committee on Agriculture.

8957. Also, petition of International Brotherhood of Paper Makers, Local No. 45, Deferiet, N. Y., requesting Congress to create a tariff which will adequately safeguard the pulp and paper industry; to the Committee on Ways and Means.

8958. By Mr. ESTEP: Memorial of 68 citizens, members of Trinity Methodist Episcopal Church, Pittsburgh, Pa., protesting against any legislation tending to weaken the eighteenth amendment by legalizing beer and light wines; to the Committee on Ways and Means.

8959. Also, memorial of Grandview Park Tabernacle, Pittsburgh, Pa., protesting against repeal of the eighteenth amendment or national prohibition act; to the Committee on Ways and Means.

8960. Also, memorial of the Women's Home Missionary Society of the Friendship Park Methodist Episcopal Church, protesting against any repeal of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

8961. Also, memorial of the Mothers' Club of Bloomfield, Pittsburgh, Pa., protesting against the repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on Ways and Means.

8962. By Mr. FITZPATRICK: Petition unanimously adopted by the common council of the city of Yonkers, N. Y., requesting a modification of the economy act in so far as it affects the postal employees, to bring about a more equitable solution of the present alleged hardships and inequalities; to the Committee on Ways and Means.

8963. By Mr. GARBER: Petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

8964. Also, petition of the Zook Wholesale Mercantile Co., Blackwell, Okla., indorsing proposed revision of certain sections of the national bankruptcy act; to the Committee on the Judiciary.

8965. By Mr. GIBSON: Petition of Rev. J. S. Garvin, together with 28 citizens of South Ryegate, Vt., opposing all legislation to legalize manufacture and sale of beer and light wines; to the Committee on the Judiciary.

8966. By Mr. GOLDSBOROUGH: Petition of Denton (Md.) Woman's Christian Temperance Union, opposing vigorously any and all attempts to repeal or modify the eighteenth amendment or its supporting legislation; to the Committee on the Judiciary.

8967. By Mr. HOOPER: Petition of residents of third district of Michigan, urging vote for stop-alien representation amendment to the United States Constitution; to the Committee on Immigration and Naturalization.

8968. By Mr. LEHLBACH: Peition of citizens of New Jersey, opposing the beer bill; to the Committee on Ways and Means.

8969. By Mr. LINDSAY: Petition of American Fruit & Vegetable Shippers' Association, Chicago, Ill., protesting against certain provisions of the Farm Board act; to the Committee on Agriculture.

8970. Also, petition of Pattern Makers League of North America, New York City, opposing the recommendations by President Hoover for further reduction of Government employees' salaries and the continuance of the 8½ per cent present wage reduction; to the Committee on Appropriations.

8971. Also, petition of Medical Society of the county of Westchester, N. Y., protesting against the growing tendency of Veterans' Administration hospitals; to the Committee on World War Veterans' Legislation.

8972. By Mr. MILLER: Petition of citizens of Hickory Plains, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8973. Also, petition of citizens of Evening Shade, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8974. Also, petition of Ladies' Missionary Society of Roe, Ark., protesting against the repeal or modification of the Volstead Act; to the Committee on Ways and Means.

8975. Also, petition of citizens of Melbourne, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8976. Also, petition of citizens of Newport, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8977. Also, petition of citizens of Pearson, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8978. Also, petition of citizens of Oil Trough and Elmo, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8979. Also, petition of citizens of Heber Springs, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8980. Also, petition of citizens of Batesville, Ark., protesting against the repeal or modification of the Volstead Act; to the Committee on Ways and Means.

8981. By Mr. NELSON of Maine: Petition of Mary Richardson and 21 other citizens of Southwest Harbor, Me., urging Congress to refuse to change the Volstead Act; to the Committee on the Judiciary.

8982. Also, petition of 28 citizens of Randolph, Me., urging Congress to refuse to legalize beer and wine; to the Committee on Ways and Means.

8983. Also, petition of Cora B. Lincoln and 83 other residents of Maine, urging the Seventy-second Congress to maintain the eighteenth amendment without change; to the Committee on the Judiciary.

8984. Also, petition of 28 citizens of Columbia, Me., urging passage of the proposed constitutional amendment to stop alien representation; to the Committee on the Judiciary.

8985. Also, petition of 50 citizens of Gardiner, Me., urging Congress to refuse to legalize beer and wine; to the Committee on Ways and Means.

8986. By Mr. PARKS: Petition of citizens of New Edinburg, Ark.; to the Committee on the Judiciary.

8987. Also, petition of citizens of Prescott, Ark.; to the Committee on the Judiciary.

8988. Also, petition of citizens of Hamburg, Ark.; to the Committee on the Judiciary.

8989. Also, petition of citizens of Stamps, Ark.; to the Committee on the Judiciary.

8990. Also, petition of citizens of Purdon, Ark.; to the Committee on the Judiciary.

8991. Also, petition of citizens of Okolona, Ark.; to the Committee on the Judiciary.

8992. Also, petition of citizens of Strong, Ark.; to the Committee on the Judiciary.

8993. Also, petition of citizens of Stephens, Ark.; to the Committee on the Judiciary.

8994. Also, petition of citizens of Prescott, Ark.; to the Committee on the Judiciary.

8995. Also, petition of citizens of Montrose, Ark.; to the Committee on the Judiciary.

8996. Also, petition of citizens of El Dorado, Ark.; to the Committee on the Judiciary.

8997. By Mr. ROBINSON: Petition signed by Frank Pitzenberger and Julia Pitzenberger, president and secretary of the Pitze Beauty Parlor Supply Co., Waterloo, Iowa, and 15 others, urging the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8998. By Mrs. ROGERS: Memorial of the City Council of the City of Lowell, Mass., requesting that immediate legislation be enacted to legalize the sale of beer and light wine in Massachusetts; to the Committee on Ways and Means.

8999. By Mr. RUDD: Petition of Medical Society of the County of Westchester, N. Y., protesting against the growing tendency of the Veterans' Administration hospitals to compete with the hundreds of approved hospitals now in existence, etc.; to the Committee on World War Veterans' Legislation.

9000. Also, petition of Pattern Makers' League, New York City, opposing the recommendations of the President for further salary reduction of Government employees and also the continuance of the 8⅓ per cent wage reduction; to the Committee on Appropriations.

9001. By Mr. SEGER: Letter of Rev. Roswell F. Hinkelman, minister Community Congregational Church, Little Falls, N. J., with resolutions of young people's rally favoring passage of Senate bill 1079, by Senator BROOKHART, on motion-picture industry; to the Committee on Interstate and Foreign Commerce.

9002. By Mr. SNELL: Petition of residents of Mooers Forks, Edenburg Depot, etc., opposing the return of beer; to the Committee on Ways and Means.

9003. By Mr. SPARKS: Resolution of Woman's Home Missionary Society of Rice, Kans., submitted by Della Magaw, president, and Mrs. A. W. Cochran, secretary, of the society, asking for Federal legislation for regulating motion pictures; to the Committee on Interstate and Foreign Commerce.

9004. Also, petition of citizens of Morland, Hoxie, and Penokee, Kans., submitted by Grace E. Brown and Ira McGuire and signed by 84 others, protesting against any change in the prohibition law or the submission of any new amendment providing for repeal of the eighteenth amendment; also petition of citizens of Rice and Ames, Kans., submitted by Mrs. Ernest S. Lagasse and Mrs. Orville Doyeu and signed by 24 others, protesting against the legalizing of any intoxicating liquors; to the Committee on the Judiciary.

9005. By Mr. STEWART: Petition of 271 residents of the fifth congressional district, opposing every legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9006. By Mr. SUMMERS of Washington: Petition of the Woman's Home Missionary Society, Methodist Episcopal Church, Clarkston, Wash., urging support of Senate bill 1079 and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

9007. By Mr. TARVER: Resolution of the Burning Bush and Boynton (Ga.) Baptist Missionary Societies, asking the maintenance and enforcement of National and State laws against intoxicating liquors; to the Committee on the Judiciary.

9008. By Mr. THOMASON: Petition of El Paso-Hudspeth County Farm Bureau, conveying resolutions adopted at its meeting on November 19, 1932; to the Committee on Agriculture.

9009. By Mr. TREADWAY: Petition of citizens of Dalton, Mass., urging the adoption of a stop-alien representation amendment to the Constitution of the United States; to the Committee on the Judiciary.

9010. By Mr. WATSON: Petition of the Bensalem Woman's Christian Temperance Union, Trevose, Pa., opposing any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

9011. By Mr. WEST: Petition of 45 residents of Ashland, Polk, West Salem, Delta, and Jeromesville, Ohio, urging passage of stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9012. By Mr. WYANT: Petition of D. W. Baer, secretary Greensburg Council, No. 169, Junior Order United American Mechanics, urging passage of the Moore immigration bill; to the Committee on Immigration and Naturalization.

9013. Also, petition of J. Irwin Green, Murrysville, Westmoreland County, Pa., urging support of stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9014. Also, petition of Theo. C. Hackenberg, Murrysville, Pa., urging support of stop-alien representation amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9015. Also, petition of 44 persons representing missionary societies of the Westminster Presbyterian Church, of Greensburg, Pa., urging support of the stop-alien representa-

tion amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionment for congressional districts; to the Committee on the Judiciary.

9016. Also, petition of E. P. George, C. G. Koerner, A. E. Snair, L. G. Gohogan, George Waddington, A. J. Kuhn, Paul J. Trout, of New Kensington, Pa., urging support of the stop-alien representation amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

FRIDAY, DECEMBER 16, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Tuesday, December 13, Wednesday, December 14, and Thursday, December 15, 1932.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

CALL OF THE ROLL

Mr. HARRISON obtained the floor.

Mr. FESS. Mr. President, will the Senator from Mississippi yield to me to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Mississippi yield for that purpose?

Mr. HARRISON. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kean	Schall
Austin	Dale	Kendrick	Schuyler
Bailey	Dickinson	Keyes	Shipstead
Bankhead	Dill	King	Shortridge
Barbour	Fess	La Follette	Smith
Barkley	Frazier	Logan	Smoot
Bingham	George	Long	Steiwer
Black	Glass	McGill	Swanson
Blaine	Goldsborough	McKellar	Thomas, Okla.
Borah	Gore	McNary	Trammell
Broussard	Grammer	Metcalf	Tydings
Bulkley	Hale	Moses	Vandenberg
Bulow	Harrison	Neely	Wagner
Byrnes	Hastings	Norbeck	Walcott
Capper	Hatfield	Nye	Walsh, Mass.
Carey	Hawes	Oddie	Walsh, Mont.
Cohen	Hayden	Patterson	Watson
Coolidge	Hebert	Reed	White
Copeland	Howell	Reynolds	
Costigan	Hull	Robinson, Ark.	
Couzens	Johnson	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained in attendance on the funeral of the late Representative Garrett.

I also desire to announce that the Senator from Illinois [Mr. LEWIS] is detained on official business.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] and the junior Senator from Arkansas [Mrs. CARAWAY] are detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

FOREIGN DEBTS

Mr. HARRISON. Mr. President, on yesterday I gave notice that to-day I intended to discuss the foreign debt situation. Since making that announcement there has been, in my opinion, some change in the trend of events. Certain circumstances have arisen which I hope will work to the mutual advantage of both France and the United States and preserve the fine and friendly and cordial relationship that always has existed between the two countries. Therefore, it is my opinion that the wise thing to do at this time, in view of that situation, is to withhold any remarks touching that very important question, and so I shall conduct myself accordingly for the present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, in which it requested the concurrence of the Senate.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. ROBINSON of Arkansas. Mr. President, the debate on the pending bill, it seems to me, has proceeded far enough to justify the imposition of a limitation by unanimous consent. It will be recalled that during the last session the bill and amendments to it were discussed for a period of a week or 10 days. It has been the sole subject of consideration since the present session began. A number of tentative agreements have been reached. I feel that with the approval of those in charge of the bill and other Senators who have been interested in important amendments a proposal for limitation should be submitted.

Therefore, I ask unanimous consent that all debate on the bill and each amendment and motion relating to the same be limited, so that hereafter no Senator may speak more than once or longer than 10 minutes on the bill or any amendment thereto or any motion pertaining to the same.

The VICE PRESIDENT. Is there objection?

Mr. BROUSSARD. Mr. President, will the Senator limit the request to the pending motion? We do not know what other amendments may be proposed, and there may be some that would require considerable debate. May not the request be limited at this time to the pending motion? That will probably determine the fate of the bill.

Mr. ROBINSON of Arkansas. If the Senator objects or if he indicates an intention to object, I will withdraw the request. I shall renew it a little later.

Mr. LONG. Mr. President, as I understand it, there is no objection to the request so far as it relates to the pending question. Let us go as far as we can. If there is no objection to limiting debate on the pending motion, let us dispose of that and then see what the situation is.

Mr. ROBINSON of Arkansas. In view of the suggestions of the two Senators from Louisiana, while I am not certain that very much will be accomplished by imposing a limitation of debate on the amendment, which has already been debated, and the pending motion, on which I understand the Senate is about ready to vote, I ask unanimous consent that debate on the pending motion be limited so that no Senator may speak more than once or longer than 10 minutes.

Mr. DILL. That has reference to the pending motion to reconsider?

Mr. ROBINSON of Arkansas. Yes; the motion to reconsider. That is the pending question.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The question is on the motion of the Senator from South Dakota [Mr. BULOW] to reconsider the vote whereby the

amendment of the Senator from Louisiana [Mr. BROUSSARD] was agreed to.

SEVERAL SENATORS. Let the amendment be read.

The VICE PRESIDENT. The amendment of the Senator from Louisiana will be read.

The CHIEF CLERK. On page 37 of the committee amendment, strike out all after line 7 to and including the word "report" in line 23 and insert in lieu thereof the following:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act.

So as to read:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under the constitution provided for in this act the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

Mr. BROUSSARD. Mr. President, I wish to make just a few remarks to meet the objections which have been urged by the Senator from Maryland [Mr. TYDINGS]. I have had some one assembled some figures as to the indebtedness of the Philippine Islands. The amount of that indebtedness is now $66,000,000. Annual payments on those obligations are being made at the rate of $4,749,155. That is the estimate of the Philippine liabilities as found in the hearings of the committee of the other House. Computing those payments on the basis of 10 years under the 8-year limitation, they will amount to $47,000,000.

It will be found from the House hearings that the importations from the Philippines according to the figures for 1930 aggregated $105,882,682. If those who want to provide for the bonded indebtedness will impose during the last three years of the 8-year period, duties of, say, 5, 10, and 15 per cent there will be raised $31,766,000. Under such a plan the surplus, after the payment of the Philippine indebtedness, will be $13,257,518, which will accrue for the benefit of the Philippine Islands; and mind you, Mr. President, I am not considering the $50,000,000 that are now on deposit in the United States Government for the redemption of Philippine bonds.

If that be the problem to be solved, I submit to the Senate that under the 8-year plan there can be raised more than enough to pay all the indebtedness plus $13,257,178, and retain to the credit of the Philippine Islands about $50,000,000 on deposit now in the United States.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Utah?

Mr. BROUSSARD. I yield.

Mr. KING. I am not sure that I understand the Senator with respect to the amount which he claims is on deposit in the United States, to wit, $50,000,000. My understanding is that that amount is not for the purpose of meeting the bond obligations of the Philippine Islands, but is for the purpose of protecting the currency which has been issued by the Philippines, and which is in circulation in those islands. In other words, it is the gold cover or the metallic cover upon which is based the currency which has been issued by the Philippine government, and to use any part of the $50,000,000 in liquidation of the bonded indebtedness would, of course, impair the credit of the Philippines. It would result in a diminution in the value of the currency of the country for exchange purposes if not for domestic purposes. I think the Senator is in error in assuming that that $50,000,000 is available for the discharge of the bonded indebtedness.

Mr. BROUSSARD. I think the Senator from Utah misunderstood me, or else I did not express myself properly. The deposits of the Philippine government in the United States are not figured in this computation at all. There is a surplus of over $13,000,000 outside of such deposits, as set forth in the statement from which I have read.

I said that it did not take into consideration the $50,000,000. The $50,000,000, as I understand, will play no part in the redemption of the Philippine bonds, and I merely made the reference as a side statement. However, my understanding is that 15 per cent of that is considered as a gold reserve to guarantee the Philippine currency, and not $50,000,000; but, be that as it may, a surplus is shown without considering it at all.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Dakota [Mr. BULOW] to reconsider the vote by which the amendment of the Senator from Louisiana [Mr. BROUSSARD] to the committee amendment was agreed to.

Mr. BROUSSARD. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. HEBERT (when his name was called). I have a general pair with the Senator from Florida [Mr. FLETCHER]. I do not know how he would vote if he were present. I find, however, that I can transfer that pair to the Senator from Nevada [Mr. PITTMAN]. I do so, and vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I transfer that pair to the senior Senator from Nebraska [Mr. NORRIS] and will vote. I vote "nay."

Mr. SHORTRIDGE (when his name was called). I have a general pair with the junior Senator from Texas [Mr. CONNALLY]. Not knowing his views upon this question, I withhold my vote.

The roll call was concluded.

Mr. LA FOLLETTE. I was requested to announce the unavoidable absence of the Senator from Iowa [Mr. BROOKHART] and the Senator from New Mexico [Mr. BRATTON]. These two Senators are paired on this question, and I am informed that if the Senator from Iowa were present, he would vote "nay"; and that if the Senator from New Mexico were present, he would vote "yea."

Mr. BARBOUR. I have a pair on this vote with the junior Senator from Arkansas [Mrs. CARAWAY]. Not knowing how she would vote, I withhold my vote.

Mr. COPELAND. Mr. President, I ask to be recorded as "present."

Mr. ROBINSON of Arkansas. I wish to announce that on this question the senior Senator from Texas [Mr. SHEPPARD], who is absent in attendance upon the funeral of the late Representative Garrett, of Texas, is paired with the junior Senator from Illinois [Mr. LEWIS].

Mr. FESS. I was requested to announce the following general pairs:

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER]; and

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON].

I wish further to announce that the Senator from Pennsylvania [Mr. DAVIS] is unavoidably detained from the Senate on official business.

The result was announced—yeas 42, nays 34, as follows:

YEAS—42

Ashurst	Dale	Hebert	Reed
Austin	Fess	Hull	Robinson, Ark.
Bailey	Glass	Johnson	Smith
Barkley	Goldsborough	Kendrick	Steiwer
Bingham	Gore	Keyes	Tydings
Blaine	Grammer	La Follette	Wagner
Borah	Hale	Logan	Walcott
Bulkley	Harrison	McKellar	Walsh, Mass.
Bulow	Hastings	McNary	Walsh, Mont.
Coolidge	Hawes	Metcalf	
Cutting	Hayden	Patterson	

NAYS—34

Bankhead	Carey	Dill	Kean
Black	Cohen	Frazier	King
Broussard	Costigan	George	Long
Byrnes	Couzens	Hatfield	McGill
Capper	Dickinson	Howell	Moses

Neely	Reynolds	Shipstead	Watson
Norbeck	Robinson, Ind.	Smoot	White
Nye	Schall	Thomas, Okla.	
Oddie	Schuyler	Trammell	

NOT VOTING—20

Barbour	Copeland	Norris	Swanson
Bratton	Davis	Pittman	Thomas, Idaho
Brookhart	Fletcher	Sheppard	Townsend
Caraway	Glenn	Shortridge	Vandenberg
Connally	Lewis	Stephens	Wheeler

So Mr. BULOW's motion to reconsider was agreed to.

The PRESIDENT pro tempore. The question recurs on the amendment proposed by the Senator from Louisiana [Mr. BROUSSARD] to the amendment of the committee.

Mr. BROUSSARD. Mr. President, in view of the fact that the statement has been made that some Senators voted under a misapprehension the first time, and perhaps they will want to accord others a chance to correct such action, I ask for the yeas and nays on this question.

The PRESIDENT pro tempore. On this question the yeas and nays are demanded.

The yeas and nays were ordered.

Mr. BORAH. Mr. President, I understand that the matter we are now about to vote upon is the amendment of the Senator from Louisiana [Mr. BROUSSARD] to the amendment of the committee.

The PRESIDENT pro tempore. It is.

Mr. BORAH. Before we vote upon that, I should like to ask the Senator from Missouri what will be the effect of the adoption of this amendment with reference to the limitation of time for the independence of the Philippines.

Mr. HAWES. Mr. President, the adoption of the amendment will preclude any discussion. The substitute that we agreed upon can not get before the Senate unless an affirmative vote is registered.

Mr. KING. Mr. President, I may have misapprehended the statement made by the Senator from Missouri. I understood the Senator to state that if the amendment which is now pending and which we are to vote upon in a moment shall prevail, that will preclude any further consideration of the question of the step-up of the tariff, or any imposition of that character.

Mr. HAWES. Oh, no; quite the contrary. It will leave the matter open for very thorough discussion, so that we can vote on the matter on limitation, or plebiscite, or anything connected with it.

Mr. KING. Then the amendment of the Senator from Louisiana merely limits to six years the time within which the limitation of imports is fixed?

Mr. HAWES. That is right.

Mr. KING. But subsequently to that period, if the Congress desires, it may impose further limitations in the matter of tariff, or other limitations?

Mr. HAWES. In other words, it will leave the matter open for thorough debate and amendment on any portion of the bill; a separate vote on the plebiscite, if desired, a separate vote on time, and all of those elements.

Mr. SMOOT. Mr. President, I should like to have the pending amendment stated.

The PRESIDENT pro tempore. The amendment will be stated.

Mr. ROBINSON of Arkansas. Mr. President, I insist that the Senator from Missouri could not have understood the question of the Senator from Utah. It is perfectly apparent that if the amendment of the Senator from Louisiana [Mr. BROUSSARD], which was reconsidered a moment ago, is voted in a second time, it will have been fruitless to have reconsidered it, and the Senator from New Mexico [Mr. CUTTING] can not offer the compromise agreement reflected in his amendment.

Mr. SMOOT. That is why I asked to have the pending amendment stated.

The PRESIDENT pro tempore. The amendment will be stated.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry. Would a motion to amend the amendment proposed by the Senator from Louisiana by substituting therefor the amendment offered by the Senator from New Mexico [Mr. CUTTING] be in order?

The PRESIDENT pro tempore. The Chair would hold in the affirmative.

Mr. WALSH of Montana. Then, Mr. President, why should we not proceed in that way, and vote the amendment proposed by the Senator from New Mexico up or down as we see fit? Then, if it should be adopted, that would dispose of the matter. If it should be rejected, we would then consider the amendment of the Senator from Louisiana.

Mr. DILL. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. DILL. The trouble with that proposition is that if the amendment of the Senator from New Mexico is offered as a substitute for or amendment to the amendment of the Senator from Louisiana there would be no chance whatever to vote on any amendment to the amendment of the Senator from New Mexico, because it would be an amendment in the third degree. There are some Members of the Senate who desire to vote separately on the question of a plebiscite. We shall not be able to do that if the amendment of the Senator from New Mexico is offered as an amendment to that of the Senator from Louisiana. In order that we may have a chance to divide the question, and to offer amendments to the plan of the Senator from New Mexico, we should vote upon the amendment of the Senator from Louisiana.

Mr. FESS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Ohio will state it.

Mr. FESS. Referring to the statement of the Senator from Washington, if the amendment of the Senator from New Mexico is offered as a substitute for the pending amendment, would not that substitute be open to amendment?

The PRESIDENT pro tempore. That substitute, in the form in which it has been presented to the Senate, will require a very considerable reconstruction of many portions of the bill; but in direct answer to the parliamentary question proposed by the Senator from Ohio, the present occupant of the chair would also hold in the affirmative on that question.

Mr. DILL. That it could be amended?

The PRESIDENT pro tempore. The Chair would so hold.

Mr. SMOOT. Now, Mr. President, I should like to have the pending amendment stated to the Senate, so that we can understand exactly what we are doing.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Louisiana to the amendment of the committee will be stated for the information of the Senate.

Mr. SMITH. Mr. President, I should like to ask if it is not a fact that in the event the amendment proposed by the Senator from Louisiana is adopted it will shut out any further amendment to the matters included in his amendment. Any other amendment to any provision included in his amendment would be shut out, as I understand, because it would then be an amendment in the third degree. So that if we adopt the amendment of the Senator from Louisiana that closes, so far as we are concerned, all the matters included in his amendment.

Is that the status?

The PRESIDENT pro tempore. The Chair would so hold.

Mr. SMOOT. Now, Mr. President, may we have the amendment stated to the Senate?

The PRESIDENT pro tempore. The amendment proposed by the Senator from Louisiana to the amendment of the committee will be stated.

The CHIEF CLERK. The Senator from Louisiana has offered the following amendment: In the official copy of the bill, or the bill reported by the committee, on page 37, the Senator from Louisiana proposes to strike out:

SEC. 9. (a) At any time after the expiration of the fifteenth year and before the expiration of the seventeenth year after the inauguration of the government provided for in this act the people of the Philippine Islands shall vote on the question of Philippine independence. The legislature of the Commonwealth of the Phil-

ippine Islands shall provide for the time and manner of an election for such purpose, at which the qualified voters of the Philippine Islands shall be entitled to vote.

(b) If a majority of the votes cast are in favor of Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the President of the United States, who shall, within 60 days after the receipt of such report, issue a proclamation announcing the results of such election, and within a period of two years after such report.

And to insert the following words:

SEC. 9. (a) On the 4th of July immediately following the expiration of the period of eight years from the date of the inauguration of the new government under a constitution provided for in this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Louisiana to the amendment of the committee. On this question the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when Mrs. CARAWAY's name was called). My colleague the junior Senator from Arkansas [Mrs. CARAWAY] is absent on account of illness.

Mr. COPELAND (when his name was called). Present.

Mr. HEBERT (when his name was called). I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). Making the same announcement as on the previous roll call with reference to my general pair and its transfer, I vote "yea."

Mr. SHORTRIDGE (when his name was called). Making the same announcement as to my general pair with the junior Senator from Texas [Mr. CONNALLY], I withhold my vote.

Mr. SWANSON (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. GLENN]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. LA FOLLETTE. Making the same announcement as on the previous roll call with regard to the pair of the senior Senator from Iowa [Mr. BROOKHART] and the senior Senator from New Mexico [Mr. BRATTON], I am informed that if the senior Senator from New Mexico were present he would vote "nay," and if the senior Senator from Iowa were present he would vote "yea."

Mr. FESS. I desire to announce that on this question the Senator from Idaho [Mr. THOMAS] is paired with the Senator from Montana [Mr. WHEELER], and the Senator from New Hampshire [Mr. KEYES] is paired with the Senator from Arkansas [Mrs. CARAWAY].

I also wish to announce that the Senator from Pennsylvania [Mr. DAVIS] is unavoidably detained from the Senate on official business. He has a general pair with the Senator from Oklahoma [Mr. THOMAS].

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance upon the funeral of the late Representative Garrett.

I also wish to repeat the announcement that on this question the senior Senator from Texas [Mr. SHEPPARD], who is absent in attendance upon the funeral of the late Representative Garrett, of Texas, is paired with the junior Senator from Illinois [Mr. LEWIS].

The result was announced—yeas 31, nays 45, as follows:

YEAS—31

Bankhead	Couzens	Long	Robinson, Ind.
Black	Dickinson	McGill	Schall
Broussard	Dill	Moses	Schuyler
Byrnes	Frazier	Neely	Shipstead
Capper	George	Norbeck	Smoot
Carey	Hatfield	Nye	Trammell
Cohen	Howell	Oddie	White
Costigan	King	Reynolds	

NAYS—45

Ashurst	Bailey	Barkley	Blaine
Austin	Barbour	Bingham	Borah
Bulkley	Hale	La Follette	Tydings
Bulow	Harrison	Logan	Vandenberg
Coolidge	Hastings	McKellar	Wagner
Cutting	Hawes	McNary	Walcott
Dale	Hayden	Metcalf	Walsh, Mass.
Fess	Hebert	Patterson	Walsh, Mont.
Glass	Hull	Reed	Watson
Goldsborough	Johnson	Robinson, Ark.	
Gore	Kean	Smith	
Grammer	Kendrick	Steiwer	

NOT VOTING—20

Bratton	Davis	Norris	Swanson
Brookhart	Fletcher	Pittman	Thomas, Idaho
Caraway	Glenn	Sheppard	Thomas, Okla.
Connally	Keyes	Shortridge	Townsend
Copeland	Lewis	Stephens	Wheeler

So Mr. BROUSSARD's amendment to the amendment of the committee was rejected.

REIMBURSABLE CHARGES EXISTING AS DEBTS AGAINST INDIANS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, reporting, pursuant to law, relative to adjustment or elimination of reimbursable charges of the Government existing as debts against individual Indians or tribes of Indians, and transmitting for approval list of cancellations and adjustments, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, lists of papers on the files of the department and its bureaus not needed or useful in the transaction of current business and having no permanent value or historical interest, and asking for action looking toward their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. NYE and Mr. PITTMAN members of the committee on the part of the Senate.

SENATE JOURNAL, LEGISLATURE OF HAWAII

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Hawaii (communicated through the office of the Assistant Secretary of the Interior), transmitting copy of the journal of the senate of the legislature, Territory of Hawaii, special sessions of 1932, which was referred to the Committee on Territories and Insular Affairs.

REPORT OF THE FEDERAL TRADE COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the commission for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from J. A. Greene, civil engineer, San Antonio, Tex., transmitting a paper entitled "How to Increase Our Circulating Medium by Taking Land Available as a Foundation," which, with the accompanying paper, was referred to the Committee on Banking and Currency.

He also laid before the Senate a letter from J. Parker, secretary, etc., Philadelphia, Pa., in relation to a plan for the relief of unemployed persons, which was referred to the Committee on Education and Labor.

Mr. ROBINSON of Arkansas presented resolutions adopted by the Pulaski County Medical Society, of Little Rock, Ark., favoring the discontinuance of free hospital service to veterans for non-service-connected disabilities, which were referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Miss Emma M. Wilkinson, secretary Tight Barrel Circled Heading Manufacturers Association, Memphis, Tenn., operating mills, among others, at Searcy, Paragould, Hope, Pine Bluff, and Little Rock, in the State of Arkansas, praying for the repeal of the eighteenth amendment of the Constitution and the passage of legislation legalizing the

manufacture and sale of beer, which was referred to the Committee on the Judiciary.

He also presented a letter from A. O. Stewart, president Phoenix Joint Stock Land Bank of Kansas City, Kansas City, Mo., in relation to farm mortgages and land bank legislation, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter from Frederick H. Allen, New York City, N. Y., in relation to farm mortgages and land bank legislation, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

Mr. TYDINGS presented a resolution adopted by the Chamber of Commerce of Havre de Grace, Md., favoring the making of an appropriation of $12,000 for the purpose of dredging a channel 60 feet wide and 6 feet deep at mean low tide from Point Concord, on the Susquehanna River, westward along and about 100 feet from the shore to a point opposite the southerly limits of the city of Havre de Grace to connect with the channel known as Oakington Channel, already existing, and so forth, which was referred to the Committee on Appropriations.

He also presented the petition of the public utilities committee, Bethesda Chamber of Commerce, of Bethesda, Md., praying for the prompt passage of legislation authorizing a merger of transportation utilities in the District of Columbia, and also that "taxicabs and hired vehicles be placed under some intelligent supervision, looking forward to a further protection of the people's rights and interests," which was referred to the Committee on the District of Columbia.

Mr. COPELAND presented resolutions adopted by the Maritime Association of the Port of New York, N. Y., protesting against the Executive order abolishing the United States Employees' Compensation Commission as an independent office and transferring its duties and activities to the Department of Labor, especially in connection with the administration of the longshoremen's and harbor workers' compensation act, which were referred to the Committee on Appropriations.

Mr. GRAMMER presented the petition of the Bethany Methodist Episcopal Brotherhood, of Tacoma, Wash., praying for the passage of legislation providing regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented petitions of the Bethany Methodist Episcopal Brotherhood, of Tacoma, and the Woman's Home Missionary Society of the Methodist Episcopal Church of Clarkston, in the State of Washington, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. CAPPER presented petitions of the Woman's Home Missionary Society of Altoona; the Woman's Home Missionary Society of Baxter Springs; the Woman's Home Missionary Society of the Rosedale Methodist Episcopal Church, of Kansas City; the Young Woman's Christian Association of Lake City; and the Woman's Home Missionary Society of Ottawa, all in the State of Kansas, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented resolutions adopted by the Woman's Christian Temperance Union of Herington and the Wichita Council of Churches, in the State of Kansas, protesting against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also presented memorials of adult members of the congregation of the Methodist Church and Sunday school of Wellsville, and sundry citizens of Isabel, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment of the Constitution and the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Women's Bible Class of the First Methodist Episcopal Church of Parsons; the Young Woman's Christian Associations of Lake City and Parsons; the Woman's Home Missionary Societies of the Washington Avenue Methodist Episcopal Church and of the Rosedale Methodist Episcopal Church, both of Kansas City; the Woman's Home Missionary Society of Council Grove; and the Woman's Home Missionary Societies of Altoona, Attica, Baldwin, Baxter Springs, Blue Rapids, Caldwell, Concordia, Enterprise, Junction City, Mayetta, Ottawa, Parsons, Rice, St. Francis, Sedan, and Stockton, all in the State of Kansas, favoring the passage of legislation providing regulation of the motion-picture industry, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. REED, from the Committee on Military Affairs, to which was referred the bill (S. 4810) to authorize the Secretary of War or the Secretary of the Navy to withhold the pay of officers, warrant officers, and nurses of the Army, Navy, or Marine Corps to cover indebtedness to the United States under certain conditions, reported it with amendments and submitted a report (No. 1005) thereon.

Mr. NORBECK, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 5148) authorizing the Secretary of Agriculture to adjust debts owing the United States for seed, feed, and crop-production loans, reported it without amendment and submitted a report (No. 1006) thereon.

INVESTIGATION OF RENTAL CONDITIONS IN THE DISTRICT

Mr. GOLDSBOROUGH, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 302, submitted by Mr. CAPPER on the 13th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That Senate Resolution No. 248, agreed to June 27, 1932, authorizing and directing the Committee on the District of Columbia, or a duly authorized subcommittee thereof, to investigate rental conditions in said District of Columbia and to report the results of same, with recommendations, to the Senate not later than December 15, 1932, hereby is continued and extended in full force and effect until January 10, 1933.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Montana (for Mr. WHEELER):

A bill (S. 5200) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. BULKLEY:

A bill (S. 5202) granting an increase of pension to Letitia Stookey (with accompanying papers); to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 5203) for the relief of the Harvey Canal Ship Yard & Machine Shop (with accompanying papers);

A bill (S. 5204) for the relief of the Texas Power & Light Co. (with accompanying papers);

A bill (S. 5205) for the relief of the Great Falls Meat Co., of Great Falls, Mont. (with accompanying papers);

A bill (S. 5206) for the relief of Lawrence S. Copeland (with accompanying papers);

A bill (S. 5207) for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased (with accompanying papers); and

A bill (S. 5208) for the relief of Mary Byrkett Sinks (with accompanying papers); to the Committee on Claims.

By Mr. REED and Mr. DAVIS:

A bill (S. 5209) to procure a site for a Federal building at Philadelphia, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. McKELLAR:

A bill (S. 5210) granting a pension to Ben Harrison Martin (with accompanying papers); to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 5211) for the relief of James Clay Colson; to the Committee on Claims.

FEES FOR RADIO LICENSES

Mr. DILL. Mr. President, I introduce a bill to provide for fees for radio licenses and other purposes and ask to have it referred to the Committee on Interstate Commerce.

The bill (S. 5201) to provide for fees for radio licenses and other purposes was read twice by its title and referred to the Committee on Interstate Commerce.

Mr. DILL. I wish to say that when I reported the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes, from the Committee on Interstate Commerce a few days ago, this section of the bill was taken out for the reason that we had not had hearings on that provision. I think it is highly desirable that radio stations in this country should provide a large part of the cost of regulation by the Government. I hope to have hearings on the bill and have it reported in the very near future.

HOUSE BILL REFERRED

The bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

MANGANESE ORE

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance a letter written by George H. Crosby, Duluth, Minn., to the Secretary of the Treasury, setting out facts concerning the domestic protection of manganese ore, which seems to me to be vital to our economic independence and may, perhaps, be vital even to the maintenance of our boasted liberty.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD and referred to the Committee on Finance.

The letter is as follows:

OCTOBER 24, 1932.

Hon. OGDEN MILLS,
Washington, D. C.

MY DEAR MR. SECRETARY: It has just been called to my attention that your department is suspending appraisal of duties on steel products imported into the United States in violation of the anti-dumping act of 1921, since the Treasury Department has refused to take similar action suspending appraisal of manganese imports from Russia, Brazil, India, and Africa.

The manganese industry of the United States has been in a very critical condition since the signing of the armistice in 1918 and will continue to be in that condition so long as manganese ores are imported from Russia, Brazil, India, and Africa.

At the time that the United States entered the World War the domestic owners of manganese ore and manganiferous ore were requested by the Government to open up their mines and produce manganese ore for war purposes. The owners of these manganese mines responded in a whole-hearted way and invested millions of dollars in the opening of these mines on the promise of the United States Government that they would be made whole in their investment and that an embargo would be placed on foreign ores and would be kept in force until two years after the close of the war.

The embargo was lifted before the signing of the armistice in 1918. The above action caused a tremendous loss to all domestic producers. That action cost me personally more than $500,000.

Since 1918 the domestic producers have not been fairly treated by the manufacturers of steel; they have purchased the low-cost ores from foreign countries and the domestic ores have remained in the ground, throwing out of work 10,000 workers. There is no valid excuse for the manufacturers of steel for not using domestic ores. The cost per manufactured ton of steel compared with the cost of domestic ores against foreign ores amounts to but 16 cents per manufactured ton. The operation of domestic mines in case of war is absolutely essential.

If American producers were assured of a market, vast quantities of manganese ore could and would be developed in America and would assure this country of a supply in case of future wars and would also give a peace-time supply of manganese ore mined by American workers in American mines.

The United States Government has only one solution to its manganese problem, and that is to give proper encouragement to the development of manganese mines in the United States.

Col. Frederick H. Paine, Assistant Secretary of War, went before the Senate Finance Committee in 1932 and told that committee that it was absolutely essential that this mineral should be mined from mines within the border of the United States as a war measure.

I can not understand why the domestic producers of manganese ore are not given the same kind of consideration that is given to other raw materials, such as copper, coal, oil, and lumber, and to manufactured steel products. Unless the producers of domestic ores are given immediate relief against the dumping of foreign ores, every American producer will be in the hands of a receiver.

The official map of the United States Bureau of Mines shows 314 deposits of manganese in 34 States, as follows:

Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Georgia, Idaho, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

The above statements are based upon facts and if there arises any question in the minds of the Treasury Department to this point, additional evidence will be furnished to corroborate the statements above made.

Respectfully submitted.

GEO. H. CROSBY.

ADDRESS BY FREDERIC R. COUDERT ON INTERGOVERNMENTAL DEBTS

Mr. WAGNER. Mr. President, I ask unanimous consent that there may be printed in the RECORD an address recently delivered over the radio by one of the most distinguished lawyers of my State, Mr. Frederic R. Coudert, giving his views on the problem presented by the existence of the intergovernmental debts.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the early part of the Great War a statement appeared in the newspapers emanating from one of the world's most distinguished scientists, long a resident of the United States and connected with one of its most important scientific institutions. When asked how long he thought the war would endure, this distinguished man replied that in his opinion it would last for 50 years. This seemingly extraordinary statement doubtless shocked some but was received with smiling incredulity by others.

Alas, to-day the statement seems far more significant than it did 14 years ago. True it is that the cannon has ceased to roar, the airplane to drop its deadly missile on great cities, and the favoring winds to carry the lethal gases since November 11, 1918. Yet man carries on war not only with deadly physical weapons but with other methods that may be just as detrimental to the developments of peace and of prosperity. We are suffering from a depression which is causing the world a distress as widespread, as deep, and as discouraging as might actual physical warfare. Even in the United States of America, least directly affected by the Great War, and apparently left in a high state of prosperity at its conclusion, some 12,000,000 men face unemployment and millions of people are literally without means of sustenance.

The situation has endured for the past three years and is rapidly degenerating from a condition of mere emergency to one of chronic pauperism and national misery. Some there are who do not believe in the potency of human effort and who look upon the rise and fall of nations and the recurring disasters of mankind as inevitable incidents of history which must be accepted with stoic fortitude but which can not be materially altered by man's intelligence and will. This philosophy was more popular in the ancient world than in the modern and is more prevalent in the East than in the West. It was never entertained by the American people. From the early days when a few settlers dominated the wilderness and repelled the hordes of savages who might have exterminated their feeble number, until the present time, the attitude of America has been one of hopeful, helpful, courageous activity.

And yet to-day we seem to be powerless in the face of forces that are destroying our trade, dismantling our factories, and minimizing our commerce. Emotion seems to be usurping the field that should be left to reason, and ultranationalism is blaming the foreigner and seeking to persuade the people of America that they can live in a disdainful isolation, indifferent to the opinion of the world, conscious of their own rectitude and confident in their ability alone to restore conditions of national prosperity. This popular attitude may, indeed, be explicable in part by the widespread suffering of a recently prosperous people, who are impatient, quite naturally, with impartial, objective, attempts to fathom the causes of our problems.

It must, however, be admitted that this dreadful situation, confined not to America alone but world-wide in its scope, is in the main the resultant of the Great War and the legacies left by that hideous calamity. With one of these legacies the people of the United States are confronted to-day. Upon this question of paramount importance our Congress must either act or refuse to act. Refusal to act means a further drifting policy and one, indeed, dangerous to the Nation in its efforts at recovery.

The question of the so-called intergovernmental debts has long been with us. The subject has involved discussion that would fill many volumes. The statistical analyses are to the ordinary man confusing and complicated, requiring a knowledge of accountancy and technique of finance with which he is not equipped. It is sufficient for him to answer that the debts are legal obligations, that they must be met, and that the attempt to shift the burden from the shoulders of the debtor nations to the taxpayer of America is an attempt to avoid the payment of a just debt. Were the matter as simple as that it would not even afford ground for discussion. It is very much the position assumed by

the creditor nations as to Germany, throughout the long struggle for German reparations.

From the time of the signing of the Versailles treaty down to the recent Lausanne conference of last summer Europe has been distracted over the question of German reparations. These reparation payments, placing an immense burden of taxation on two generations of Germans were in one form or another resented and resisted almost from the beginning. After several years of debate France finally occupied the Ruhr, that richest manufacturing and coal-producing district in Germany, with the hope that either by direct means or through the fear thereby inspired reparation payments might be exacted. This eventuated in failure, and finally the Dawes plan was evolved facilitating the payments and equating the annual payments in a measure proportionate to what was then deemed Germany's capacity to pay.

After a few years of payment under this plan came the Young plan, by which Germany agreed to pay a sum very much less than that originally envisaged by the Versailles treaty. Finally, with the coming of the depression, this, too, broke down, and Germany showed not only an inability but an unwillingness to make further payment. The European atmosphere was charged with gloom. If Germany were driven into hopeless bankruptcy, there was the probability of bolshevism, alliance with Russia, and further general conflict threatening the very life of European civilization. At that moment President Hoover, with fine appreciation of the situation, asked Congress to ratify his plan for a year's delay in all payments of debts arising out of the war, not merely the reparations due from Germany to the allied nations but the amounts due from the allied nations to the United States of America.

The present situation can not be understood apart from the origin of these obligations.

Denuded of the maze of figures with which a detailed description of the origin and history of the war debts must be accompanied, it suffices to say that the Treasury, acting under the authority of the Liberty loan act of Congress of 1917–18, loaned to the allied governments the sum of approximately $10,000,000,000. Of this sum the total volume of credit established in favor of foreign governments up to the time of the armistice was approximately $8,000,000,000. The remainder was credited after the armistice and down to December 1, 1918. Of this latter sum a substantial part was used for the liquidation of war accounts, interest on war-time loans, and the remainder for reconstruction and relief purposes. Mark one vital fact in connection with these loans. The governing principle prescribed by the United States was that the credit should only be given for the purpose of meeting payments due in the United States.

This principle, announced at the very beginning by our Treasury, was adhered to throughout. Thus let it be noted that these fixed sums of money were expended in the United States for the purchase of war supplies from our factories at the enormous prices then prevailing, with the consequent profits and benefits to American industry and business, and in addition the large amounts paid on income and profit taxes into the Treasury of the United States. It may be said in passing that the borrowing governments could to-day replace the goods so purchased in the United States at about one-third the price paid therefor, were we willing to let them do so. Of course, this is impossible to do because of the tariff barriers erected against the importation of foreign supplies.

These facts do not, of course, affect the legal obligation of the debts; but they may well lead the American people to consider with serious and sympathetic attention the plea of the debtors who ask, not for a cancellation of the obligation but a revision thereof in conformity with existing economic conditions—and a continuance of the Hoover moratorium during the discussion. The nature and purpose of the American loan was not any mere generous impulse to aid the foreigner but, at that time, was deemed to be the most effective method of carrying on the war against the powerful enemy whom we were fighting. This was officially stated by the Secretary of the Treasury of the United States, Mr. Carter Glass, in his annual report for the year 1919, in which he uses the following significant language:

"In the beginning before the creation of our great army, the principal assistance of America was necessarily through foreign loans, and it was then that these advances proved so potent in contributing to the final victory. * * *

"The service of these loans in assisting to hold the battle fronts of Europe until the might of our heroic Army could be felt effectively, made possible, beyond the shadow of a doubt, the ending of the war in the fall of 1918. Without this aid to the allied governments the war unquestionably would have been prolonged if not lost, with the resultant additional cost in life and treasure."

In a debate over the statute authorizing these loans, Senator Cummins, of Iowa, made the following prophetic statement:

"I should like to give to the allied nations three billions of dollars, if they need the contribution, with never a thought of its repayment at any time or under any circumstances. I should like to give that or whatever sum may be thought needed as our donation to one phase of our own war. But I feel that, in the years to come, the fact that the United States had in its possession bonds of these great countries, which when they emerge from the war will all be bankrupt, will create an embarrassment from which the men of those times will find it difficult to escape. I think it will cost us more to take those bonds and to hold them against these governments than it would cost us to give the money with a generous and patriotic spirit—to do something which for the time being, for the moment, we are unable to do with our own Army and our own Navy." (April 17, 1917.)

A side light upon the moral atmosphere prevailing in the Congress of that day appeared in a debate on the first Liberty loan act where sentiment was expressed in favor of making a large money gift to France in recognition of the assistance rendered the United States during the Revolutionary War. What the fate of this plan might have been in Congress I am unable to say had not the American ambassador in Paris cabled the Secretary of State that the French Premier personally expressed the hope to him that no resolution would be introduced in the Congress tending to make a gift to the Government of France, however much the sentiments of good will prompting it might be appreciated by the French people.

As a consequence of the Hoover moratorium the French Premier, Mr. Laval, visited this country. After various conferences with the President of the United States regarding debt matters he returned to France. The primary purpose of his visit was to reach an understanding with the American Government as to the policy to be pursued with respect to the intergovernmental obligations covered by the moratorium.

At that time France was insistent upon continuing the arrangements comprising the Young plan and forcing Germany to make the payments due thereunder. While no definite arrangement was reached, it was believed that Mr. Laval had been urged to impress upon his government the importance of reaching a final settlement of the reparation agreement with Germany before asking the United States for any revision of the debt payments.

A joint statement issued by President Hoover and Mr. Laval on October 25, 1931, reads as follows:

"In so far as intergovernmental obligations are concerned, we recognize that prior to the expiration of the Hoover year of postponement some agreement regarding them may be necessary, covering the period of business depression, as to the terms and conditions of which the two Governments make all reservations. The initiative in this matter should be taken at an early date by the European powers principally concerned within the framework of the agreement existing prior to July 1, 1931."

Impressed with the necessity for bringing about a final settlement of the German reparations and the imminent danger of complete disruption of international trade that must result from any further drifting, a conference was held at Lausanne last July, and a settlement reached between Germany and her creditors. This settlement provided that the reparations which Germany was required to pay the Allies be reduced from the original total of thirty-two billion, stated by the reparation commission in 1921, to approximately seven hundred fourteen million. The reduction from this fantastic total to a comparatively insignificant sum of seven hundred fourteen million marked the final failure of the policy pursued by the Allies in the attempt to collect reparations from Germany. It illustrated the impossibility of any nation to make great international payments, save through goods or services.

There is no other way in which such payments can be made save in gold, and the total gold supply of the world is not sufficient to pay intergovernmental debts, nor would it profit nations to be paid in gold and to bankrupt the customers on whom they depended for markets. Germany's creditors agreed to this drastic action not from motives of altruism but for reasons of enlightened self-interest. They feared further pressure upon Germany would destroy the whole fabric of international trade in Europe and would prove most harmful to them.

Throughout this long, bitter controversy between Germany and her creditors, France and Great Britain, economists and financial experts, as well as generally informed opinion throughout the United States, had been demanding some settlement. The impossibility of collecting such sums of money from two generations of Germans was recognized to be not only impossible but to create a situation in which the restoration of international trade was hopeless.

To-day the same situation confronts the United States, and the question is whether we will deal with our own debtors as we so desired Germany's creditors to deal with her. The same conditions of world-wide business prostration must inevitably lead us to the same conclusion as France and Great Britain reached regarding Germany. It is futile longer to state that the money was hired and the debt was owed; that wicked and dishonest debtors are attempting to place upon the American taxpayer a burden rightfully belonging to them. These are now cries of ignorance, of emotion, or of a demagogy intent upon obscuring the issue by inflaming that kind of patriotism which the famous Doctor Johnson so caustically characterized as the final resort of the scoundrel.

Once before a somewhat similar situation confronted a great people. In the 15 years of the death struggle with the genius of Napoleon, England loaned immense sums to her allies on the Continent. These sums she remitted, although herself in dire distress, because her statesmen of that time considered that "no arrangement could be wise that carried ruin to one of the countries between which it was concluded."

The sole question to-day is, What is the interest of the American people? Shall they refuse any prolongation of the Hoover moratorium, although conditions which called for that moratorium exist in even greater degree to-day? Shall they acquiesce in a possible refusal by the present Congress of the United States to grant any revision of these war debts? Are they willing to treat our former associates in war, Great Britain and France, as dishonest debtors seeking to evade a just liability, and to drive them into a default, which must, if not immediately, at least in the near future become inevitable?

These debts can be paid only in goods or in gold. The high tariff barriers, made even higher so recently, make the payments in goods impossible. To make the payment in gold, as so clearly shown by the British note of December 1, would dislocate the exchanges of the world, lead our debtors to curtail to the absolute minimum imports from the United States, and thus further lower commodity prices upon which any return of American prosperity must depend. Not only that, but as the Lausanne settlement was predicated upon a revision by the United States of the amounts owing to us, the German reparation question will thus be alive again and all progress made toward a riddance of these war legacies will be lost.

Let us rid ourselves of cant in this matter. The intergovernmental debts as they stand can not and will not be paid. They run for the next 50 years and the hopelessness of continuance of payments of these debts in gold and without tariff arrangements, which would allow them to be paid in goods, is completely evident.

American public opinion is, therefore, confronted with the alternative of driving their debtors into insolvency and repudiation (if not in the near future at least within another year, as the next payment is due in July, 1933) or with adopting a policy of revision of the whole debt question with the resultant profit to the United States in a revival of trade and the cessation of world agitation constantly disturbing all international exchange.

It has been stated that only 10 per cent of our trade is foreign trade, and that the United States could live without foreign trade, prosperous and happy within its own borders. Whether such a situation is possible is a matter of theoretic speculation. The statement is, however, utterly misleading. One-half of our cotton, one-third of our wheat, a great proportion of our tobacco and copper find their way into foreign markets. Our farmers and the producing classes generally would be ruined by the destruction of our foreign trade, and we should have to reorganize our American life upon lower and more elementary bases. Is it conceivable that we could return to the world of 100 years ago, with its small population, its rural life, and its absence of all those conveniences which the progress of modern science has brought us and which have now become necessities?

This question of the debts can not and will not down. It is possible, despite the reasons given for a prolongation of the Hoover moratorium, that Congress will insist upon payment December 15 and that payment may be made. If so, the question will remain as vital as ever. Economists and students of the situation warn that between now and July, 1933, there may well be no recovery of prosperity, and that at that time, unless some revision can take place, conditions may be worse both in Europe and in the United States than they now are. Our foreign trade, which has already shrunk more than one-half, must continue to diminish.

These views have the sanction not only of noted economists in America and throughout the world generally, but of the most expert and practical world opinion, as shown by the report published only a few days ago (November 27) by a special committee of the Chamber of Commerce of the United States. That body, so representative of American industry and having at its command the best brains and expert knowledge, has made the following statement:

"Study of the international aspects of the war debts has brought forcibly to the attention of the committee fundamental defects inherent in the very existence of debts owing by one government to another. Funds for their repayment must first be obtained by taxing the citizens of the debtor countries, and must be appropriated for that purpose through legislative action. Governments being the parties to the debts, they are handled through diplomatic rather than business channels.

"Arising as they have from war and the destruction caused by war, the intergovernmental debts owed to the United States have been a continual source of political agitation, both here and abroad, and have colored the relations between the United States and the debtor governments. The parliamentary and political discussion of the debts has made for hostility and antagonism and has inhibited the growth of normal trade and business relations between the countries affected.

"The committee is convinced that it would be distinctly in the interest of better international relations if the debts can be so dealt with as to remove their discussion from the political field.

* * * * * * *

"If changes in economic and social conditions have profoundly altered the original bases for such agreements, and it is the belief of this committee that they have, further examination of the situation and adjustment of the terms of the agreements are justifiable and to be recommended."

The views of the cotton trade, a trade so essential to the prosperity of our Southern States, appeared in the Weekly Cotton Review November 28, as follows:

"The dominant influence in the cotton market last week was the war-debt negotiations. With declines in other commodities, securities, and sterling, cotton moved to lower levels on liquidation of Government holdings and only moderate investment demands."

On November 14, 1932, a committee composed of 1,000 men in all forms of business and social activity throughout the United States, published a report signed by some of America's leading economists. This report reviews the situation thoroughly and concludes with this statement:

"A realization of the consequences to American well-being of excessive demands upon our debtors makes a reconsideration of existing debt agreements necessary. By a sensible readjustment of these agreements, which would stimulate a revival of business, the American people would stand to gain far more in dollars and cents through a revival of trade with Europe than they would gain in an attempt to collect the last dollar."

A further consideration should dictate to Congress the necessity for according to our debtor nations further time during which the matter of revision may be discussed. Unless this time is granted and the necessity for revision admitted there can be no real moral disarmament and world peace. Germany will again be threatened with the payment of coerced reparations, great bitterness will be aroused among the debtor nations, and the attempts at disarmament, in which America has taken the lead, will be further postponed and frustrated. An atmosphere more tense, more hostile, more filled with suffering and bitterness than we have seen since the war is rapidly being engendered.

It will not do for the American people—a great and generous and on the whole sane and wise people—to insist upon the letter of the law and the payment of the precise sum denominated in the bond. Their own selfish interest requires that they should reach an agreement with their debtors which may take this fearful question out of politics and settle it once and for all—perhaps through the payment of some definite and fixed sum, as was arranged with Germany at Lausanne. But even beyond the immediate selfish interest and the restoration of trade, even beyond the interest of the farmer in the selling of his wheat abroad and of the cotton grower in the exporting of his product, stands the infinite danger to all international relations—a deadlock between the great nations of the world over this dreadful legacy of intergovernmental debts and reparations.

Must this be indefinitely allowed to threaten peace and prosperity everywhere and to prevent the restoration of real peace among the nations—a peace predicated upon the understanding that the prosperity of one is dependent upon that of all, and that no nation or nations can afford to drive others to desperation, to bankruptcy, and to debt repudiation?

The policy of conciliation and of cooperation throughout the world is not only dictated by a desire for peace and a continuance of our civilization, but it is essential if industry is to be restored, agriculture rehabilitated, and the mass of the unemployed restored to productive work.

The technical and statistical forms in which the debt situation has been involved have obscured the fundamental factors in the mind of the average man. We must wage a campaign of education in this regard to show where the real interests of the United States lie and to point out that we are now facing the greatest crisis that has come to us since 1914. If we can not overcome it by reason, by intelligent statesmanship, and by conciliatory effort, our own prosperity will be more menaced than ever and we shall remain isolated, misunderstood, and perhaps hated in a world bordering on bankruptcy and anarchy.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. KING. Mr. President, I ask the Senator from New Mexico [Mr. CUTTING], who is about to take the floor, whether the amendment which he is about to submit, in the form of a substitute or otherwise, contains any provision in regard to this matter:

So long as any duties may be levied and collected by the United States under this act upon any articles coming into the United States from the Philippine Islands, the government of the Commonwealth of the Philippine Islands may levy and collect duties upon any articles coming into the Philippines from the United States.

Mr. CUTTING. No; there is no such provision in it.

Mr. KING. May I ask the Senator, who is one of the coauthors of the pending bill, whether it is the intention of those who drafted the bill, or the committee reporting it, to offer an amendment to the bill which will permit the Philippine Commonwealth, when so organized, and so long as the United States imposes tariff duties, to impose duties upon commodities going from the United States into the Philippine Islands?

Mr. CUTTING. I wish the Senator would propound that question to the Senator from Missouri [Mr. HAWES], because I understand that he has already submitted an amendment to that effect.

Mr. KING. Mr. President, if the Senator from New Mexico will permit, I will offer as an amendment the language I have just read, to be inserted on page 31 of the committee amendment, following line 5. I ask that it may lie upon the table.

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator desire to have it read?



Mr. KING. I have just read it to the Senate, so I will just offer it, and ask that it be considered as pending and lie upon the table.

The PRESIDING OFFICER. That order will be entered.

Mr. CUTTING obtained the floor.

Mr. BINGHAM. Mr. President, will the Senator from New Mexico yield?

Mr. CUTTING. I yield.

Mr. BINGHAM. I wanted to inquire whether or not the junior Senator from South Carolina [Mr. BYRNES] expected to make a motion to strike out, beginning with line 3, page 4, to the end of the amendment, with reference to the plebiscite?

Mr. BYRNES. Mr. President, I will say to the Senator that I intend to offer the amendment whenever the Senator from New Mexico shall offer his amendment.

Mr. BINGHAM. I wanted to be sure that the amendment would be offered.

Mr. BYRNES. So much of the amendment as includes section 9 (a).

Mr. LONG. Mr. President, that means that the Senator from South Carolina is going to offer to strike out that part of the amendment of the Senator from New Mexico which deals with the plebiscite?

Mr. CUTTING. That is correct.

Mr. LONG. That is all right.

Mr. CUTTING. Mr. President, I now offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The Clerk will report the amendment.

The CHIEF CLERK. The Senator from New Mexico offers the following amendment in the bill as reported from the committee: On page 29, line 22, to strike out the word "eleventh" and to insert in lieu thereof the word "eighth"; on page 30, line 3, to strike out the word "twelfth" and to insert in lieu thereof the word "ninth"; on page 30, line 5, to strike out the word "thirteenth" and to insert in lieu thereof the word "tenth"; on page 30, line 13, to strike out the word "fourteenth" and to insert in lieu thereof the word "eleventh"; on page 30, line 18, to strike out the word "fourteenth" and to insert in lieu thereof the word "eleventh," so that subdivision (e) of section 6 shall read as follows:

(e) The government of the Commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivisions (a), (b), and (c), within the limitations therein specified, as follows:

(1) During the eighth year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(2) During the ninth year after the inauguration of the new government the export tax shall be 10 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(3) During the tenth year after the inauguration of the new government the export tax shall be 15 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(4) During the eleventh year after the inauguration of the new government the export tax shall be 20 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(5) After the expiration of the eleventh year after the inauguration of the new government the export tax shall be 25 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

The government of the Commonwealth of the Philippine Islands shall place all funds received from such export taxes in a sinking fund, and such fund shall, in addition to other moneys available for that purpose, be applied solely to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged.

When used in this section in a geographical sense, the term "United States" includes all Territories and possessions of the United States except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

On page 37, line 9, to strike out the word "fifteenth" and to insert in lieu thereof the word "twelfth"; on page 37, line 9, to strike out the word "seventeenth" and to insert in lieu thereof the word "thirteenth," so that subdivision (a) of section 9 shall read as follows:

SEC. 9. (a) At any time after the expiration of the twelfth year and before the expiration of the thirteenth year after the inauguration of the government provided for in this act the people of the Philippine Islands shall vote on the question of Philippine independence. The Legislature of the Commonwealth of the Philippine Islands shall provide for the time and manner of an election for such purpose at which the qualified voters of the Philippine Islands shall be entitled to vote.

On page 37, line 23, to strike out the words "two years" and to insert in lieu thereof the words "one year," so as to read:

(b) If a majority of the votes cast are in favor of Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the President of the United States, who shall, within 60 days after the receipt of such report, issue a proclamation announcing the results of such election, and within a period of one year after such report the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force.

On page 40, line 8, to strike out the word "ten" and to insert in lieu thereof the word "seven," so as to read:

(c) If a majority of the votes cast are against Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the Congress of the United States for their action regarding the future political status of the Philippine Islands: *Provided*, That until Congress otherwise provides, the Philippine Islands shall revert to the status established by this act for the first seven years after the inauguration of the government of the Commonwealth of the Philippine Islands.

On page 21, line 3, after the word "fix," to insert the words "within one year after the enactment of this act," so as to read:

CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, within one year after the enactment of this act, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898—

And so forth.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. CUTTING. I yield.

Mr. BYRNES. I ask the Senator to yield in order that I may propound a parliamentary inquiry to the Chair, as to whether or not this amendment containing these substitute proposals may not be divided, so that we can have a separate vote upon the amendment on page 4, including section 9 (a)?

The PRESIDING OFFICER. The decision of the Chair is that any amendment can be divided, especially amendments to strike out and insert.

Mr. BYRNES. I desire to give notice at this time that I shall ask for a separate vote on the amendment on page 4, involving section 9 (a), relating to the plebiscite.

Mr. BINGHAM. Mr. President, does not the Senator intend also to include the entire page 4? The first five lines are a part of that which begins with section 9 (a).

Mr. BYRNES. All that is contained on page 4 of the amendment offered by the Senator from New Mexico refers to the plebiscite, and it is as to that amendment that I intend to ask for a separate vote.

Mr. CUTTING. I would like to point out to the Senator from South Carolina that if all that is stricken out, the plebiscite will still remain in the bill.

Mr. BYRNES. The only way it can be reached now, in my opinion, is by first moving to amend and then, when we reach the bill, it will follow that a motion would be in order to strike out the provisions of the bill.

Mr. CUTTING. I have no objection to any procedure the Senator from South Carolina sees fit to follow.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from California?

Mr. CUTTING. I yield.

Mr. SHORTRIDGE. Perhaps it is not necessary for me to put the inquiry, in view of the statement just made, but am I to understand that by way of motion or suggested amendment to the proposed amendment we may have a separate vote on the question of the plebiscite? Is that the understanding and the agreement here among Senators? Some of us are unalterably opposed to the plebiscite. We might yield to compromise as to other features in the bill, but is it understood that at some time we may have a separate vote, and a discussion if necessary, upon the plebiscite?

Mr. CUTTING. That is absolutely agreeable to the proponents of the bill.

Mr. President, I explained this amendment the other day, and I do not intend to repeat at any length. It cuts down by five years the period provided for in the bill. It provides for 7 years of import limitation instead of 10 years. It then provides, as in the bill, for five years of export tax graduated each year. After that it provides that the plebiscite shall be held within one year instead of within two years, as in the bill. Furthermore, it provides that the United States shall be given one year after the plebiscite, rather than two years, in which to withdraw. The net saving is five years from the period at which the interim government goes into effect.

In addition the amendment provides that after the enactment of the bill by Congress the Philippine Legislature must fix a time to grant a constitution and must fix that time within one year. There is no such provision in the present bill. That, of course, may save a great deal of additional time beyond the five years which I have mentioned.

Mr. VANDENBERG. Mr. President, will the Senator read the exact language which will accomplish the purpose he desires?

Mr. CUTTING. The language is "within one year after the enactment of this act."

The VICE PRESIDENT. Does the Senator desire the amendment reported?

Mr. VANDENBERG. No; the statement of the Senator from New Mexico is sufficient. Does "amendment of this act" mean the action of the Congress upon it rather than the action of the Philippine Legislature making it effective?

Mr. CUTTING. I should think it was absolutely clear. All the Philippine Legislature does is to accept the act.

Mr. VANDENBERG. The act is not effective until the Philippine Legislature does act.

Mr. CUTTING. No; but the words in the amendment indicate its purpose clearly, I believe.

Mr. VANDENBERG. Is it the intent of the author of the amendment that the provision shall relate to the time when the Congress concludes its action?

Mr. CUTTING. Yes; absolutely. We think that makes the situation clear.

We had originally fixed the longer period because that was the opinion of the majority of the Committee on Territories and Insular Affairs, but it is quite evident that there is a strong feeling in the Senate that the time should be cut down. Under this amendment it would be cut down as far as the members of the committee feel it possibly could be cut while preserving justice for the people of the Philippine Islands.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. CUTTING. I yield.

Mr. LONG. The 12 years would be cut down to 8 years by the Senate amendment, but we would still be able to go into conference and determine as between 8 years and 12 years?

Mr. CUTTING. Oh, of course.

Mr. LONG. It may still be made 10 years.

Mr. CUTTING. Everything we do here is subject to conference.

The debatable matter which will be brought up by the Senator from South Carolina [Mr. BYRNES] is the question of the plebiscite. I have already spoken on that, and I think most Senators have made up their minds on that subject. Our idea was that we ought not to force the Philippines from under the flag if they desire to remain. We felt that they were in a better position to judge that desire after they had experienced the detrimental action of the tariffs than they are at the present time.

My personal view—and I have been supported in that view by practically all the representatives of the Philippines who are here present—is that under any circumstances the Philippine people desire independence and would so vote. I think, however, that they have a right to make that decision for themselves at the proper time and at a time when they have learned the issues at stake. If the 25 per cent tariff, which is the maximum which they will experience under the interim government, is too high to enable them to lead their economic life, then it is obvious that they would not be able to stand the 100 per cent tariff which would go into effect immediately after they obtain their freedom.

These are the considerations which actuated the committee in bringing out the proposal for a plebiscite. That, of course, is subject to any action which the Senate may take, and I do not think that any words of mine can make the issue any clearer. I should like, however, to read briefly from one or two statements by former Presidents of the United States.

In 1908 President Roosevelt in his message to Congress said:

> I trust that within a generation the time will arrive when the Filipinos can decide for themselves whether it is well for them to become independent.

The decision was to be referred to the Philippine people, according to the intent of that statement.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from California?

Mr. CUTTING. Certainly.

Mr. SHORTRIDGE. That was an utterance by President Roosevelt in 1908?

Mr. CUTTING. Yes.

Mr. SHORTRIDGE. A generation has come and gone. We are now in 1932 and those Filipino people then referred to now want their independence. Why continue it 15 or 18 or 20 years longer?

Mr. CUTTING. My point is that the people of the Philippines as a people have not rendered any decision as to that matter. The only statements we have come from representatives of theirs and from the legislature; and while we accept those people as representing the Philippine Islands, it has seemed to the committee that the clearest and most definite and final solution of the question is to allow the people themselves to vote on it after experiencing just what they will have should they obtain their independence.

Mr. SHORTRIDGE. Mr. President, will the Senator yield for a further question?

Mr. CUTTING. Certainly.

Mr. SHORTRIDGE. If then this provision for a plebiscite, in other words, a vote as to independence of these people, is that to be decided some 14, 16, 18, 20, or more years hence, then as to our commercial relations, as to our

economic relations with the islands, are not all those relations left in uncertainty? Is not the very question of independence suspended? How can business, how can commercial interests, go forward whilst that question of independence is left suspended and undetermined?

Mr. CUTTING. I think that under the provisions of the bill the conditions are laid down very clearly for the time from the present up to the date of the plebiscite. Of course, the action of the people at the plebiscite is something which we can not prophesy at the present time with any accuracy, though we can guess what will happen.

Mr. SHORTRIDGE. If the Senator will indulge me another question——

Mr. CUTTING. Certainly.

Mr. SHORTRIDGE. If within 15 or 20 years from now there should be held the election, and the people in the so-called plebiscite should vote against accepting independence, where would we be? What would be the situation? Would not we be left in a state of uncertainty?

Mr. CUTTING. Not according to the terms of the bill, because it provides that in that event we revert to the status of the 10-year-limit period or the 7-year-limitation period, as it would be under my amendment.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Utah?

Mr. CUTTING. I yield.

Mr. KING. The Senator from New Mexico read a moment ago from a statement made by Theodore Roosevelt to the effect that within a generation the Philippines would desire their independence. I ask the Senator if the provision in the bill by which they are to formulate and vote upon a constitution within the next two years would not be a sufficient compliance with the spirit and, indeed, the letter of the statement of Mr. Roosevelt? In other words, when they vote to adopt a constitution formulated by themselves or their representatives for what we denominate a commonwealth, does not that indicate their desire to have independence, and would not that meet the requirements of the statement made by Mr. Roosevelt?

Mr. CUTTING. My answer to the Senator would be that it does come within the letter of the statement of President Roosevelt. I do not believe it comes within the spirit of the statement. I say that for the reason that since the message of President Roosevelt we have enforced on the Philippine Islands against their own wishes a peculiar economic relation to ourselves, and that until the people realize the difficulties which are going to be involved in breaking away from that arrangement they are not in a position to decide for themselves as they would be at the end of this trial period.

However, I was merely reading the statements from Presidents to show that in each case the question is to be left to the Filipinos to decide for themselves. I hope I may be permitted to read the other statements at this time, and then I shall be glad to yield to any further question.

Again, President Roosevelt in a message to Congress in 1906 said:

I hope and believe that these steps—

That is, setting up the Philippine legislative assembly—

mark the beginnings of a course which will continue until the Filipinos become fit to decide for themselves whether they desire to be an independent nation.

President Taft, when Secretary of War, in March, 1905, said:

What shall be done in the future * * * is a question which will doubtless have to be settled by another generation than the present, both of the American and of the Philippine people, to whose wisdom and generosity we may safely trust the solution of the problem. Should the Philippine people when fit for self-government demand independence, I should be strongly in favor of giving it to them, and I have no doubt that the American people of the next generation would be of the same opinion.

In his special report in 1908, while Secretary of War, he said:

It (the United States policy toward the Philippines) necessarily involves in its ultimate conclusion as the steps toward self-government become greater and greater, the ultimate independence of the islands, although, of course, if both the United States and the islands were to conclude after complete self-government were possible that it would be mutually beneficial to continue a governmental relation between them like that between England and Australia, there would be nothing inconsistent with the present policy in such result. * * * If the American Government can only remain in the islands long enough to educate the entire people, to give them a language which enables them to come into contact with modern civilization, and to extend to them from time to time additional political rights so that by the exercise of them they shall learn the use and responsibilities necessary to their proper exercise, independence can be granted with entire safety to the people. I have an abiding conviction that the Philippine people are capable of being taught self-government in the process of their self-development * * *. While I have always refrained from making this (the development of trade between the occident and the orient) the chief reason of the retention of the Philippines, because the real reason lies in the obligation of the United States to make its people fit for self-government, and then to turn the government over to them, I don't think it improper in order to secure support for the policy to state such additional reason.

In March, 1918, Mr. Taft said in an address:

It (the statement in the Democratic platform favoring independence) is an affirmation of policy only slightly different from that repeatedly announced by this and preceding Republican administrations.

While Secretary of War in an address at the inauguration of the Philippine Assembly in 1907, Mr. Taft said:

How long this process of political preparation of the Philippine people is likely to be is a question which no one can certainly answer. When I was in the islands the last time, I ventured the opinion that it would take considerably longer than a generation. I have not changed my view upon this point, but the issue is one upon which opinions differ * * *. As I premised, however, this is a question for settlement by the Congress of the United States.

I shall read a quotation from President Coolidge in 1924 in a letter written to the speaker of the Philippine Legislature. President Coolidge said:

If the time comes when it is apparent that independence would be better for the people of the Philippines from the point of view of both their domestic concerns and their status in the world, and if when that time comes the Filipino people desire complete independence, it is not possible to doubt that the American Government and people will gladly accord it.

Mr. President, I should like to have the remainder of these statements printed in the RECORD at this point, if there is no objection.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

STATEMENTS BY PRESIDENTS

President McKinley gave the following instructions to the United States peace commissioners on September 16, 1898:

"Without any original thought of complete or even partial acquisition, the presence and success of our arms at Manila imposes on us obligations which we can not disregard. The march of events rules and overrules human action. Avowing unreservedly the purpose which has animated all our effort and still solicitous to adhere to it, we can not be unmindful that without any desire or design on our part the war has brought us new duties and responsibilities, which we must meet and discharge as becomes a great Nation on whose growth and career from the beginning the Ruler of Nations has plainly written the high command and pledge of civilization. * * * In view of what has been stated the United States can not accept less than the cession in full right and sovereignty of the island of Luzon."

On October 26, 1898, Mr. Hay, Secretary of State, sent word to the United States peace commissioners as follows:

"The information which has come to the President since your departure convinces him that the acceptance of the cession of Luzon alone, leaving the rest of the islands subject to Spanish rule, or to be the subject of future contention, can not be justified on political, commercial, or humanitarian grounds. The cession must be of the whole archipelago or none. The latter is wholly inadmissible, and the former must therefore be required. The President reaches this conclusion after most thorough consideration of the whole subject and is deeply sensible of the grave responsibilities it will impose, believing that this course will entail less trouble than any other, and besides will best subserve the interests of the people involved, for whose welfare we can not escape responsibility."

President McKinley in his last annual message to Congress said:

"I have on other occasions called the Filipinos the 'wards of the Nation.' Our obligation as guardian was not lightly assumed.

It must not be otherwise than honestly fulfilled, aiming first of all to benefit those who have come under our fostering care. It is our duty so to treat them that our flag may be no less beloved in the mountains of Luzon and the fertile fields of Mindanao and Negros than it is at home, and that there as here it shall be the revered symbol of liberty, enlightenment, and progress in every avenue of development."

In 1908, President Roosevelt, in a message to Congress, said:

"I trust that within a generation the time will arrive when the Filipinos can decide for themselves whether it is well for them to become independent."

President Roosevelt, in his message to Congress in 1904, said:

"At present they are utterly incapable of existing in independence at all or building up a civilization of their own. I firmly believe that we can help them to rise higher and higher in the scale of civilization and of capacity for self-government, and I most earnestly hope that in the end they will be able to stand, if not entirely, yet in some such relation to the United States as Cuba now stands."

In his message to Congress in 1908 he said:

"They have yet a long way to travel before they will be fit for complete self-government, and for deciding, as it will then be their duty to do, whether this self-government shall be accompanied by complete independence. It will probably be a generation—it may even be longer, before this point is reached; but it is most gratifying that such substantial progress toward this as a goal has already been accomplished. We desire that it be reached at as early a date as possible for the sake of the Filipinos and for our own sake, but improperly to endeavor to hurry the time will probably mean that the goal will not be attained at all."

He said:

"We hope to do for them what has never before been done for any people of the Tropics—to make them fit for self-government after the fashion of the really free nations. * * * We are extremely anxious that the natives shall show the power of governing themselves. We are anxious first for their sakes and next because it relieves us of a great burden. There need not be the slightest fear of our not continuing to give them all the liberty for which they are fit."

In his message to Congress in 1901 he said:

"If they are safeguarded against oppression, and if their real wants, material and spiritual, are studied intelligently and in a spirit of friendly sympathy, much more good will be done them than by any effort to give them political power, though this effort may in its own proper time and place be proper enough."

In his message to Congress in 1906 he said:

"I hope and believe that these steps—setting up the Philippine Legislative Assembly—mark the beginnings of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation."

President Wilson, in his message to Congress in December, 1920, said:

"I respectfully submit that this condition precedent having been fulfilled [the establishment and maintenance of a stable government] it is now our liberty and our duty to keep our promises to the people of those islands by granting them the independence which they so honorably covet."

In his message to Congress in 1913 he said:

"We must hold steadily in view their ultimate independence, and we must move toward the time of that independence as steadily as the way can be cleared and the foundation thoughtfully and permanently laid.

"By their [the Philippine people] wise counsel and experience rather than by our own we shall learn how best to serve them and how soon it will be possible and wise to withdraw our supervision. Let us once find the path and set out with firm and confident tread upon it and we shall not wander from it nor linger upon it."

President Harding, in a message to the Philippine delegation in 1922, said:

"I can only commend the Philippine aspirations to independence and complete self-sovereignty. None in America would wish you to be without national aspirations. You would be unfitted for the solemn duties of self-government without them."

President Coolidge, in 1924, in a letter to the speaker of the Philippine Legislature, said:

"It is not possible to believe that the American people would wish to continue their responsibility in regard to the sovereignty and administration of the islands. It is not conceivable that they would desire, merely because they possessed the power, to continue exercising any measure of authority over a people who could better govern themselves on a basis of complete independence. * * *

"If the time comes when it is apparent that independence would be better for the people of the Philippines from the point of view of both their domestic concerns and their status in the world, and if when that time comes the Filipino people desire complete independence, it is not possible to doubt that the American Government and people will gladly accord it."

"Finally, I feel that it (the act to hold a plebescite relative to Philippine independence) should be disapproved, because * * * it is delaying the arrival of the day when the Philippines will have overcome the most obvious present difficulty in the way of its maintenance of an unaided government." (Letter to Governor Wood in April, 1927, sustaining veto of plebescite bill passed by Philippine Legislature.)

Mr. CUTTING. Mr. President, the reason I am reading these statements is that these three distinguished Republican Presidents all made the point that the question was to be left to the desire of the people of the Philippine Islands, as expressed by themselves; and I think such a policy entirely precludes the idea of turning the Filipinos loose if they desire to remain under our flag.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. CUTTING. I yield.

Mr. BROUSSARD. The Senator from New Mexico is the coauthor of this amendment, as he is of the bill we are considering. I think the Senator admitted awhile ago that even though we should strike out section 9 (a) in his amendment, we would still have the same question recurring in the bill.

Mr. CUTTING. Yes; that is true.

Mr. BROUSSARD. Why not eliminate it now and let that question come up when we reach it in the bill? There might be another amendment offered. There is no use to have to move twice to strike it out.

Mr. CUTTING. Of course, the whole thing hangs together. The time provided in the first part of the amendment goes with the time provided in this second part of the amendment. If the vote is against the plebiscite on the vote on the amendment proposed by the Senator from South Carolina, naturally it will be voted out of the bill at a future time.

Mr. BROUSSARD. What I am trying to do, I will say to the Senator, is to let the Senate express its opinion on the question of the plebiscite irrespective of the other questions. Some Senators may be influenced to vote for the plebiscite because they like the 12-year period. I am against both the 12-year period and the plebiscite, but some may favor the 12-year period, and yet be against the plebiscite.

I submit to the Senator that we would get a fairer expression of the will of the Senate by taking this provision out of his amendment, because it will remain in the bill, and all we will have to do then will be to change the expiration date as specified in the bill to the thirteenth year to conform to the amendment.

Mr. CUTTING. The Senator understands we are going to have a separate vote on this provision of the amendment, and I am perfectly willing to have it come first, but I should like to have it come on the section as provided in the amendment, because that naturally hangs together with the remainder of the amendment.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. CUTTING. I yield.

Mr. LONG. As I understand, we are going to vote separately first on the plebiscite as a part of the amendment and then on the remainder of the amendment. That will accomplish what the Senator is speaking about. That is a means of doing it.

Mr. CUTTING. I have no objection to that.

The VICE PRESIDENT. The Chair will state that, if there be no objection, the Senate will vote first en bloc on the amendments submitted by the Senator from New Mexico and then the vote will come on the amendment of the Senator from South Carolina.

Mr. LONG. I move that the vote on the amendment suggested by the Senator from South Carolina, by unanimous consent, be had first.

The VICE PRESIDENT. That motion is not in order except by unanimous consent.

Mr. LONG. I am asking unanimous consent. I do not think there is any objection to it.

Mr. BYRNES. Mr. President, may I say to the Senator from Louisiana that, after examining the amendment offered by the Senator from New Mexico, I understand that it merely changes the number of years in the section referring to the plebiscite, and therefore we can not arrive at a vote

upon the question we desire to vote upon by asking for a separate vote upon the amendment offered by the Senator from New Mexico. Under the parliamentary situation, as I now understand it, the only way we can arrive at the vote we desire is whenever the amendment offered by the Senator from New Mexico is perfected then to move to strike out the entire paragraph referring to the plebiscite and insert in lieu thereof the provisions of the House bill. When the amendment now offered by the Senator from New Mexico shall have been acted upon, I shall make such a motion to strike out the entire section referring to the plebiscite.

Mr. LONG. Very well; that is perfectly satisfactory.

The VICE PRESIDENT. Is there objection to voting on all the amendments offered by the Senator from New Mexico en bloc? If not, the question is on agreeing to the amendments offered by the Senator from New Mexico.

The amendments were agreed to.

Mr. BYRNES. Mr. President, I offer the amendment, which I send to the desk, to the committee amendment, as amended.

The VICE PRESIDENT. The amendment to the amendment, as amended, will be stated.

The LEGISLATIVE CLERK. In the amendment reported by the Senate committee, as amended, it is proposed, on page 37, to strike out lines 8 to 25, all of pages 38, 39, and down to line 9, on page 40, and in lieu thereof to insert the following:

RECOGNITION OF PHILIPPINE INDEPENDENCE AND WITHDRAWAL OF AMERICAN SOVEREIGNTY

SEC. 9. (1) On the 4th day of July, immediately following the expiration of a period of 12 years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation, and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force: *Provided*, That the constitution of the Commonwealth of the Philippine Islands has been previously amended to include the following provisions:

(2) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(3) That the government of the Philippine Islands will cede or grant to the United States land necessary for commercial base, coaling or naval stations at certain specified points, to be agreed upon with the President of the United States not later than two years after his proclamation recognizing the independence of the Philippine Islands.

(4) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respects as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

(5) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the final and complete withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

(6) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

(7) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (3)) in a treaty with the United States.

The VICE PRESIDENT. The question is on the amendment of the Senator from South Carolina to the amendment of the committee, as amended.

Mr. KING. Mr. President, I was wondering if the Senator from South Carolina could not have achieved the result which he desires by merely striking out from the bill or from the substitute which has been agreed upon section 9 (a).

Mr. BYRNES. It proposes, however, to insert in the bill as it is now before the Senate the exact language of the House bill in lieu of the plebiscite which, in the opinion of the members of the committee, was a proper way to present the issue squarely to the Senate for a vote.

Mr. KING. If the Senator will pardon me further, my understanding is, however, that the greater part of the amendment which he just offered is already in the Senate bill which is before us, and is also in the House bill.

Mr. BYRNES. No. By reason of the language of the amendment striking out the entire section as to the plebiscite, there would not remain in the bill any of the language that is now included in the proposed substitute offered for it.

Mr. HAYDEN. Mr. President, I listened carefully to the reading of the amendment, and the effect of it is to strike out all the Senate committee amendment, as printed—all of lines 21 to 24, on page 37, down to the word "report," in line 14, page 38.

Mr. BYRNES. That is correct.

Mr. HAYDEN. And also to strike out, on page 40, subsection (c), beginning in line 16 and running to line 24.

Mr. BYRNES. Yes.

Mr. HAYDEN. And substituting in lieu thereof these words:

SEC. 9. On the 4th day of July immediately following the expiration of a period of 12 years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Arkansas?

Mr. BYRNES. I yield.

Mr. ROBINSON of Arkansas. Is it correct to say that the effect of the Senator's amendment is to eliminate the plebiscite and incorporate in the bill other provisions which would become necessary by reason of the elimination of the plebiscite?

Mr. BYRNES. That is the sole purpose of the amendment.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Maryland?

Mr. BYRNES. Yes.

Mr. TYDINGS. Then, as I understand, after the provision for the plebiscite is eliminated and certain provisions made necessary are inserted to take care of that elimination, that part of the Senate committee amendment contained on the 3, 4, or 5 pages mentioned by the Senator, dealing with debts, withdrawal, and so forth, is practically inserted verbatim as it now appears in the Senate committee amendment; is that correct?

Mr. BYRNES. As I understand, the exact language is reinserted.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from South Carolina to the amendment of the committee, as amended.

Mr. CUTTING. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Capper	Glass	Kean
Austin	Carey	Goldsborough	Kendrick
Bailey	Cohen	Gore	Keyes
Bankhead	Coolidge	Grammer	King
Barbour	Copeland	Hale	La Follette
Barkley	Costigan	Harrison	Logan
Bingham	Couzens	Hastings	Long
Black	Cutting	Hatfield	McGill
Blaine	Dale	Hawes	McKellar
Borah	Dickinson	Hayden	McNary
Broussard	Dill	Hebert	Metcalf
Bulkley	Fess	Howell	Moses
Bulow	Frazier	Hull	Neely
Byrnes	George	Johnson	Norbeck

Nye	Robinson, Ind.	Steiwer	Walcott
Oddie	Schall	Swanson	Walsh, Mass.
Patterson	Schuyler	Thomas, Okla.	Walsh, Mont.
Pittman	Shipstead	Trammell	Watson
Reed	Shortridge	Tydings	White
Reynolds	Smith	Vandenberg	
Robinson, Ark.	Smoot	Wagner	

Mr. ROBINSON of Arkansas. I desire to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained in attendance on the funeral of the late Representative Garrett, of Texas.

The VICE PRESIDENT. Eighty-two Senators have answered to the roll call. A quorum is present.

Mr. CAPPER. Mr. President, I have here a statement from the eight farm organizations setting forth their attitude on the Hawes-Cutting bill for Philippine independence. I send it to the desk and, since it is short, ask that it be read.

The VICE PRESIDENT. Is there objection to the reading? The Chair hears none, and the Secretary will read.

The legislative clerk read as follows:

WASHINGTON, D. C., *December 14, 1932.*

Hon. ARTHUR CAPPER,
United States Senate.

MY DEAR SENATOR: The undersigned, representatives of agricultural organizations, have before us the statements which have been made public relative to a substitute for the Hawes-Cutting bill for Philippine independence which will be proposed by the Insular Affairs Committee.

We wish to respectfully state for the information of the Senate that so far as we can ascertain this proposed substitute does not propose independence for the Philippines within the time and under the conditions which were set forth in our communication to the Members of the Senate under date of December 9, 1932, which we believe to be necessary if proper regard is given the protection of American agricultural interests.

These conditions were set forth under four points substantially as follows:

1. Complete independence should be within five years.
2. During these five years there should be either a gradual reduction each year of duty-free imports of Philippine products into the United States or a gradual application of tariff rates to be increased each year.
3. That trade relationships with the Philippine Islands at the expiration of the 5-year period should be the same as between the United States and any other country.
4. No plebiscite should be permitted to reopen the question of final independence.

We appreciate your interest in this matter.

The National Grange, by Fred Brenckman; American Farm Bureau Federation, by Chester H. Gray; Farmers' Educational and Cooperative Union of America, by John Simpson, president; National Cooperative Milk Producers' Federation, by Charles W. Holman; American Cotton Cooperative Association, by C. O. Moser, vice president; National Dairy Union, by A. M. Loomis; National Beet Growers' Association, by Fred Cummings; Tariff Committee of the Texas and Oklahoma Cottonseed Crushers' Association, by Clarence Ousley; American Sugar Cane League, by C. J. Bourg.

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD a telegraphic reference to the necessity for protection of our dairy interests against the Philippine coconut cow.

The VICE PRESIDENT. Without objection, the telegram will be printed in the RECORD.

The telegram is as follows:

DECEMBER 14, 1932.

Senator REED SMOOT,
Chairman of the Finance Committee of the Senate.
Congressman JAMES W. COLLIER,
Chairman of Ways and Means Committee of the House.
Congressman MARVIN JONES,
Chairman of the Agricultural Committee of the House.
President HERBERT HOOVER.

Regardless of what Congress does about Philippine independence, the American dairy and livestock farmers' need is for immediate protection against present flood of copra, coconut oil, and other vegetable fats and foreign oils. Agriculture can not wait 18 years, 8 years, or even 4 years and remain solvent. Organized producers of Northwest demand immediate tariff rates of 6 cents a pound on coconut oil and 3½ cents a pound on copra with proportionate rates on palm, perilla, and other oils, and that these rates shall be immediately effective on imports from Philippines as well as from foreign lands. No other course can effectively carry out the pledges of both parties to protect the farmer.

Dairy Record, W. A. Gordon, Editor; Minnesota Livestock Breeders' Association, W. S. Moscrip, President; Twin City Milk Producers' Association, W. S. Moscrip, President; Central Cooperative Commission Association, Charles Crandall, President; Land O'Lakes Creamery Association, John Brandt, President; Minnesota Creamery Operators' and Managers' Association, Leonard Houske, Secretary; North Dakota Livestock Breeders' Association, Kenneth McGregor, President; The St. Paul Farmer, H. V. Klein, Publisher; The Minneapolis Journal, Carl W. Jones, Publisher; The Minneapolis Tribune, Frederick E. Murphy, Publisher; St. Paul Dispatch Pioneer-Press, Leo E. Owens, Publisher; Minnesota Farm Bureau, A. J. Olson, President; Greater North Dakota Association, C. E. Danielson, President; Dakota Farmer, W. C. Allen, Publisher; South Dakota Livestock Breeders' Association, J. W. Wilson, President.

Mr. BINGHAM. Mr. President, I shall detain the Senate but a moment in connection with the motion of the Senator from South Carolina [Mr. BYRNES].

This proposal is to do away with a plebiscite at the end of the period of experimental government and at the end of the period of gradual assumption of a tariff wall between the Philippine Islands and the United States. It says to the 13,000,000 people of the Philippine Islands, "Although you may want independence to-day, and may so decide, if anything should happen as unexpected as a World War or a great war in the Far East during the next 8 or 10 years your fate is sealed by the first move you take, and you will have no further chance to express yourselves."

If we can conceive being asked to make a decision in 1910 that would come due in 1921, if we remember the condition of the world in 1910 and the tremendous change that took place between 1910 and 1921, we can conceive that an enormous change might take place between now and the end of the 12-year period we have just adopted.

Therefore, Mr. President, it seems to me extremely unfair to the people of the Philippine Islands not to give them an opportunity to express their wishes in the matter as of the year when they are voting, but to require them to vote now, and then let them experiment with independence for a period of years.

Mr. President, I shall not detain the Senate any further in this matter; but I do hope that the motion of the Senator from South Carolina will not prevail, because it seems to me that conditions in the Far East are in such a state of flux that it is impossible to say what might be the situation 10 or 12 years from now, and therefore, that it is not fair to the Filipinos to give them no opportunity to express themselves, when the time comes, as to whether or not they wish independence.

Mr. SHORTRIDGE. Mr. President, begging the pardon of Senators who are anxious to vote, I wish in a few sentences to express my views touching the immediate matter now before us. That quesetion is, Shall we decide the question of Filipino independence or shall Filipino independence be decided by the inhabitants of the Philippine Islands who shall be alive many, many years hence?

I hold that our paramount duty is to the people of the United States of America. I am not indifferent to the welfare of the people in the Philippines. We gave them substantial liberty, law, order, freedom. We have sheltered them, protected them, benefited them. I said that I once thought they would be eternally grateful, that they would be proud to walk under the American flag forever. I do not say that they are ungrateful, for there is inherent in a distant and set-apart people a desire to guide their own destiny; but I do say that I fear that the plant of gratitude has withered in their hearts. Gratitude is the fairest flower that sheds its fragrance in the human heart; and I fear that the Filipino people have forgotten, have ceased to be grateful. But whether the Filipino people as a people are grateful or ungrateful, I conceive it to be our duty to think first of the United States of America, of the people in this Union.

I have said, and I wish to emphasize, that it is to the interest of the United States to come out of the Orient, not

retain a sovereignty there which may involve us in war. Just as our ancestors advised us to keep out of Europe, so I think as a Government we should keep out of the Orient.

Of course, I am not indifferent to trade or commerce. I want it to flourish; and certainly, wedded as I am to the cause of peace on earth among men, I want peace to continue between us and Japan and China and all the other oriental peoples.

We promised the Filipino people to give them full independence. When were we to give it to them? When they had a stable government. They have a stable government, as stable as that which exists in many other countries of the earth. Are they capable of self-government? They are.

Mr. President, the question boils itself down to this: Who shall decide this matter of our withdrawal from the Philippines?

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. SHORTRIDGE. I yield.

Mr. FESS. Does not the Senator think that there is another question just as serious as the one he is mentioning now, namely, that under the theory of the bill we are proposing to grant independence? I think everybody admits that. We will therefore gradually decrease all authority of the Federal Government of the United States up to the period when it shall cease to have any authority, while our responsibility will still continue. Yet there can not be any certainty as to what will be done after the plebiscite is taken, and consequently we will be suspended in the air, as it were, in uncertainty, all of the years. It seems to me we should not put the matter in that situation. I recognize the force of the argument that, having taken the Philippines, we should not turn them loose abruptly. But we are not doing that. We have been proceeding in an orderly manner in what we have been doing for the last 30 years and are going to continue so for a period further. Yet we do not know whether, when the period shall have ended, we will have all the responsibility and no power except as we take it. I think that particular consideration is very serious. I would rather have definiteness now.

Mr. SHORTRIDGE. Mr. President, I fully agree with the thoughts of the Senator and I thank him for expressing them. I think there should be certainty. I am not so much concerned as to just when we shall completely withdraw our control over those people, but I wish it decided now as to what we are going to do, and what we decide to do should be done out of first regard to America, not overlooking the interests of the Filipino people.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. LONG. Is it not likely that if the election were held now it would result in a more accurate expression of the Filipino people than if held after 15 years?

Mr. SHORTRIDGE. I agree with the thought expressed by the Senator. If it be argued, as it has been argued, that the Filipino people shall be given opportunity to determine whether they wish independence now, this bill gives them that opportunity. It gives them the opportunity to express themselves, when an election shall be called and held, in respect of the constitution to be submitted to them.

Are they competent to decide that question for themselves? The learned Senator from New Mexico observed that we were recognizing the representatives of the Philippine Islands in the presentation of their claim for independence. That is true. They do, I think, speak for the Filipino people, and they are not asking for independence 20 years from now, nor are they asking that this matter be deferred for 20 years for final decision by them.

I can not too strongly express my opinion that it is our duty to keep our promise; that it is our duty to decide this question; that it is our duty to decide this question now; and, hence, that we should not defer the decision of this question of independence for 15 or 20 years, to be decided then by a generation now unborn.

What will happen when an election is called 20 years from now? Who knows? The gentlemen here representing the Philippines, men of capacity, who have argued and pleaded and prayed for independence, will have passed beyond the scene. New men will come on, new interests will have been developed, and it may well be that commercial, economic interests will take a lively concern in an election to be called 20 years from now and, it is conceivable, defeat the proposition of giving Filipino independence. Then where would we be?

I repeat that my chief objection to this bill as it was first submitted to the Senate, my main objection, was as to the deferring of a decision of this question of independence. I have been misunderstood, not purposely misrepresented by the press, but misunderstood, and I want to make my position perfectly clear that my opposition to the bill from the beginning was grounded chiefly on this deferred plebiscite vote as provided in the bill.

I earnestly hope that the Congress will decide this question. We have the power to decide it, notwithstanding the learned and earnest argument of the Senator from New York [Mr. COPELAND], who questions our constitutional power to withdraw our sovereignty. With respect for him and for others, I think we have the constitutional power to pass a bill such as this, and to retire, withdraw, from the Philippines; and I feel that we should decide the question for the American people, and out of first regard for the American people.

I may not be able to vote on the pending motion because of an existing pair, and it is for that reason I have troubled the Senate with my final words on this question.

The PRESIDING OFFICER (Mr. HATFIELD in the chair). The question is on agreeing to the amendment offered by the junior Senator from South Carolina [Mr. BYRNES].

Mr. FESS. Several Senators are absent who want to be present when the vote is taken. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kendrick	Schall
Austin	Dale	Keyes	Schuyler
Bailey	Dickinson	King	Shipstead
Bankhead	Dill	La Follette	Shortridge
Barbour	Fess	Logan	Smith
Barkley	Frazier	Long	Smoot
Bingham	George	McGill	Steiwer
Black	Glass	McKellar	Swanson
Blaine	Gore	McNary	Thomas, Okla.
Borah	Grammer	Metcalf	Trammell
Broussard	Hale	Moses	Tydings
Bulkley	Harrison	Neely	Vandenberg
Bulow	Hastings	Norbeck	Wagner
Byrnes	Hatfield	Nye	Walcott
Capper	Hawes	Oddie	Walsh, Mass.
Carey	Hayden	Patterson	Walsh, Mont.
Cohen	Hebert	Pittman	Watson
Coolidge	Howell	Reed	White
Copeland	Hull	Reynolds	
Costigan	Johnson	Robinson, Ark.	
Couzens	Kean	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained in attendance on the funeral of the late Representative Garrett, of Texas.

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

The question is upon the amendment offered by the junior Senator from South Carolina [Mr. BYRNES].

Mr. BYRNES. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BINGHAM. Mr. President, I desire to say just a word more to those who are in favor of the pending amendment. I have already stated the reasons why I shall vote against it, but I would like to remind Senators that the amendment is going to make it extremely difficult to get the measure enacted into law, in view of the attitude taken by advisers of the President in the hearings before the committee. Without any knowledge of the actual situation or any authority to speak for the administration, it appears evident to those who have studied the position taken by the

President's advisers, the Secretary of State and the Secretary of War, the one in connection with our relations in the Far East and the other in connection with our relations in the Philippines themselves, that the adoption of this amendment would unquestionably lead to a veto by the President.

I merely want to say to those who are anxious to get the bill passed and to get Philippine independence, that from information which we received during the hearings, both in the public hearings and in executive hearings, it appears to me very likely that the adoption of the amendment will lead to no legislation at all during the present session of Congress. I am not in any way stating that except for the information of Senators. It is in no sense a threat because I have no authority to make it except from my own judgment based on what has gone on before the committee. I think some members of the committee will agree with me that adoption of the amendment will make it impossible to secure passage of a Philippine independence bill at this session of Congress.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Louisiana?

Mr. BINGHAM. I yield.

Mr. BROUSSARD. Is it fair for the Senator to make such a statement without telling what information he has about the bill not being approved?

Mr. BINGHAM. I have given the Senate the information I have.

Mr. BROUSSARD. I was a member of the committee. I would not come here and give as a reason for somebody voting one way or another something that is couched in such terms as that anybody might place his own interpretation upon the statement. If the Senator has information which he would like other Senators to have, every Senator is entitled to have it; otherwise he should not refer to it. I ask the Senator to state to the Senate why the bill would not be approved.

Mr. BINGHAM. In reply to that may I invite the Senator's attention to testimony given before the committee by the Secretary of State in regard to the effect on conditions in the Far East and the situation likely to arise in the Far East. That in itself would lead me to believe, and I am stating it as frankly as I can on my own interpretation of the facts, though the Senator may place a different interpretation upon it, that it would undoubtedly be the duty of the Secretary of State to advise the President against the signing of any such bill.

Mr. BROUSSARD. What has the Secretary of State to do with the bill after we pass it?

Mr. BINGHAM. Only as adviser to the President. I am only anxious to warn those who are working toward the passage of some bill that the adoption of this amendment will make it practically impossible to get any bill.

Mr. KING obtained the floor.

Mr. SHORTRIDGE. Mr. President, before the Senator from Utah begins his remarks will he yield to me to ask the Senator from Connecticut a question?

Mr. KING. I yield for that purpose.

Mr. SHORTRIDGE. The Senator from Connecticut keeps intimating that the President will veto the bill if we strike out the plebiscite. That is what the Senator from Connecticut is saying in effect. Is not that so?

Mr. BINGHAM. Yes; that is so.

Mr. SHORTRIDGE. And that because the Secretary of War thinks he knows more about the Government than the Senator does or than the Senate does.

Mr. LONG. Mr. President, I submit it does not make any difference what the President does, we ought to go ahead and vote on the bill.

Mr. KING. Mr. President, not infrequently, I regret to say, statements are made in the Senate similar to those just made by the Senator from Connecticut [Mr. BINGHAM] to the effect that measures under consideration, if passed, containing certain features would meet with Executive disapproval. In my opinion the action of Senators, and for that matter Members of the House of Representatives, should not be controlled by the reported attitude toward proposed legislation of the President of the United States. Disclaiming any purpose to be critical of the Senator from Connecticut or any other Senator, it seems to me that appeals of this character should not influence Senators. Under the Constitution the authority of the President is clearly defined and the duties of the legislative branch of the Government are likewise clearly indicated. It is unnecessary to point out to Senators that under the tripartite division of power provided in the Constitution the functions of the legislative branch are distinct from those of the Executive and the authority of the President is distinct and separate from that appertaining to the legislative branch.

Senators have a duty to perform, and they may not abdicate that responsibility without departing from the line of duty. Congress may not interfere with the President in the discharge of his constitutional duties and the President has no right to interfere with the Congress in the discharge of the responsibilities resting upon it. Senators should vote upon legislative questions before them without having in mind the attitude of the Executive. They may not excuse themselves from legislative responsibility by taking refuge behind the Executive. If Senators believe this measure to be just and called for by existing conditions, they should vote for its passage, regardless of the reported attitude of the President of the United States. If Congress passes this or any measure, the President has the right, if it does not meet his views, to veto it. Congress may pass measures which are not fair or just or do not meet conditions with which they are supposed to deal. Congress may make mistakes, as is frequently the case, and the President may be entirely right in vetoing measures; but I repeat, Congress should not be deterred from passing measures because of the fear or threats or conviction that Executive disapproval awaits the same.

Even if Congress should be assured that the President would veto this or any bill, I submit that such assurance should not prevent an affirmative action upon the part of the House or the Senate. Indeed, it seems to me that Congress should accept the challenge of a threatened veto and pass any measure that under all the circumstances they regarded as necessary, just, and proper. Of course, there should be comity and cordial relations among the various departments of the Government, and a due regard for the rights, authority, and indeed dignity of each branch of the departments of the Government. If the President should veto an act of Congress, as he has a right to do, his message disapproving of the same might furnish convincing evidence of the wisdom and propriety of his course. In that event it would probably be the duty of Congress to adjust their course to the views of the Executive.

If the pending measure should pass Congress and meet an Executive veto, Senators, as well as Members of the House, might become convinced of their error and modify the bill so far as to remove the objections indicated by the President.

The question before us is what measure does the Senate believe to be just and fair and required by the situation before us. We are not confronted at the moment with the proposition as to what form of bill is desired by him. It is true under the Constitution he has the right to make recommendations to Congress, but the responsibility rests upon Congress to deal with the question as it sees fit. President Wilson, in the last message he delivered to Congress, pointed out that the Filipinos had established a stable form of government and were entitled to the liberty which they coveted. Congress did not see fit to pass a measure in harmony with the suggestions of the President. I do not recall that President Hoover has made any recommendation touching the independence of the Philippines. Indeed, the Senator from Connecticut has not assigned as a reason for defeating the motion submitted by the Senator from South Carolina, that the President was opposed to the same or that the Presi-

dent desired the bill under consideration to contain a provision for a plebiscite within 14 or 20 years after an autonomous government had been established in the Philippines.

The Senator from Connecticut frankly admits that he is not authorized to speak for the President in this matter, nor does he state that the President will veto the bill should the plebiscite provision be eliminated. He rests his statement as to the possibility or probability of Executive disapproval upon statements made by the Secretary of War and the Secretary of State. It may be that there is such a close connection between the President and the two Secretaries referred to that they may be regarded as his representatives and spokesmen. I doubt, however, that these distinguished Cabinet officers claim to have represented the President in the statements which they made before the committees of the House and Senate. Undoubtedly they expressed their convictions upon this important question.

Their views, of course, are entitled to due consideration, and I have no doubt the committees of both the House and Senate gave due weight to the same. Concede that these officials are opposed to this bill or to the granting of independence to the Filipinos within reasonable time or at all, it can not be argued that Congress should be concluded by their attitude and thus delay legislation dealing with the Philippine question.

I mean no discourtesy to the able Secretary of War when I say that I do not think upon the important matter of Philippine independence the President will accept him as his mentor and follow his reasoning or his conclusions. The question before us is a vital one. It has not only political and economic implications and consequences, but back of it and as a part of it are fundamental questions relating to the theory of our Government and to its obligations not only to its nationals but to those who may have been brought under its authority. Other governments may not furnish precedents for the determination of problems arising under our republican form of government. Our Constitution, impregnated as I believe it to be with the spirit of the Declaration of Independence, has developed a philosophy of government at variance with that which prevails in many countries. Under our theory of government the consent of the governed must be obtained in order to assert sovereignty and exercise governmental authority. Our fathers did not conceive of territory being annexed in order that it might be governed as European nations govern colonial possessions. They did not conceive of a divided nationality or nationalism. They believed that wherever the Constitution went the rights and immunities provided by it were to be enjoyed and exercised. I think it may be said that it was their view that if for any reason the Republic should adventure upon a policy of expansion, as a part of that policy there should be carried the Constitution with all of its implications and its privileges and immunities.

I have stated that the question before us is a vital one. It not only affects the interest of our nationals but it affects the honor and good name of this Republic. The paramount or controlling question is not what will prove most beneficial in a material way to the people of the United States. Some persons reading the debates that have occurred since this bill has been before the Senate might infer that an important question for consideration was what would be most advantageous materially to the people of the United States.

Mr. President, the most important questions in life, whether relating to individuals or governments, are not those dealing with financial or utilitarian or material things. We should inquire now, What does justice and the highest ethical concepts require? What should our Government as an honorable nation do in dealing with 13,000,000 people upon whom we have imposed political rule? We can not afford to take any step or adopt any policy that would subject us to a charge of selfishness or would be a blot upon the escutcheon of our Nation. The vital question is not what certain business or industrial or agricultural interests demand, but what under all the circumstances would be for the best interests of the Filipinos and what in all honor and in conformity with their wishes should the United States do.

Certainly the President's course will not be determined by the views of the able Secretary of War that independence must be postponed until certain standards, uncertain, undefined, undetermined, shall be reached. The only standard suggested by Congress was that the Filipinos should establish a stable form of government, and when that goal had been reached they should have absolute independence. That goal, a President of the United States said, had been reached. Many persons familiar with the economic and political conditions in the Philippine Islands affirm that a stable government has been established.

No one authorized the Secretary of War or any other person to create or establish some other criterion or formulate this and other standards that must be attained preliminary to Philippine independence. Upon a previous occasion I referred to this shadowy and uncertain standard which it was contended must now be reached as a sine qua non for Philippine independence, and I remarked that if that was to be the test of independence, Philippine independence would be postponed indefinitely. Those who insist that the freedom of the Philippines shall not be attained until and unless economic conditions are absolutely stable, so stable as to insure political stability, are demanding that the settlement of the Philippine question shall be referred to future generations. Those who are demanding what they call "economic stability" concede that there is a stable government in the Philippine government; that there is peace and order, and that progressive policies are being carried into execution under which a high degree of civilization has been attained.

In this changing world, with economic confusion and disorder regnant in many countries, who can define economic stability? Many nations are unable to meet their internal and external obligations. Some governments of more or less importance are defaulting in the payments of their obligations. By reason of reactionary and parochial policies adopted by many countries international trade and commerce have been so restricted and the currents of progress so arrested and diverted from proper channels, that many nations do not have stable governments politically or economically. It is recognized that political conditions are inseparably connected with economic conditions, and it is a truism that when there are sound political conditions there are reasonably sound and satisfactory economic conditions. If many existing governments are recognized as they are by this Republic, as well as by the great family of nations, and such recognition is based upon economic stability, then the Philippines are entitled to an independent government and to be admitted into the council of nations.

Reference has been made by the Senator from Connecticut to the position of the Secretary of State. The latter did not favor the pending measure for Philippine independence within a short time because of the confused situation in the Orient.

Mr. President, there are many who favor Philippine independence because of the unsatisfactory situation in the Orient. However, if the Filipinos are to wait the settlement of oriental problems, they may not have independence during this century. No one can foretell what the future has in store for China and Japan and India. China to-day has internal troubles of a most serious character. A considerable part of China is in the hands of communist organizations which deny the authority of the Nanking or the Cantonese government. The recognition of the Bolshevik government by the Nanking government may strengthen the communistic movement in China and contribute to further demoralization, if not disintegration of government, in that unhappy land. There is no evidence of a speedy settlement of the controversies between Japan and China. I repeat that the Orient does not promise an early settlement of existing controversies. Shall the troubles of Japan and China and the communists of Russia constitute barriers to Philippine independence? I submit that the views of the Secretary of State should not control the Senate in its action upon the

measure before us. No President of the United States has announced that Philippine independence depended upon economic stability or upon the economic or political conditions existing in the Orient. From President McKinley down to President Hoover the view has been directly or indirectly expressed that when the Filipinos attained that position that they were competent to govern themselves, that is when they had established a stable government, they were entitled to independence.

The Senator from New Mexico a few minutes ago referred to a statement made by Theodore Roosevelt to the effect that within a generation from the date of the statement if the Filipinos desired their independence, they were entitled to the same. A generation has elapsed since that statement was made, and we have incontrovertible evidence of a unanimous demand upon the part of the Filipinos that they be permitted to establish a government of their own choice and be absolutely emancipated from the control of the United States.

Mr. President, since the Secretaries of the State and Navy Departments testified before the Senate and House committees, an election has been had in the United States and the American people expressed their views upon the policies of the present administration. It is true that the Philippine question was not a major issue; indeed, it was not regarded as important except in certain agricultural regions and in certain industrial sections where the Federation of Labor had many adherents. Senators know that many of the farmers of the United States declared in favor of absolute and immediate independence for the Philippines. Many labor representatives opposed the migration of Filipinos to the United States and urged that the Filipinos be permitted to set up a government of their own choice. There was a general feeling that the party which prevailed in the election was more favorable to Philippine independence than the party now in power. At any rate many of the American people believed that the time had come for a severance of the ties binding the two countries, and they are urging now the passage of a measure that will enable the Filipinos within a short time to establish an independent government.

Mr. President, I can not believe but that the President of the United States will sign a bill granting independence to the Filipinos provided that its terms are reasonable and just. I have no doubt that President Hoover is concerned in the welfare of the Filipinos and that he will look with favor upon any measure that seeks to redeem the promises made by his predecessors and by Congress. I have no doubt that he desires that this Republic should deal with this question in an honorable way, consonant with the highest principles of morality and justice and having in mind primarily the welfare and happiness and freedom of the Filipino people.

Mr. President, I shall vote for the amendment under consideration and hope that it will be adopted.

Mr. SHIPSTEAD. Mr. President, I merely wish to say that I am going to vote against the provision for a plebiscite, and in doing so I want to say that I do not intend any reflection upon the conscientious work of the committee. I am for independence for the Philippines, but under the processes of plebiscites, five in number, it seems to me independence becomes such a cumbersome, intricate, and complicated affair that I am fairly well convinced, in my own mind, that there will come no independence for the Philippines out of it.

Mr. CUTTING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New Mexico?

Mr. SHIPSTEAD. I yield.

Mr. CUTTING. Did I understand the Senator to say that there will be five plebiscites?

Mr. SHIPSTEAD. There will be five votes, as I understand.

Mr. CUTTING. How does the Senator reach that conclusion? The only votes that I know of are the vote on the constitution, to be taken shortly after the beginning of the interim period, and the final plebiscite of the people.

Mr. SHIPSTEAD. The legislative body of the Philippines also has to cast some votes.

Mr. CUTTING. The legislature ratifies the act we pass. Then they call a constitutional convention.

Mr. SHIPSTEAD. And the constitution is to be adopted.

Mr. CUTTING. And the constitution is to be adopted by the people.

Mr. SHIPSTEAD. Then there is to be an election of officials.

Mr. CUTTING. Yes; under their constitution I suppose they will have general elections, such as they now have, for that matter.

Mr. SHIPSTEAD. Including legislative ratification necessary and the elections and the question of adopting the constitution, there are five votes to be taken, as I understand, if I am not misinformed.

Mr. CUTTING. There may be many more than that if one counts each election they are going to have during the interim period. The Senator understands that they have elections anyway; but the only two popular votes provided for in this bill are the one on the adoption of the constitution at the beginning of the interim period and the plebiscite on final independence at the end of the period.

Mr. SHIPSTEAD. The adoption of the constitution is necessary.

Mr. CUTTING. That is left to the people of the Philippine Islands; yes.

Mr. SHIPSTEAD. That vote, of course, is necessary.

Mr. CUTTING. Yes.

Mr. SHIPSTEAD. Then, the amendment will strike out only the provision for the last plebiscite.

Mr. CUTTING. It will strike out only the provision for the last plebiscite, which the committee felt was necessary in order to ascertain the wishes of the Philippine people at the time they had had their experience and at the time when freedom was about to be accepted or rejected.

Mr. SHIPSTEAD. I understand the viewpoint of the committee, and I say, with due respect to the committee, that I am going to vote to eliminate the provision for the last plebiscite.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from South Carolina [Mr. BYRNES] to the amendment of the committee, as amended.

Mr. SMOOT. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BULOW (when his name was called). On this question I have a pair with the junior Senator from Oregon [Mr. STEIWER], and therefore withhold my vote.

Mr. COPELAND (when his name was called). Present.

Mr. HEBERT (when his name was called). I have a pair with the Senator from Florida [Mr. FLETCHER]. I transfer that pair to the Senator from New Hampshire [Mr. KEYES] and will vote. I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. SHORTRIDGE (when his name was called). Repeating the announcement as to my general pair, and not being advised how the Senator with whom I am paired would vote on this question, I must withhold my vote. If permitted to vote, I should vote "aye."

The roll call was concluded.

Mr. KEAN. I wish to announce that the junior Senator from Maryland [Mr. GOLDSBOROUGH] is necessarily detained from the Senate. He is paired with the junior Senator from Arkansas [Mrs. CARAWAY].

Mr. MCKELLAR. On this vote I have a pair with the junior Senator from Delaware [Mr. TOWNSEND]. I do not know how he would vote, and therefore withhold my vote.

Mr. LONG. Mr. President, I wish to change my vote from "yea" to "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON];

The Senator from Iowa [Mr. BROOKHART] with the Senator from New Mexico [Mr. BRATTON];

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER]; and

The Senator from Maine [Mr. HALE] with the Senator from Oklahoma [Mr. THOMAS].

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Oklahoma [Mr. THOMAS], the Senator from Tennessee [Mr. HULL], the Senator from Florida [Mr. TRAMMELL], and the Senator from Virginia [Mr. SWANSON] are absent on official business.

I also wish to repeat the announcement that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are absent in attendance on the funeral of the late Representative Garrett.

I also wish to repeat the announcement that on this question the senior Senator from Texas [Mr. SHEPPARD], who is absent in attendance upon the funeral of the late Representative Garrett, of Texas, is paired with the junior Senator from Illinois [Mr. LEWIS].

The result was announced—yeas 33, nays 35, as follows:

YEAS—33

Ashurst	Carey	Howell	Schall
Bankhead	Cohen	Kendrick	Schuyler
Barkley	Costigan	King	Shipstead
Black	Dickinson	Logan	Smith
Blaine	Dill	McGill	Smoot
Borah	Fess	Neely	Walsh, Mont.
Broussard	George	Norbeck	
Byrnes	Glass	Oddie	
Capper	Hatfield	Reynolds	

NAYS—35

Austin	Frazier	Kean	Reed
Bailey	Gore	La Follette	Robinson, Ark.
Barbour	Grammer	Long	Tydings
Bingham	Harrison	McNary	Vandenberg
Bulkley	Hastings	Metcalf	Wagner
Coolidge	Hawes	Moses	Walcott
Couzens	Hayden	Nye	Walsh, Mass.
Cutting	Hebert	Patterson	Watson
Dale	Johnson	Pittman	

NOT VOTING—28

Bratton	Fletcher	McKellar	Swanson
Brookhart	Glenn	Norris	Thomas, Idaho
Bulow	Goldsborough	Robinson, Ind.	Thomas, Okla.
Caraway	Hale	Sheppard	Townsend
Connally	Hull	Shortridge	Trammell
Copeland	Keyes	Steiwer	Wheeler
Davis	Lewis	Stephens	White

So the amendment of Mr. BYRNES to the amendment of the committee, as amended, was rejected.

Mr. LONG. Mr. President, I wish to enter a motion to reconsider the vote by which this amendment was rejected.

The PRESIDING OFFICER (Mr. FESS in the chair). That motion will be entered.

Mr. LONG. Mr. President, so far as I am concerned, we do not care for this bill at all. We do not want this bill. We are not going to have this bill in its present shape, with this plebiscite in it.

This vote was 34 to 34 before my vote was changed. We do not intend to have an election held in the city square of Wall Street over whether or not the Philippines are to have independence 20 years from now. If they want to hold an election in the Philippine Islands as to whether or not they want a government of their own, we are willing to have one held there but we do not intend to have 20 years go by, and have investment after investment made in the Philippines, and have political tie-ups made, and have an election held over in the Orient 20 years from now, with any such uncertainty as that.

I am prepared to discuss this matter for a while.

Mr. President, some one evidently has made a mistake in the way he intended to vote on this amendment.

To begin with—I want to be leisurely about this; I do not want anybody to try to follow my thoughts hastily expressed—I was a little bit surprised at some of the votes that were cast in this matter. If we could have foreseen it, I do not know whether some of us would have been nearly so agreeable as we have been the last couple or three days. I know I would not have been. Rather than to have a bill here that ties us up in such a way that the next Congress can not change this matter, rather than to have the Philippine-independence situation tied up in a bill that we can not change for 15 years, we prefer no legislation at all at this time, because this does not mean any Philippine independence at all. You can not conceive of a bill that you could draft that would come nearer to defeating the cause of Philippine independence than to put in the bill a provision that 20 years from now they shall vote on whether they will or will not become an independent nation.

The investments made in the Philippines have increased at an alarming rate. The fact that three of your Republican Presidents, and all of our Democratic platforms for the last 20 years have been in favor of freedom for the Philippine Islands has not kept the American imperialist from extending his investments into the Philippine Islands. They have gone and increased the production of sugar from 300,000 tons to 500,000 tons, to where the committee which came in here with this bill recommended that they be allowed to increase it up to 850,000 tons; and we have been informed that already this year they have imported 920,000 tons of free sugar from the Philippine Islands against the agricultural interests of this country that are to-day struggling and begging for something to eat, and are being fed by a dole from the Reconstruction Finance Corporation.

If we put this bill through now, when our Democratic administration comes in here in March we can not change it one jot nor tittle. We can not change it at all. It will have to stand just as it is. If we have to write a bill of this kind under the searchlight of the present occupant of the White House, we do not want to write a Philippine independence bill. If he is requiring that it be molded to suit his lame-duck session that has only a couple or three months to remain here, if we have to write this bill in the light of what the American people have repudiated instead of what the American people have asked for, we will wait here 90 days to get a bill for the freedom of the Philippine Islands.

I do not intend, for one, that a man who can occupy the White House but 60 days longer—the longest 60 days the American people may ever see—shall have his ipse dixit that he will veto a bill influence the kind of legislation that is going to be enacted, if I can help it, especially when it is a bill that affects the welfare and the lives of the people of the State of Louisiana as this bill does.

What do they raise in Mississippi, in Arkansas, and in Alabama but cotton? The cotton farmer to-day is on his back. The cotton farmer to-day is not asking for normalcy. He is not asking for the right to have more imports or exports than he has had. He is asking merely for anything like the equivalent of half normalcy. Yet we propose here to give the Philippine Islands the right to ship into this country an increased amount of the coconut-oil and vegetable-oil products with which the farmer of Mississippi, Alabama, Louisiana, Arkansas, and Texas is struggling to compete to-day.

We do not care for this kind of a bill. The fact of the case is, I do not think we are going to have any such bill as this. So far as I am concerned, we will not.

We have been promising freedom to the Philippine Islands. We are contending here with two factions. One element does not want the Philippine Islands freed at all. That is the element that is voting for the plebiscite. We have had to stand here and try to vote down the element that does not want the Philippine Islands to be free. If the strength of the committee that says it wants to undertake the freedom of the Philippine Islands has to be compromised and added to the strength of the element that does not want them freed at all in order to give a majority here for a plebiscite, which in every workable effect means that there is going to be no Philippine freedom and no Philippine-freedom legislation for the next 20 years, if that is the kind of status the people are up against, we will wait for the

sunrise here on the 4th day of March to get a bill that is approved by the American people.

Sixty days is not long. In fact, I feel that 60 days' discussion would do the Senate good.

Mr. President, a short time ago the Senator from Connecticut [Mr. BINGHAM], after a quorum call, when we were about to take a vote, in order, as he stated, that Senators who had not been present could hear something he had to say, gave us to understand that the President would veto this bill. His utterance rang through the Chamber. That is what we are given to understand—that the President will veto the bill if it is passed without the plebiscite. We are told that on the ground that the Secretary of War and the Secretary of State will recommend to the President that the bill be vetoed.

If that is the case, Mr. President, if it is true that the President is going to do what Mr. Hurley recommends that he shall do, then we might just as well cease our efforts to-day. There is no need of going any farther with this matter if it is going to be necessary that we adopt legislation that in the mind of the Secretary of War leads to a situation where Philippine independence can be prevented, because it means that we will have passed a bill that the Secretary of War knows means no independence; and then our hands and our feet will have been tied, and we will not be able to pass any legislation to change this status when the Democratic Party takes charge of this country on the 4th day of March.

When we pass this bill, the imperialist has 20 years in which to work. The imperialist who does not want the Philippine Islands to be freed has 20 years in which to work when we pass this bill. There can be no change in the status in 20 years. I say "20 years." The amendment will probably provide for about 14 or 15 years, or perhaps 16 years; but at least for four presidential terms, when we have passed this law, the elements that have invested their money there will have an unchangeable status there. I may also state that they have already gotten their money out. Most of those that invested a dollar there made a dollar and a quarter the year they invested it. Most of them did. Maybe some of them did not; but the elements that have invested their money there will start out on a political campaign in which they will have the finances and will milk the resources out of the Filipino and out of the American farmer for the next 20 years to a point where, to save time, the ballot box had better be placed under the dome of the National City Bank and the Chase National Bank and the various bond and investment houses of Morgan & Co. and Kuhn, Loeb & Co., rather than to have it sent 10,000 miles away to the Philippine Islands in order to hold an election.

The cotton farmer of the South is broke. He is prostrate. He is flat. He is not able to carry on a campaign 10,000 miles away in the Orient. He is not able to fight an election for 15 years. The same situation prevails to-day with regard to the cane farmer. We have seen tears falling in the Senate Chamber as big as a crocodile could shed for the future welfare of the Philippines, and I am in sympathy with every word that is said for the welfare and the uplift of the Filipinos; but, with all the tears and sorrows and weeping that have followed, nobody has ever talked about the status of the American farmer and the American people as affected by the freedom of the Philippine Islands.

A little longer than 30 years ago we had up a great agitation about Cuban freedom. We sent our soldiers across that stretch of ocean and fought the Spanish for the freedom of the Cubans. My friend from Nevada says we fought them because they blew up the *Maine*. That may be true; but we were supposed to be in a fight to free Cuba. We freed Cuba. I am informed that about $700,000,000 of American money has been invested in Cuba. We have put a tariff on sugar coming from Cuba—a tariff of 2 cents a pound, 20 per cent under that charged upon sugar coming from other countries. Cuba to-day sends the bulk of its sugar to America. Somewhere between 44 and 50 per cent of the sugar imported into this country comes from the isle of Cuba. That sugar pays a tariff of 2 cents a pound.

That is Cuba. There are men buried to-day who fought for the independence of Cuba. There are men sitting in this Chamber to-day who came back, who offered their lives for the purpose of freeing Cuba; but the greatest thing about it, as the imperialist views it, greater than the lives, Mr. President, is the fact that there were American dollars invested in Cuba.

I am undertaking to appeal to the legislative mind. I am not undertaking to appeal to the legislative mind on the weak score of lives that have been sacrificed, but on dollars of the American imperialist that have been invested. I know that will strike a more responsive chord, based upon some of the arguments I have heard here. I am undertaking to argue this matter from the standpoint of Cuba based upon dollars that have been invested in Cuba.

We have invested $700,000,000 in the isle of Cuba and are to-day dependent upon the sales of sugar from the isle of Cuba for anything like a reasonable return or for a recouping of the investment.

What is the philosophy of this bill? We have heard a great deal about the philosophy of the bill. What is the philosophy that takes a strangle hold on $700,000,000 of money invested in the isle of Cuba, brings Cuban sugar in here with a tariff of 2 cents a pound, with $700,000,000 of American money invested in Cuba, when Filipino sugar is brought into this country free of any tariff?

What is the justice as between the two foreign countries, the Philippines and Cuba? I say "foreign" only to indicate that they are not American countries. What is the difference between the two, for one of which we fought a war, that the Cuban is made to pay 2 cents a pound to send sugar into the United States, and the Filipino can send sugar into the United States without paying a copper cent?

Mr. President, we are not satisfied with the result of this situation here. We did not think this was to be the result. Faces in this Chamber appear to change very suddenly. I am a country boy, away from home. I thought I knew something about this business. I helped rock the baby to sleep, to get a compromise. I undertook to help get a compromise, and I find that the compromise is all right as long as those with whom we are laboring are getting what they want.

I have ears that evidently are somewhat twisted, so that sounds do not get into them correctly. If I understood the sounds correctly, I understood I was to get a few votes on this side for striking out this plebiscite provision, which votes I did not get. I understood that to have been told me. I am now informed that I misunderstood somebody. Then those I am supposed to have misunderstood, misunderstood me.

We do not care for any bill that carries on Philippine uncertainty and farther. I want to say, further, that when an agreement is given in this Chamber or out of this Chamber, whenever I am left under the impression, whether it is through my mistake or not, that if one thing is done another thing is going to be done, and the other thing is not done, I am going to undertake to correct that situation. I want Senators on this floor to understand that I was telling them what I honestly believed when I told them that without any question this plebiscite provision was going to be stricken out of this bill. That is what I thought, and that is what we intend.

There is a great deal to be said on this question. I never have felt that I did justice to my constituents in not extending my remarks in this matter. I felt that I owed it to them to give the Senate some history. The fact of the matter is that I felt that I should have discussed the constitutional question, which my friend the senior Senator from New York [Mr. COPELAND] so elaborately debated here in this Chamber for several days. But I refrained from a discussion of the constitutional features of the bill. It may be that some one was influenced to vote against the plebiscite feature as a result of the very splendid argument made by the Senator from New York. Frankly, Mr. President, I did not think there were many Senators who would be taken in by the argument, but there might have been some.

Therefore, I will delve into a discussion of the constitutional features of this matter.

I will discuss the subject from the standpoint of direct and indirect and abstract principles of fundamental and statutory law. I will start out by discussing the constitutional features of the case. I will then discuss the amendments to the Constitution and the history of the amendments. Then I will discuss the statutes, and some time to-morrow I intend to take up the argument made by the Senator from New York, after I have laid the groundwork to go into the matter. Then, after this matter has been thoroughly understood, I hope to call for a vote, provided nobody else wants to speak.

The Constitution of the United States, gentlemen of the Senate, as we all know, was adopted after considerable debate as to what would be the imperialistic policy of the United States. The first great question which arose was whether or not the third President—Thomas Jefferson—could purchase the Louisiana Territory. In this Chamber we see such Senators as the distinguished Senator from North Dakota and the distinguished Senator from Michigan. Be it said, Mr. President, that the United States Government did not want to get North Dakota at the time of which I am speaking; they did not want Michigan at that time; but in order to get our people of Louisiana, they yielded and agreed to take into the United States North Dakota, Michigan, Arkansas, and other territory. We were the means by which others found entrance into this Union. Some think it was a mistake to do that at that time. I do not. I think it was a good thing, viewing what happened on the 8th day of last November. I think it was a good thing to take Michigan into the Union, viewing the returns on November 8, and, from the same consideration, it was a good thing to take the Dakotas into the Union.

The policy Mr. Jefferson adopted at that time in extending the original territory of the thirteen Colonies, in taking in the Isle of Orleans—which is what Jefferson wanted to buy—caused him to spread the all-embracing arms of the American Government over a territory much larger than the territory which originally adopted the Constitution of the United States.

Mr. President, that is supposed to have ended the matter. When we took in the Louisiana Purchase Territory, so far as our history has divulged, that was an end to the question. But our historians have been sadly lacking in supplying the truth to the American people as to just when it was that the Louisiana Purchase Territory was truly, legally, rightfully, and, I might say, through might, made an irretrievable part of the United States of America.

When was it? It was not done in the treaty made with Napoleon; it was not in the ratification or in the purchase, not entirely; but the title of the United States to the Louisiana Purchase accrued on the 8th day of January, 1815, and history has left that story out up to this time; so I propose now to write into history what has been left out for more than 125 years.

I propose, therefore, Mr. President, to turn back now and start 125 years ago, and then travel steadily up until I reach the speech of the Senator from New York. I, therefore, have a starting point from which to argue this question—something the Senator from New York never had. I have a place from which I can begin.

There was no war down in Louisiana in 1812. It is true the army came here and burned up Washington, and a lot of people have thought it should not have been allowed to be rebuilt. It is true the army did get down here and burn up a few shacks around Washington and mess up things around on the eastern coast; but there was no war going on in Louisiana, where there were peace, quiet, and contentment; where a homogeneous people went to and fro exchanging the commodities necessary for life with their neighbors, mingled with all peoples and all races and kinds, and brought together the people from the Orient, from the South Seas, from Central America, from South America, from Europe; but there was still no war.

However, peace was about to be declared between England and the United States, and that was the cause of war in New Orleans. It was not because of the war between England and the United States that Pakenham's army was sent 1,500 miles away to New Orleans. It was because peace was about to be declared that the flower of the British Army was landed in the city of New Orleans, under the brother-in-law of the Duke of Wellington. It was because our treaty makers at Ghent had been gradually forced back from the mark, until they had allowed the treaty to be so written and so framed that England refused to recognize the right of Napoleon to sell the Louisiana Purchase Territory to the United States of America. Go back and review the treaty of Ghent to-day, go back and review the letters of Gen. Andrew Jackson, and you will find that in the settlement of the War of 1812 the American people were forced to allow England to make a settlement which would not recognize the right of Napoleon to sell the Louisiana Purchase Territory to the United States.

Therefore, with a treaty on its way for signing, with a treaty on its way to the United States, Pakenham's army, under a British general, was landed in New Orleans, so that when that treaty was promulgated and made effective under the law of nations, Pakenham would be in possession of the territory, with the British Union Jack flying over it, territory which had not been conceded to the United States under the treaty made with England. So Pakenham's army was landed in New Orleans for treaty purposes.

Then it was that hastily this country was made the great cradle of liberty, which my friends the Senator from Missouri and the Senator from Nevada now talk about bestowing upon the Filipinos 10,000 miles away. I am pleading for the people and the children of the people who made Missouri part of the American Republic and gave the children of that State the right to call themselves Americans.

We do not have to go 10,000 miles to find somebody to cry about. We can find the boys and the girls and the men and the women in the State of Louisiana to-day, descendants of those who defeated the flower of the British Army and gave the people of these other States their status as Americans, to-day crying for bread, crying for a right to live, crying for something to eat and something to wear, because they have been rendered absolutely penniless through the expenditures made by the American Government to give advantage to an oriental people, to allow them to ship their products into our country, with every wall torn down, with every discrimination on the face of the earth against the people of our country. I want to discuss this matter seriatim. I want to give the historical phases of this case, because it will soon be January 8. I have accepted an invitation to go to Missouri for the inauguration of the governor on January 8 in recognition of the community of friendship existing between this common family that came into a common accord.

Gen. Andrew Jackson, landing in New Orleans two or three companies of Tennessee mountain riflemen, dug up an army from pirates led by Jean Lafitte, and a few more of every kind of people and manner of men, creoles, the French people of the State of Louisiana, and the people of New Orleans, and won a victory on the 8th day of January, 1815, killing more than 2,000 of the flower of the British Army, the Americans losing only 8 or 10 men, which forced the army of Great Britain to give up its possession of the Territory of Louisiana, and to embark for the other side of the ocean where a few months later the same army defeated Napoleon at Waterloo. It was enough army to defeat Napoleon at Waterloo, but it was not enough army to defeat the people of the State of Louisiana with a few helpers from Tennessee under the leadership of Gen. Andrew Jackson.

Now, Mr. President, that is the means I wish to place before my friend, the Senator from New York [Mr. COPELAND]. I have taken a few minutes' time to give the means and methods by which the purchase of Louisiana was perfected. I hope the Senate will not think that I am unnecessarily laborious in presenting this matter. We have been denied our place in history on this question. It has never been told in its full view. Only now have the people of my country been given the right to have this thing fully

explained in a forum from which it will be heralded, we hope, to the remote corners of all States. Only now has historical justice seen the beginning of the truth-shedding light permeating to the four corners of this continent that they might understand how there was brought into this Union and made a great country that vast territory between the Rocky Mountains and the Mississippi River and extending from the Canadian line down to the Gulf.

That brings us up to the 8th of January, 1815. There were kindly disposed people who came to that country following that time. Some of the best citizens came down from the New England States, some from Maine in the far-away North, kindly disposed people, and our people were kindly disposed toward them. I remember a tradition that has been told me at the fireside by my grandfather about some young man who opened a saloon in one of the towns there. I was told by my grandfather that one of our uncles formed a friendship with this young man and, seeing that he had not learned how to mix drinks, volunteered his time and stood there all day long in that saloon teaching that young man how to mix drinks. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must admonish occupants of the galleries that manifestations of approval or disapproval are not permitted under the rules.

Mr. LONG. From those friendships and associations there sprang up mutual love, regard, and respect that a thousand centuries hence can never undermine. Gradually the constant associations and accumulations of those people—but I believe I skipped a point there. Prior to that time there had been five amendments adopted to the Constitution of the United States, but none of them touched this question. They dealt with various and sundry rights ordinarily accorded to the English-speaking people, extended by the gratuitous King John to the English people. But in the year 1815, the title having been confirmed to America and America becoming possessed of the desirables and undesirables—and I wish to say that I mean no reflections upon the balance of the people who came in with this purchase.

Personally speaking, we were glad to have them brought in with us. We were willing to associate with them. The complaint came from the other part of the country. So far as we were concerned down there in the Isle of Orleans, we were perfectly willing to take in those people. We thought they would make good citizens. We did not ask them to wait. We did not send them any plebiscite. There never was any plebiscite given the people of Louisiana as to whether we wanted to come in or not, much less one to North Dakota and Missouri. There has never been any plebiscite taken in Missouri yet as to whether they wanted to become a part of the United States. That may have been neglected. I do not know how the vote would go today, but there never was a plebiscite taken at that time to determine whether we would or would not take in that flowery region of sunlight homes and happiness and abundance—there never was a plebiscite taken from the people of Louisiana as to whether they would accept status as a part of the American Colonies. So that does away with the plebiscite so far as we are concerned.

Did we take any plebiscite when we took the Filipinos into the United States? A great deal has been said that we have to wait 15 years for a plebiscite in the Philippine Islands. We did not have any plebiscite when we took them into the United States. We had to send battleships and guns, gunpowder and cannon, and we had to subdue them in order to get the Philippines to consent to become a part of the United States. It is not proposed now that we are going to protect the Philippines by a plebiscite. That is not the proposition. It is proposed to give them one plebiscite. They will be given a plebiscite as to whether they should adopt a constitution and become a self-governing race next year or the year after. That is all provided for. But they are going to wait 12 or 15 years and then decide whether or not this thing can be fixed up, whether they can put a spider in the dumpling in the meantime so that Filipino people will not eat the pie. That is what the plebiscite means. It means 12 or 14 or 15 years of orgy and turmoil to make it practically impossible for the Filipinos to dare to vote themselves the freedom that they would vote themselves the next year.

Oh, no. It is said we want them to have a little chance to experiment before they finally wind up. Maybe they do. I do not know what kind of experiments they will have, but God help you, Filipinos, if they have 15 years to experiment on you. If you give them 15 years to experiment on you to make you say yes or no, God help you for the next 15 years. I would pray for the mercy of the Almighty for the Filipino people for the next 15 years if the imperialists of Wall Street have that long to try to convince them that they had better not vote for their own independence. God help that people for the next 15 years when they come to cast that vote.

That would be the status we would be under. For 15 years the politics of the Philippine Islands would not be at Manila. The politics of the Philippine Islands for the next 15 years would be under the guiding genius of the investment bankers of New York, who do not care whether they get their money back 1 time, 2 times, 5 times, or 10 times; they will still undertake to get it back 20 times—the race that has never been known to abdicate. My friend the Senator from New York [Mr. COPELAND] said the American flag has never been hauled down from over any country above which it has ever been hauled up, but I can tell my friend from New York that there is another flag that has never been hauled down. There is one class that never abdicates. That is the class of imperial fortunes invested in a foreign land. That is the class that knows nothing except to extract the bone and marrow and blood and sinew of humanity for its own aggrandizement. That is the class that has kept the Philippines under the subjection of America for 32 years when we never had any right to take them and never had any right to keep them. That is the class that never abdicates. Give them 15 years to experiment on the American people! I would rather go and offer myself for the purpose of experimentation by science, to be operated on in any ward in any hospital in the United States, than to be a Filipino experimented with for the next 15 years under this plan.

But again I am off the thread of my story. I intended to discuss this matter historically. I intended to come on up discussing the various amendments. For the benefit of those who came in late and for those who yet remain, let me say I was discussing this matter in this form when I began. First, I was discussing the writing and the adoption of the Constitution of the United States and what preceded it. I was next discussing the adoption of the amendments to the Constitution of the United States and the history, so far as it affects the status of the Philippine Islands, of the adoption of those various amendments. Then I intended, and I now intend, to take up the statutes of this country, the important statutes, the science of government as it has been unfolded and constantly expressed through statutory and treaty-made laws of this country, and when I had done that I intended to come back to the argument of the Senator from New York which he began here last fall and completed here yesterday. I had about concluded the first discussion of American acquisition of foreign territory, describing it from the standpoint of the Louisiana Purchase.

I wish now only briefly, at the risk of being trite in my remarks, at the risk of being tiresome, which I am undertaking not to be be, to say only as a mode of globular illustration that America did not seek to buy Missouri or North Dakota. All America wanted was Louisiana. She was not after California at that time. She had not heard about California's climate. [Laughter.]

Mr. SHORTRIDGE. Mr. President, will the Senator permit me to interrupt him?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from California?

Mr. LONG. Yes, sir; I yield.

Mr. SHORTRIDGE. The population of California is very, very rapidly increasing by virtue of the removal there of many splendid citizens of Louisiana. They are moving from Louisiana to California.

Mr. LONG. Yes, sir; but they did that merely to carry the State for the Democratic ticket. They are coming back to Louisiana next fall. [Laughter.]

The VICE PRESIDENT. There must be no demonstrations in the galleries.

Mr. LONG. But Louisiana was the sought-for land. Why? Why, Mr. President, if you go to that land of gladness and sunshine to-day, you will know why America wanted only Louisiana. That was enough for any country at the time. Jefferson, gazing upon that land of sugarcane, tobacco, and cotton, and upon the people whose hearts and minds were bent upon serving the welfare of one another—and occasionally their own welfare—sought only the isle of Louisiana; but, in order to get Louisiana, he was made to relent and to accept North and South Dakota, Missouri, Kansas, and Arkansas and other territory, for which the United States paid a very slight, if any, consideration in order that it might take them all in with the balance of the Louisiana Purchase Territory.

Then I had illustrated that it was the army of Jackson that had kept America in possession of Louisiana. Then I had undertaken to show that the same army that Jackson defeated at New Orleans, crossed the Atlantic Ocean and whipped Napoleon at Waterloo, and I had reached that status of our constitutional and historical progress when I broke into an argument on the Filipino question, somewhat out of order at the time.

Additional territory began to be considered. There was Florida, which was left out, with nobody to take care of it except Spain. So we took it in. Then along came Texas. I am sorry my Texas friends are not here to-day. Soldiers from Louisiana went there and assisted in acquiring that territory. The Texans had all the generals; we sent them soldiers. Mr. President, there is not a single Louisianian whose name is recorded as a general in that Texas conflict, but we furnished the sinews and the soldiers in order to carry on that war. We furnished medicines; we even treated Sam Houston and some of his leaders in a charity hospital in New Orleans. The base of operations for freeing the Texans in 1836 was the city of New Orleans, where most of the soldiers, I think, came from. So Texas was taken in, but it was not such an easy matter. There was a great conflict in this country as to whether or not we would take in Texas. In a campaign for President the issue was whether we would or would not annex Texas, and the people in favor of the annexation of Texas won.

I should like now to have the attention of the Senator from California. It was after that trouble had been gone through and we had taken in Texas and had taken in Florida that somebody said, "There is no reason, if we are going to take them in, why we can not take in California."

True, the climate of California had not at that time received its full advertisement. It does not need to be advertised in the Senate. California may need to advertise its fruit products; it may need to advertise its cities and its roads; but there is one thing that California will never again have to advertise, and that is its climate. That, however, had not received its full measure of advertisement at the time California was taken into the Union. So that completes the story of America's vast territories. Area after area was changed from the status of a colony until it became a sovereign State. Louisiana received the status of a State. Then on and on and on until in Roosevelt's administration the remaining Territories, including Arizona and New Mexico, were admitted to statehood to share in the American system of government.

When did this imperialism begin? When did the great policy of Pan Americanism begin? When did it begin to flower and bear fruit? When did this system of taking over peoples to be governed and subjugated by this great country that had fought a war against England in order that there should be the right of self-government begin? Mr. President, we finally reached out to take in such islands as the Hawaiian Islands, Puerto Rico, the Philippines, and the Virgin Islands.

I am not a constitutional lawyer particularly, and I do not now speak from that standpoint. I have practiced a little law in my lifetime; I made a living for some 16 or 17 years at that practice; but I have never been able yet—and I have read the decisions of the Supreme Court of the United States—to understand the contention now made that we have the right to acquire foreign territory.

The Constitution of America is one of restricted authority; in other words, the American Government has no authority whatever except what has been delegated to it by the States. There is no inherent power in the Government of the United States except what is exclusively granted to it by the States forming the American Union; and though I have read the decisions of the Supreme Court of the United States and the articles written by the great students of our law, I have never been able to find in the confines of the Constitution of the United States where we got the right to acquire foreign territory. I do not find it yet. It was a very strange theory of government out of which we finally managed to weave the right to go 10,000 miles away and take over a country with which we were not at war in any sense of the word. But now we are in the Orient.

I was sorry that my friend from Mississippi [Mr. HARRISON] this morning did not make his speech on the war-debt situation. I really was afraid that the Senate might become a place for confessions had he started the speech which I am going to be here when he makes. The saddest words ever spoken to a country are the words "I told you so." America was advised against the Philippine expedition.

The greatest statesmen of the time told America that it had no right to take over those islands far away in the Pacific. She was advised against the war with Spain, and it could have been avoided, as we could have avoided taking over the Philippine Islands. After rejecting that advice and after having ventured into the Orient unsuccessfully, in 1917 America was told to stay out of Europe. There is many a man in this country to-day who sacrificed his political life because he dared to advise the United States to stay out of that vortex of blood 3,000 miles across the sea. There are many of them who will never be heard of again, but time has vindicated the stand they took. To-day millions and billions of dollars of our money, which we sent across the Atlantic Ocean are lost and the flower of the youth of America sleeps in unmarked graves on account of the great crusade we made to make the world safe for democracy, asking nothing but the right to shed the blood of American manhood, asking nothing but the right to spend and to pauperize the manhood and the womanhood of America, asking only the right to go 3,000 miles away to get in a war. We wound up with a glorious sunrise and every nation for whom we fought and spent our money denouncing the menace and the purpose and the designs of the American people. They would put us in a war over the Philippines if they could. Some of them want a war now. They argue that would be the way to dispose of surplus labor, namely, to have a war, put them to work and kill off the surplus. They want the Philippines held 15 years; they want them held eternally.

I do not think there are many people in the United States who want to go any farther than the Philippines, but I can not say much, Mr. President, for all the latter-day statesmanship in this country which caused this Nation to extend itself into Europe and into the Orient. It got to the point that we did not know where we were using the marines; it got to the point where the marines were kept so regularly in Central America and in South America that when a man saw a marine in the United States he thought he was a stranger. I was asked, when I was seeking to come to the United States Senate, "How are you going to stand on taking care of our investments down in Central and South America?" I did not come to the United States Senate with anybody misunderstanding my position on that question, notwithstanding the fact that a large part of the investment comes from the city of New Orleans, where I live. But the same imperialists want 15 years more to experiment with the Philippines—15 years more to enable

the house of Morgan to experiment with the money it has invested in the Philippine Islands.

We have had about 15 years to experiment with what the house of Morgan invested in Europe, have we not? We allowed them to float in this country foreign bonds which were purchased by American investors; we allowed them to sell foreign bonds all over this country, in many instances war-time bonds; and yet we called this a neutral country. We are to-day allowing them to float foreign bonds that are not worth 10 cents on the dollar; we have allowed this to go on until they have broken and pauperized the American people. And we sent the blood, marrow, and bone of American boys over there in order to make the bonds good which they had sold all over this country.

O Mr. President, this Philippine question brings that situation to our minds very forcefully. When we begin to discuss the war-debt situation we ought to open up the United States Senate for confessions before we go very far. The first thing we ought to do is to have an experience meeting. I remember very well one such meeting down in my section of the country. At an experience meeting we find out how much love there is. There is love until somebody owes some money that he has to pay back.

In one of those experience meetings that I saw held in my own church they called a mourner to the bench, a man who had not been regarded as the kind of neighbor he should have been in that community. They forced him to stand up and state whether or not he loved everybody. After he had stood up and professed that he loved everybody, his son-in-law came in and sat down on the front row, and the old gentleman added, "Nearly everybody." [Laughter.]

If we had an experience meeting of nations to-day to tell the countries that they loved, and they plead their love for America and their love for France and their love for England, the first thing they would have to state would be, "Everybody except the man that I owe something."

That is the situation in which we find ourselves; but some Senators want to go still deeper into these foreign entanglements.

Now I come back to the history of the country. I have gone through the administrations of Jefferson and Madison. I now reach the administration of James Monroe, of Virginia.

I do not recall any amendments to the Constitution that were made during his administration; but it was during the Monroe administration that the famous Monroe doctrine was promulgated, that Europe and Asia and Africa should stay out of America; that America would regard as unfriendly any effort made by any foreign power to establish any colony or possession on the Western Hemisphere.

I do not know whether I quote the words of the Monroe doctrine accurately or not. I do not know whether I have ever read the exact language, but that is something in the neighborhood of it—that America would regard as unfriendly any act of anybody undertaking to establish or set up a foreign government in the Western Hemisphere.

What happened to that? There never was a better saying in equity than that you must come into equity with clean hands. There never was a fairer rule of law on earth than that a man coming into a court must come with his hands clean. What kind of hands has America had to maintain the Monroe doctrine? That doctrine is "America for America," and they had gone that way for a little over a hundred years; and yet when we were crying here that America should be for America, we went off 10,000 miles to take America into Asia!

If it is good philosophy and good morals and good government that America should govern America and keep everybody else out of here, it is good philosophy and good morals and good government that America shall not go somewhere with her hands dripping with the blood of the Philippine patriots who undertook to keep this country from going somewhere when we would not allow them to come here. We have no right on the living earth to do it—no right in morals or in law. We had no right to maintain the Monroe doctrine with the right hand and with the left hand to reach 10,000 miles into Asia to take over people who were crying for their freedom.

That was the kind of thing of which America was guilty. That was utterly inconsistent with the doctrine of James Monroe—the Monroe doctrine—which is recognized throughout the world.

America can not dig a pit without falling into it herself, just as I reminded my friend from Oregon [Mr. McNARY] the other day:

> Whoso diggeth a pit shall fall therein.

Transformed and translated into common, everyday parlance, that means that chickens come home to roost. So it is with the Philippine question and the territorial integrity to which this country is committed.

Mr. President, have I the right to ask for a quorum? I think we have transacted some business since the last quorum call.

The VICE PRESIDENT. The Senator has that right.

Mr. LONG. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Johnson	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bailey	Davis	Kendrick	Schall
Bankhead	Dickinson	Keyes	Schuyler
Barbour	Dill	King	Shipstead
Barkley	Fess	La Follette	Shortridge
Bingham	Frazier	Logan	Smith
Black	George	Long	Smoot
Blaine	Glass	McGill	Steiwer
Borah	Goldsborough	McKellar	Swanson
Broussard	Gore	McNary	Thomas, Okla.
Bulkley	Grammer	Metcalf	Trammell
Bulow	Hale	Moses	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Wagner
Carey	Hatfield	Nye	Walcott
Cohen	Hawes	Oddie	Walsh, Mass.
Coolidge	Hayden	Patterson	Walsh, Mont.
Copeland	Hebert	Pittman	Watson
Costigan	Howell	Reed	White
Couzens	Hull	Reynolds	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance on the funeral of the late Representative Garrett.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

Mr. LONG. Mr. President, I called for this quorum myself, as the RECORD will show, because I felt that it was my duty, inasmuch as I felt that I had made some very pertinent remarks.

I had explained the constitutional history of the country up to the administration of President James Monroe. I had undertaken, in replying to the constitutional argument of the Senator from New York, to give a brief survey, a very brief horoscope or picture of the formation and founding of the country, beginning with the adoption of the Constitution of the United States in 1787. When I complete my review of the history of the adoption of the Constitution, showing just how it bears upon this question of territorial aggrandizement, I expect to go back and discuss the settlement of this country prior to the adoption of the Constitution, in order that I may show just how the lawmakers were affected by the landing of the Pilgrims and the settlement of the South, and various other things which impressed the men writing the Declaration of Independence and adopting the Constitution.

I was almost at the point of going back to this previous history when I called for a quorum, because I wanted the Senators who had not heard me discuss the Constitution itself to hear me discuss the fundamentals leading up to the adoption of the Constitution.

Mr. President, when our ancestors landed on this American Continent, they found a people already here. They found the American Indian already preempting the entire American Continent. They found the Choctaws, and the



Iroquois, and the Cherokees, and every other kind of a race and tribe, claiming the ownership and possession of the land. There might have been some excuse for taking possession of the land, but even if there was an excuse, there has always been in our hearts as Americans a certain feeling of the injustice our forefathers did to the people of this continent when they came here and took America away from the Indians.

Some of this country was bought. I believe the Dutch bought the Isle of Manhattan for 60 barrels of whisky, or some such consideration. There was some suggestion a few years ago that they could buy it back for the same consideration now. [Laughter.] Some of the country was bought, at any rate. Then the country was settled, on the shores of the Atlantic, extending up and down from Maine to Georgia. They limited the country to the Mississippi River on the one side and to the Atlantic on the other side. Then steadily they began to creep westward and southward, as I have said, until they took in the State of Louisiana.

Slavery grew up in America, and in order that we may understand the pending question thoroughly, we have to discuss the slave question from its beginning. I regret that it is necessary to take time to discuss the slave question, but the matter of territorial expansion necessarily requires a discussion of the slave question, and I hope Senators will learn something of the slave question not recorded in history.

When the Declaration of Independence was written by Jefferson and Franklin, but mainly by Jefferson, there was written into the Declaration of Independence the statement that the system of slavery was an inhuman system which had been forced upon the American people by King George III. How many of us sitting in the United States Senate to-day know that when the Declaration of Independence was written by Thomas Jefferson he condemned human slavery, and committed the thirteen Colonies to the declaration that, upon being freed from the rule of the tyrant, King George III, America would never allow slavery to be foisted upon the human race?

The proposal to free the slaves was not first written in 1861 or 1858. The proposal to free the American slave from the slave owner was written by the hand of Thomas Jefferson into the Declaration of Independence, and it was voted out, not solely by the votes of the South, but by the votes of some of the Northeastern States, the citizens of which were engaged in the slave traffic in the South. Jefferson wrote the Declaration of Independence, and the Old Dominion representatives stood to outlaw slavery when the Declaration of Independence was written in 1776. When the Continental Congress adopted the Declaration of Independence, it was by a tie vote that they failed to write into the Declaration a provision condemning human slavery in America. Some Senators did not know that before. Jefferson began the agitation, and from that time on undertook to free the black man and the white man. It was a philosophy of Jefferson that there should be no such thing as the buying and selling of humanity in the open market.

We are going to have to go back to Jefferson to free the Philippines. We are not going to be able to do it under Hoover. It can not be done. The Senator from Connecticut has practically said so; at least, that is the way I interpreted his remarks here to-day. We will not be able to free the Philippine Islands and make the Filipinos a free people, if we follow the philosophy of freedom of somebody who is against their being free. Some of us Senators here may be misguided about it, but Mr. Hurley has but one thing in the back of his head in regard to the matter, and that is that he does not think the Philippine Islands ought to be free, and he does not want to see any bill come out of Congress that would mean the freedom of the Philippine Islands. I appeal to my good friends here, like the Senator from New Mexico, the Senator from Missouri, the Senator from Maryland; the only reason why the Secretary of War is agreeing with you to-day is because he thinks he sees loopholes in the measure so that there will be no such thing as the freedom of the Philippine Islands.

If it was not necessary to have a referendum in order to take those islands, why must there be a referendum to turn them loose? If a referendum, or a plebiscite, must be held, for the formation of a government and the adoption of a constitution, why would not a plebiscite taken next year be just as good as one taken 15 years from now?

Mr. President, I am one of the Senators who are going to stand here for the freedom of the Philippine Islands in the next Congress. As a follower of the philosophy of Jefferson, that humanity shall not be bought and sold in the open market, I am not going to let a bill be written here, if I can possibly help it, that will mean that for 15 years the Filipinos are to be subjugated and clubbed until they reach the ballot box and deposit a vote which suits the imperialism of this country. I am not going to leave 13,000,000 people and unborn generations until perhaps the wheels roll around until another imperialist sits in the White House. Then God help the Filipinos when they hold an election for their freedom!

What is meant by an election? An election could be held now if one were desired. One is provided for in the bill now pending. But no, the election is to be held many years hence, perhaps 15 years, perhaps 20 years, from now. It is proposed that the Filipino people be allowed to vote on whether they want to be free or not 15 or 20 years from now, because Mr. Hoover will veto a bill providing otherwise. But he will be in the White House for only 60 or 90 days more.

Let him veto the bill. We are waiting for the sunrise. We are waiting for the next President of the United States. We are waiting for what is coming, not looking to what is going. We can wait here 60 or 90 days, because when Franklin Roosevelt sits in the White House he will sign a bill unequivocally, unquestionably, and honorably granting the Filipinos as easy a way to get out of the clutches of the American imperialists as that by which they were put under their domination.

We will wait until Roosevelt comes into the White House. Thank God, this is the last lame-duck session we will ever have. This is our last lame-duck experience. We will wait. It is not going to take us very long to pass a bill similar to the one now pending when somebody is sitting in the White House who wants the Philippines freed.

We have had a hard time. The Senator from Missouri [Mr. HAWES], with the milk of human kindness in his heart, has had a terrible fight in trying to get a bill enacted into law. I know the fight he has had. I know how it is to be steadily under the club of somebody when you are trying to free a suffering people and have worked as hard as has the Senator from Missouri. One feels like yielding and yielding and yielding anything in order to get those people relief. I know how one feels under those circumstances. But if it comes down to the point where there are 9 chances out of 10, or 5 chances out of 10, or 1 chance out of 10, that these people will be cheated out of their right to independence, I propose that we ought to delay the thing until we get somebody in the White House who will stand with us. That is the status.

The followers of Jefferson, the first people who carried the torch against human slavery—the light of Jefferson, with such followers as Andrew Jackson and Abraham Lincoln—the light of Jefferson, that undertook to keep the arm of this country from ever subjugating a people, that undertook to outlaw human slavery from one end of this country to the other—it will take the principles and the successors of Jefferson in the Democratic Party, perhaps, to give the Philippine people the kind of independence which Thomas Jefferson and his kind gave to this country. We can wait 60 days, or 90 days. We can wait and give them real freedom, real liberty. That is probably what we will have to do, and that is what we are prepared to do.

Mr. President, I have seen some funny things going on. The United States Government is not paying me for the privilege of educating me. I sometimes feel that I owe the Government money, I am learning so much more than I ever knew. It is hardly fair to a man that he has to pay for tuition and board, fees and expenses at college in order that

he may learn, and then send someone like myself to the United States Senate to learn so much and get paid for learning it. But I have learned a great deal since I have been here. I do not know how far this knowledge is going to go.

I have almost learned to compromise. I have learned to compromise. I did not get what I thought I ought to get out of the compromise. I learned how to give, but I did not learn how to take. I was learning to compromise. I thought I had learned how to do that back when I was Governor of Louisiana. Most legislation is a result of compromise. You go as far as you can, so long as you can, by good service, sacrificing in order to meet the views and wishes of somebody else. That has been the way I have obtained most of the legislation I have ever had passed. I have yielded to the other man's view as far as I could, and I have yielded in this case. I have yielded to everything except the question of whether we are going to free the Filipinos or not. I yielded on the question of time to some extent and was willing to yield—willing to yield on everything except whether we are or are not going to free the Philippine Islands.

How much of the Philippine industry is owned by American capital? Somebody said America owns a certain per cent. I understand it is a big per cent. I would not undertake to state the exact figures. I believe the sugar industry is owned 19 per cent by Spain, 26 per cent by Filipinos, and the balance by Americans. That would be 55 per cent owned by Americans. We were told by the Senator from Connecticut [Mr. BINGHAM] that the coconut-oil industry is owned by American people.

I do not want to have to fight two wars in election and two more wars with somebody else to try to get independence for the Philippine Islands. I do not want them to wait for these American syndicates, steadily extending their influence over the employees, adopting such rules of suffrage and election as they want to adopt, allowing such people to register as they want to register, employing qualified voters and discharging them in case they are not in favor of keeping the Philippines under the American flag.

Have you ever tried to buck an election in one of those places where the imperialists hold an election? I have. I have had to buck the imperialist election machinery in my time when it was not half as bad as the imperialist election machinery these people would have to buck. I know how it is. I have gone around to the sawmill camps in Louisiana and have had every man tell me he wanted to vote for me and then waited until the day of election, and I would not get enough votes to wad a shotgun. I know what that kind of business means.

Yet we are asked to let the Filipinos have a right some time about 15 years from now to vote on whether they want freedom or not. Ha! and still Senators say they want them to have their freedom. I do not doubt they want their freedom, but some Senators want the Filipinos to wait 15 years and see then if they want freedom then. "When we get through with you we will take another look at you." We might as well put a gun at the head of a man as to talk about voting his freedom 15 years from to-day! I am surprised at the smart men in this Senate. I am surprised at their talking about waiting 15 years for the Filipinos to take another vote on whether they want independence or not. I am astounded at that kind of philosophy.

Mr. Hoover will not sign the bill without it, said the Senator from Connecticut [Mr. BINGHAM]. I do not care what Mr. Hoover does. It reminds me of a little poem:

> When I asked her to wed, "Go ask father," she said.
> And she knew that I knew her father was dead;
> And she knew that I knew what a life he had led.
> And she knew that I knew what she meant when she said:
> "Go ask father!"

[Laughter.]

I do not care what Mr. Hoover does about this so far as I am concerned. I do not care whether he approves and signs the bill or not. It maks no difference to me. I do not know whether he will be home when the bill gets there. Maybe he will and maybe he will not.

We will wait. We will wait for the light of Thomas Jefferson to shine once more in this country. We will wait for a man who is following in the tracks of the man who wrote the Declaration of Independence and tried to strike human slavery from the face of the American Continent at one blow. If Jefferson had had his way there never would have been a war to free the American slave. He would have been free when the Declaration of Independence was voted by the Continental Congress. History does not tell us about it. Historians have undertaken to see to it that it is not written into the history of the United States. There is no school history to-day that tells us that the Declaration of Independence was written to strike out human slavery, and on a tie vote Jefferson lost the first fight against slavery. That is the fact about the matter.

When Abraham Lincoln came along in 1860 he said that the philosophy and the principles of Jefferson were sound things to follow, and he followed in the footsteps of Thomas Jefferson. Jefferson had always been against slavery. Lincoln was a convert. He was converted to the principles of Jefferson against slavery, great man that he was with a heart for humanity. Lincoln saw the correctness of Jefferson's ideal philosophy of human slavery's being banished from this continent. Jefferson was born that way.

Roosevelt will go into the White House on the 4th day of March believing in the logic and in the principles of Jefferson, and then we will call my friend from Missouri [Mr. HAWES] and we will write a bill under the guidance and under the searchlight of a man who wants to do justice and right in the quickest way by the Filipino people. That is what we will do. We will not be working under the sword of Damocles. We will be going along with somebody who is trying to help put this thing through. That is what we will do.

Mr. President, I was undertaking to discuss this matter historically. I had reached the administration of President Monroe. Then came John Quincy Adams and Andrew Jackson. We reached "Old Hickory." We reached the administration of Gen. Andrew Jackson, who undertook to see that America remained a united country. The doctrine of nullification, which Lincoln faced in 1860, was faced by Andrew Jackson when he was President of the United States. When he put the heel of right to the ground he said that the Constitution should and would be preserved, that it should and would be kept right, and he refused to allow the doctrine of nullification to be bandied about and spread about in the American country.

Years later, when Abraham Lincoln became President, what perfect Presidents he had to follow! The great Abraham Lincoln was there, following the philosophy of Jackson, backed by the principles of Jefferson, following that philosophy not only that liberty should not perish, that slaves should be free, but that the Union must and should be kept a Union of sovereign States and proclaiming that a house divided against itself could not stand.

Following the philosophy of Jackson, of Jefferson, Lincoln perpetuated and made immortal the doctrine of anti-imperialism, liberty, freedom, humanity, and a Union of States never to be dissolved. That is all of the philosophy of government. There has been no new thing added to the philosophy of government since the days of Jefferson, Jackson, and Lincoln that amounts to anything to the American people. We have the whole of Magna Charta, the civilization of America, when we include Jefferson, Jackson, and Lincoln. That is all there is to it. There is nothing else. If Lincoln had been here, we never would have heard about the Philippines. If Jackson had been here, there would never have been any fight in the Bay of Manila. If Jefferson had been here, we never would have had a fleet there.

We had to go a little further. That is not all we had to discard. We have been trying to get some wise statesmen in this country to tell us how to get out of the depression. We have been looking for some sound and sane philosopher,

sitting behind some eggshell department in a college, to look into the heavens and tell us what is for the benefit of this country, or to examine into crystal sphere and see if there is not something down at the bottom of the earth that will disclose the trouble with the country. It is not only as it is in the Philippine question, but it is the same as it was if we delved down into Jackson and into Jefferson and into Lincoln's philosophy. They tell us that we have to keep the wealth of the country distributed in the hands of all the people, and that when we begin concentrating wealth we begin to decay and destroy empires and palaces and homes.

We not only can find that kind of advice, but we were told by that kind of people who know all about it that if we got away from these principles and permitted the wealth of the country to be kept in the hands of a few of the people we were going to get into trouble and ruin a good country. We do not have to be told about history by them. All we have to do is to read the history of any country that has ever risen and fallen. There never yet has been one fallen that did not fall because of the centralization of fortunes in the hands of a few people. With half of the people starving to-day in this country, they want to know how we are going to break this thing up. We are not going to break it up until we break up the large fortunes in this country and stop allowing one man to own more money than 10,000,000 people can spend in 100 years. That is a sound philosophy of government, something that the people can understand.

So it is with the Philippine question. Men here talk about writing a farm relief bill—a relief bill for the American farmer—for what? I do not care whether the Filipinos trade with America or not if it is not to their own interest. If it is not to the interest of the Filipino people to trade with us, I do not care whether they ever spend a dime here or not.

I am in favor of letting the people of the Philippines work out their own destiny. They may not need blue neckties and stiff collars such as we wear in this country; they might look just as well without them. They may not need blue-gaiter shoes, such as we wear here; they might do just as well without them, and I have been told they would. Let those people live under the shining light of the Almighty according to the circumstances and conditions with which they have to wrestle, and let us not try to extend the imperialistic hand of this country and imagine we are the only people who can take care of them. They are better off to-day than our people. The poor Filipinos we are talking about are far better off to-day than are our people in America. They are not being fed, Mr. President, by a dole. I do not mind telling you that there are plenty of people to-day who are just coming around for a little handout here and there. Practically all the States have had to get money from the Government, and there are thousands and hundreds of thousands and millions of people to-day who have lost all pride, who can not let pride stand in the way of the children they have got to feed and clothe. We have plenty of them to-day being fed from hand to mouth. Yet we are debating about the freedom of the Philippines!

No bill has been offered in the Congress looking to the freedom of the American people. The Filipinos are not the only ones who have got to be freed. There is a form of slavery here that is worse than the Filipinos have. True it is the Philippines have the hand of America controlling them as a possession and they ought to be freed from it; but the men and women of America have got the unmanacled hand of a concentrated element of financiers who, with eyes that can not see and ears that can not hear, insist upon a country where, with too much to eat, people are starving to death; where, with too much to wear, people are naked; where, with too many houses to live in, people are left without places to put their heads at night. That is the kind of slavery we are suffering from in this country—financial slavery, economic slavery, inhuman slavery—the god of greed. We do not need worry about freeing the Filipinos too quickly. I am for freeing them to-night. We should worry about freeing the hands of the people of this country from the god of greed and the concentration of fortunes in this country in the hands of a few people.

Ah, Mr. President, I would be glad if I could see tears shed on the floor of this Senate in behalf of the people of this country as they have been shed for the poor Filipinos by those who appeared to want to take care of them, but which they would not be doing at all, for they would be putting the poor Filipinos in a worse fix than they are in now. I want to save the Filipinos from getting into the condition in which the common people of America are in to-day. When they are freed, God help that they may not be under the imperialistic control of the financial set that now controls America. God help that when the Philippine Islands are freed the Filipinos will be turned loose like free men and women and children and will not be turned loose under the benighted influence and under such imperialistic conditions as will be imposed upon them in the meantime.

It is said there may be revolution in the Philippine Islands. If there should be any such condition in the Philippine Islands as we have in America to-day there would be revolution. America is the only civilized country on the globe where, with such conditions as prevail here, there would not be a revolution. History has never yet recorded the name of a country whose people were as peaceful as those of America, when 50 per cent of them were starving to death because there was too much to eat, and were naked because there was too much to wear.

I make the statement as a challenge that, beginning with the days of Abraham there has never been a country whose people, when there was two times too much to eat and two times too much to wear and two times too many houses in which to live, and yet the people starved, remained as peaceful as they are in America to-day. Under the shining light of American civilization we have more cotton than we can wear out in three years and more wheat than we can eat in two years, and yet people are naked and hungry. Under such conditions never has there been a generation of people in any clime at any place on earth who were as peaceful as the American people are to-day while they starve.

I remember when I was a child in school I read about the Cannibal Islands where men who got hungry ate the flesh of other men. The thought of a cannibal eating the flesh of another human being seems terrible and revolting, but to-day we allow a thousand or a million people to starve because one or two men have got so much to eat and so much to wear, which they can neither eat nor wear themselves, have got to hold it in their hands and enjoy the starvation and thirst of a million people while the food they have rots on their own hands. God help the Philippines so that they do not get into that kind of a fix. I will help to keep them from getting in the hands of the imperialists of America. God help the poor Filipinos! They have something to eat over there and something to wear and houses in which to live. We have not those things here.

Now, Mr. President, I will return to the constitutional phase of this question. I am very sorry I will not be able to complete my remarks this evening, but there is much to discuss, the question is big, and it brings up so many points. I wonder why it is desired to hold the Philippines for 15 years. I guess they will have a sales tax written up for them pretty soon and various other forms of taxation which under our Government our statesmen and scientists are trying to provide for us. They can protect themselves over there better than we can here the way we are now fixed.

Senators, we have not tried to get independence for the Philippine Islands on any other theory except to free them; that is all. Much has been said about our trying to protect the sugar of Louisiana and of the 17 Western States. It is funny to consider who is indulging in that kind of talk now. Who is it that we hear decrying our efforts to protect the western and southern farmers in America? Some of the distinguished Senators from New England—God save old New England; I love it as much as does anybody on earth, but they have had a tariff for themselves ever since this has been a country—are complaining because the farmers of this country are unable to buy in a protected market

and sell in an unprotected market. When the farmer of Louisiana goes to town and buys a pair of shoes, he pays a tariff on that pair of shoes in order to protect the man in Massachusetts and Connecticut who manufactures them from the competition of the manufacturer across the water; but when the farmer in Louisiana goes to town to sell a sack of sugar he has got to sell it as against the Filipino, who has no such relationship imposed upon him as have the farmers of America.

I should correct that statement, perhaps, for I believe they now have such a relationship, I am sorry to say, but nevertheless they are located 10,000 miles from our shores in a climate so conducive to sugar production that the oriental population there can produce sugar at a price so much below what we produce it for that it is impossible for the American farmer to compete with the Filipinos.

Mr. President, they were not producing sugar until we took them over as a possession; the Philippines were not a sugar-producing country to amount to anything until they became a part of this country. When they were fighting for their freedom and we were fighting to take it away from them they were not producing any sugar. It is only since they have become attached to the United States and have been able to send their sugar here without any tariff at all that they have begun to crush the life out of the American sugar farmer. They are now a part of the possessions of the United States; they can bring their sugar in here without exhausting their quota.

I am not going to argue the tariff question. If Senators want to tear all the tariff down in America, I can talk with them on that basis; if they want to tear all of the tariff walls down and do not want them, very well; but I have not seen anybody sitting in the Senate yet, or at least I do not see anybody sitting here now, who has not voted for some kind of a tariff on some commodity in which his constituents were interested. They make speeches against the tariff, but when it is proposed to impose a tariff on some commodity in which their constituents are interested 9 out of 10 of them vote for the tariff. Of course, they are unselfish; they are not influenced by political considerations and by the interests of their constituents; they are all good Americans; but somehow, somewhere, at some time all it is necessary to do is to propose a tariff on some commodity produced by their constituents which they think needs protection, and there is not any trouble in getting them to line up for it. Every one of us does it; I do it. I can talk with those who say my constituents can sell in an unprotected market and buy in an unprotected market; I can stand with them on that basis; but no one of us thinks that kind of thing is going to be done. We know it is not going to be done. We know that there is no more chance of abolishing tariffs in the United States than there is of chartering a train to the moon. There is no such thing on the horizon, and nobody is advocating any such thing. If that be true, then what are we going to say to the farmer of the West and the farmer of Louisiana who buy their clothes and pay the tariff, who buy their shoes and pay the tariff, why buy their plows and pay the tariff? Are we going to say that the farmer is a selfish, mercenary man, though he is starving to death, and we will not let him have a tariff on what he is raising but will charge him a tariff on what he buys?

There never was, Mr. President, a more unfair thing than to leave the people of this country in the demoralized condition in which they find themselves at this time, and to begin to talk about what we shall do somewhere else. As the Senator from Michigan said the other day, the American farmer is not trying to get the right to sell more than he sold last year or in normal times. This bill, under the amendment I offered and which was adopted by the Senate, gave the Filipinos a right to ship into America more sugar than they shipped in here in good times. When times were good, when we had prosperous days, the Filipinos sold only around 500,000 tons of sugar in America. Up to 1929 they sold something around 600,000 tons of sugar in America. In good times, when the American farmer was selling 17,000,000 bales of cotton, the Filipinos were selling us 600,000 tons of sugar. Now, in these days when the American farmer can not sell even 9,000,000 bales of cotton, or perhaps can not sell even 8,000,000 bales of cotton, you are crying because we are restricting the Filipino to the 600,000 tons that he sold in good times.

We are not asking for normal agriculture. We do not expect that; but when we are on our backs trying to sell our sugar and our cotton and our cottonseed oil, you say to us, "Oh, no! The Filipinos must be allowed to increase their exports to this country." "Why?" "Not to do you any good, but in order that we may discourage them from voting a plebiscite 15 years from now."

We must allow the Filipino to break down the farmer of the South, we must allow him to break down the farmer of the West, by shipping so much coconut oil into this country free of duty that we can not sell cottonseed, and by shipping so much sugar into this country free of duty that we can not sell American sugar. We must let the Filipino go up and up and up and up with the aid of American capital. Why? In the hope that he will produce so much in 15 years that with the imperialist over him he will not vote himself out under a plebiscite and have a free country!

With all the pressure of American capital in there, voting under the whip and the sword of Damocles, there never was a bill framed that would come nearer to defeating Philippine independence than putting them under that kind of a status for 15 years to come.

There is where we find ourselves. That is the condition we are in.

Mr. President, we would like very much to have a vote on these bills. We believe that the Senators understand them to some extent. Some of our men have gone. Some of them have gone to Texas. Some of them have gone elsewhere. There has been a good deal of talk about when we are going to take a vacation this Christmas. Some say we will take 10 days in the Senate and only 3 days in the House. I do not see why it is going to worry the American people how long we are going to take a vacation. The way things are now it is not going to hurt anybody to have us take a pretty good vacation. I do not know but that it would be a pretty good thing for us to take a vacation until March. I would not advocate that right now, but for all the good you are doing I think you can go home now. I think the American people look on this Congress as the nigger did on the lawyer at the time the judge said to him, "Here, Mose, have you got a lawyer?" He said, "No; I ain't got a lawyer." The judge said, "Well, you can take your choice of lawyers. You can take either one of those two men you see over there, or you can take one that has not come yet." The nigger looked at the two lawyers, and said, "Judge, I believe I will take the one that ain't come." [Laughter.]

I believe the people would say that this Congress can go, so far as they are concerned. Here we are, sitting here, with a gentleman in the White House who has a right to do as he sees fit, and who says, "I will not sign the bill; I will veto it if you do this." Here we have the American people who voted for beer all over America. I do not care whether they want beer or not; I want to do whatever they want to do about it. If they want beer, let them have beer. If they want to repeal the eighteenth amendment, let them have it. I have stopped trying to decide the matter for them. I want to let them do what they want to do. I made up my mind that I can not decide the question for them. Here we have an overwhelming expression of the people of the country that they want beer, and yet we are told that the President will veto a beer bill. It is not a question as to whether I want them to make beer or whether he wants them to make beer, but it is a question as to what the American people want to do. If they want to let the States regulate the liquor business, it suits me. I do not care. I only want to let them do what they want to do about it; but we are told that if a beer bill goes to the White House it is going to be vetoed.

If that is the kind of a Government we have; if, after people have voted by seven or eight million majority for

one thing, somebody is going to do the other, what is the use of sitting here trying to pass this kind of a bill? What is the use in it? I do not see any use in it. If we are going to sit here and work and slave and argue and plead and beg and compromise, and think finally we have people agreed on a compromise and then at the last minute somebody says, "You can not do that, because if you do the President will veto the bill," what is the use of going on through with this kind of business?

I do not propose to be under that kind of a lash. I do not want to see anybody else under it. I think thoroughly and fully over these questions as I see them with such light as I have before me. I see only one solution of any of them, and that is for us to pass bills such as we would pass if Franklin D. Roosevelt were in the White House. If Mr. Hoover does not want to sign them, we will just wait until Mr. Roosevelt comes into the White House and then pass them. I hate to delay them. I hate to see the people wait, but nothing else can be done.

When we come to this Philippine bill, however, we are in a worse fix than just waiting. If we should pass a bill here such as some Senators are trying to pass, and we had a right to come back here and pass some other kind of a bill next year, that would be one thing; but if we pass this bill then we are hooked and the American Congress is powerless to change it until the time for the plebiscite has run out and it is voted on. We can not come back again and undo what we have done once we do it.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. Yes, sir; I yield.

Mr. ROBINSON of Arkansas. I understand that the Senator does not desire to relinquish the floor.

Mr. LONG. No, sir. I want to discuss this matter for several hours yet.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock to-morrow.

Mr. McNARY. Mr. President, I had hoped we would continue until about 5 o'clock this evening, but, of course, that time is only 20 minutes off.

Mr. ROBINSON of Arkansas. I have no objection to going on until 5 o'clock if the Senator insists.

Mr. McNARY. I shall not insist on that course. I do want a session to-morrow, and I think that is the purport of the Senator's motion—to recess until 12 o'clock to-morrow.

Mr. ROBINSON of Arkansas. My motion was to recess until 12 o'clock to-morrow.

Mr. McNARY. I intended to make that motion later.

Mr. ROBINSON of Arkansas. Very well. I will yield to the Senator to make the motion.

Mr. McNARY. No; I am satisfied that we recess at this time, provided we recess until 12 o'clock to-morrow.

Mr. LONG. Then there seems to be no objection, so let us go ahead and recess. It is understood that I shall hold the floor.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG. Yes, sir; I yield for a recess.

Mr. SHIPSTEAD. Mr. President, before the recess is taken, I ask unanimous consent to offer and have printed an amendment to the pending bill.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed.

Mr. SHIPSTEAD's amendment was, on page 29, after line 13, to insert a new subsection, as follows:

(e) The provisions of this section shall apply to any article which now is imported into the United States free of duty under the provisions of existing law, whenever such article shall be made dutiable by the United States.

RECESS

Mr. McNARY. Mr. President, I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Saturday, December 17, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 16, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou High and Holy One, who dwellest in the high and holy places, we thank Thee for Thy manifold deliverances. Help us all, dear Lord, to rise upon the stepping-stones of ourselves, that we may be truly humble and childlike in our sincerity; may our gaze be forward. Do Thou illuminate our thoughts with a sense of Thy guiding presence and evermore abide with us in the common things of life, which are so essential and countless. By the many opportunities at our hands, inspire us with the abundance of our resources and with a deep desire to know how to use them in the interest of all our people. We pray for a better day to come to our own beloved America. O let the breaking light fall upon it and upon this weary, woeful world. Graciously remember all whose memories are sad and who look through a glass darkly. In the holy name of the Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 217. A joint resolution authorizing the President to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States.

The message announced that the Vice President had appointed Mr. SMOOT and Mr. HARRISON members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the Executive Departments," for the disposition of useless papers in the Veterans' Administration.

PERSONAL EXPLANATION

Mr. BECK. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BECK. Mr. Speaker and gentlemen of the House, on Tuesday last when the motion was made to table a resolution proposed by the gentleman from Pennsylvania [Mr. MCFADDEN] I was absent in Chicago and, therefore, was recorded as not voting. I rise to state the fact of my absence and to say that if I had been present I would have voted "yea"; in other words, to table the resolution.

THE LATE REPRESENTATIVE DANIEL E. GARRETT

Mr. JONES. Mr. Speaker, I ask unanimous consent to insert in the RECORD a very beautiful tribute delivered by the Chaplain of the House, Dr. James Shera Montgomery, on the occasion of the funeral services of the late Representative DANIEL E. GARRETT, of Texas.

The SPEAKER. Is there objection?

There was no objection.

Mr. JONES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

To-day Congress has but one heart, and that is sore and heavy. For a score of years this most capable and patriotic statesman and Christian gentleman has been coming in and going out among us. His character equaled his intellect, as great as that was. He always pledged every motive of honor and love to truth and duty and to universal sympathy and helpfulness. Through

the years all have held this splendid man in unusual esteem and appreciation. When he arose to speak his word was against the folly of vice and for the wisdom of that justice which fulfills the law. Now that the scaffolding has fallen away from his irreproachable life, with what sincerity and genuineness does his character rise before us. He walked uprightly; he wrought righteousness; he spoke the truth in his heart; and his life was overflowing with generosity, ever lifting the shield of friendship above men who had made mistakes and were misunderstood. The other hour, when earth's sky was receding from his mortal sight, the heavens opened, and the pure, white soul of DANIEL E. GARRETT became immortal.

LEAVE TO FILE REPORT ON BEER BILL

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the chairman of the Committee on Ways and Means, the gentleman from Mississippi [Mr. COLLIER], have until midnight to-night to file a report on the so-called beer bill, and that all members of the committee have until the same time to present their views, to be printed at the same time.

The SPEAKER. Is there objection?

There was no objection.

IMPEACHMENT OF THE PRESIDENT—THE M'FADDEN RESOLUTION

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GRIFFIN] may have permission to extend his remarks in the RECORD upon the McFadden resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, my vote on the McFadden resolution has been the subject of considerable misapprehension. I desire to make it clear that my vote had no bearing whatever on the merits of the resolution. In fact, owing to the noise in the Chamber during its reading, I did not hear one-third of its allegations. My vote was not against the President, but simply against laying the resolution on the table instead of referring it to the usual committee.

From my point of view it was no answer to the resolution to lay it on the table. A more effective disposition would have been to refer it to the authorized committee and have it disposed of in the usual course.

The action taken was unprecedented. In my opinion it performed an ill service to the President, since it allowed Congressman MCFADDEN'S charges to remain on the record unrefuted and in the air.

Furthermore, I would urge that it is not a good precedent in a free country to say, in effect, that a citizen shall not be permitted to air his grievances, even if they happen to be against the highest in the land. We have no such thing in this country as lese majesty. "A cat may look at a king," and a Member of Congress, as well as any citizen, is, and ought to be, entitled to his day in court. We may not like his proposal, but orderly parliamentary procedure may be relied on to cope with the things we dislike as well as those which we may happen to favor.

EXTENSION OF REMARKS

Mr. BYRNS. Mr. Speaker, I hold in my hand a copy of an address delivered by Hon. Harvey H. Hannah, of Tennessee, who was a former president of the National Association of Railroad and Utility Commissioners, and is now one of our State commissioners. This address was delivered on November 17 at Hot Springs at their general convention. He goes into some detail in a short speech of about eight pages with reference to the action of the various utility commissions in connection with the United States Government and makes some recommendations for Federal legislation. I ask unanimous consent that this be printed in the RECORD, because I think it would be informative and instructive to Members of the House.

The SPEAKER. Is there objection?

Mr. UNDERHILL. Mr. Speaker, I reserve the right to object. It is very difficult, indeed, to discriminate between requests of this character. If one is permitted to go into the RECORD, then all should. I have on my desk in my mail every morning, I suppose, remedies for all the evils which confront our Nation at the present time.

Mr. BYRNS. I would not ask this did the address not relate to certain Federal legislation they are asking.

Mr. UNDERHILL. Mr. Speaker, I object.

THE EIGHTEENTH AMENDMENT

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the so-called beer bill, as affected by a correct interpretation of the eighteenth amendment.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, however disagreeable and unpleasant the task, this question of beer is before us and must be met and answered. It is an age-old maxim that vices have broad backs and can stand a heavy tax. We are driven to search everywhere for new sources of revenue. Though taxpayers and legitimate industry are groaning under terrific burdens of taxes, still the Budget remains unbalanced, still Government receipts are far less than disbursement, and we are daily running behind several millions of dollars. Yet we are told that vast quantities of whisky, wine, and beer are being sold and drunk, and many of us see unmistakable evidences of this fact. The effort to suppress this illicit traffic costs yearly tens of millions of dollars.

WIDESPREAD DEMAND FOR CHANGE

Undoubtedly, some change is seriously demanded. It is a mistake for anyone to charge that this demand for change is confined to the lawless, liquor-drinking, and bootlegging element. Many of our best, most public-spirited, and high-minded citizens now believe that to tax and regulate the making and selling of alcoholic beverages, and thus make it bear its own tax burden and yield a net revenue to the Government would be the fair and reasonable solution of the complex, baffling problem. The fact that both great political parties join in practically the same platform, agreeing to submit to the people of the States the question of repealing or modifying the eighteenth amendment, is profoundly significant. Such a fact can not be brushed aside by the charge that both conventions were stampeded by "a bunch of drunken hoodlums." It is not true. When both political parties substantially agree upon such a controversial matter, it shows a nation-wide sentiment that must not, and should not, be ignored.

SOVEREIGN STATES MUST DECIDE

But the matter of repealing or modifying the eighteenth amendment is not for Congress. We merely recognize the existence of a nation-wide demand for a referendum, for a chance to reconsider, and then the people of the States themselves, in conventions elected by the people on that specific issue, must decide. At least 36 States must ratify any proposed amendment. But even if 36 or more States decide to repeal or to modify the eighteenth amendment, that does not mean that whisky, wine, and beer are flooded all over the Nation. Each State will be exactly where it was before the eighteenth amendment was adopted. Each State can prohibit its manufacture and sale and transportation within the State. Interstate commerce will not assist violators to evade State laws.

Under the Carey-Cothran law in South Carolina, reinforced by the Webb-Kenyon law of Congress, our State can be made absolutely free from the manufacture, transportation, and sale of intoxicating beverages, if our citizens, witnesses, and jurors, our constables, sheriffs, solicitors, and judges do their duty. Our people of South Carolina did their duty before enforcement of prohibition was virtually surrendered to the Federal agencies.

THE PRESENT PRESSING PROBLEM

But Congress has not yet proposed any repealing or modifying amendment to the Constitution. Undoubtedly it will do so, either during this session or the next. But our Democratic platform binds Democrats to support legislation to legalize and tax the sale of beer containing alcohol "within constitutional limitations." What are those limitations?

What means the eighteenth amendment? That amendment prohibits the sale, manufacture, or transportation of "intoxicating beverages." According to Webster's International Dictionary, "intoxicate" means "to poison or to drug," "to make drunk," "to excite to a transport of enthusiasm, frenzy, or madness." This dictionary and its definition were in existence when the people ratified the eighteenth amendment as a part of the Constitution. They understood exactly what they were doing. It is no fair nor logical argument to make, as we sometimes hear from extremists and fanatics that if 10 per cent beer will make a person drunk, then 4 per cent beer will make a person 40 per cent drunk and "to be partly drunk is to be drunk." If that were a sound argument, then the one-half of 1 per cent now allowed by the Volstead Act would make a person 5 per cent drunk, and therefore "drunk is drunk."

CONSTITUTION IS THE SUPREME LAW

So long as the eighteenth amendment stands we are bound to respect and obey and support it. Every Member of Congress takes a specific oath to do so. This oath is superior to any pledge or platform of any political party. But we must learn what the eighteenth amendment means and try to agree upon such meaning. While the dictionary tells us what the words of the eighteenth amendment mean, it does not, and can not, nor can any law book, tell us what percentage of alcohol will produce "intoxication." No mere exhilaration or stimulation is "intoxication." If that were true, then coffee or tea might be classed as "intoxicating beverages." Millions must have their morning cup of coffee, their daily Coca-Cola, and their afternoon tea. Common sense compels us to admit that "intoxication" means "drunk." Just what percentage of alcohol in beer will make the average person "drunk"? We must legislate for the average person. Some persons are extremely sensitive to alcoholic stimulation and a small quantity would make such persons "drunk." Another person is not made "drunk" by even a large quantity of alcohol. The same is true of any drug or medicine. Different doses for different people. But for all practical purposes there must be a dividing line somewhere. Everybody admits the one-half of 1 per cent allowed by the Volstead Act is not intoxicating. I believe that nearly everybody will admit that 10 per cent alcohol is intoxicating. Where is the dividing line, and who is best prepared to point it out to us?

WHAT SAY THE MEDICAL MEN?

Doctors are qualified experts. Personally, I do not know what alcoholic content is intoxicating. If I were a judge on the bench, and the question came before me, no law book could give me any light on the question. I would have to ask somebody. Whom would I ask? I can think only of physicians, doctors of medicine, who have the right to prescribe alcohol for medicinal purposes. They have observed a great many cases. They have seen deaths from alcoholism. They have seen health wrecked by use of alcohol. Yet they prescribe it as a medicine in certain cases. They prescribe strychnine in small doses to stimulate. Yet a large dose will quickly kill. No other class has the same background of experience, study, and observation as has the medical profession. To them have I turned for help. I sent out the following letter to the 254 physicians in my congressional district:

MY DEAR DOCTOR: I am asking you your opinion about a matter of great public interest and importance. Manifestly, we will be called upon to vote on the question of authorizing the manufacture, transportation, and sale of beer, and perhaps light wines, containing 3 or perhaps 4 per cent of alcohol. By the eighteenth amendment to the Constitution the manufacture, transportation, and sale of intoxicating beverages is prohibited. As a Member of Congress, I am sworn to protect and defend the Constitution. So long as the eighteenth amendment remains a part of the Constitution, I can not vote for any bill which authorizes the manufacture, transportation, and sale of intoxicating beverages.

Now, the question is this: Is beer or wine containing 3 or 4 per cent of alcohol an intoxicating beverage? Having had no experience with the drinking of beer and wines, and not having observed many cases where beer and wine of that alcoholic content have been drunk, I am unable to form a personal opinion as to whether or not such beer or wine is intoxicating. Of course, there are extreme cases in connection with any drug. But the dosage suggested by medical authorities is based upon the law of averages. There is one dosage for adults and another dosage for children. But the individual physician can regulate the dosage according to the temperament and constitution of the patient.

But there must be some dividing line somewhere as between nonintoxicating beverages possessing a small content of alcohol and intoxicating beverages containing enough alcohol to be acknowledged generally as intoxicating. Now, it seems to me that the medical profession is best qualified to give an opinion upon this question of fact. Certainly the physicians of the country have the character, the impartiality, and the experience to qualify them as experts on this question. Of course, no law passed by Congress can legalize the sale of beer or wine in South Carolina so long as our State laws remain as they now are.

To assist you in helping me, I am sending a self-addressed stamped envelope and suggesting that if you see fit you can turn this letter over and give a very brief answer on the back thereof and fold it and place in the inclosed envelope and mail at once to me. I hope there will be no unnecessary delay.

With kind regards, I am, yours truly,

J. J. MCSWAIN.

These physicians are gentlemen of high character. They are patriotic citizens. They have families, they are members and officers of churches, they minister to sick men, women, and children, and stand by the bedside of the dying, to relieve and to comfort. I trust our physicians, and I invite my colleagues to poll the physicians in their respective districts. While doctors differ necessarily in details, there is marvelous agreement among those who have answered by letter.

While not all the physicians to whom I have written have had time to answer, I have received a sufficient number to give a fairly good index of the sentiment of the medical profession in my congressional district. I have checked them very carefully and I found that 82 per cent of all who have answered the question have expressed the opinion that beer containing not exceeding 4 per cent alcohol is not an intoxicating beverage. Some of those who expressed the opinion that such beer containing not exceeding 4 per cent alohol is intoxicating rest their opinion upon the ground that such beer drunk continuously would prove injurious to the health. I readily grant that such views are probably correct. But the Constitution, in the eighteenth amendment, does not prohibit the manufacture, sale, and transportation of "injurious beverages." I know some eminent physicians who sincerely believe, and openly proclaim, that the use of tea and coffee and Coca-Cola continuously and in large quantities as beverages is injurious to the health. In fact, most any food, especially rich meats and very sweet foods, if eaten to excess and continuously, will undoubtedly prove injurious to the health. Though the excessive eating of such rich foods might cause a person to be drowsy and sleepy, and though the excessive drinking of tea, coffee, and Coca-Cola might cause a person to be wakeful and consequently nervous, yet no person would fairly contend that such condition is "intoxication" within the meaning of the Constitution.

Since these physicians are honest and upright citizens, and have answered the question as impartial, scientific men, and have merely recorded their expert opinion, based upon long observation and professional experience, their views are entitled to the greatest weight. I find myself bound by the preponderating majority of these scientific gentlemen, whom I know. Some of the individual physicians who have recorded their opinion with the minority, in holding that 4 per cent beer would be intoxicating, are undoubtedly gentlemen of the highest professional and scientific standing. On the contrary, an even larger number of those who say that such beer would not be intoxicating are also of the highest professional and scientific character. When I find such a large preponderance of testimony in favor of the view that such beer would not be intoxicating, I feel that here is a solid foundation upon which I can rest the exercise of my duty. Not knowing of my own knowledge, and not having had much opportunity for observation concerning the use of intoxicating and nonintoxicating beverages, I have appealed to the doctors of medicine in my district for guidance. Of course, I expected there would be some difference of opinion among them. But the majority is so overwhelmingly of the opinion that 4 per cent beer would be nonintoxicating that I am bound to respect this over-

whelming majority opinion and to govern myself accordingly.

Therefore, I can follow the Democratic platform, and vote to raise revenue from the sale of such beer not exceeding 4 per cent alcohol, as the laws of any State may permit to be sold in such State. Of course, such beer can not be sold in South Carolina so long as our State statutes remain as they now are. Since some States notably are virtually nullifying the Volstead Act, the Federal Government needs and can get large revenues from such sale of beer in those States permitting same.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL

Mr. HASTINGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes. Pending that motion, can we not agree on some time for closing general debate? What suggestion does the gentleman from Ohio have to make in reference to it?

Mr. MURPHY. I think that we can get along on this side with 45 minutes.

Mr. HASTINGS. Then I ask unanimous consent that general debate proceed for two hours, one hour on a side, to be equally divided between the gentleman from Ohio [Mr. MURPHY] and myself.

The SPEAKER. The gentleman from Oklahoma moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13710, and, in the meantime, asks unanimous consent that the time for general debate be limited to one hour on a side, one-half to be controlled by the gentleman from Ohio and one-half by the gentleman from Oklahoma. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the motion to go into the Committee of the Whole House on the state of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 13710, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

Mr. HASTINGS. Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, the majority leader [Mr. RAINEY] opened the debate upon the Garner resolution for the repeal of the prohibition amendment by reading the planks from both the Republican and Democratic platforms of 1932. I regret that he did not read the plank of the platform of 1928 upon which he and I were elected and on which both now hold office. If a platform constitutes a pledge, that plank will remain our pledge until the 4th of March next. That platform declared flatly for enforcement of the eighteenth amendment.

Speaking for the National Democracy, this convention pledges the party and its nominees to an honest effort to enforce the eighteenth amendment.

HOW PARTY PLATFORMS ARE REGARDED

It is a regrettable fact that political platforms are written by opportunist gentlemen for the purpose of catching votes, and not as an expression of party principles, and that accordingly men adhere to them or not as may suit their convenience. The eminent gentleman nominated for President on the platform of 1928 promptly stated that he would not stand on its prohibition plank. Nevertheless, I supported him with every ounce of my strength and at the sacrifice of friendships of a lifetime. He now admits responsibility for the wet plank in the platform of 1932, and I trust he will be equally liberal and find it in his heart to forgive me when I decline to stand upon that plank.

The truth is I do not see how anyone could stand on either the Democratic or Republican 1932 planks. Both are illogical, inconsistent—both face several ways. Even Mr. Janus himself could not stand on them. He has only two faces—it would take four faces at least to stand on these platforms.

The further truth is that I had my position on prohibition long years before those who write party platforms dared to deal with the subject. I had my position and stated it to my people long before a Democratic convention deemed it expedient to take a position. My position was based on conviction and upon principle, and it must not be expected of me that I shall shift it to suit the facile pronouncements of those who are concerned merely with vote getting.

NEITHER A WET NOR A DRY

As one who is neither a wet nor a dry in the sense of regarding prohibition as a paramount issue or even, in a time like this, as a matter of even secondary importance, I have the disadvantage of being criticized by extremists of both factions. On the other hand, I have the advantage of being able to consider the subject with a fair perspective and from the standpoint of reason.

I was inclined to resent that the repealer proposal was brought before the House for final vote on the first day of the session, under the rule which permits no real debate and no amendments. On second thought, it seems that this precipitancy was proper. At least three-fourths of the Members are either wets or drys with minds hermetically sealed against argument, and making it a point of honor not to listen to reason upon the subject—so why should there have been debate?

TWO METHODS OF RATIFYING BY CONVENTIONS

The gentlemen who are pressing for repeal of the eighteenth amendment through ratification by conventions instead of by legislatures in accordance with the unbroken practice are bound to have in their minds one or the other of two methods of creating the conventions; that is, by conventions created by the States, and which are the instrumentalities of the States and the members of which are officers of the States and amenable to the State laws; or, secondly, by conventions created by Congress, and which are instrumentalities of Congress, which Congress shall provide for and supervise, and in the creation and working of which the sovereignty of the States as such is wholly ignored. There is no other alternative. One or the other method of creating the conventions is contemplated.

And now I call upon them as a matter of political square dealing to tell us which of those two methods they contemplate. Perhaps they owe no duty to the drys, but as one who is neither a wet nor a dry, but who on the sole ground that the regulation of the liquor traffic under our governmental system is not a proper Federal function is willing to vote for repeal if properly safeguarded, I feel that I am entitled to know which method they intend to follow.

DUTY OF REPEALISTS TO DISCLOSE PURPOSE

As one who occupies between these factions a ground of neutrality and wants to act upon sober reason, I feel that I am entitled to know what method the repealists intend to follow, because by that knowledge will my vote be determined. It may be that those on the wet side have votes to throw away and do not need to disclose their position. They tossed mine away the other day, and perhaps they will continue to do so. But from a point of good faith I ask them to disclose what they intend to do.

One of the most prominent of the wets, Mr. Palmer, former Attorney General, has declared in favor of ratification by conventions created by the Congress, and in which the States are to be ignored. Does he speak for his associate leaders? It is upon them to say.

RATIFICATION BY CONVENTIONS UNDER STATE AUTHORITY

I now make of them what I recognize as a fruitless request—fruitless, because, as I said, their minds are hermetically sealed and closed to any fair consideration of this matter. I ask them to visualize what will transpire by either of these two methods of ratification by convention between which they must take a choice.

In ratification by conventions created by the States, Congress must first submit the amendment; then the legislatures of the States must take action to call the conventions. They must pass laws for the holding of elections and fixing the dates upon which the conventions shall be assembled. The action of each legislature will be subject to approval or veto by the governor of the State. This legislative action is the first hazard which the repealists must encounter if they pursue that method.

Manifestly, all legislatures opposed to repeal will fail to call the conventions—will decline to take action. That will be their negative way of refusing to ratify; and the governors who are opposed to repeal will veto any measure for the holding of those conventions.

THE SECOND HAZARD FOR RATIFICATION

If the wet leaders have in mind to take this course, I call to their attention that not only are they providing for delay in ratification, but they are adding to the difficulties which confront repeal, for not only will they have to gain the approval of the legislatures and governors, but the issue must then be submitted to the people in the election of delegates to the conventions. Thereupon they must meet the second hazard, the peoples' vote upon ratification. This, in effect, is merely to give to the people the power to veto the favorable action on ratification taken by the legislature. The people will be able to exercise this right only if the legislature shall be favorable to repeal.

There is no escape. I challenge any advocate of that method to point out any escape from this dilemma. Therefore we may assert that it is certain beyond all question that gentlemen who favor ratification by conventions to be created by the States are providing a means for delay of ratification and a means whereby ratification will be made more difficult. Let somebody answer that if he can.

RATIFICATION UNDER AUTHORITY OF CONGRESS

Now, let us turn to the method of ratification by conventions created by the Congress. Permit me to say in passing that I do not doubt these wet leaders really want repeal, I credit to them the ability and perception to see the difficulties which I have pointed out, and, therefore, I must conclude that they do not intend to pursue the method of ratification by conventions to be held under the auspices of the States. It is fair and logical to assume that what they have in mind, but which they have not revealed to us, is an intention to ignore the States, to hold the ratifying conventions under the supervision of Congress itself. Any other view would be to charge them with stupidity or with deliberately betraying their own cause.

ON UNCONSTITUTIONALITY OF PROPOSAL

What difficulties are involved in that method? First, there is the constitutional question. I do not believe the method is constitutional. In the RECORD of the 5th of December I set forth my views at some length and expressed the opinion that it was unconstitutional. Upon a subsequent day the gentleman from Pennsylvania [Mr. BECK] very ably argued the point and, in my judgment, clearly demonstrated that the proposal is unconstitutional. I do not desire to add anything to what I said then nor to what the gentleman said, except on this point.

The grounds on which it is contended that Congress may create ratifying conventions is that the Supreme Court has declared the function of the legislature in ratifying to be a "Federal" function, and in another case in passing upon the power of Congress to place a time limit within which ratification must be accomplished, stated that the limitation was legal as an incident to submitting the amendment; as "an incident" to it. The implication is strong that unless, as a part of the resolution of submission, and "as an incident" to submission, the Congress provides a limitation upon the time, Congress has exhausted its function when it submits the amendment, and can not by subsequent action limit the time within which action on ratification must be taken.

The proposal submitted to us on the 5th of December does not provide for ratification by conventions to be held under the supervision of Congress. That provision is not adopted as an incident to submission. If it is to be provided at all, it will have to be by subsequent legislation, by another measure passed by Congress, which must be passed in the usual way as a law and be submitted for the signature of the President just as any other law adopted by Congress.

So that if we visualize what will transpire in this alternative, after the consent of two-thirds of Congress has been secured to submission, Congress must pass a law providing for the holding of these conventions in the several States and the manner and time within which they may act. This adds to the certainty that the proposal is unconstitutional.

Mr. BECK. Mr. Chairman, will the gentleman yield for a question right there?

Mr. HUDDLESTON. I yield.

Mr. BECK. I would like to ask the gentleman from Alabama whether he has considered further the logical application of the theory of the Federal function? Carried to its extreme, it would mean that the legislature of a State, even in the matter of proposing an amendment, is a Federal agency to be supervised by Congress, and whether that does not reduce the theory upon which Mr. Mitchell Palmer's brief is based to an absurdity?

Mr. HUDDLESTON. I agree most heartily with the gentleman. Undoubtedly it does. It further demonstrates what I said in my original remarks upon this subject, that from a constitutional standpoint the proposal is nothing short of preposterous.

I had a letter from an eminent jurist yesterday in which he spoke about this question and said that the proposal was "constitutional idiocy." That goes rather farther than I would care to go. At any rate, any lawyer is bound to admit that from the standpoint of those who want to submit the repealer amendment in that fashion its constitutionality is a matter of the gravest doubt.

No man can say with any degree of confidence that the Supreme Court will sustain such action upon the part of Congress. So these gentlemen who propose that method have first to face the hazard of a decision of the Supreme Court, which will result in delay and uncertainty and have other objectionable features.

UNITED STATES MARSHALS WILL HOLD ELECTIONS

If this method is adopted, what will Congress do? Congress will hold elections in the State of Alabama, and in every other State—an election outside of the authority of the State—will prescribe the day for holding that election and the qualifications of the voters and of the candidates, and for the division of the State into districts for a basis of representation. Then we will see upon that day the citizens and voters of the several States assembling to cast their ballots under the supervision of United States marshals and, if considered needful for the preservation of order, surrounded by Federal bayonets.

[Here the gavel fell.]

Mr. HASTINGS. Mr. Chairman, I yield the gentleman five additional minutes.

IS THIS WHAT WET LEADERS PROPOSE?

Mr. HUDDLESTON. I ask any who have the faintest glimmer of our governmental system, who have any dream of adherence to the ancient and accepted doctrines of self-government and of the rights and dignity of the States, are you willing to visualize the spectacle of your fellow citizens assembled by the power of Congress, with their qualifications prescribed by Congress, under officials chosen through congressional authority, with the right, power, and laws of your States ignored and flouted, for the purpose of binding the people of your State in a matter of such supreme importance as an amendment to the Constitution of the United States? Is this what the leaders of the wets propose?

Let me say to these leaders, whoever they may be, that if they have any such thought in mind they should eject it instantly. The people of this country will not submit to congressional dictation in their elections. [Applause.]

What they propose, instead of furthering their efforts to bring liquor back, will retard their progress and defeat their efforts.

CONSEQUENCES OF PRECEDENT

I have not time at my disposal to discuss the full consequences of such a precedent. Suffice it to say that it means the eventual destruction of the States. If we are to have centralization, if my State is to become a mere province, I would prefer to proceed to it frankly and with my eyes open, and not by gradual encroachments which will inevitably bring about that end.

Where are the traditions and memories of those on my side of the House? What has become of their principles? I do expect my fellow Democrats to have principles and not to forget them merely because they see a fancied opportunity to cut across lots and to accomplish an end which they desire.

The consequences of what is proposed will be disastrous. It will close the door on many of the people's liberties and rights of self-government. These consequences will not end with this measure. They will last so long as this Nation may survive. [Applause.]

Mr. FRENCH. Mr. Chairman, I yield 15 minutes to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Chairman, I have asked for this time because on the Consent Calendar which will be reached next Monday there are six bills that provide authority for exchanges of lands within national forests for other lands that are tributary to those national forests.

Mr. Chairman, these six bills were reached on the Consent Calendar during the first session of this Congress, but for various reasons that were presented in the debates they were objected to and passed over.

Being acquainted with the purpose of these measures and knowing that next to prevention and control of fire within the national forests there is no instrument in the hands of the Forest Service so valuable in preserving the future resources of the timberlands of our country as is contained in this exchange act, during the summer period I have gathered together and have had gathered together for me information to enable me to present the real policy of the Forest Service, the history of this legislation, and the methods that have been followed in carrying it out and putting it into effect.

Two of these bills come over from the Senate. One of them applies to the Chelan National Forest in the State of Washington. That is Senate bill 3716. One of them is Senate bill 763, applying to the national forests of the State of Oregon.

Of the House bills two were introduced by the gentleman from Idaho [Mr. FRENCH], applying to the Boise and the St. Joe forests; one is by the gentleman from Colorado [Mr. TAYLOR], applying to the Gunnison forest; and one is by the gentleman from Washington [Mr. HILL], applying to certain forests in the State of Washington.

Now, I am very certain that the objection that has been raised in the past to these bills is based on the bad results that arose from the original act passed back in 1897 and which was repealed in 1903. That was known as the forest lieu selection law. I wish to impress you now with the fact that that law was repealed in 1903 and that substituted for it is what is known as the forest exchange act of 1922, which is now, with amendment, the law under which we are operating.

I want to present briefly to you these two laws and point out to you the differences between them. The forest lieu selection law of 1897 was essentially a bad law, although it was based upon a good idea. It reads in part as follows:

That in cases in which a tract covered by an unperfected, bona fide claim or by a patent is included within the limits of a public-forest reservation, the settler or owner thereof may, if he desires to do so, relinquish the trust to the Government and may select in lieu thereof a tract of vacant land open to settlement not exceeding the area of the tract covered by his claim or patent.

Let me pause here to emphasize that the exchange under that act was based on the question of area and had nothing whatever to do with questions of value. The law then reads in this way:

And no charge shall be made in such cases for making entries of records or issuing patent covering the tract selected: *Provided further*, That in cases of unperfected claims the requirements of the law respecting settlement, residence, improvements, etc., are complied with on the new claim, credit being allowed for the time spent on the relinquished claims.

This appeared innocent enough, but all of us who live in the western country or have ever lived there know that it was taken advantage of in a way that was very detrimental to the Government. It gave the right to the owner of the land or the unperfected claim within the forest area to select other lands, and without regard to comparative values, to make the selection based entirely upon area, and the scandals that grew out of this are, of course, a matter of history. This was because timberlands of high value were selected in place of lands of low value. For this reason it became necessary to repeal the act. The matter was taken up and the act was repealed about 29 years ago.

The exchange act under which the Forest Service now operates is a totally different law. It is based upon a totally different plan of administration. It gives no right to any owner of land to make these exchanges. The authority is entirely with the Secretary of Agriculture and the Secretary of the Interior so far as the making of the exchange is concerned.

I want to consider just for a moment the history of the general exchange act and I am going to attach, with the consent of the House, a list of the various acts that have been passed that have to do with this matter, leading up to the general exchange act that I am now going to discuss.

The first measure was passed on February 28, 1911, and it dealt only with the Kansas National Forest. Following that there was a veritable flood of acts that were introduced and passed, and it became apparent that some general policy was necessary. So the present act was signed on March 20, 1922, and this law reads as follows:

That, when the public interest will be benefited thereby, the Secretary of the Interior be, and hereby is, authorized in his discretion to accept on behalf of the United States title to any lands within exterior boundaries of the national forests which in his opinion or the opinion of the Secretary of Agriculture are chiefly valuable for national forest purposes and in exchange therefor may patent not to exceed an equal value of such national forest land in the same State, surveyed and nonmineral in character, or the Secretary of Agriculture may authorize the grantor to cut and remove an equal value of timber within the national forest of the same State, the values in each case to be determined by the Secretary of Agriculture.

Under my privilege to extend, I shall later in my remarks put in the entire law.

It was found in actual administration that some amendment was needed even to this act, so in 1925 there was an amendment added which was approved under date of February 28, 1925, adding this section:

Either party to the exchange may make reservations of timber, minerals, or easements, the values of which shall be duly considered in determining the values of the exchanged lands. Where reservations are made in lands conveyed to the United States, the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of Agriculture—

And so on.

This is the principal part of this act, and it is under this act, as amended, that exchanges are now being made between the United States and private owners of lands that are within or contiguous to the national forests.

As I have said, there are pending, and to be reached on the Consent Calendar next Monday, at least some of six acts that are intended to apply the principles of this exchange act to areas that do not come within the description of the general law, because that law is confined to areas that are within the national forests.

It has been found, as a matter of experience, that lands that are contiguous or within a reasonable distance of national forests very frequently can be added to the national forests in exchange for other lands or for stumpage of timber owned by the United States within the national forests, adding to the existing or prospective timberlands. Very frequently land that is now ready for the cutting of the timber is so situated that it is not readily marketable at this time, and other land that has been cut over within

the last few years, through its ownership by private individuals, that is close or adjoining the national forests, is now producing a crop of timber that will be ready for cutting within the next 25 or 30 or 40 years. That kind of land is received in exchange for stumpage on the national forests and for lands of equal value that are within the national forests. This is greatly to the advantage of the Federal Government, because in this way we are adding, year by year, very materially to the acreage of our great reservoir of timber that is to be available in the future.

There is not going to be a running out of our timber supply within the next 25 or 30 years, of course, but there is going to come a time when we will have to depend upon our own timber resources for the timber we use in this country. That is going to come in a matter of 25 or 30 or 40 years, and there are continually increased acreages of land now cut over, some of them without great value at present for saw timber but with great future value, which are being acquired under the exchange act. I say that for this reason nothing lies within the power of the Forest Service that is so valuable to our country, except the power to prevent and fight forest fires in the existing forest areas, as this power under the exchange act to add to the acreage within Government control of our great timber reserve to be used in the future.

I am going to add, with the consent of the House, a number of cases that will show the action taken by the Forest Service in making these exchanges. If there is any question, I would like to answer it and have permission of the House to extend my remarks, including additional data and history.

The CHAIRMAN. The gentleman from Montana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. STAFFORD. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. STAFFORD. The gentleman did not refer to that provision of the law, but I believe that the land to be exchanged and incorporated had to be within a certain number of miles of the boundary. The query came to my mind in construing that act, after the exchange was made within the 4-mile limit, could the Forest Service keep on extending the boundary indefinitely for four miles until they covered the whole State, or did the 4-mile limit pertain to the original boundary?

Mr. LEAVITT. Such a law as that is applied to Montana, and provides the lands exchanged must be within 4 miles of the boundary of the forest, as it was at the time of the act, as I understand it.

Mr. STAFFORD. So they were confined to 4 miles of the original boundary?

Mr. LEAVITT. I think so.

Mr. COLTON. I agree with the gentleman from Montana. I think that was the intention of Congress.

Mr. STAFFORD. Is not this a proposition for the financial advantage of the private owners, after they have stripped the land of merchantable timber, after the land has been denuded, to sell it to the Government?

Mr. LEAVITT. That is not the object.

Mr. STAFFORD. But that is the effect of it.

Mr. LEAVITT. It can be taken off their hands under exchange of equal conditions as to value. After the agreement has been reached, the Secretary of Agriculture is the final judge as to the facts. Even if it does take these lands from the owners, if it provides a future reserve of timber, it is advantageous to the Government.

Mr. STAFFORD. The land that has been cut over and denuded of timber is to be exchanged for stumpage in the forest reserve.

Mr. LEAVITT. Surely.

Mr. STAFFORD. And relieve the State to that extent to look after—as for instance, fire protection—the privately owned land.

[Here the gavel fell.]

Mr. FRENCH. I yield to the gentleman five minutes more.

Mr. GOSS. Will the gentleman explain the working of the revolving fund that is used by the Forest Department in acquiring these lands?

Mr. LEAVITT. Revolving fund?

Mr. GOSS. That is what I call it.

Mr. LEAVITT. Let me say to my friend that there is no such fund.

Mr. COLTON. This exchange is based on the value of the land and the timber. There is no considerable amount of money involved, so there is no revolving fund.

Mr. GOSS. Is there a credit given in connection with the cutting off of certain of these stumpage rights, held in abeyance until they can pay for the rest of the tracts?

Mr. LEAVITT. I know what the gentleman has in mind, and I shall discuss that in a moment.

Mr. COLTON. The question I had particularly in mind is this: Even granting that the Government gets cut-over land in most cases, is it not necessary in most cases for the administration of the forest, and, after all, it is the best means of protecting from fire timber that is now within the forest reserves.

Mr. LEAVITT. It in that way furnishes an insurance policy for the timber that already belongs to the Government by adding it to a more complete administrative unit. What I think the gentleman from Connecticut [Mr. GOSS] refers to as a revolving fund comes from the fact that when these exchanges are up sometimes this happens. Timber to be given in exchange is cut, of course, under the national forests regulations, and deposits are required to cover the stumpage pending the final approval of the exchange. If the exchange is approved the money is returned, and if not it goes into the Treasury to complete the transaction as a timber sale. Sometimes there is land thrown in with the national-forest land to make a logging unit, and the whole thing is handled under such an agreement and all handled as one logging unit, and this protects the private small owner also. The law requires that all these exchanges be on the basis of adequate and comparable value, so that it is not always best for the money to be immediately applied to the exchange, and it is always applied with this idea of securing for the Federal Government equal values that are valuable also in connection with the administration of the forest.

Mr. COLTON. It does not go into a revolving fund.

Mr. LEAVITT. No; it does not go into a revolving fund.

Mr. GOSS. But it might affect several different lands or stumpage in different hands.

Mr. LEAVITT. I have a number of actual cases that I shall print in the RECORD, and the gentleman will see that the history of the whole thing has been greatly to the advantage of the Federal Government.

Mr. GOSS. In the case I have in mind it seems to me that the Government entered into a deal with these private landowners whereby the private landowners and the Government, on a 50-50 basis, policed it for fire protection, and so on. Then there was this exchange to one logging show that was handier to go to the mills. They did not have to draw logs so far, exchanging inside the forest for timber outside the forest for a better logging show, so to speak. I think that was in the Coeur d'Alene bill, the Potlach Lumber Co.

Mr. FRENCH. Of course, that is a hypothetical case. No specific lands either in or outside the area could have passed.

Mr. GOSS. It was in the report of the bill, as I recollect it.

Mr. FRENCH. No specific case. It might be possible that land would be exchanged that would be nearer a mill.

Mr. GOSS. And the Government had paid out this money to protect that from fire and then made that exchange.

Mr. FRENCH. But, as Mr. LEAVITT has said, the exchange would be on a value basis.

Mr. LEAVITT. I am going to put into the RECORD, under the permission that has been granted to me, a number of specific exchanges, showing exactly the considerations. I shall put in 40 or 50 of them.

The CHAIRMAN. The time of the gentleman from Montana has again expired.

Mr. FRENCH. Mr. Chairman, I yield the gentleman five minutes more.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. EATON of Colorado. Were not these great benefits which the gentleman has related to us, and the worthy parts of the law perverted into what the gentleman from Connecticut [Mr. Goss] wants to designate as a revolving fund, in a way to keep from the revenues of the United States the money which it ought to receive from the sale of the timber, and was it not used for the purpose of buying lands for the United States without any appropriation from Congress, it being used merely as an administrative device to accomplish that purpose?

Mr. LEAVITT. There is nothing that has been done by the Forest Service, as the history I shall put in here will show, that is not in accordance with the law exactly, and in my judgment there has not been a single exchange made that has not been to the equal advantage and sometimes greatly to the advantage of the Government of the United States.

Mr. EATON of Colorado. Does the gentleman know of some of the cases where the Forestry Bureau has by what we will call a "transaction" agreed to take certain lands owned by a locator, either patented or unpatented, within a forest reserve, agreeing to transfer to him lands on the outside, and then by a side agreement not a matter of record——

Mr. LEAVITT. They could not exchange lands on the outside.

Mr. EATON of Colorado. Very well, then lands only within the forest—and by a side agreement instead of accomplishing an actual transfer of the lands, then require a logger or person having a contract with the United States to cut the timber from the lands, impound the money from month to month until enough money was received to pay for the second tract of land and in the final transaction in fact pay over the money to the person who had the tract in the forest.

Mr. LEAVITT. I do not know the case, but I am sure what they have done has been entirely within the provisions of law.

Mr. EATON of Colorado. Whether within or without the provisions of the law, the effect has been for the United States Government to buy and get back into its possession land upon which a private owner had a title, and was, theoretically at any rate, paying taxes to the county and the State in which the lands were located, and this act was used for the purpose of divesting land of its private status, and getting it back into the United States Government ownership. That is a fact, is it not?

Mr. LEAVITT. Why, yes; it is the fact that it goes back into the ownership of the United States, to become a part of the national forest.

In every case I know of, and I was in that work for 11 years, it was greatly to the advantage of the United States, and in my judgment to the local community as well. The local community does not cease to receive revenues because the land goes into the national forest. Many times it gets more than if it remained in these isolated places up in the mountains where they are often not able to pay taxes.

Mr. EATON of Colorado. I would respectfully state to the gentleman that in the last 10 or 11 years since the gentleman has been in Congress, at least some complaints have been made of the manner in which these things were being done.

Mr. LEAVITT. Oh, yes.

Mr. EATON of Colorado. While I heard of none during the time the gentleman was connected with that service.

Mr. LEAVITT. People also complain about the gentleman's service and mine in Congress, of course. Anything like this is subject to complaint, that is done by the Federal Government. But that does not prove that it is not to the advantage of the United States and to people generally, and that means the local people as well, to have this exchange act in effect. These great forest areas can thus be consolidated and properly preserved not only for the protection of the stream heads but for the future supply as well as the present supply of timber for the needs of the United States. That can not be done when they are checkerboarded with private ownership all through.

Mr. EATON of Colorado. The gentleman seemed to think I was facetious in using the word "complaint." When I used the word "complaint" I meant well-supported complaints of what appears to be a perverted use of the power and authority, and the wrongful use of the power and authority vested, in getting transfers of land in at least four or five forests in the forest reserves.

Mr. LEAVITT. There is nothing in this law that authorizes the Secretary of Agriculture to force any private owner to exchange any of his land. It must be by mutual agreement between the Government and the private owner, and it can not be done otherwise and never has been since the repeal of the first act, which gave the private owner all of the authority and left none to the Government.

Mr. GARBER. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. GARBER. The people of the mid-West, the West, and the Southwestern States, while not immediately and directly affected, are very much interested in the policy of conservation of forests, and in reforestation. The gentleman is recognized as a close student of forestry questions, and as an authority upon those questions, I would like to ask the gentleman if the existing provisions for reforestation are satisfactory? That is to say, are they practical and do they result in trees being planted and growing, rather than in just mere theory and statistics?

Mr. LEAVITT. Of course a great many acres of forest lands have been planted and are being planted continually. The greatest single activity of the Forestry Service has to be the protection of the great areas, because the money is not available to carry on as extensive a planting program as ought to be carried on.

Mr. GARBER. But under the existing policy that has been definitely adopted, the stumpage land secured in exchange, under all existing acts which the gentleman has detailed, would be utilized for that purpose?

Mr. LEAVITT. To a great exent, but not altogether, because much of it is already coming up with second growth and requires no replanting. The merchantable timber has been taken off, in some cases, years ago, and the mere protection of it from fire brings up the timber. The planting operations are on some of those areas and also on other areas within the national forests that are not secured in exchange.

Mr. GARBER. I understood that this was one of the main considerations.

Mr. LEAVITT. Oh, yes.

Mr. GARBER. One of the main considerations for supporting the respective acts, to afford the Government an opportunity to utilize its reforestation policy for the benefit of all the people of all the several States.

Mr. LEAVITT. That is true, and to make my remarks complete I add a considerable amount of detail and tables.

The forest lieu selection law of 1897 was in full as follows:

That in cases in which a tract covered by an unperfected bona fide claim or by a patent is included within the limits of a public forest reservation the settler or owner thereof may, if he desires to do so, relinquish the trust to the Government, and may select in lieu thereof a tract of vacant land open to settlement not exceeding in area the tract covered by his claim or patent, and no charge shall be made in such cases for making entries of records or issuing patent covering the tract selected: *Provided further*, That in cases of unperfected claims the requirements of the law respecting settlement, residence, improvements, etc., are complied with on the new claims, credit being allowed for the time spent on the relinquished claims.

The act of March 20, 1922 (42 Stat. 465), reads as follows:

That when the public interests will be benefited thereby the Secretary of the Interior be, and hereby is, authorized, in his discretion, to accept on behalf of the United States title to any lands within exterior boundaries of the national forests which, in the opinion of the Secretary of Agriculture, are chiefly valuable

for national forest purposes, and in exchange therefor may patent not to exceed an equal value of such national forest land in the same State, surveyed and nonmineral in character, or the Secretary of Agriculture may authorize the grantor to cut and remove an equal value of timber within the national forests of the same State, the values in each case to be determined by the Secretary of Agriculture: *Provided*, That before any such exchange is effected notice of the contemplated exchange, reciting the lands involved, shall be published once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted and in some like newspaper published in any county in which may be situated any lands or timber to be given in such exchange. Timber given in such exchange shall be cut and removed under the laws and regulations relating to the national forests and under the direction and supervision and in accordance with the requirements of the Secretary of Agriculture. Lands conveyed to the United States under this act shall upon acceptance of title become parts of the national forest within whose exterior boundaries they are located.

In actual operation it was found that the above law needed some liberalization. In the absence of qualifying terms the law was necessarily construed as requiring the transfer of fee simple title in each case, the private owner furnishing a fee simple title to the Government and the Government granting a fee simple title to the owner. In many instances this was an impossibility on account of such things as outstanding rights of way or reservations of mineral made by some party to a transfer in the chain of title. Consequently the law was amended by the passage of the act of February 28, 1925 (45 Stat., 1990), adding thereto the following section:

SEC. 2. Either party to an exchange may make reservations of timber, minerals, or easements, the values of which shall be duly considered in determining the values of the exchanged lands. Where reservations are made in lands conveyed to the United States the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of Agriculture; where mineral reservations are made in lands conveyed by the United States it shall be so stipulated in the patents, and that any person who acquires the right to mine and remove the reserved deposits may enter and occupy so much of the surface as may be required for all purposes incident to the mining and removal of the minerals therefrom, and may mine and remove such minerals upon payment to the owner of the surface for damages caused to the land and improvements thereon: *Provided*, That all property rights, easements, and benefits authorized by this section to be retained by or reserved to owners of lands conveyed to the United States shall be subject to the tax laws of the States where such lands are located.

It seems desirable at this point to call specific attention to the fact that exchanges under this law must all be made open and above board. The law requires that a notice of the contemplated exchange, reciting the lands involved, shall be published once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in some newspaper within the county in which are situated the lands and timber to be given in exchange. Final approval of the exchange is not given or title finally accepted until after the completion of such publication and an opportunity has been given to anyone who desires to be heard in opposition to or criticism of the proposal. Furthermore, under the procedure of the Forest Service it is impossible for any forest officer to in any way commit the Government to an exchange in advance of approval by the Secretary of Agriculture and final approval and acceptance by the Secretary of the Interior. All that any Government officer, short of the Secretary of the Interior, can do is to recommend.

The procedure of the Forest Service requires that the owner of land desiring the exchange must file a formal written application, giving the legal description of the lands offered, and stating specifically what he asks for them. If his proposal is a trade of land for land, he must specify definitely the land that is being offered and with equal definiteness the land desired. If his proposal is a trade of lands for timber, he should similarly describe his lands and state in dollars and cents the lowest valuation in timber which he will accept in exchange.

In the majority of cases, in the opinion of the Forest Service, the owner asks too much. Sometimes he has an exaggerated idea of the value of his property, and always, of course, he wants to get as much as he can and is afraid he may not ask enough at first. In such cases the supervisor, from his general knowledge of the land market in that locality, is able to decide immediately that the offer does not meet the equal-value requirements of the law and can not be approved, in which event he advises the proponent that his application can not be considered on the terms proposed. This usually results just as it would result between two owners of land in an ordinary commercial transaction—that is—there are negotiations back and forth, the proponent comes into the office of the supervisor and they talk it over. If the proponent lowers his price to where the supervisor believes that it is probable an exchange can be consummated on a basis that will be in the public interest, the latter will agree to have the lands in question carefully examined and appraised in order that he may give the application thorough consideration.

These field examinations and appraisals are made by trained forest officers and must conform to a standard of form and practice prescribed generally by the service. Furthermore, these reports are confidential; they are prepared at Government expense in order that its officers may have dependable information regarding the properties under consideration. We can not expect the proponent to give the Government the benefit of any special information which he may have. Obviously, he should know more about his own land and its values and desirabilities than the forest officer is likely to acquire by an ordered examination. If he desires information regarding the Government's land, the way is open for him to make his own examination. Often he has fully informed himself before he made his offer of trade. In any event, the Forest Service can not afford to allow itself to be placed in a position where, after the consummation of an exchange, the new owner might come in and claim that he had been deceived by forest officers as to the amount, character, or value of the timber on Government land.

The Forest Service insists, therefore, upon following the age-old commercial rule of "saveat emptor" and refuses to sit on both sides of the table in these trades. It assumes that the private owner is able to look after his own interests and expects him to do so. It expects also that its officers will devote their time and talents primarily to looking after the interests of their employer; that is, the Government. It does, however, render every assistance practicable to small owners in the preparation and drafting of papers with a view to helping him keep as low as possible the expenses to which he may be put in connection with the exchange procedure. Where only 160 acres or less is involved this may be quite a burden to a poor man.

If the results of the field examination, as incorporated in the reports, do not show that the offered land is at least equal in value to the Government property applied for, the application must of necessity be disapproved. Similarly, if the report for any other reason indicates that the exchange proposed would not be in the public interest, the supervisor writes the proponent rejecting the offer. This may result in a new offer on a new basis. If the proponent finally offers a desirable trade the supervisor forwards the entire record, with favorable recommendations, to the office of the regional forester.

Here it is carefully examined and checked to see if consistent with other cases of similar character. The regional forester will never reject a case because he believes the Government is getting too much for what it gives, because he does not consider that within the range of possibilities. He has been taught to believe, and the supervisor has been taught to believe, that the owner of lands is fully able to protect his own interests in a trade, and that the owner will not trade with the Government unless satisfied that the property which he is able to secure is more desirable to him than the property which he transfers to the Government. Ranger, supervisor, and regional forester are all under instructions to advise the private owner that the forest officers can not sit on both sides of the table in a transaction of this kind, but that the owner must act for

himself, act according to his own judgment, and rely only upon himself to protect his interests. They are taught to assure the private owner that the Government will give him what it agrees to give, but is no guarantor against loss; that it is the duty of the forest officer to see that the Government gets value at least equal to that which he gives, but the owner must rely upon his own judgment as to whether or not he is to receive value satisfactory to him for that which he proposes to give. After the exchange is finally in shape so that the regional forester believes it to be fully in the public interest, it is then transmitted to the forester in Washington, where it is carefully scrutinized and compared with other exchanges in that same general region, or exchanges of similar land in other regions. If for any reason there is doubt of the equity of values or doubt of the exchange being in the public interest, approval is withheld and the case is returned to the regional forester until such doubts are removed.

Land exchanges are not made by the Forest Service overnight. Just as in the commercial world, the consummation of an exchange is usually the result of study and negotiations, perhaps carried on intermittently over a period of from one to five years, but usually moving rapidly when a final understanding is reached. Under the procedure established by the Forest Service both the private owner and the Government are free to withdraw from the deal at any time prior to the final approval and acceptance of title by the Secretary of the Interior and the delivery of either the timber or the patent to the land given in exchange. If during the course of negotiations there is a change of conditions which leads the owner to believe that he can get more for his land from some one else, he is perfectly free to withdraw without prejudice, penalty, or apology any time prior to the receipt of the consideration. Upon the other hand, the Government is equally free to reject the offer at the eleventh hour should it appear for any reason that the exchange is not in the public interest or that equal values are not being received by the Government.

In administering the general exchange law the Forest Service has in view certain definite purposes. These are:

First. To increase the power of the forests to carry out the purposes for which national forests are authorized under the act of June 4, 1897; that is, to improve the forest, to regulate stream flow, and to furnish supplies of timber for the use and necessities of the people of the United States.

Second. To simplify the administration of the forests, improve their protection plans, and reduce their annual costs.

Third. To bring about a more rational distribution of land between public and private ownership.

Fourth. To increase the ultimate value and usefulness of the national forests as public properties.

The foregoing objectives will be promoted by the many different classes of exchanges. To understand the situation it must be kept in mind that the 186,215,256 acres of land embraced in the 150 different national forests scattered from Maine to California and from Alaska to Puerto Rico present an infinite variety of conditions. Within their boundaries are approximately 25,000,000 acres of land belonging to individuals, corporations, States, and counties. The general exchange act is so worded as to empower the departments to deal with anyone, whether an individual owning a lone 40 acres or a State owning 100,000 acres.

The problem of protecting, improving, and developing these national forests is made more intricate by reason of the presence of these intermingled lands held by owners for an infinite variety of objects and purposes. The situation is still further complicated where considerable areas of timber-bearing lands in private ownership immediately adjoin the exterior boundaries of the national forests, unregulated operation on such lands being a constant menace to the adjoining forest properties of the Government.

One of the simplest forms of exchange, yet one very popular with the public, is the exchange of privately owned timberland for grazing lands within the national forest. Where timber is not immediately marketable and the owner faces the prospect of holding it for a number of years awaiting a purchaser, such owner has on his hands a form of property poorly suited for the economic needs of an individual. Usually he must pay a fairly heavy annual tax, and usually he gets no return until he sells his timber. Under such conditions the ownership of forest lands is, temporarily at least, a liability to its proprietor. Upon the other hand, an equal sum invested in grazing land would be an asset. Instead of looking forward to a big harvest every 50 or 75 years, as in the case of timber, he can actually harvest his forage crop annually, either by grazing it with his own stock or leasing it to some other stockman.

Exchanges of national forest grazing land for privately owned timberland fall into a number of general classes. In some cases the exterior boundary of the forest follows in a general way the lower limits of the timber—northern exposures usually well wooded and southern exposures largely sagebrush and grass land, with the adjoining grazing lands below in private ownership. Not infrequently the adjoining owner is anxious to enlarge his holdings by taking in some portion of this national forest grazing land contiguous to his holdings. If he already holds a quarter section of timberland back in the better forested part of the mountains he may be very glad to make an exchange on the basis of equal area, although the Government gets much the greater value by the trade. (See Examples Nos. 1 and 2, supplement.) Or if he is not already the owner of timberland within the forest and prices for livestock are good, he may buy a tract of timberland from some other owner and trade that in. Sometimes the situation is exactly reversed, and the national forest grazing lands in Government ownership may adjoin private holdings at high elevations near the timber line. Again, the private owner trades timberland poorly suited for his purposes and secures in exchange grazing lands better adapted to his needs.

Then we have the case of the aggressive stockman who years ago made 40-acre scrip locations on a number of important springs and watering places, expecting to secure control of two or three townships of Government range. The creation of a national forest put an end to his range monopoly. The free range to which he is entitled under Forest Service regulations by reason of such land's ownership is limited to the reasonable carrying capacity of the land which he owns; consequently the scattered nature of his holdings instead of being advantageous are really inconvenient, since it would be impractical to put them under fence. With the Government in control of the public range the private owner now prefers to have his holdings in a solid block so that he could fence them and use them as he pleases and as best fits in with his particular plans. Under such circumstances the owner is very glad to secure from the Government an equal area of range of average value in return for his carefully selected key tracts. There have been a number of very interesting cases of this kind. (See Example No. 3, supplement.)

One numerous class of exchanges has to do with the adjustment of land lines and with the adjustment of the land holdings of the small settler in the narrow valleys with which many of the national forests are interspersed. Usually such holdings were acquired before the creation of the national forests, the filings being by 40-acre legal subdivisions. But the Lord did not run these valleys straight east and west or straight north and south; He did not make them exactly 80 rods wide, nor did He, in anticipation of the public land surveys, space them so that the margin of the legal subdivision would coincide with the margin of the usable valley lands. Not infrequently the land lines on a 160-acre entry, placed to best advantage with reference to proper surveys, fall half on the valley floor and half on the timbered slopes. The settler, however, is chiefly concerned in securing the level cultivable land, while his patent calls for certain legal subdivisions which are half and half. Under the forest exchange law, the situation is readily remedied by his offer to exchange his well-timbered slopes, which are of little value to him, in return for valley lands in Government ownership which are poorly suited for timber production and better suited for farming.

In every case the lands offered and the lands given in exchange are carefully examined and their commercial value appraised, and in no case is an exchange approved if the commercial values received by the Government do not equal or exceed those given in return.

From the debate recorded in the CONGRESSIONAL RECORD, the impression seems to prevail that this exchange work is always with large lumber companies. It is true that in the long run a greater acreage is acquired from lumber companies or timberland-holding corporations than from any other class of owners. This would naturally be the case in view of the fact that in its exchange work the Forest Service is primarily interested in securing the best timberlands, and, conversely, the lumber companies when they acquired their holdings had exactly the same objective in view and secured the choicest of our virgin forests. Nevertheless, the major part of the work under the land exchange law consists of dealings in small holdings with settlers living in or adjacent to the national forests and other owners of small tracts intermingled with the Government's properties.

It is difficult or impossible for one who has not been the supervisor of a national forest, or who has not been charged with the responsibilities of a district ranger, who handles on the ground on an average of 250,000 acres of Government land within which are intermingled many holdings of diverse ownership, to conceive of how the problem of administration is complicated by such holdings and how it is simplified by their removal. For example, if John Doe wishes to purchase a small amount of timber from lands on Squaw Creek, and the Government owns all the land on that creek, the problem is simple. But if he wishes to go up Rock Creek to cut his timber, and there are scattered private holdings on Rock Creek, the chances are 10 to 1 that the ranger must go with him and perhaps spend some time looking up survey corners and running land lines to see that his purchaser does not encroach upon some innocent settler. It costs money to run survey lines to accurately identify and locate on the ground a 40-acre tract near the middle of a section which has not been previously subdivided, and if, as is frequently the case, no section corners can be found and the section itself must be located by running a line from some other known corner, it may cost as much or more than the 40-acre tract is worth. This certainly holds true for the average run of either grazing land or cut-over land. Every individual tract of land acquired by the operation of the forest exchange law within the national forests constitutes the final and complete solution of an administrative problem. Not infrequently the values given in exchange will be more than offset by the savings of administrative costs by avoiding trouble and misunderstandings.

Some Members seem to have the impression that this exchange work consists largely of giving high-valued timberlands for low-valued cut-over lands. Where this is done the area of cut-over lands given by the owner is many times greater than the area of Government timberlands given in exchange. As a matter of fact, only a very small percentage of exchange cases are of this character. The policy of the Forest Service is based upon giving up as little good timberland as possible and acquiring as great an acreage as possible of good timber-producing lands. However, it takes two to make a bargain, and there still remain a few large timber owners in the West who cherish a prejudice against submission to the regulation of their timber-cutting operations under any circumstances or conditions. There have been a few cases of tracts of national forest timberland which were intermingled with holdings of a powerful operator whose traditions were those of hostility against being required to submit to regulations when cutting Government timber. There have been cases of this kind where if the timber from the intermingled Government holdings were not removed in connection with the removal of the privately owned timber, it would be left high and dry without means of transportation or liquidation for the next 30 or 40 years. I have in mind specifically an exchange with the Walker interests—the Red River Lumber Co., of California. In that case the company owned a considerable area of virgin timberland intermingled with national forest timber which the Forest Service had under timber sale contract to the Fruit Growers' Supply Co., of California. In that case they were able to arrange an exchange upon an entirely equitable basis in which, in return for the timber on the Government holdings in the path of the Red River Lumber Co.'s logging operations, an equal value of virgin timberlands belonging to the Red River Lumber Co., intermingled with our Fruit Growers Supply Co. sale, was acquired. These lands are in turn being conservatively cut under Government direction and the product is being utilized by the Fruit Growers Supply Co.

This case was not a case of an exchange of virgin Government timberland for cut-over land, but of Government virgin timber for equally valuable virgin private timber, with the land (3,600 acres) thrown in. Cut-over land is usually of low value, excepting where a commercial market is established because of its grazing value, particularly valued for sheep range. As a matter of fact, when the sheep industry is prospering the Forest Service makes no attempt to compete with the sheepmen in the acquisition of cut-over timberlands within and adjoining national forests. It is a matter of historical interest that our earliest liberal forest exchange law, which authorized the department to acquire privately owned land within the forest by giving in exchange not to exceed an equal value of national forest land, or not to exceed an equal value of Government timber in or near the national forest, remained a dead letter for a number of years because of the high prices established for cut-over land by competing sheep outfits. I refer specifically to the act of September 8, 1916 (39 Stat. 852), authorizing the acquisition of land in the Whitman National Forest in Oregon. Following the passage of this law the owners of the cut-over land fixed the minimum price of $5 per acre for their holdings, insisting that this was the price they were asking of sheep outfits, and that the value had been established in numerous instances by transfers at this rate. The Forest Service replied that there was no need for questioning the value of the land as fixed by them if the sheepmen were willing to pay such rates, but that this obviously represented its value as sheep range, and the Forest Service was not interested in acquiring additional sheep range, per se. What the Forest Service desired was to acquire lands that were valuable for the production of timber, and their lands did not have any such value as $5 per acre for that purpose. Consequently, the Federal Government was not interested in acquiring their holdings, but saw no reason why they should not avail themselves of their opportunities to dispose of these holdings at the highest price to stock outfits. Incidentally, it was the prediction of the service that the land was not actually nearly as valuable as either they or the sheepmen seemed to believe, and that eventually it could be obtained for a much lower price. Also, that it made no difference to the Government whether it eventually acquired these lands from the present owner or from one of his successors in interest. After a number of years a small tract of particularly choice cut-over land, fully stocked with yellow pine reproduction 20 or 30 feet high, was acquired at $3 an acre. Since then numerous other exchanges have been made in this region at $2.25 to $2.50, according to the value of soil and advanced growth. A somewhat similar case involved the Madera Sugar Pine Co., of California, from whom the Federal Government finally acquired 22,933 acres of cut-over land at a top price of $3.25 per acre. A price of $8 was originally demanded for this land and the officers of the company broke negotiations in angry disgust because the Forest Service expressed an unwillingness to pay even half that much. The lands were finally acquired on the basis of $3.25 per acre, after the Madera Sugar Pine Co. paid taxes and other carrying charges on it for an additional five years.

Judging from the debates in the CONGRESSIONAL RECORD, some Members appear to have the idea that the lands acquired are treeless lands, which must be planted before they can be made productive. As a generality, nothing could be much farther from the truth. Where any large bodies of cut-over land are offered us for exchange it has been the custom to establish for the region certain maximum prices

for lands of different grade and character. Usually the top price for the highest grade of cut-over land is fixed at $2.50 per acre, which means timber-producing land of first-quality site, adequately stocked to produce a wholly satisfactory yield at maturity. The price runs from this down to 50 cents an acre for lands which must be planted, and perhaps 10 cents an acre for barren lands. At first thought it may seem strange that the Government would be willing to give anything whatever for barren lands. Upon the other hand, it must be realized that the presence of an adverse ownership always involves the possibility of administrative difficulties. Some private activities on a few acres of barren land or worthless brush land might result in a fire hazard causing the Government ten times as much to control as it would have cost to secure title to the lands in the first place. Under a schedule of rates beginning with the top price of $2.50 an acre and running down to 25 or 50 cents an acre, cut-over land, if not too badly neglected and abused, will appraise out in the different classes at a valuation somewhere in the neighborhood of an average of $1.50 per acre. These valuations, however, hold up only where the land has a commercial value on account of grazing or recreational possibilities, including hunting and fishing. Where a crop of timber is the only prospective return from the land the values allowed in exchange range from a top value of $1.25 per acre down to 25 cents per acre. Such factors as location, topography, accessibility, site quality, and so forth, all affect the desirability of the land from a timber-growing standpoint and are taken into consideration in every case.

Some of the cut-over lands acquired by the Forest Service in these exchanges contain such substantial stands of timber that the novice might well mistake them for virgin stands were it not for the telltale evidence of stumps scattered here and there through the woods. Land cut over 25 or 30 years ago in our western forests under the standards of utilization which then prevailed and the method of horse logging frequently have a volume running from twelve to fifteen thousand feet board measure per acre. Such lands were cut over in the day when the logger took only the choicest trees of yellow pine, and from them took only the first one or two lower cuts. The total volume of such lands to-day is almost equal to that of the virgin stand. However, it must be realized that this volume consists largely of the so-called inferior species, which under present market conditions have little, if any, merchantable value. Usually, however, such stands are in a thrifty condition and are growing rapidly. Their volume promises to contribute substantially toward meeting our national needs for wood of some sort in the future day of silvicultural reckoning.

Anyone who has a preconceived impression that the typical forest supervisor sits in his office waiting for landowners to come in and submit applications for land exchanges, just as the employee of the Post Office Department sits at a window selling postage stamps to all comers, has a totally erroneous conception of the purposes of the Forest Service in securing legislation of this kind and the objectives of its officers in making use of that authority. Every live forest officer is constantly at work bettering his plans for forest management. Each individual drainage unit is in itself a distinct problem—its total volume of merchantable timber, class and value of products, the condition of the stand as to whether cutting operations should be encouraged or postponed, the possibilities of transportation, the control of routes of transportation, the logical location for logging camps, banking grounds, sawmill sites, mill yards, and the like. The forehanded supervisor is quietly acquiring by exchange the private holdings which in the event of a sale might hamper or even block a desirable operation. The supervisor, furthermore, has planned for years ahead the construction of different transportation routes from his forest-development road fund. If, according to his plans, a road will be constructed up Grouse Creek next year at a cost of $25,000 by the Federal Government, where there has been only a trail heretofore, what more natural than that the forest supervisor will endeavor this year to acquire for the Government by means of exchange procedure timberlands that next year will be made more accessible and more valuable by Government appropriation. Merchantable saw timber that can be acquired readily at 50 cents a thousand because 10 miles from the nearest highway may sell readily at $3 a thousand when a highway has been built two or three years later.

Every foresighted forest supervisor is on the job to increase the timber-producing power of his forest so that it will grow more timber every year, and so that it will contribute in the greatest possible degree toward the supply of timber for the use and necessities of the people of the United States in the day of future trials as to our Nation's silvicultural self-sufficiency. We all understand to-day and for generations past that we have depended largely upon supplies of timber that were grown by nature during preceding generations without any help from man. We all now realize that these supplies are not inexhaustible, but that some day not far distant our consumption of timber must be limited to the amount of wood which we grow. Probably the most critical period will be as our virgin stands approach exhaustion. Since this will probably be several decades before most of our young growth reaches usable size, the wise supervisor, realizing that there is already in sight an overabundance of merchantable timber to meet our needs for the next 30 years, and realizing that the pinch will not come before that time, is not particularly interested in acquiring stands of timber that have already reached maturity and within which increases by growth and losses from windfall and decay will about offset each other for the next 30 years. Instead of acquiring values of that type, where the volume will remain constant, he prefers to acquire a much greater area and volume of young second growth which has not yet reached the merchantable stage.

I have in mind particularly the Siuslaw National Forest, where for the past 8 or 10 years the forest supervisor has been steadily picking up choice areas of second-growth Douglas fir—40 acres here, 80 acres there, 160 acres elsewhere, with an occasional half section. In all, 94 tracts have been acquired, totaling 16,567 acres, or an average of 176 acres. The largest acreage acquired from any one owner was 1,380 acres. The next largest was 640 acres. All the others were less than one section. With the exception of first-quality redwood lands in northwestern California, these are probably the best timber-producing lands west of the Mississippi. The growth generally is about 60 years old, following tremendous fires which raged through that region in the late fifties or early sixties of the last century. The stands are dense and run in diameter up to 30 inches. A very large part of the volume is in trees which have a diameter from 20 to 30 inches. In our cruises for land exchange we do not consider trees under 16 inches d. b. h. as merchantable, nor is their volume included in the appraisal. Actually the volume of material on some of the lands which are being acquired will run as high as 55,000 feet b. m. per acre. These lands are being acquired at a valuation of $6 to $7.50 per acre, the latter price being granted for the choicest and more accessible tracts. Lands of this kind where the trees are reaching merchantability will in that region increase their merchantable volume quite generally at the rate of 1,100 board feet per annum. At that rate a quarter section of second-growth land, averaging 25,000 board feet per acre, or a total of 4,000,000 feet, would, in 30 years from now, when the quarter section is ripe for cutting and when doubtless the Nation will seriously need the product, have a merchantable stand of about 9,000,000 feet.

What does the Federal Government have to give for such land at the present time? Most of it has been acquired by giving in exchange timber cut from stands which are no longer increasing in volume or value. The average valuation placed upon such timber has been about $2.50 per thousand. In other words, 3,000 feet of timber was the purchase price of one acre of the best timber-growing land

in America, having on it a growing stand of from twenty-five to thirty thousand feet. The increased volume of that acre will in three years amount to more than the volume of merchantable timber which was given to pay for it.

A trade of this kind is analogous to the case of a man who, instead of hoarding gold in a box in the safety-deposit vault, takes that gold and invests it in an equal value of Government bonds, redeemable at the end of 30 years. In each case, had the owner of the mature timber and the owner of the gold retained his original property, he would at the end of 30 years, if he had good luck in avoiding fire and robbery, still have in the one case the original volume of timber and in the other the original volume of gold. On the other hand, with reasonably good fortune, at the end of 30 years, at 4 per cent interest, without being compounded, each $1 in gold would have become $2.20, and at the prevailing rate of increase of such timber stands on the Siuslaw, each 1,000 feet of standing timber would have grown to about 2,250 feet by that time. Attention is called to the fact that $7.50 per acre, which is the top price for young stands averaging about 25,000 feet board measure per acre, means only 30 cents per thousand feet of timber with the land thrown in.

The total of 16,567 acres of such second-growth land acquired by the 94 exchanges of the Siuslaw National Forest were secured in exchange for about 50,000,000 feet of merchantable saw timber, marked by forest officers and taken from mature stands under Forest Service regulations. The volume of young-growth timber which the Government acquired on this 16,567 acres amounts in round numbers to about 400,000,000 feet, and 30 years from now, as they approach commercial maturity, this volume should have increased to approximately 1,000,000,000 feet, or a volume considerably in excess of the total amount of timber given by the Government thus far in all the exchanges of timber for land made by the Forest Service under the provisions of the general exchange act up to December 31, 1931, which at that time amounted to 858,268,000 feet board measure. Of course, there are always chances for many a slip between the cup and the lip, and the volume finally harvested may fall short of anticipations. Upon the other hand, there still must be taken into consideration on the credit side of the ledger in favor of the Government simplification in protection and administration resulting from clearing up these 94 tracts of adverse ownership, and in addition their special value for right-of-way purposes and as key sites in future lumbering operations.

The foregoing account of the land exchange activities on the Siuslaw is the most outstanding example of a situation that is quite general; that is, the acquisition of stands of timber which are approaching commercial size but are not yet ready for lumbering operations. Usually these are of little value to the present owner. John Doe knows very well that his quarter section of second-growth timberland will probably be worth a lot of money 30 years from now. At the same time, a thousand dollars in cash to help send his boy through college now means more to him than an additional $50,000 to his estate 30 years from now, when John Doe is in his grave and his son's career is drawing to a close.

The exchanges made with the Anaconda Copper Mining Co. in Montana are of unusual interest from a public standpoint. A considerable area of national forest lands lie within the zone of damage alleged to be caused by poisonous fumes from the large copper smelter at Anaconda, Mont.

By agreement with this company, which is the largest owner of commercial saw timber in Montana, it is acquiring the national forest lands within the zone of smelter smoke around Anaconda by giving in exchange an equal value of land outside the zone of danger. In this case the Forest Service insists upon the company giving in exchange lands fully equal in value to what the value of the Government's lands would be in an undamaged condition. Although the company is unwilling to admit that much, if any, damage has been caused to the Government timber by the fumes from the Washoe smelter, Government appraisals have stood, since they refuse to accept anything less in exchange. Five separate exchanges have been made, whereby the Government has given up a total of 83,850 acres within the Anaconda smoke zone, lands upon which 25 to 60 per cent of the trees of commercial species are dead or dying, and on which each year the number of permanently damaged or dying trees is steadily increasing, and has secured in return a total of 93,012 acres of excellent forest land in or adjoining the national forests in the western part of the State. Some of the land thus secured is cut-over land, it is true, but an even larger proportion of the land given by the Government in exchange had been stripped of every stick even fit for fuel wood before the creation of the national forest, whereas the cut-over lands obtained from the company are, in the main, well stocked with young yellow pine trees. In addition, some virgin timberlands are being obtained from the company in return for virgin timberlands given by the Government, with this difference, that the virgin timber obtained from the company is living, while that given in exchange is within the zone of permanent damage from smelter fumes. Foresters will also readily appreciate the desirability of these exchanges from the Government's standpoint when it is explained that the Government gives up lands in the lodgepole pine belt and secures land in the ponderosa or yellow-pine belt.

In this way the Government and the company are gradually removing, by settlement satisfactory to both, the grounds which existed for long and expensive litigation by a method which was submitted to the Department of Justice and met with hearty approval. Each exchange is being worked out as a separate and complete transaction, having no commitments to future or additional trades. It will take some years longer to dispose of all the lands in the zone of smoke damage to the company in return for commercial timberlands of the company. When this is done it is expected that the Government will have no grounds for action for damages to its timber or land by smelter fumes, since it will have been compensated for its land and timber at a value based upon both land and timber being in an undamaged condition. And both the Government and the company thereafter will have the satisfaction of knowing that if this property is further damaged by smelter fumes hereafter the outfit that causes the damage is the same outfit that suffers from it.

Should it prove impractical for any reason to dispose of all the damaged areas in this way, and should litigation finally be necessary, the aggregate values in controversy will have been greatly reduced by the exchanges already made.

In my opinion, what has already been done in this one case in the way of constructive action beneficial to the general public on the one hand and desirable industry on the other is alone sufficient justification for our exchange authority if we had nothing else to show for it.

It is interesting to note that this case involves the transfer to a mining company of a large area of mountain land in a highly mineralized region. Realizing the possibility that such lands might involve untold mineral wealth, the Forest Service insisted upon the Government retaining title to all minerals therein, with the right of citizens to prospect. In this way the opportunities for prospectors are preserved in the estate. Similarly, the mining company has been accorded the privilege of reserving the mineral in all the lands conveyed to the Government, provided it desires to do so.

It so happens that both the lands given up and those acquired by the Government in this case lie within the primary limits of the Northern Pacific land grant where usually every odd-numbered section became railroad property. The lands near Anaconda which the Government gives up are, generally speaking, even-numbered sections, with adjoining odd sections already owned by the mining company, mostly acquired from the Northern Pacific at about the same time that the exchanges were completed. The lands in western Montana which the mining company deeds to the Government are chiefly odd-numbered sections, with the even sections often already in Government ownership. In this way

both lands are quickly blocked up as to ownership. Already this process by this one exchange has enabled the service to do away with one year-long ranger district.

As a matter of detail, it is of interest to note that in the five exchanges made with the Anaconda Co. the acreages given by the Government and obtained from the company in each case run as follows:

Given by Government: 21,953 acres, 11,306 acres, 7,105 acres, 26,632 acres, 16,884 acres. Total, 83,880 acres.

Received by Government: 22,711 acres, 9,067 acres, 10,158 acres, 28,940 acres, 24,134 acres. Total, 95,010 acres.

It is anticipated that the total area on each side of the exchange will ultimately approximate 150,000 to 175,000 acres, provided the Government finally relinquishes all its holdings in the zone of smoke damage in return for lands in or near the national forests located beyond the reach of smelter fumes.

No exchanges have been made with the Northern Pacific Railway Co., although that company still holds title to probably 2,000,000 acres or more land within national forests. This is for the reason that the Forest Service has for years contended that the railroad company has received more land from the Government than it was entitled to and believes that the litigation authorized by Congress and now pending in the United States courts may result in the Government recapturing much of this alleged excess; also Congress has prohibited the Department of the Interior from patenting additional lands to the railroad until pending litigation has disposed of this controversy.

Nor have any exchanges of consequence been made with other owners of large railway grants, excepting with the land company of the Southern Pacific, with which two exchanges have been made, one of a very minor nature involving only 27.50 acres of national-forest land. The more important exchange made with this company was for the purpose of consolidating under Southern Pacific ownership a block of land which the State of California desired to obtain from it as a State park, the company being willing to accept therefor a nominal consideration. The lands on both sides of the exchange were desert mountain lands of identical character, having some scenic values but otherwise not of economic importance. In this trade the Government obtained 9,792.92 acres from the company and gave in exchange therefor 6,234.11 acres of national-forest lands of similar character.

There need be no fear that the exchange activities of the Forest Service will in any measure deplete the Nation's reserve of standing timber in public ownership. The table given shows the results of the land-exchange work of the Forest Service up to January 1, 1932. It will be seen from this table that the Government had acquired by exchange up to that date a total of 1,206,100 acres, valued at $4,773,519, or an average of $3.96 an acre, in return for 390,415 acres of land valued at $1,795,099, and 858,268 M feet b. m. of timber valued at $2,377,820.

The single item of 390,415 acres of Government land given in this exchange work does not appear so formidable when it is understood that a considerable portion of this acreage is made up of scattered areas of unreserved public-domain lands so low in value that no one would take them as a gift. The largest item is 135,113 acres in the State of Michigan. Of this total acreage 134,473 acres were not classed as forest land, but were scattered tracts of public-domain land in the State of Michigan, so low in value that no one would take them under the public-land laws. Inside the boundaries of our Michigan National Forest the State owned a much larger area of much better lands, acquired through tax delinquency. Under the authority of a special act of Congress the State's lands inside the national forest were conveyed to the Federal Government in exchange for an equal area taken from the scattered remnants of public domain, the State taking a chance on being able to at some time in some way utilize these scattered remnants.

In the State of Montana 76,996 acres of the land given in exchange was national forest land within the zone of smelter-fume damage. In their present condition these lands were largely unproductive, and without this method of exchange promised to return to the Government only the dubious results of expensive lawsuits. From a timber-producing standpoint the national forest lost nothing by transfefring them to private ownership. Upon the other hand, the somewhat larger area acquired in exchange for them were in the main timber-producing lands of the very best quality in the western part of the State.

In considering our land-exchange work as a possible drain upon the national forests, and in connection with the figures given in the table shown on page 17, one must keep in mind that included in the lands given by the Government is a total of 13,469 acres of public-domain lands which passed to private parties by special acts of Congress, enumerated at the foot of the photostat list of exchange laws hereto attached. For these lands, which were of such low value as to attract no takers under the public land laws, the service received in exchange 11,474 acres of privately owned land inside the national forests, all desirable for national-forest purposes.

The 8,959 acres of national forest lands granted in the single exchange in Nebraska was treeless sand plains land given to the State in exchange for 8,960 acres of exactly similar land embraced in State school sections scattered through the forest. Since this still left a greater area in the forest than can possibly be successfully planted for many years to come, this reduction in gross area was immaterial, while the resulting consolidation of the Government's holdings and State's holdings was materially advantageous.

We may, therefore, list the following large exchanges as having been made practically without cost to the national forests:

	Lands secured by United States	Lands given by United States	Remarks
Michigan	137,400	134,473	Land taken from public domain.
Anaconda smoke exchange	95,010	76,996	Land from "smoke zone."
Oregon Land Co	25,988	25,988	Low-value land wanted for irrigation project which failed.
Southern Pacific	9,792	6,234	Desert mountains of scenic value only.
Nebraska	8,960	8,959	Grassy sand hills only.
Special acts, 11 exchanges	11,747	13,469	Acres of public domain only.
Total	285,897	266,062	

It will be seen that of the total of 266,062 acres of Government land involved in the table above a total of 147,942 acres was public-domain lands which the Government had never before been able to dispose of to anyone and the balance of 118,120 acres was comparatively inaccessible desert, scenic desert, or "smoke zone" acreage. In addition, many other small areas of similarly undesirable lands are included in the gross of 390,415 acres reported in the table on page 17 as having been granted by exchange.

In return for this 266,062 acres of comparatively worthless land the Government received 285,970 acres. Of this total the 95,010 acres received from the Anaconda Co. was good, thrifty timberland. The 134,400 acres received from Michigan is all inside our national-forest boundaries, was once heavily timbered, and can be cheaply and successfully planted. The 11,747 acres secured by the special acts are fair lands located inside national-forest boundaries, and their ownership by the Government will simplify administration. About the only advantage attaching to the Oregon Land Co., Southern Pacific, and Nebraska exchanges is the advantage resulting from consolidation. If we deduct from the total of 390,415 the 266,062 acres of public domain and other comparatively valueless land, we have a balance of 124,353 acres of selected land having some value for national-forest purposes given in exchange.

According to the table on page 17, we find the Government has acquired by land exchanges a total of 1,205,100 acres of land. We have just shown that a total of 285,897 acres was largely rather low-priced land, although 241,157 acres have splendid forestry potentialities. This 285,897 acres was secured in exchange for a total of 266,062 acres

of land that was useless to the Government. If we deduct from our total 1,205,100 acres of land acquired, this total of 285,897 acres acquired in exchange for comparatively worthless land, we have left a balance of 919,203 acres acquired by the Government in exchange for 390,415—266,062 acres, or 124,413 acres of land and 858,263 M feet. I wish our records were in such shape that I could tell you exactly how many acres the Government secured for this 124,413 acres of land separate from the land secured in exchange for timber, but this would necessitate going over the entire list case by case. However, we may approach it by saying that the 124,413 acres of land given by the Government is more than offset by the value of the same area of land in our most favorable exchanges. In fact, it is probably substantially offset by the 16,567 acres of land which the service has acquired in the Siuslaw National Forest.

If we deduct 124,413 acres on account of land from the total acreage of 919,213 referred to above, we then have a balance of 794,790 acres acquired in exchange for timber totaling 858,268 M feet b. m., or an average of 1 acre of land for about 1,080 feet.

We had in the national forests on June 30, 1932, a total of 24,854,565 acres of alienated lands. If the service could continue to acquire lands in the indefinite future at the same rate of 1 acre for 1,080 feet of timber, it would require a total of 26,843,030,200 feet b. m. of timber to pay the bill. Furthermore, assuming our exchange work is consummated upon that basis, it would not follow therefrom that we would have 24,000,000 acres more land and 26,000,000,000 feet less timber than we had before the exchange work started. Not at all. It is true we would have passed to private ownership a total of 26,843,030,200 feet of timber, but, upon the other hand, based again on the results in past exchange work, we would have acquired with our 24,504,565 acres of land a still greater volume of timber. Not necessarily greater values, but greater volume. We know well that the lands which we acquired in exchange for timber up to December 31, 1931, although many of them were cut over and culled, nevertheless contained a considerably greater volume of sound living timber than we gave in exchange therefor. Most of this timber was relatively inaccessible at the time the exchange was made, but much of it will ultimately, as a result of the construction of new routes of transportation, be as accessible as the timber given up.

But supposing we take no account of the volume of timber we acquire with the land, how much of a drain would it be upon our stumpage resources to acquire all the lands inside our national forests? A conservative estimate of the amount of timber which our 160,000,000 acres in national forests can grow every year places the volume at 7,000,000,000 feet. In other words, the annual growth for a period of less than four years would more than pay the bill, at the rate which has thus far prevailed.

But the Forest Service will never wish to acquire the entire 24,000,000 acres of alienated land within the forests. Probably the maximum amount it will ever be possible to acquire of the land desirable for national forest purposes would be somewhere in the neighborhood of twelve to fifteen million acres. The service will not wish to acquire lands chiefly valuable for agriculture or lands valuable for mineral and needed for mining purposes. Also, there will be innumerable tracts valuable for commercial purposes, which the owners would not part title with under reasonable terms. On the other hand, there are many very desirable bodies of forest lands immediately adjoining our national-forest boundaries. Possibly these combined with the desirable areas inside the boundaries may in the long run equal the total area of alienated lands now inside the boundaries.

Our public reserves of timber of commercial size are therefore absolutely secure from the danger of being depleted, as a result of our exchange work. In the first place, we secure by exchange not only a greater area than we give but we also secure more timber than we give. In the second piece, even if we did not secure any timber in exchange, our annual net growth of timber amounts to a volume eight times greater than we have thus far given in all our exchange work. It would be impossible for us to handle in one year a volume of exchange work which would require in payment a volume of timber equivalent to a year's net national-forest growth.

I have referred to the fact that each exchange is carefully scrutinized in the Washington office. This scrutiny is not a perfunctory performance of a routine act by a desk man. As a matter of fact, every exchange that goes to the forester for approval while I am in Washington is carefully checked by Mr. Sherman personally, also by Mr. Kneipp, Mr. Carter, and Mr. Rachford. Each has been 20 years or more in the service. E. A. Sherman is in his twenty-ninth year; Kneipp has served even longer. They have made more or less extensive field trips in and around every one of the 150 national forests from Alaska to Puerto Rico. It is seldom that an exchange case appears that the forester or one of this four do not have more or less intimate knowledge concerning it. No case receives their O. K. unless the record clearly shows that the exchange as proposed is in the public interest, and that the values being received by the Government are fully equal to those that are being granted.

At the time the Public Lands Committee of the House was considering the general exchange bill the Forest Service pledged the good faith of the service that if given this authority it would handle our resources just as carefully and treat them just as sacredly as though it involved money taken from the Public Treasury. It is faithfully keeping good the promise made at that time. Some day we may get the worst of an exchange; possibly we have done so already, but if so it will be in spite of the utmost human vigilance. Furthermore, any possible disadvantage resulting in the most unfavorable cases will be many times offset by advantages gained in more favorable cases.

I am attaching hereto a supplementary statement dealing with a number of individual exchanges which have been consummated in the different national forests. A careful study of these will, I believe, give you a better idea of what is being accomplished under the operation of the general exchange law than you could get in any other way.

The following examples, furnished me by Associate Forester E. A. Sherman, show specific cases of land exchanges made in different national forests. They give some idea of the great variety of classes of cases encountered. Their reading will, I believe, give one a very good idea of how the Forest Service is actually fulfilling its stewardship in handling the Nation's great public forests:

1. Theodore Erickson, Custer National Forest, owned 640 acres of forest land of very substantial timber value in the forest. Merchantable ponderosa pine estimated at 590,000 feet board measure covered 150 acres, and 300 acres supported an excellent stand of ponderosa new growth ranging up to lodgepole size. The entire section was of moderate value for grazing. Mr. Erickson offered the whole section in exchange for 285 acres of nonforest lands near his ranch holdings. About 170 acres of this had some value for agriculture, while the balance was only fair quality grazing land. Commercially, the offered section was of much greater value than the selected 285 acres, but Mr. Erickson is a farmer and not a lumberman. He wanted land which he was fitted to use profitably and which he could greatly enhance by his own labor.

2. C. O. Butts, Custer National Forest: This exchange was very similar to the Erickson case. In this case the Government acquired 629 acres of land, 210 acres carrying 900,000 feet of merchantable ponderosa pine and 290 acres well stocked with second growth, the entire area also having appreciable value for grazing, and gave to Mr. Butts in exchange therefor a total of 400 acres, 120 acres of mountain forest land having some little value for agriculture and 272 acres of fair quality grazing land, of which 30 per cent is open grass land and the balance sparsely wooded. The 400 acres acquired by Mr. Butts adjoin his ranch holdings and is worth much more to him than the 629 acres which he gave up, although it had considerably greater commercial value. Mr. Butts could develop and capitalize the agricultural potentialities of the 400 acres which he acquired, but was not equipped to handle profitably the saw timber and timberland which he gave in exchange for it.

3. Levi Howes, Custer National Forest: Many years ago Mr. Howes acquired, through scrip selection, seven forties within the Ashland division of the Custer National Forest. All but one of these tracts are key areas in national forest administration. Four of them contain year-long water that serves stock grazed on 9,500 acres of national-forest range. Two additional forties contain sites suitable for range-water development. The entire seven forties, all of which are of average-quality grazing land, were acquired in exchange for equal area of open grassland adjacent to Mr. Howes's main ranch holdings and integrating with them. The selected land is of average grazing value. A portion of it has some value for hay production under dry-land methods.

4. George W. Avery, Blackfeet National Forest: This is another instance of an exchange with a small owner in which the Government, in return for national-forest stumpage valued at $240, acquired 160 acres of land carrying 1,300 M feet b. m. of saw timber. The total volume of forest timber ceded in the trade amounted to 160 M feet b. m.

5. Kate Smithers, Blackfeet National Forest: This is an excellent example of the class of exchanges with small owners. The offered tract of 160 acres is entirely covered with marketable-sized timber having a total volume of 1,747 feet b. m., mostly of good quality. The land evidently had passed to private ownership many years ago under the timber and stone law. Title was revested in the Government in exchange for 42 M feet b. m. of forest stumpage which, on the basis of its sale value, meant that the Government acquired 4 acres of land plus 41,000 feet of timber for each 1,000 feet of timber granted to the exchanger.

6. First National Bank, Kootenai National Forest: The offered land in this case, practically all of which is second-growth land, lies either along or close to the main highway in the Kootenai River Valley. It is of optimum site quality for the production of saw timber. All except 200 acres is in the ponderosa-pine type. The forest-cover conditions are about as follows: Five hundred acres have been burned but still support sufficient advance growth to establish naturally a satisfactory forest cover; 850 acres carry well-stocked stands of vigorous new growth up to 40 feet in height; 370 acres support a satisfactory stand of trees up to 8 inches in diameter and, in addition, a covering of larger trees up to 18 inches in diameter that will be ready for cutting in about 80 years. It is conservatively estimated that the marketable saw timber at that time on these 370 acres alone will aggregate about twice the volume and value of the Government timber that was passed to private ownership in acquiring the entire 1,720 acres.

7. Clearwater Timber Co. No. 1, Clearwater National Forest: A total of 6,281 acres were acquired in this case, classified as follows: 170 acres supporting a total of 2,430 M feet b. m. of saw timber, 40 per cent white pine and cedar and the rest chiefly larch and Douglas fir; 648 acres of burned-over land upon which natural regeneration is slowly becoming reestablished; 5,464 acres of burned land that may necessitate artificial regeneration. The entire area is in the white-pine type. The company's holdings were acquired in exchange for 146 M feet b. m. of Government timber having a value of $1,570, which represents a flat price of $0.25 per acre.

8. Clearwater Timber Co. No. 2, Clearwater National Forest: This case is very similar to the No. 1 exchange. A total of 2,681 acres was acquired, of which all but 60 acres carrying saw timber and cedar poles has been burned over. New growth of white pine and associated species is coming in slowly and quite possibly artificial regeneration will not be necessary. The offered lands were acquired in return for national-forest stumpage in the amount of 65 M feet b. m., valued at $670.

9. Winton Lumber Co., No. 2, Coeur d'Alene National Forest: In this instance the Government acquired a total area of 4,614 acres. Of this, 3,029 acres are classed as marketable-sized timberlands supporting a total of 23,475 M feet b. m. of saw timber, chiefly larch, Douglas fir, and white fir, and 1,585 acres carrying good stands of new growth varying from sapling to pole size. The entire offered area is chiefly in the white-pine type and is of average to superior site quality. In the case of the 3,029 acres carrying marketable-size timber, most of the merchantable white pine had been removed. The resultant logging slash was disposed of very satisfactorily. The offered holdings were conservatively appraised at $10,500. However, the offered stumpage alone has a readily demonstrable investment value of about $9,500. The Winton lands were acquired in return for 2,109 M feet b. m. of national-forest stumpage having a sale value of $8,436.

10. Winton Lumber Co. No. 4, Coeur d'Alene National Forest: The acquired area in this case totals 2,851 acres. About 1,675 acres are heavily timbered, having a total volume of 35,020 M feet b. m., of which about 60 per cent is white pine. This timber forms part of a logging chance of 7,000 acres, of which all but the Winton lands were already in Government ownership. The offered timber is the choicest and most accessible in the chance, and because of its location pretty largely controlled the entire logging unit of about 115,000 M feet b. m. By the elimination of the Winton ownership through exchange, the Government not only is now in complete control of the unit but consequently should be able to dispose of the previously owned Government timber as well as that acquired from Winton at more advantageous terms. Competition for the purchase of the entire stand will be stimulated now that the uncertainty on the part of prospective operators of being able to purchase the entire timber stand has been removed. The Winton holdings were appraised at $57,683 and were acquired in return for national-forest timber having a sale value of $47,874.

11. Humbird Lumber Co., Kaniksu National Forest: In this case an area of 512 acres was acquired in return for 273 M feet b. m. of Government stumpage having a sale value of $1,350. The tract is in the white-pine type. The majority of the white pine merchantable at that time and some of the cedar poles were removed many years ago. The tract still carries a total of 3,953 M feet b. m. of saw timber, chiefly larch and white fir, of good quality, and 1,550 cedar poles. The latter unquestionably have a positive investment value at the present time. The area is of superior-site quality, and is easily accessible. In addition to the saw timber and poles, the area supports a well-stocked stand of white pine new growth.

12. Clearwater Timber Co., St. Joe National Forest: In this instance the Government acquired a total of 7,344 acres of forest land scattered throughout four townships of national-forest area. About 1,760 acres carry marketable-sized timber, having a total estimated volume of 14,689 M feet b. m., of which about 37 per cent is white pine. In return for its holdings, the company was granted a total of 490 M feet b. m. of national-forest stumpage having a sale value aggregating $3,672.

13. C. L. Thompson, St. Joe National Forest: Thompson ceded to the Government 720 acres in this exchange. These lands are practically all in the white-pine type and are of superior-site quality. About 415 acres carry dense stands of second growth ranging up to small-pole size. In addition, the offered lands carry a total stand of 1,950 M feet b. m. of saw timber. The Thompson holdings were appraised at $1,897 and were obtained in exchange for Government stumpage amounting to 97 M feet b. m., valued at $1,060.

14. John B. White, St. Joe National Forest: In this case a total of 4,551 acres were acquired in a locality of better than average general accessibility. The entire area is of high timber producing power. About 300 acres carry marketable-sized timber stands totalling 3,250 M feet. Of the 4,174 acres of second-growth lands, 3,757 acres are in the white-pine type and 356 are ponderosa pine. The second growth averages about 30 years old and at maturity will produce stands of 25 to 40 M feet per acre. The White lands were acquired in return for 806 M feet of Government stumpage.

15. Palgrave Coates, St. Joe National Forest: In this case the Government acquired a tract of 149 acres supporting, in addition to a vigorous stand of new growth about 3 inches in diameter, a total of 2,210 M feet b. m. of saw timber, chiefly larch and Douglas fir. This timber is mostly in the 120-year age class, thrifty, and making excellent growth. The tract was acquired in return for 69 M feet b. m. of Government stumpage, or at the ratio of 2 acres plus 32,000 feet of marketable-sized stumpage for each 1,000 feet of timber passed to private ownership.

16. Eugene Best, St. Joe National Forest: The acquired area, all in the Palouse division, is 1,489 acres, of which 980 acres support stands of marketable-sized timber and 509 acres are covered with second growth. The total volume of saw timber is 14,122 M feet b. m., divided as follows: White pine, 1,399 M; yellow pine, 4,033; and mixed, chiefly larch and Douglas fir, 8,690 M. This stumpage has a present market value of at least $6,750. The 509 acres of new-growth lands are comprised of 315 acres of white-pine type, 135 acres of ponderosa pine, and 59 acres of larch and Douglas fir. The young growth mostly is about 30 years old and is in excellent condition. The Best holdings were appraised at $8,776 and were acquired in return for 1,236 M feet b. m. of national-forest stumpage having a sale value of $7,250.

17. Mountain Holdings (Inc.), Roosevelt National Forest: In this exchange the Government acquired 160 acres of good timber-producing lands, containing 1,832 M board feet of timber, land and timber appraised at $1,936, for 40 acres of nontimbered land, appraised at $800, including several possible summer-home sites of ordinary quality. The applicant desired this land to block out its resort holdings. In addition to the 160 acres offered, the applicant gave the Government a much-needed road right of way over its other holdings in that locality.

18. George Robinson, Roosevelt National Forest: In this exchange the Government acquired 1,600 acres, 97 per cent of which is timber producing, containing 5,347 M board feet of merchantable timber, all appraised at $10,084, for selected timber to the value of $3,500.

19. Sternberger estate, Roosevelt National Forest: In this case the Government acquired 640 acres, 94 per cent merchantable timber, containing 8,314 M board feet of timber, appraised at $8,015, for selected timber to the value of $2,560.

20. Colomo Lumber Co., Routt National Forest: From this company the Government obtained 2,966 acres, practically all timber-producing lands of good quality and containing at present, in addition to a good stand of reproduction and young growth, 36,105 M board feet of merchantable timber, appraised at $45,662, plus merchantable poles, $2,50 per acre; total timber value, $52,974. Total appraised value of land (at 57 cents per acre) and timber, $54,642. Selected timber in the amount of 8,500 M board feet, valued at $25,788, was given for this property.

21. H. H. Tompkins, San Isabel National Forest: In this exchange the Government acquired the merchantable timber on the offered lands at 80 cents a thousand, for both saw timber and mine props. A little later about a million board feet of saw timber and about three-quarters of a million linear feet of mine props were sold at $1.75 per thousand board feet for saw timber and $2.25 per thousand linear feet of mine props. Total receipts $3,412. The value of the selected timber was $3,500. There are 542 M board feet of saw timber and 426 M linear feet of mine props still remaining. So that for $88 the Government has obtained this remaining timber, together with 640 acres of good timber-producing land now covered with an excellent stand of reproduction and young growth.

22. F. E. Collier, San Isabel National Forest: The Government acquired 480 acres of good timber-producing land containing 1,406 M board feet of merchantable timber, 18,000 railroad ties, and 486 M linear feet of mine props, in exchange for $1,500 worth of national-forest timber. The timber on the offered land was appraised at 80 cents per M board feet, 73 cents per M linear feet, and 5 cents each for ties. Recently a sale was made of 693 M board feet and 232 M linear feet of this timber at $2.75—a total of $2,485.75. So that the Government is ahead $985.75 in money, 480 acres of timber land well stocked with reproduction and young

growth, 18,000 railroad ties, 713 M board feet merchantable saw timber, and 264 M linear feet of mine props.

23. First National Bank of Walsenberg, San Isabel National Forest: In this exchange, completed in 1927, the Government acquired 160 acres, most of which is good timber-producing land, and about half of which was covered with merchantable timber—407 M board feet, 2,911 railroad ties, and 133 M linear feet of mine props—for national-forest timber valued at $500. Recently a sale was made of 383 M board feet and 93 M linear feet at $2.75 and $2.50 per M, respectively—a total of $1,285.75. The appraised value in the exchange was 45 cents per M board feet, 41 cents per M linear feet, and 5 cents per tie. The Government profits by $785.75 in money, 160 acres of timber-producing land, mostly well stocked with reproduction and young growth, 84 M board feet saw timber, 2,911 railroad ties, and 40 M linear feet of mine props.

24. Standard Oil Co. of California, Tusayan National Forest: In this case, the Standard Oil Co. purchased 800 acres of privately owned cut-over ponderosa-pine lands in scattered tracts in the Tusayan National Forest, carrying seed trees and young growth, and conveyed this 800 acres to the United States in exchange for 1 acre of semidesert national forest land to be used for filling station and warehouse purposes in the outskirts of the city of Superior, on the Crook National Forest.

25. Las Trampas grant, Carson National Forest: This grant, located in northern New Mexico between the Carson and Santa Fe Forests, on the headwaters of the Rio Grande and partly in the woodland type, partly in virgin timber, with a merchantable stand of 55,000,000 feet, was purchased by the George E. Breece Lumber Co. and conveyed to the United States in exchange for approximately 30,000,000 feet of timber on the Cibola National Forest, the selected timber being cut under national-forest supervision in connection with the operator's mill at Albuquerque. The area of the tract is 21,151 acres.

26. Santa Barbara grant, Carson National Forest: The Santa Barbara grant, adjoining the Las Trampas grant, and containing 24,734 acres of high mountain country on the drainage of the Rio Pueblo and Rio Grande, had been cut over in connection with adjoining national forest land under a tie-timber operation and was conveyed to the United States in exchange for other timber on the Santa Fe and Cibola Forests at a value of $55,000. This exchange had the support of the State Fish and Game Association and both Senators from New Mexico, and was made at a value considerably less than might have been secured for the area by the owners in recognition of desirability of this area being placed under national-forest supervision for general public benefit.

27. Magma Copper Co., Coconino National Forest: The Magma Copper Co., with mines near Superior, Ariz., occupying national-forest lands for smelter and other business purposes under permit, purchased 480 acres of timberland on the Coconino National Forest, carrying 4,500,000 feet of merchantable timber, and conveyed the same to the United States for 346 acres of land surrounding the tract in which their smelter and other improvements were located. In this case the Government acquired 480 acres of virgin timberland for 346 acres of cactus and coffee berry.

28. Babbitt Bros. Trading Co., Sitgreaves National Forest: In this case the Forest Service acquired 23,315 acres, partly in the woodland type and partly in merchantable timber, with an estimated stand of 44,347,000 feet of alternate sections on the Sitgreaves National Forest for timber cut under national-forest supervision amounting to 18,652,000 feet.

29. Aztec Land & Cattle Co., Sitgreaves National Forest: The Aztec Land & Cattle Co. is a land-holding company and controlled 84,525 acres on the Sitgreaves National Forest. This was old Santa Fe Pacific land grant and in alternate sections, so that the area consolidated was double that of the exchange. Most of this land was in the juniper type with cover primarily valuable for fuel and fence posts. No value was allowed for the cordwood, estimated to run 600,000 cords. The land is on the headwaters of the Little Colorado River and is valuable grazing land for winter grazing of stock, finding summer range in the timber type of the forest. A small acreage of timberland was involved, carrying a stand of 27,000,000 feet of merchantable timber. The entire area was secured for an exchange for national-forest stumpage amounting to 43,468,000 feet.

30. Eduardo M. Otero, Cibola National Forest: Two exchanges were made with Mr. Otero on an acre-for-acre basis. The lands secured by the Forest Service totaled 5,417 acres in the timber type on the Cibola Forest, partly cut over, but carrying a remaining stand of 3,500,000 feet of timber. These lands had been previously sold at $2.50 an acre and were purchased by Mr. Otero for the purpose of transfer to the Forest Service in exchange for an equal acreage of grassland on the T Bar mesa, within what was then the Datil National Forest, now a part of the Gila. The land acquired by the Government will steadily increase in value as the timber grows. The mesa grassland has no such potential possibilities.

31. El Paso & Rock Island Railroad, Lincoln National Forest: In this case the railroad secured from the Government 27 acres of land on which to build a dam flooding an area already owned by the company for purposes of water storage for water supply for the railroad system and for some seven or eight relatively small communities along the railroad, giving in exchange 240 acres of timber land with 391,000 feet of timber.

32. United Verde Copper Co., Tusayan National Forest: This company gave the United States 160 acres of timberland on the Tusayan National Forest, carrying 837,000 feet of merchantable timber, for 40 acres of grassland in the Verde Valley on the Coconino Forest for use in connection with water development, the water being already appropriated under the State laws.

33. Miners and Merchants Bank of Bisbee, Tusayan National Forest: The Forest Service acquired 32,327 acres of woodland on the Tusayan National Forest in alternate sections and important in connection with grazing control and watershed protection on the Verde drainage for 25,143,000 feet of timber, the offered land carrying a merchantable stand of over 100,000 cords of wood and the deal carrying with it the transfer to the Government of a going contract for the sale of a large part of this wood at a figure which will meet more than half of the values allowed for the transaction.

34. Camp Creek Improvement Co., Tusayan National Forest: The Camp Creek Improvement Co. conveyed 1,916 acres of ponderosa (cut-over) pinelands with seed trees and reproduction to the United States for 1,911 acres of semidesert on the Tonto Forest.

35. State Investment Co.: This case involves timberlands on the head drainages of the Rio Pueblo, flowing into the Rio Grande and the Mora, flowing into the Canadian and Mississippi. It involves 41,397 acres, about half of which is timbered with a merchantable stand of about 195,000,000 feet, the remainder being practically all in the timber type, burned over, but with young growth reproducing timber. The entire holding was secured under special act of Congress for 40,328,000 feet of timber, estimated, and 914 acres of selected lands, the timber to be cut in New Mexico and the selected lands being located in Arizona.

36. Mike Chaco, Sitgreaves National Forest: Mr. Chaco transferred to the Forest Service 5,167 acres in alternate sections, largely timber, with a stand of merchantable timber totaling 47,868,000 feet, for timber cut under Forest Service supervision totalling 8,817,000 feet.

37. Lessen Lumber & Box Co., Lassen National Forest: The proponent transferred to the United States 1,200 acres of carefully logged cut-over lands for 489 M feet yellow-pine national-forest stumpage, which was cut under Forest Service regulations. Here was a case in which the United States acquired 2.45 acres of timber-growing land for each 1,000 feet of selected stumpage.

38. Robert Oxnard, Plumas National Forest: This proponent transferred to the United States 2,240 acres of good-quality cut-over timberlands for 40 acres of land on which he had been maintaining a summer home under special-use permit. Only half of the 40 acres deeded to the proponent was usable land. By this exchange the United States received land in the proportion of 56 acres for one acre.

39. State Teachers College, Lassen and Sierra Forests: In this case the United States received 600 acres of land within which were seven lakes in size from 3 acres to 70 acres, for 40 acres of land adjacent to Huntington Lake suitable for summer-school purposes; a 15 to 1 proposition.

40. Standard Investment Co., Plumas National Forest: This proponent transferred to the United States 240 acres of virgin timberland within 3 miles of a going Forest Service timber-sale operation. There was 11,290 M feet of timber on this land, an average of 47 M feet per acre. In exchange the proponent received 3,056 M feet of national-forest stumpage. By this exchange the Forest Service acquired nearly four times as much stumpage as it gave, and also acquired title to 240 acres of good timber-growing land.

41. A. E. Stegeman, Sequoia National Forest: Here is a case where the proponent gave the United States 240 acres of isolated timberland, with a virgin stand of over 40 M feet per acres for 280 acres of rolling foothill grazing land just within the forest boundary. The selected land adjoined the farming land owned by the proponent, and would be an asset to him. On the other hand, the 240 acres of heavily timbered lands received by the United States were so located as to be unusable by him.

42. Weed Lumber Co., Shasta National Forest: Here is a case where the proponent owned all of the land within several miles of their logging camp except one isolated tract of 27.79 acres of national-forest land. The company wished to acquire this tract also in order to be in a position to absolutely control all business enterprises near their camp. It therefore deeded to the United States in 1924, 2,828 acres of cut-over land for this isolated 27.79 acres. On the land acquired by the United States was 500 M feet of timber; on the selected tract, 50 M feet of timber. Therefore, through this exchange the United States acquired land in the proportion of 100 acres for 1 acre, and 10 M feet of timber for each M feet given. It is interesting to note in this case that within 18 months of the consummation of the exchange the United States had sold from the 2,828 acres it received stumpage to the value of $1,293.57.

43. Mrs. C. H. Morrill, Eldorado National Forest: Mrs. Morrill owned a very fine 160-acre tract of timbered land that had a stand of 9,076 M feet, mainly pine, an average of over 56 M feet per acre. However, this tract was rather isolated and Mrs. Morrill could not harvest the timber or sell it to an operator. Therefore, she deeded it to the United States for 600 M feet of national-forest stumpage appraised at $1,600. By this exchange the United States acquired 15 times as much timber as was given the proponent, and also was deeded 160 acres of highest-quality timber-growing land. On the appraisal basis the timber acquired from Mrs. Morrill actually cost the United States less than 17 cents per M feet b. m.

44. Lincoln Hutchinson, Tahoe National Forest: Mr. Hutchinson deeded to the United States 147.6 acres of land for 37.5 acres. The land acquired by the United States has 1 mile of a main State highway and three-fourths mile of a fine fishing stream

through it. There is also a very fine site immediately adjacent to the highway for a public camp. The 37.5 acres Mr. Hutchinson received is very ordinary quality sidehill, fir-timbered land, but it adjoins a ski-club headquarters and has a special value to Mr. Hutchinson and the other club members for that reason.

45. Sierra Nevada Livestock Co., No. 1, Angeles and Tahoe National Forests: Through this exchange the United States acquired 16,218 acres of cut-over timber land on the Tahoe Forest and a 5-acre ranger-station site with necessary buildings on the Angeles Forest, for 2,091 acres of land on the Angeles Forest. The lands acquired by the proponent were so located in relation to its private holdings that they could be developed in connection with them; but this 2,091 acres was not usable by the public as the proponent controlled all means of access to the land and all of the surface waters thereon. As a result of the exchange the United States acquired eight times as much land, all of which had better timber growing and grazing values.

46. Arrowhead Lake Co., San Bernardino and Sierra National Forests: In this case the proponent needed 120 acres of national-forest land to round out a mountain recreational real-estate development and was willing to pay a good price for it, although it was poor quality timberland. The Arrowhead Lake Co., therefore, transferred to the United States a tract of 200 acres on the San Bernardino Forest which was very desirable for public use, and 1,040 acres of virgin timberland on the Sierra Forest containing a stand of 19,389 M feet of timber. By this exchange the United States acquired 10 acres of land for 1 acre and 100 M feet of timber for 1 M feet.

47. Nonnenmann Estate, Tahoe National Forest: In the exchange with this estate the United States received 11,304 acres of land for 11,504 M feet of national-forest stumpage that was cut under Forest Service timber-sale regulations. This was an average of about 1,000 feet of timber for each acre of land deeded to the United States. However, on the 11,304 acres acquired there was a stand of about 84,000 M feet of virgin timber, so through the exchange the United States received over 7,000 feet of timber for each 1,000 feet given for the land, and got the land in addition. This 11,304 acres is crossed by a fine State highway, is all very accessible, and some of it has a high public-use value.

48. Southern Pacific Land Co., San Bernardino National Forest: This exchange has several angles not found in the average case. The people of Riverside County desired a State park in the San Jacinto district of the San Bernardino National Forest. The land desirable for park purposes was all odd-section land-grant lands owned by the Southern Pacific Land Co., or even sections of national-forest land. Afeter several 3-cornered conferences it was decided that the best, quickest, and cheapest way to accomplish the purpose sought was through a consolidation exchange between the United States and the Southern Pacific Land Co., the State of California then to purchase from the Southern Pacific Land Co. the solid block of land the latter company would acquire through the exchange. As worked out, the United States receives 9,794 acres of land for 6,234 acres, thus will gain 3,560 acres by the exchange. The Southern Pacific Co. has contracted to sell the solid block of 12,695 acres to the State of California for State-park purposes. The result will be that the whole of the main part of the San Jacinto range will be in public ownership, either national forest or State park, and the railroad land-grant holdings will be entirely eliminated from this valuable watershed and recreation area.

49. Piedmont Land & Cattle Co., Santa Barbara National Forest: The Piedmont Land & Cattle Co. have very large holdings of timbered, brush-covered, and open grazing lands, on and near the Monterey district of the Santa Barbara Forest. Scattered through their holdings were tracts of national-forest lands that the company wished to acquire in order to block out its holdings and permit of economical fencing and stock handling. There were 5,614 acres of this scattered land desired by the company. Application was made to acquire this land, the proponent offering in exchange to deed to the United States 1,756 acres of land in the Monterey district and to purchase and deed also such additional acreage of land as the Forest Service believed would make an exchange that would be in the public interest. After the appraisal of the offered and selected lands was made, an agreement was reached as to the value of the additional lands needed to square up the exchange; the proponent requested that the Forest Service furnish a list of the lands that would be acceptable and the price at which they could be acquired. The result was that the proponent purchased 14 parcels of land ranging in acreage from 38.76 to 7,762 acres, deeding to the United States a total of 17,612 acres of land scattered over eight forests in California for the 5,614 acres selected on the Monterey district. This 5,614 acres deeded to the Piedmont Land & Cattle Co. by the United States was mainly brush or grass-covered grazing lands with little timber thereon. Included in the 17,612 acres acquired by the United States is one fine fire lookout point, a desirable fire-guard-station site, several hundred acres of virgin timber land, about 12,000 acres of good-quality cut-over land, and a number of sites that have a high value for public uses, such as camp grounds, etc. There was 3,600 M feet of almost inaccessible redwood timber on one piece of the selected land whereas there was 57,390 M feet of merchantable timber on the land acquired by the United States. In other words, sixteen times as much timber on the land acquired by the United States as there was on the land deeded to the Piedmont Land & Cattle Co. Perhaps the most valuable single parcel acquired by the United States in this exchange was one tract of 155 acres for which the proponent paid $10,000. This tract, which consists of a round meadow of about 40 acres surrounded by pine timber, is a noted feeding place for deer. Anywhere from 40 to 100 or more deer can be seen on the meadow at any time except during the open hunting season.

50. Brooks Scanlon Lumber Co. and Shevlin-Hixon Co., Deschutes National Forest: In these cases a changed policy in logging methods and protection of young growth resulted from the establishment of a schedule of values for cut-over and restocked lands, based on the amount of young growth, number of seed trees, etc. Deschutes County has supported exchange legislation and the exchange policy because of the public benefit accruing. An average of $2.12 per acre in selection timber was granted for the 27,254 acres thus far acquired.

51. Edwin Fallas Co., Wallowa National Forest: In the exchange made with this company in 1926 we received 1,080 acres of yellow-pine type, of which 388 acres were intermingled grasslands, for a total value in selection timber of $8,640. In 1928, 2,378 M feet of timber was cut from one of the tracts, for which $7,172 was paid by the timber operator, this being obtained from 279 acres of the total of 692 timbered acres received. For the remaining $1,468 worth of timber granted we still have 1,080 acres of grazing land worth under present-day conditions around $1 per acre, 4,137 M feet of ponderosa-pine timber on the 413 aces of uncut timberland, and a 20 per cent reserve stand on the cut area.

52. William O. Spencer, Colville National Forest: In this exchange we received 480 acres of restocking white-pine land for 241.73 M feet of timber of the Douglas-fir type, cut from 10 acres in the Snoqualmie Forest.

53. Hammond Lumber Co., Santiam National Forest: In the Hammond Lumber Co. exchange on the Santiam 3,952.04 acres of cut-over land of the Douglas-fir type was obtained in exchange for timber valued at $3,952.04 cut from 62 acres of national-forest land. About one-half of the area had thrifty young growth up to 25 years old; that is, the crop was approximately one-third grown. All was restocking to timber by natural methods. As in the case of many of the second-growth (cut-over) lands being obtained, these lands represent the most accessible and better timber-growing sites; that is, those areas which were accessible and economically possible of profitable exploitation 25 and more years ago.

54. Bloedel-Donovan Lumber Co., Snoqualmie National Forest: An exchange mainly for similar land with the Bloedel-Donovan Lumber Co. on the Snoqualmie forest is still pending. Three thousand one hundred and sixty-six and forty-two hundredths acres are involved, 362 of which had never been cut and contain a stand of 9,323 M feet of merchantable timber, which because of economic conditions had been found impracticable of logging at the time the remainder of the timber was cut. The timber granted consists of 2,046 M feet, worth in cash $6,332.84.

55. Oliver Gollings, Ochoco National Forest: In this case 160 acres of timberland, carrying 2,226 M feet of ponderosa-pine timber, was obtained in exchange for 366 M feet on the Crater of the same species and substantially the same quality, valued at $1,150. The tract acquired is located on a road at the forest entrance and is a key tract, but there is no present demand or market for logs cut from the area. This case is illustrative of many small exchanges made for timbered tracts, inaccessibly located, where private owners have found taxes and other carrying costs practically prohibitive of holding the timber until it might become operative. However, where it is estimated that the timber will have to be held from 20 to 30 years for a market, as is true in many cases, young growth which is one-third to two-thirds grown and can be obtained at a nominal acreage figure undoubtedly represents a better investment for the outlay from a timber-growing standpoint, and has therefore generally received preference when such offers were obtainable.

Number of land exchange cases consummated up to December 31, 1931

State	Number	Land conveyed to the United States		Selected land granted in exchange		Timber granted in exchange	
		Area	Appraised value	Area	Appraised value	Volume	Appraised value
		Acres	*Dollars*	*Acres*	*Dollars*	*M feet b. m.*	*Dollars*
Arizona	24	173,894	303,581	8,864	21,321	109,733	267,004
Arkansas	4	32,945	61,679	146	1,030	7,746	59,580
California	85	175,729	1,414,430	25,671	481,677	216,811	675,308
Colorado	168	75,074	321,602	25,592	64,456	59,099	167,270
Florida	11	55,917	116,562	21,015	42,181	12,514	72,785
Idaho	68	59,897	155,443	538	2,546	19,745	127,368
Michigan	20	136,004	227,733	135,113	198,248	-------	-------
Minnesota	16	2,854	16,983	26	16	2,796	12,825
Montana [1]	87	129,462	263,185	76,929	191,707	24,747	72,942
Nebraska	1	8,960	44,800	8,959	34,793	-------	-------
Nevada	1	3,504	6,728	3,520	6,013	-------	-------
New Mexico	34	68,006	295,161	8,076	14,415	109,427	266,122
North Carolina	1	71	144	1	4	-------	-------
Oregon	178	181,592	1,091,886	44,914	571,274	199,592	434,134
South Dakota	28	8,666	28,276	418	1,916	5,002	19,221
Tennessee	1	14	70	-------	1	-------	-------
Utah	39	29,070	155,175	27,903	145,017	-------	-------
Washington	48	57,269	232,510	967	5,195	85,625	185,627
Wyoming	16	6,172	32,569	1,763	3,299	5,431	17,634
Total	830	1,205,100	4,773,519	390,415	1,796,009	858,268	2,377,820

[1] This does not include the fifth "smoke" exchange, whereby the Government has, since Dec. 31, 1931, secured 24,154 acres from the Anaconda Copper Co. in exchange for 16,884 acres of Government land in the zone of apparent smelter-fume damage.

The following acts of Congress authorize exchanges within the various national forests, August 15, 1932

Date of act	Forest	Authorizes
Mar. 13, 1908 (35 Stat. 43)	Crow Creek National Forest	Land in national forest for public domain military maneuvers.
Feb. 18, 1909 (35 Stat. 626)	Calaveras big trees	Lands in forest for public domain.
Feb. 28, 1911 (36 Stat. 960)	Kansas	Lands within equal area and value (all reconveyed).
Mar. 4, 1911 (36 Stat. 1357)	National forests within Oregon	Lands within.
May 7, 1912 (37 Stat. 108)	Calaveras big trees	Do.
July 25, 1912 (37 Stat. 200)	Paulina	Lands within equal area and value.
Aug. 22, 1912 (37 Stat. 323)	Pecos-Zuni	Timber Pecos for timber and land Zuni (Santa Barbara Pole & Tie Co.).
July 31, 1912 (37 Stat. 241)	State of Michigan	State lands equal area and value (either outside or within national forests).
Apr. 16, 1914 (38 Stat. 345)	Sierra-Stanislaus	Timber and land for land within Yosemite National Park.
May 13, 1914 (38 Stat. 376)	Sierra	Lands within equal area and value.
June 24, 1914 (38 Stat. 387)	Ochoco	Do.
Sept. 8, 1916 (39 Stat. 852)	Whitman	Land within for timber in or near national forest.
July 3, 1916 (39 Stat. 344)	Florida	Equal value.
Sept. 8, 1916 (39 Stat. 846)	Oregon	Do.
Mar. 3, 1917 (39 Stat. 1122)	National forests in Montana	Timber selected in national forests.
Mar. 4, 1921 (41 Stat. 1364)	Carson	Land for equal value land or timber in forest.
Feb. 27, 1921 (41 Stat. 1148)	Montezuma	Equal value land for land or timber in forest or on 320 acres adjoining.
June 5, 1920 (41 Stat. 980)	Sierra	Equal value land for land or timber in forest.
Mar. 4, 1921 (41 Stat. 1366)	Rainier	Do.
June 5, 1920 (41 Stat. 986)	Harney	Land, equal value.
May 20, 1920 (41 Stat. 605)	Oregon	Land for land, equal value, or timber within forest.
Feb. 2, 1922 (42 Stat. 362)	Deschutes	Lands within 6 miles or in forest for lands or timber in any Oregon forests.
Mar. 20, 1922 (42 Stat. 465)	All	General exchange act, land for land or timber in national forest, equal value.
Mar. 8, 1922 (42 Stat. 416)	Malheur	Land for land or timber in forest, equal area.
Sept. 22, 1922 (42 Stat. 1036)	Wenatchee, Olympic, Snoqualmie	Lands outside for lands or timber within, equal value.
Dec. 20, 1921 (42 Stat. 350)	Rainier	Lands for land or timber within forest, equal value.
Feb. 14, 1923 (42 Stat. 1245)	Lincoln	Lands in forest for lands outside, equal value.
Sept. 22, 1922 (42 Stat. 1017)	All	Land deeded to United States under act June 4, 1897, base of new selections outside forests.
Sept. 22, 1922 (42 Stat. 1018)	State of Idaho	School lands in forests for certain lands outside.
Mar. 3, 1925 (43 Stat. 1117)	Custer	Reservation coal offered lands.
Feb. 20, 1925 (43 Stat. 952)	Plumas, Eldorado, Stanislaus, Shasta, Tahoe	Lands outside national forests for lands or timber within, equal value.
Feb. 28, 1925 (43 Stat. 1079)	Mount Hood	Do.
Mar. 4, 1925 (43 Stat. 1279)	Umatilla, Wallowa, Whitman	Lands outside national forest for lands or timber under act Mar. 20, 1922.
Feb. 28, 1925 (43 Stat. 1090)	All	Reservation of mineral, timber, etc., under act Mar. 20, 1922.
June 7, 1924 (43 Stat. 643)	Forests in New Mexico	Private lands in Las Trampas grant for timber of equal value in any forest in New Mexico.
Jan. 12, 1925 (43 Stat. 739)	do	Private lands in Santa Barbara grant for timber of equal value in any forest in New Mexico.
Feb. 28, 1925 (43 Stat. 1074)	Snoqualmie	Lands outside for lands or timber within forest under act Mar. 20, 1922.
Mar. 3, 1925 (43 Stat. 1215)	All	Provisions of general exchange act extended to lands acquired under weeks law.
Mar. 4, 1925 (43 Stat. 1282)	Whitman	Lands outside for land or timber within forest under act Mar. 20, 1922.
Apr. 21, 1926 (44 Stat. 303)	All forests in New Mexico and Arizona	Lands within Mora grant for lands or timber within forests.
May 26, 1926 (44 Stat. 655)	Absaroka, Gallatin	Private lands within for lands or timber within forests.
June 15, 1926 (44 Stat. 746)	National forests in New Mexico	State-owned lands within forests for lands in forests or public domain.
Mar. 3, 1927 (44 Stat. 1378)	Arapaho	Lands outside for national-forest land or timber.
Mar. 4, 1927 (44 Stat. 1412)	Colville	Do.
Feb. 15, 1927 (44 Stat. 1099)	Black Hills and Harney	Lands within 5 miles for national-forest land or timber.
Mar. 2, 1927 (44 Stat. 1262)	State of Oregon	Select revested Oregon and California land in lieu school sections in national forests.
Apr. 16, 1928 (45 Stat. 431)	Carson, Manzano, Santa Fe	Lands within private land grants.
Apr. 23, 1928 (45 Stat. 450)	Crater	Lands within 6 miles of national forest.
Apr. 10, 1928 (45 Stat. 415)	Challis, Sawtooth	Certain described lands outside national forest.
Mar. 26, 1928 (45 Stat. 370)	Manti	Lands outside national forest.
May 17, 1928 (45 Stat. 598)	Missoula	Certain described lands outside national forest.
Jan. 30, 1929 (45 Stat. 1145)	Montana	Lands within 6 miles of national forest.
Feb. 7, 1929 (45 Stat. 1154)	Lincoln	Lands within national forests for public domain.
Feb. 25, 1932 (Public No. 43)	Cache	Certain described lands outside national forest.
May 14, 1930 (46 Stat. 278)	Fremont	Lands in certain described townships outside national forest.
June 30, 1932 (Public No. 226)	Siuslaw	Extended to lands in township 12 south, ranges 6 and 7 west.

The following acts authorize exchanges with private parties: July 15, 1912 (37 Stat. 192), Black Hills, Harney, John L. Baird; May 14, 1914 (38 Stat. 377), Cache, Joseph Hodges; July 28, 1914 (38 Stat. 556), Fishlake, Salina Land & Grazing Co.; February 17, 1917 (39 Stat. 922), Cache, Aquila Nebeker; July 3, 1916 (39 Stat. 340), Powell, Sevier, John L. Sevy; February 28, 1919 (40 Stat. 1204), Cache, James E. Hauser, William H. Stewart, Isaac P. Stewart; February 28, 1919 (40 Stat. 1209), Cache, C. Bolling, F. Zollinger, jr., Conrad Alder, Robert Murdock; June 4, 1920 (41 Stat. 757), Colorado, John Zimmerman; January 7, 1921 (41 Stat. 1087), Sevier, Henry Blackburn; February 7, 1921 (Public, 333), San Isabel, A. A. Bruce; December 30, 1919 (Private, 12), Powell, Sevier, Thomas Sevy; April 11, 1922 (42 Stat. 493), Tahoe, William Kent; April 13, 1926 (44 Stat. 248), Medicine Bow, Leo Sheep Co. (selected land outside).

The CHAIRMAN. The time of the gentleman from Montana has again expired.

Mr. LEAVITT. I thank the House for its attention.

Mr. HASTINGS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, we hear the word "economy" used many times each day on the floor of this House. I think the taxpayers of the country will commend us for making progress toward putting our words into effect; and yet it seems to me as a bit of inconsistency that about as fast as this House practices rigid economy some department of the Government, through either departmental or Executive order, will destroy a large amount of the economy that Congress has practiced.

I refer especially to an order now issued by the War Department—and to become effective January 1—for the abandonment of certain Army posts throughout the country. Let it be understood in the beginning that I am in sympathy with the general purpose of that order, provided it is equally, fairly, and justly applied to all Army posts throughout the country.

It will be recalled that in the legislative appropriation act which was passed this year, approved June 30, 1932, section 315, Public, No. 212, there appears this language:

> The President is authorized during the fiscal year ending June 30, 1933, to restrict the transfer of officers and enlisted men of the military and naval forces from one post or station to another post or station to the greatest extent consistent with the public necessity.

Now, what I complain about is that without the suggestion, approval, or consent of Congress, or any of its committees, the War Department issues an arbitrary order for the abandonment of established posts. I shall not take much of your time to recount a lot of the history of the post to which I refer, Fort D. A. Russell, at Marfa, Tex., but may I remind you of this, because you will recall it, that in 1915 Pancho Villa crossed the Mexican border and came into the little town of Columbus, N. Mex., and wrote the most uncomplimentary page in the history of our great American Army. He killed American citizens, stole the horses of the American Army, burned the town, and went back to Mexico, chased by our own great General Pershing but never caught. That alarm spread all along the Mexican border, and very properly so. Shortly thereafter, opposite the town of Marfa, Tex., which is known as the Big Bend country there was another raid, in the locality of what is known as the Brite Ranch, where a number of American citizens were killed. There have been in the last 15 years a

number of raids along that section of the Mexican border. That part of the country on both sides of the Mexican border has for a long time been the rendezvous for outlaws and Mexican revolutionists.

In order to furnish proper protection to the people of Marfa and the Big Bend country of Texas the War Department in its wisdom sent a regiment of soldiers there and established what they were pleased to call Camp Marfa, but later, realizing the importance of that section for a military post, on December 11, 1929, the War Department issued this order, and I quote verbatim:

> Camp Marfa announced as a permanent military post and designated as Fort D. A. Russell under the provisions of paragraph 3–P–AR–17010), the reservation now known as Camp Marfa, Tex., is hereby announced as a permanent military post, and will on and after January 1, 1930, be designated as Fort D. A. Russell in honor of Brig. Gen. D. A. Russell, United States Volunteers, who was killed at the Battle of Winchester, September 19, 1864.

You will recall, Mr. Chairman, that the name of the post at Cheyenne, Wyo., which for many years carried the name of Fort D. A. Russell, was after the death of the late Senator Warren changed to Fort Warren and Camp Marfa was changed to Fort D. A. Russell and made a permanent post.

I am not talking about the military policy involved, because the Army is not my profession and I am not an expert in such matters. I do contend that soldiers are needed more on the Mexican border than anywhere else. I am a friend of the Army. I believe absolutely in adequate preparedness. As a citizen and public official I have actively supported the Army. I am now talking about the economy and business side of this question.

The 4,000 people at Marfa and in the Big Bend of Texas never asked for the establishment of an Army post there, but after it was established and made permanent they relied upon the good faith of their Uncle Sam, paved their streets, extended their water mains, gave or leased the Government land, and built a modern hotel. A regiment of Cavalry is now there. The men live decently and economically, and now the War Department, without the consultation or approval of any committee of Congress, much less the House Committee on Military Affairs or the Senate Committee on Military Affairs, issues an arbitrary order that the post shall be just wiped off the map and those soldiers transported right now, on January 1, to Camp Knox, Ky., which was an old cantonment during the war. At times the conduct of the Army indicates they do not want friends in Congress.

Let me say this, too: That the Government, after the order establishing it as a permanent post, acquired 435 acres of land; they erected 154 permanent buildings and 26 temporary buildings, or a total of 180 buildings; they built officers' quarters, barracks, married and enlisted men's quarters, stables, garages, a mess hall, filling station, blacksmith shop, saddle shop, bakery, laundry, fire station, and hospital; they spent there more than a million dollars of the taxpayers' money. Not only that, but only last year, out of an appropriation by a previous Congress, they put in new waterworks and new plumbing in the officers' quarters, and now, without consulting anybody in Congress, they say: We will move these troops 2,000 miles to the interior at a cost, I venture to say, of $75,000 or $100,000, as well as breaking faith with the people of that little city and that border country.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. Have they actually begun the movement?

Mr. THOMASON. The order is that they shall be moved by the first day of next month. I have offered in the House to-day a resolution requesting the Secretary of War to rescind or postpone the order until the facts are investigated and some policy can be established about this matter. The Senators and Congressmen from Texas, Arizona, and other States have begged the War Department to stay the order. The Legislature of Texas and thousands of citizens have plead in vain.

Talk about economy! Why, this does not take a single man off the pay roll. It increases rather than decreases governmental expenses. All they propose to do is to take these soldiers 2,000 miles to an old war-time cantonment up in Kentucky. I know the Mexican border, and protection is needed there. There is neither wisdom or economy in such a move at this time. I am friendly to the Mexican people. As a citizen and public official for a good many years along the Mexican border, I know many of their high officials and hold them in high esteem. I also know there is a band of revolutionists plying all the time along the Rio Grande in the State of Chihuahua, who constitute a threat to the peace and happiness of the people along that border, and this very post at Marfa has been a stabilizing influence for international friendship and good will. The officers of this very regiment of Cavalry very frequently play polo with the officers of the Mexican army who come up from Chihuahua City.

So what is to be gained by such action at this time? The Army belongs to the taxpayers. It ought to be the servant and not the master of the people. I grant you that under the Constitution the President and the War Department have the right to move troops anywhere they please, and that is as it should be; but in times of peace why be taking these soldiers and transporting them at large expense 2,000 miles to the interior of the country when if they are needed anywhere it is along that border? With the exception of Fort Bliss and Fort Huachuca there will not be another post left between San Diego and Brownsville, Tex., a distance of about 1,300 miles. If the War Department wants to experiment on mechanization, why not get its troops from the vicinity of Camp Knox, where there are several Army posts?

Let me call your further attention to this order. When the order of abandonment came out there were, I think, 53 posts on the list, and many of my colleagues did not object to abandonment of posts in their districts. In the list was also Fort Brown, the post at Brownsville, Tex. The War Department only in April this year wrote a high official of this Government as follows:

> Fort Brown, Brownsville, Tex., is scheduled to be abandoned, and I think you will agree it should be if you will take the time to investigate all facts concerning this small post. As a matter of fact, during its history it has been scheduled for abandonment many times.

Yet, about a week ago, with Fort Brown on the list, that order, I understand, was rescinded. I do not know why, but it is a strange coincidence to me that it happens to be the home of a very good friend of mine, a former roommate at the University of Texas, Hon. R. B. CREAGER, Republican national committeeman from Texas. I rejoice that my good friend and the people of Brownsville have saved their post, but I fail to understand or appreciate the discrimination. Of course, I hope that politics has not crept into the matter. I trust I am not to be punished because of any animus toward me or one of the Senators from Texas who has expressed himself quite forcibly on the subject. I want this question determined alone upon its merits. I only ask that all be treated alike, having in mind the wisest military policy, and also the practice of rigid economy in these strenuous times.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. TAYLOR of Tennessee. What excuse does the War Department assign?

Mr. THOMASON. Only that they want to mechanize the Army. They propose to do away with the First Cavalry of the United States, a regiment famous on the battlefield and also in song and story. And this in the face of the recent annual report of the Chief of Staff, who praises the Cavalry and says that some is necessary. Trucks could not invade or airplanes land in the Big Bend country of Texas. There is no rougher terrain anywhere and it requires horses to get over that country if bandits or revolutionists are to be

apprehended. It requires cavalry to hold the ground after it is once taken.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. RICH. If they move these troops from the Texas border, where you say they have barracks already constructed to take care of them, built at the expense of a million dollars, what is going to be the cost to the Federal Government to house them in the new location?

Mr. THOMASON. Why, I make this prediction, my friends, and I call upon the Appropriations Committee to watch it with a careful eye. It will not be a year before they will be here asking an appropriation of $1,000,000 to improve Camp Knox, Ky., and make a bat roost out of Fort Russell. There is no economy in it. The War Department is neither fair nor just about the matter. They punish me and my people and reward others. No harm can come by a delay of three months. Let the next administration fully investigate the merits of all Army posts and agree on a policy that will have the approval of Congress and the taxpayers.

Mr. RICH. In the gentleman's inquiry to the Army officials, so far as expenses were concerned, did they give you any satisfaction?

Mr. THOMASON. Their excuse is that they want to mechanize this regiment by sending it to Camp Knox, Ky. If they want to mechanize, and that is the proper thing to do, why not mechanize it there where they already have a permanent post?

I undertake to say that the House Committee on Military Affairs, of which I happen to be a member—and I do not speak for them officially, but from expressions of many of the members to me—would never approve of such a course. I undertake to say that the Senate Committee on Military Affairs would not approve of this, because the ranking Democrat on the committee and the next chairman of the committee, is Senator SHEPPARD, who has pleaded with the War Department to hold this order up until the new administration comes in, so that the Congress can map out a general policy.

Mr. MAY. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. Being from Kentucky and a member of the House Military Affairs Committee and chairman of the subcommittee that has jurisdiction of these Army posts, and knowing the importance of guarding the Ohio River between Indiana, Ohio, and Kentucky, I am just wondering if the gentleman from Texas would not find some relief in a bill before the House, to be referred to that committee, to determine whether it is more important to guard the Ohio River than it is to guard 1,300 miles of Mexican border with a dangerous Mexican element just across the river.

Mr. THOMASON. I thank my friend from Kentucky. My colleagues from that State have let me know they are not asking for these troops. They do not want to see my people punished or an injustice done. The people of Marfa and the Big Bend country have but one industry, and that is cattle. Most of them are broke. The merchants of the town are dependent largely upon the Army pay roll. They are a proud people who pioneered along the border and in the great Southwest. They do not want to ask for relief loans from the Reconstruction Finance Corporation, but that may be the only recourse left.

I have to-day introduced a resolution, which has been referred to the Committee on Military Affairs, requesting that the troops at Fort Russell be retained there at least for the present, and that the order of transfer to Camp Knox, Ky., be rescinded. I hope for early and favorable action from the committee. Many Members on both sides of the House have assured me they are in sympathy with my position. No harm can be done by a little delay. I am sure the Secretary of War is responsive to the wishes of Congress. No troops have yet been moved. The only thing necessary to be done is to wire the corps area commander at San Antonio, holding up the order. I believe I know the wishes of this House, and I trust to the fairness of the Secretary of War to hold up the order of removal until the committee can pass upon the merits. [Applause.]

[Here the gavel fell.]

Mr. MURPHY. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. DE PRIEST].

Mr. DE PRIEST. Mr. Chairman, I wish to discuss with the Members of the House this morning an item that will be up in the Interior Department appropriation bill in regard to Howard University.

Howard University was established some years ago for the express purpose of giving those of my group an opportunity for a higher education. This Government has been appropriating money for several years to help rebuild the institution and to pay some of the educational expenses. During the great economy wave of the last two years there have been no appropriations made for new buildings, but an emergency has arisen now whereby, carrying out the 20-year building program, it is necessary to build a new power plant to generate heat and electricity for the institution.

The Bureau of the Budget, in the first session of the Seventy-second Congress, recommended an appropriation for this purpose. The Bureau of the Budget, when the first estimates came up this year, also made this recommendation but changed it later on, and the bill as now proposed does not carry any appropriation for the building of a power plant.

The present plant is inadequate and antiquated. It is overloaded at the present time. There are two buildings now under construction that will be finished next fall and, if there is not a new power plant constructed, these buildings can not be occupied when they are finished, because the present facilities for heat and light are thoroughly inadequate.

I am going to ask the Members of the House, when the bill comes up—and it will be on its second reading in a few days—to assist me in putting through an amendment to build an emergency power plant.

I appreciate the economic condition the Government is in, but it does seem to me we would be penny-wise and pound-foolish to spend money there constructing new buildings and not provide heat and light for them, as the present plant absolutely can not do the work, as we will show you by a letter from the Bureau of Mines stating the conditions, checking the cost, and showing that this money is absolutely necessary to take care of an emergency now existing.

I want to recite to you a few of the buildings that the Government has taken part in helping to construct there. This Congress ought to know that we have expended and it has contributed to and assisted this institution to the tune of $3,612,000 up to this time. You also authorized in the Seventy-first Congress an appropriation of $400,000 with an additional authorization of $400,000 to build a new library building. This we are not asking for now. Knowing the situation as we do, we do not think the Government is able to carry on any new building program there except in providing for those things that are an emergency and call for immediate action.

I want to read you some of the activities the Government has put there:

Science hall, built in 1909, at an expense of $85,000.

Manual arts building, in 1910, at an expense of $25,000.

Dining hall, built in 1920, at an expense of $201,000.

The gymnasium and athletic field, in 1925, at a cost of $197,500.

The medical school, in 1927, at an expense of $370,000.

Women's dormitory, in 1929 and 1930, at an expense of $729,000.

Chemistry building, in 1929—and this is one of the new buildings to be finished next fall—$390,000.

Educational classroom building, which is one of the buildings to be finished next fall, at an expense of $460,000.

In 1931 we appropriated $225,000 to build a tunnel for distributing heat and light, and this work is almost finished and was built to connect up with the proposed power and light plant.

On emergency construction we spent $200,000 last year to create employment for the unemployed of Washington, beautifying the grounds and terracing the grounds just back of where the administration building now stands.

No matter what happens, Howard University must have at least a heating plant ready by the beginning of the heating season, October 1, 1933, or else the chemistry building and educational classroom building, which will be completed by that date, will be without heat, and therefore not possible of use. Such a heating plant alone, without the generating equipment, would cost $370,000; but it should be distinctly understood that in addition to this $370,000 there will have to be an immediate appropriation of a minimum of $40,000 to take care of the item of changing over direct-current wiring and equipment of Howard University and Freedmen's Hospital so that alternating current could be used. There must, therefore, be a minimum outlay of at least $410,000 to solve this problem. The Bureau of Mines has officially certified, under the date of November 30, 1932, that there will be a yearly saving of from seven to eight thousand dollars if the university generates its current in its own power plant, instead of purchasing the same from public-utility sources. It may therefore be seen clearly that if the $460,000 is made available for the construction and equipment of the power plant, including the generating equipment, that in a period of seven years all the added cost of the generating equipment—$50,000, when it is understood that $40,000 must be appropriated to change over the equipment from direct to alternating—will have been refunded by yearly savings and thereafter there will be a clear yearly saving of from $6,000 to $7,000 by reason of this current being generated, if the load on the plant does not increase over and above the present load. It is certain that the load will be increased over the present load by two additional buildings to be completed by October 1, 1933, and that this load will be further materially increased to 4,000 horsepower in the future by the construction of the following buildings: Library, the college of liberal arts, the college of fine arts, the school of law, the greenhouse, the biology building, the combined auditorium, conservatory of music and union building, the men's dormitory, the armory, and the administration building.

I may say to you that the members of the subcommittee are all favorable to these improvements, but they have made no provision for them because of economic conditions, and I want to pay my respects to Mr. MURPHY and Mr. FRENCH and Mr. Cramton, if you please, an ex-Member of this House, and Mr. TAYLOR of Colorado, and other members of the committee for the efficient work they have done to promote educational work at this institution. All of them have been loyal supporters of the institution, and I also wish to express my regret that Mr. FRENCH and Mr. MURPHY will be out of the next Congress. Howard University is losing two of its best friends. They lost one friend in Mr. Cramton, and we are now losing two more through the unwise action of the people of their districts in not appreciating the very best of talent possible.

I want to submit and have the Clerk read the letters just received from the Bureau of Mines, showing the necessity for these buildings in answer to a letter written by the architect of Howard University, Mr. Cassell, showing you it is more economical for the university to furnish its own heat and power than it is to purchase it from the utility interests in Washington.

I understand there has been some effort on the part of the public utilities of Washington to control the heating and light system up there. I wish to say further that the report of the Bureau of Mines shows that it is more economical to furnish their own light and power than to purchase it from the utilities of Washington.

Mr. MOUSER. Will the gentleman yield?

Mr. DE PRIEST. I yield.

Mr. MOUSER. I want to say that I know of no institution that is doing more for the colored race than Howard University. It is a great training school for professional men of the gentleman's race. I have a profound respect for the gentleman who is representing his race, and I am in favor of giving them this power plant which will enable them to furnish their heat and light. Can the gentleman state the cost of this power plant which will permit Howard University to furnish its own heat and light?

Mr. MURPHY. It will cost about $460,000.

Mr. MOUSER. Is there any conflict with the utility interests of Washington, that they may capitalize the Government expenditure for light and heat? Of course, I know that the gentleman mentioned by the gentleman from Illinois and the members of the subcommittee have no such intent, but it seems to me, in view of the interest and obligation the Government has assumed for the colored race, that it would be the proper thing to construct this plant. I hope the gentleman will offer an amendment for that purpose.

Mr. MURPHY. I want to say that the power and heating plant will cost $460,000.

Mr. FRENCH. Will the gentleman yield?

Mr. DE PRIEST. I yield.

Mr. FRENCH. I should say that the members of the subcommittee did not omit this item through any wish of their own. It did not come to Congress from the Bureau of the Budget. Personally, I think the provision recommended by the gentleman ought to be carried through and that we ought to appropriate for a heating system that will cost $460,000. The gentleman from Ohio asked if any effort were being made by the public utilities of Washington to block it. I know of no such effort. It has been stated that if this facility may not be provided for we could hook up with the Potomac Electric Power Co. and obtain power and light. But I question the wisdom of that, because it would take from two to six months to install the adequate machinery, and it would require an expenditure of money of approximately $50,000 for the purchase of the same. So, then, if an emergency should occur, if there should be a breakdown, it would take two to six months before the equipment could be changed, not speaking of cost to do the work.

Mr. MOUSER. I am glad the gentleman from the committee has clarified the record as far as the utilities of Washington are concerned. I meant no reflection on them. However, this is a very important matter, and I therefore made the inquiry. I am pleased to hear the members of the subcommittee say that they are in favor of the gentleman's proposition, and I hope the gentleman will offer his amendment and that it will be adopted.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. DE PRIEST. I yield.

Mr. MORTON D. HULL. I would like to ask the gentleman from Idaho if he has an estimate of the cost of coupling up with the public utilities?

Mr. FRENCH. It would cost about $50,000.

Mr. MORTON D. HULL. Which would be lost after the later development for the heating plant?

Mr. FRENCH. Yes, that is correct; and besides that it would mean two to six months before the work could be accomplished.

Mr. MORTON D. HULL. Is it desirable to have the Government public utilities as well as the private plant?

Mr. FRENCH. That is not necessary at all, if we provide the facilities.

Mr. DE PRIEST. Let me say that the present old building has the direct-current electrical system. If the public utilities should furnish the power the building would have to be rewired to an alternating system which would cost $40,000.

Mr. FRENCH. And then to supply the present load, the present plant is functioning 50 per cent more than it was intended to function.

Mr. DE PRIEST. That is correct.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. DE PRIEST. Yes.

Mr. GARBER. Will the gentleman from Idaho inform the members of the committee whether or not hearings were held on this important question and the facts developed?

Mr. FRENCH. Yes.

Mr. GARBER. I think it would be a great waste to permit new public buildings to remain without power and heat and light.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. DE PRIEST. Yes.

Mr. HASTINGS. I think it ought to be said here, so that the membership of the House can have all of the facts while this item is being discussed, that originally an estimate was made by the Bureau of the Budget of $460,000 for this heat, light, and power plant, but upon reconsideration the Bureau of the Budget withdrew the recommendation of that amount.

Mr. DE PRIEST. That is correct.

Mr. HASTINGS. And that is the reason why the subcommittee first and then later the full committee did not feel justified in permitting this new construction, after it had been reconsidered by the Bureau of the Budget and then withdrawn.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MURPHY. I yield the gentleman five minutes more.

Mr. MOUSER. Mr. Chairman, will the gentleman yield?

Mr. DE PRIEST. Yes.

Mr. MOUSER. May I ask the gentleman from Oklahoma this question: Assuming that the statement of the gentleman from Illinois [Mr. DE PRIEST] is correct and he is fully acquainted with the provisions made for Howard University, that there are two new buildings there that will be ready for occupancy before the Congress can again appropriate, assuming that there is no special session, does not the gentleman believe that the expenditure of $460,000 is worth while to make those buildings, which are educational buildings, ready for occupancy, and that it is false economy to spend hundreds of thousands of dollars in building them and permit them to remain vacant without heat or light?

Mr. HASTINGS. All those facts were before the subcommittee, and they were considered by the subcommittee, but, as I stated a moment ago, in view of the fact that after additional and further consideration by the Bureau of the Budget the item for the construction of this plant was withdrawn, the subcommittee did not feel justified in putting it into the bill.

Mr. MOUSER. We have heard from two gentlemen here, Mr. FRENCH and Mr. MURPHY, who state that in their opinion, and they are members of the subcommittee, this item should be included. I am wondering what the attitude of the gentleman from Oklahoma is.

Mr. HASTINGS. If the gentleman will bear with me a moment, the members of this subcommittee think there should be a great deal of new construction at various places, at various schools throughout the entire United States, and they look with favor upon a good many of these items as meritorious, but here is a time when we are called upon to pare every appropriation bill down to the bone, to cut every appropriation that can be cut, and we are advised that we should stay within the Budget estimate. Now, inasmuch as the Bureau of the Budget here in Washington, which has facilities for making an investigation of the urgency of the need of this heat, light, and power plant, has withdrawn it after a further investigation, the committee felt that we would be justified in letting it go over for another year.

Mr. MOUSER. I do not believe that my question has been specifically answered. I have heard the distinguished gentleman from Oklahoma get up on this floor, with the great ability that he possesses, and fight strenuously for appropriations for Indian schools, indicating a desire to be of service to the people of his State and his district. I wonder if the gentleman can in his mind think of any difference between a school for the education of the colored people of the country, training them for professional life, and a school for the Indians?

Mr. HASTINGS. The gentleman from Oklahoma has every sympathy for this institution, and he has shown no prejudice against it. He is not prejudiced against any reasonable appropriation for Howard University. In further answer to the gentleman's inquiry, about appropriations for Indian schools, yes—in days gone by, when the Treasury was full, we did make appropriations, and we felt justified in making larger expenditures on Howard University and on Indian schools and Indian school buildings; but let me say to the gentleman that he can scan this bill from cover to cover and he will not find a single item of new construction for any Indian school throughout the entire United States this year, but that is not because in our judgment we think they are not needed.

Mr. MOUSER. I know the gentleman to be a broad-minded gentleman, but does he not agree with the minority members of the subcommittee that it is false economy not to spend the $460,000 to light the institutions or buildings which are under construction and permit them to be unoccupied this year?

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MURPHY. Mr. Chairman, I yield two minutes more to the gentleman from Illinois.

Mr. MANLOVE. Mr. Chairman, in view of the fact that so much of the gentleman's time has been taken, would it not be possible to yield the gentleman five minutes in order that he can conclude his argument?

Mr. DE PRIEST. Mr. Chairman, I wish to state further that we found out on investigation that the Government through Howard University can manufacture and furnish electricity at 4.9 mills per kilowatt-hour, while the utility firms would charge 6 mills per kilowatt-hour. Not only that, but the schools of this country where those of our race can go are very limited in number as compared to the schools for the rest of the people. These boys taking the engineering course up there will have a practical school to go to where they can get the practical as well as the theoretical knowledge about power and light and heat.

It has some value along that line in addition.

I wish to ask unanimous consent to place in the RECORD at this point a letter from the architect at Howard University, addressed to the Bureau of Mines.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The letter referred to is as follows:

HOWARD UNIVERSITY,
Washington, D. C., November 29, 1932.

DIRECTOR BUREAU OF MINES,
Department of Commerce, Washington, D. C.
(Attention: Mr. J. F. Barkley, supervising engineer fuel economy service.)

DEAR SIR: In connection with the efforts of Howard University to secure adequate power-plant facilities this year before we encounter a condition beginning October, 1933, where we will not be able to heat the two additional buildings which will be erected by that time, I have prepared the within rebuttal of the Potomac Electric Power Co.'s arguments as set forth in their detailed 23-page survey, issued without date, but available for the past three months, which rebuttal shows that the university can, at present and for the future, generate and distribute its own current much more economically than it can purchase the same from the Potomac Electric Power Co.

I will thank you to review this rebuttal and to write me on the following points:

First. Verification of the fact that the Bureau of Mines has carefully checked the three sets of surveys which have been prepared covering the heat, light, and power situation at Howard University and Freedmen's Hospital during the past three years and has arrived at $440,000 as being the minimum sum required at this time to erect a suitable power plant.

Second. Verification of our statement that the power plant is an emergency need at the present and should be provided and ready for operation before the beginning of the next heating season, October, 1933.

Third. Verification of the fact that no less than $40,000 would be necessary if the university and Freedmen's Hospital were to use public-utility (alternating) current.

Fourth. Checking and verifying of our rebuttal of the Potomac Electric Power Co.'s survey, in which we show that it is now and will—with future increase of load—be much more economical for Howard University and Freedmen's Hospital to generate and distribute their own electric power.

Analysis of Potomac Electric Power Co.'s survey

To purchase current as quoted by Potomac Electric Power Co	$13,905.43
1. This $13,905.43 Pepco figure is based on a proposed schedule for future approval of Public Utilities Commission supposed to take effect January 1, 1933.	
1–A. If current is purchased capital expenditures as follows must be made:	
(a) To replace present D. C. equipment in Freedmen's Hospital	20,000.00
This is conservative—being $9,000 less than Pepco's own figure.	
(b) To replace present D. C. equipment, wiring, etc., at Howard University	20,000.00
	40,000.00
This figure a very conservative estimate of Howard University's load of extent greater by 10 times than Freedmen's.	
Annuity on this $40,000.00 at 8 per cent	3,200.00
This $3,200 added to $13,905.43 (Pepco's figure for yearly cost of current) gives $17,105.43 as real cost of Pepco current per year. It should be understood, therefore, that if current is to be purchased, while approximately $90,057 may be cut off of $460,000 appropriation for heat, light, and power plant, from $40,000 to $50,000 will have to be immediately appropriated for replacing D. C. current equipment at Howard University and Freedmen's Hospital, wiring, etc.	
2. But the cost of current yearly, under Pepco's existing schedule would be $15,241 and not $13,905.43; and to this $15,241 must be added the annuity cost of $3,200, making a total of $18,441 per year.	
3. The additional cost to be added to the regular operating cost of heating, if current is made instead of purchased, is as follows:	
Labor (engineer on watch attends generators)	
Supplies and maintenance	1,000.00
Higher by double than Pepco's own figure.	
Fuel (approximately 700 tons of coal, at $4.50 a ton)	3,150.00
	4,150.00
Annuity on building, at $0.047, and equipment, at $0.080	[1] 6,326.00
Total additional cost for generating current	10,476.00
4. The additional capital expenditure necessary to produce current is:	
Building	26,656.00
Equipment	63,401.00
	90,057.00
5. The annuity on building at rate $0.047	1,253.00
The annuity on equipment at rate $0.080	5,073.00
	6,326.00

Sixth. The $10,476 per year, the total additional cost involved in making current—subtracted from $17,105.43—(See 1–A) the total yearly expenditure involved in purchasing current, gives a yearly saving of $6,629.43 in favor of making current when the hope-for and nonexisting schedule is used as a basis of figures, and a saving of $7,964.43 per year in favor of making current when the existing Pepco schedule is used as a basis.

Therefore, if the load on the new plant did not increase, six years' operation on the basis of the plant making its own current would refund the $40,000 additional initial appropriation necessary to make current; and thereafter there would be a clear yearly saving of at least $6,629.43 in making current.

Considering the cost of current on the basis of yearly appropriations it would be necessary to appropriate about $14,000 yearly for the operation of the plant if current were purchased, and only about $4,200 per year if current were made.

Seventh. For any future increase of load the cost of current would be only for supplies, maintenance, repairs, and fuel, which is costing $4,150, 1,014,300 kilowatts (Pepco's own consumption figure), equals 0.409 mill per kilowatt-hour.

Eighth. The lowest step on Pepco's schedule for energy, no matter how much is used, is 0.6000 mill per kilowatt-hour. This means that any future increase in load at Howard University and Freedmen's Hospital would result in greater savings in making current, this saving amounting to (0.6000 minus 0.409) 0.1908 for every kilowatt-hour produced.

Ninth. Any one item or all items in any of the above statements that had to be estimated from engineering and architectural calculations could not be in error in sufficient amount to affect the final decision.

Respectfully submitted.

ALBERT I. CASSELL,
Architect for Howard University.

[1] See No. 5 below.

Mr. DE PRIEST. I also ask unanimous consent to insert at this point a letter in answer to the letter above referred to, from Scott Turner, of the Bureau of Mines.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The letter referred to is as follows:

UNITED STATES DEPARTMENT OF COMMERCE,
BUREAU OF MINES,
Washington, November 30, 1932.

Mr. ALBERT I. CASSELL,
Architect for Howard University,
Washington, D. C.

DEAR SIR: Your letter dated Washington, D. C., November 29, regarding statements and calculations covering the proposed power plant for Howard University and Freedmen's Hospital, has been received.

The Bureau of Mines has checked the various surveys made and has arrived at $460,000 as the minimum sum required at this time for a power plant; it is considered that an emergency need is involved; at least $40,000 would be needed to change over the group of buildings to be able to use alternating current; a study of the calculations submitted shows them to be essentially correct.

Yours faithfully,

SCOTT TURNER, *Director.*

Mr. DE PRIEST. Also a letter from C. M. Marsh, director of the Potomac Electric Power Co., showing that the school can manufacture and render to the institution cheaper power and light than the public-utilities company can.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The letter referred to is as follows:

POTOMAC ELECTRIC POWER CO.,
Washington, D. C., November 18, 1930.

HOWARD UNIVERSITY,
Washington, D. C.
(Attention: Mr. A. I. Cassell.)

GENTLEMEN: We have worked in conjunction with Maj. E. A. Hind in his study of the conditions now existing at Howard University regarding the supply of electrical energy, and as a result of this study it is our opinion that at the rates for electric service now in force there would be no saving to the university if electric service were purchased from this company during the winter months.

However, we strongly recommend that arrangements should be made so that "stand-by" service from this company would be available during the heating season and all electrical energy should be purchased from this company at times other than during the heating season.

Very truly yours,

C. M. MARSH,
Commercial Engineer.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HASTINGS. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, under the rules of the House and by courtesy of the chairman of the committee handling the pending bill, and by the good graces of the membership of the House, I shall speak briefly to-day upon the question of nonpayment or failure of payment of war debts.

I am not in the attitude of criticizing or scolding or attempting to array any prejudices, as far as European governments are concerned.

First, I wish to call attention to the fact that on the 18th day of last December this House voted upon the question of the extension of a moratorium to the European nations, upon the question of payment of war debts. At that time I opposed the granting of the moratorium and made a brief speech upon the floor of this House. I am not going to assume the rôle of one who says "I told you so," but I take the attitude to-day that any policy of vacillation or pussyfooting upon the part of this Government on the question of enforcing the payment of obligations by European countries was and is a mistake. I think the time has come in this country when we need by some expression of the House of Representatives to say to the President of the United States and to his Secretary of State, who has charge of these matters, that the United States Government expects the governments of Europe, at least those who are able and amply able to do it, to keep faith with America, and as an evidence of their good faith, if they are to demand or expect

or ask in the future any reduction in war obligations, or any deferring of payment of debts, they should first show their good faith by making payment of the matured obligations of each of their governments.

I wish to speak more particularly with reference to the French Government, because it is known throughout this country and the world that if there is a European government that is amply and easily able to meet its accruing obligations upon these debts it is the Republic of France.

I can remember when in March, 1918, the multiplied forces of the German Government had thrown around the capital city of the Republic of France a steel ring, and when the French were battling with their backs to the wall to save the fall of their capital city. I can remember at the same time upon the eastern frontiers of England that General Haig was standing with drawn sword with his back against the wall, and I can remember that in that year the principal allied nations, with which we were later the victor, were all standing with their backs to the wall in the face of the power of the military forces of Germany. I can remember when they sent a commission here, headed by Marshal Joffre, of France, and Lloyd George, of England, and when the cry was, "Hurry up, America, or it will be too late"; and I can remember when we went, not only with our merchandise, with our goods in every form, with our fleets of merchant vessels to help carry supplies to the European governments, but I can remember how it was that we sent them 4,000,000 of our men, and how it was that we spilled our blood and expended our treasures, and brought back in lieu of it none of the spoils of war except diseased veterans and helpless and maimed and crippled heroes to this country; and yet the very nation upon whose soil the battles were fought, the very nation within whose gates the Germans had made successful and triumphant march, the very nation whose very existence we preserved with the blood of our heroes, says to the American Government, "We are going to name new terms of settlement of these debts," and has refused to pay, although France in the beginning owed us more than $4,000,000,000 and it was reduced by us by more than $1,000,000,000. I say that when the United States Government determines that we must have steel-constructed backbones instead of jelly rolls and say to them that they must pay, and pay when it is due, the time will come when the war debts will be easily collected.

There came a day when we were gathered around the conference table to make final settlement and America sat at the table with the brilliant brain and the great heart and the wise pen of Woodrow Wilson leading it, and we asked not for spoils of war but that justice be done between an aggressor and a defensive nation. It was then that they were parcelling out territory and settling upon the indemnities of war, and we asked no compensation, no idemnity, no territory, and received neither. Yet they say to us now, although we went to their relief when Germany had France by the throat and when she was pounding away at the Channel ports on the English Channel, ready to cross into the domain of England, and when we relieved them and they admitted we had been the triumphant, victorious nation of the war and had saved the day for the Allies and for the world, then it was that they were ready to sit down at the table and take it all. Italy rounded out her frontiers in territory and was adjudged vast indemnities against Germany. England secured the destruction of the German navy that gave her security upon the high seas from the dangers of Germany for a hundred years to come. France was given vast areas of the most valuable territory upon the face of the earth and large amounts of indemnities against Germany; and yet in this day of world peace France says, "We will not pay," and she is followed by other nations that are building powerful war machines and expending multiplied millions and hunderd of millions upon great armaments; and yet they say, "We will not pay the $20,000,000 except with a string and condition to it."

It is my view, Mr. Chairman, that the inclusion of conditional payment will mean that ultimately we will lead where we started in December, 1931, to the ultimate cancellation of these war debts in toto. If we shall ultimately come to cancellation, as I verily believe our vascillating policy inevitably leads, then the burden of these debts will ultimately fall upon the already burdened backs of the American taxpayer. As for myself, I stand where I stood then, in opposition to the surrender or cancellation of any of the debts or to the fixing of terms, because our country is more prostrate and in greater distress to-day than even France, Germany, or Belgium. I shall never vote to saddle the burdens of these debts upon my constituents. [Applause.]

Mr. Chairman, if France was unable to pay, it would be another matter, but she is not unable, she is merely unwilling to pay. The world knows that the great World War, the greatest catastrophe of all time, was fought out principally upon French soil, and there it was that we had built great trunk-line railroads, vast multitudes of warehouses where were stored hundreds of millions of dollars worth of war materials, machinery, and food supplies. When the armistice was signed, our task, with a small merchant marine, was not to return these supplies to America, but to bring back nearly 4,000,000 of our American heroes, and we turned over to France for a mere pittance all these vast supplies, with which France and Belgium sprang quickly to recovery and a rehabilitation of their farms and their industries. We sent our army of occupation to the Ruhr district to watch over and protect French, Belgian, and other allied interests pending negotiation of terms of settlement. We did it all with money that came from the pockets of the American people. Our Uncle Sam was not merely "the man of the hour" or the hero of the world, but he was to Europe the great philanthropist, the "good Samaritan," a real friend in time of trouble. But all this carries no appeal to European nations now. The more we procrastinate, the weaker becomes our position and the stronger will become the demand from abroad for modification of terms, and, in its final analysis, outright cancellation of a major portion, if not all, of these debts. As for me, I believe political platforms are declarations of fundamental principles and ought to be sacredly observed. I was elected to this House upon the last Democratic platform, which declared against cancellation or surrender of any part of these obligations, and upon that platform I propose to stand fearlessly in the midst of the terrors and dangers of the storm; and if I shall come finally to shipwreck, my last words will be in unison with the spirit of the immortal Captain Lawrence, "Don't give up the ship." Yea, do not desert our platform. Do not saddle upon the backs of our people the burden of these debts which will hang "like a millstone about their necks" for generations to come. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MURPHY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Chairman, in order for legisiation to effectively stop the present orgy of farm-loan foreclosures it must provide an agency with sufficient means, ample authority, and definite directions to at once enter into such negotiations and financial transactions in the way of payment of taxes, interest, and otherwise as may be necessary to refinance, from the farmers' standpoint, the entire amount of the distressed farm-mortgage loans of the Nation. In every case the rate of interest should be reduced to the lowest possible rate necessary in the sale of Government bonds; the principal should be reduced to the amount the particular loan is now worth under present financial conditions and the payment of the principal of the loan must be extended for a long term of years. The new rate of interest should not be over 3 per cent, the principal should have

one-half to two-thirds of the amount written off, and the loan must be extended for 30 or more years.

In order to secure the refinancing of the farm loans on so satisfactory a basis it will be necessary for the United States Government to either buy outright all the distressed mortgage loans of the country or guarantee the payment of the principal and interest of all loans refinanced with these reductions of principal and interest and for the long term of years.

One plan would be just as helpful to the farmers as the other, and in their last analysis there is practically no difference between them. If the Government bought in the loan, refinanced as just mentioned, and guaranteed the payment of principal and interest, the loan could be immediately resold and the Government would be in precisely the same position as if it only guaranteed the payment of the principle and interest to the original owner of the loan. The loan concern would be just as safe as the owner of a loan on which the Government guaranteed the payment of the principle and interest as it would be in the ownership of Government bonds for similar amounts, rates, and terms accepted in payment for the loan.

The suggestion that it is necessary that enough money be raised by taxation or bond issues to buy and hold all farm loans at their present face value in order to stop the loan foreclosures on farm property is absolutely a mistaken idea, and is preposterous.

It would only be necessary for the Government, through a revolving fund, to pay off such interest and taxes as could not be paid by the farmer on the distressed loans each year. The amount of distressed interest would be very greatly reduced because of the greatly reduced principle and interest obtainable for the farmer by reason of the guaranty of payment by the Government and because of the farmers' ability to pay in full their interest after it had been reduced to about one-fifth of what it amounts to now.

There would be practically no defaults in interest under this arrangement. The cost to the Government would annually be much less than the amount that is wasted now on certain governmental activities now alleged to be operating in behalf of the farmers, but which, in fact, are their guillotines.

Let us give this relief to the farmers of the Nation, help the respective States to work out a uniform tax system, relieving home owners of all taxes on a reasonable amount of property for home purposes, and then let Congress pass some farm-relief legislation worthy of the name, and there would not be a single farmer in the United States who would not pay his interest promptly and in full.

The plan I am now discussing, in order to be fair and worthy of the name relief legislation, must also, so far as possible, enable the farmer who has lost his farm by foreclosure to recapture it on the terms herein provided, and also must provide just as easy a method for those who now have no homes, to acquire, keep, and enjoy them.

Then, again, if it was found necessary to issue bonds to finance this plan, the cost to the Government would be negligible. Every dollar's worth of bonds would be backed up by a first lien on farm land for a similar amount, which in a few years—if this depression is to be overcome—will be worth five to ten times as much as the lien. The interest paid by the farmers on the loans would, from time to time, pay the interest on the bonds, and the principal of the loans when paid would retire the bonds in full at maturity.

Mr. HASTINGS. Mr. Chairman, this bill makes appropriation for the Interior Department and for all bureaus and activities that are supervised by the Secretary of the Interior.

The amount recommended to be appropriated in this bill is $43,172,904, which is $24,010,780.35 less than the 1933 appropriation, and $2,991,025 less than the bureau estimates for 1934.

I might say to the Members of the House that the bureau estimates are not increased in any single item. There are no new items in the bill; and wherever any changes have been made from the estimates of the Bureau of the Budget, they have been in the nature of decreases.

In the office of the Secretary the amount recommended in the bill is $684,270. The Budget estimate is $704,270. This is a reduction under the estimates of $20,000, and under the 1933 appropriations of $10,110.

Under the General Land Office the amount recommended in the bill is $1,742,050. The estimates of the Bureau of the Budget are $1,854,980. This is a reduction, therefore, under the estimates of $112,930.

These reductions are accounted for in the General Land Office as follows:

Salaries in Washington, $41,670. Surveying public lands, $44,090. Contingent expenses, $17,170. Protecting lands and timber, $10,000.

Under the General Land Office the bureau contemplates the closing of four land offices: Little Rock, Ark.; Gainesville, Fla.; Cass Lake, Minn.; and Alliance, Nebr.

In the Bureau of Indian Affairs the total amount recommended for this bureau from Federal funds is $18,938,454, a decrease of $3,012,686 below the current appropriation and $220,065 less than the Budget estimate. In addition there is recommended for appropriation from tribal funds the sum of $2,231,150, which is $40,888 more than the 1933 appropriation and $59,670 less than the estimates.

The general items of the Indian Bureau are:

Amount recommended in bill	$1,614,560
Budget estimate	1,695,390
Reduction below estimate	80,830
Under 1933 appropriation	21,440

Reductions below estimates are:

Salaries, office of commissioner	$22,460
Purchase and transportation of supplies	44,600
Judges of Indian courts	2,000
Indian police	10,000

For Indian lands the amount recommended in the bill is $33,940, the Budget estimate is $39,130, the reduction in estimate is $5,190, and the reduction under 1933 appropriation is $180,757.35.

The increase in 1933 was due to $167,000 awarded Indians by the Pueblo lands board.

Industrial assistance (Indian Bureau)

Amount recommended in bill	$1,204,790
Budget estimate	1,301,790
Reduction in estimate	97,000
Under 1933 appropriation	196,210

Fifty-eight thousand dollars of reduction in estimate is due to cutting of item for development of agriculture and stock raising.

Irrigation and drainage

Amount recommended in bill	$864,914
Budget estimate	867,154
Reduction in estimate	2,240
Under 1933 appropriation	145,910

Reduction below 1933 appropriation due to slackening of new construction and deduction of the legislative furlough.

Education of Indians

Amount recommended in bill	$9,387,230
Budget estimate	9,422,035
Reduction in estimate	34,805
Under 1933 appropriation	1,009,270

Reduction in estimate due to:

Nonreservation boarding schools	$13,005
Education, natives in Alaska	21,800

Reductions below 1933 due to:

Elimination of new construction items—	
Deduction of $10 per capita	$182,150
Deduction of legislative furlough	353,065

This money is expended in the education of Indians at reservation and nonreservation boarding schools and a contribution to public schools throughout the various States where Indian pupils attend. There has been a steady increase in the attendance of Indian pupils upon public schools during the past few years. The department reports an attendance upon public schools of 48,834, attendance of Indian pupils at boarding schools, 27,006 and upon mission and private schools 7,520, or a total of 83,410.

Under health work for the Indians the committee allowed the Budget estimate of $3,302,800, which is $282,000 below the 1933 appropriation.

The reductions below the current appropriations were made possible by the lower cost of supplies and by a sharp decrease in new construction. I might say here that there is practically no new construction anywhere throughout the entire bill in any of the bureaus.

Mr. MOUSER. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. MOUSER. Are there any new buildings now under construction as distinguished from new proposals that have not been started?

Mr. HASTINGS. There were some provided for in last year's appropriation bill, but there is no provision for any new building in the present bill. There are one or two little items for repairing waterworks, or something of that kind, where very small amounts are appropriated, but I mean there are no large sums anywhere appropriated for new constuction anywhere throughout this bill.

Mr. MOUSER. One more question, if the gentleman will permit, are there any items comparable with the amount required for the power house at Howard University?

Mr. HASTINGS. Oh, no, no; none whatever. The estimate for that item was $460,000. I do not think there is any item anywhere in this bill for repairs or new construction that will exceed over $10,000, or $15,000, and they were only allowed in some two or three instances where the need was most urgent and where it was recommended as absolutely necessary.

Mr. MOUSER. The gentleman is enlightening in his information. I think all of the authorizations for buildings, the construction of which has been heretofore provided for, for Indian schools—and I am glad it has been—have carried appropriations for heat and power the same as is to be provided for the buildings under construction at Howard University.

Mr. HASTINGS. Yes; and there were no appropriations last year in the bill, and there are none this year in this bill that are not recommended by the Bureau of the Budget.

Both last year and this year the committee adhered to the policy of staying within the estimates of the Bureau of the Budget.

Mr. MOUSER. The gentleman does not mean by that that the subcommittee of which he is the chairman, which has to do with the determining of what is essential to be appropriated, can not exercise its discretion, or would not exercise its discretion by including something essential if it was not proposed or included in the bill.

Mr. HASTINGS. If the committee thought an item was absolutely essential and absolutely necessary, of course, the committee could exercise that authority, and it would exercise that authority.

Mr. MOUSER. Yes; certainly.

Mr. HASTINGS. But the gentleman must remember that appeals are made to the committee for new construction for practically every school and other activity throughout the country.

Mr. MOUSER. I am not talking about new construction; I am just talking about those things that are essential—light and heat—in buildings which are already being constructed.

Mr. HASTINGS. And I have tried to answer the gentleman.

Mr. MOUSER. I think the gentleman from Oklahoma has answered.

Mr. MURPHY. Mr. Chairman, I yield five additional minutes to the gentleman from Oklahoma.

Mr. HASTINGS. I do not care to discuss this item further, now; I will discuss it further when it is reached in the bill. But I have tried to explain to the gentleman that this item was withdrawn after further and additional consideration by the Bureau of the Budget. It was quite a sizable item, amounting to $460,000. The Bureau of the Budget is here in Washington. It has facilities for making detailed investigation of the needs for this heat-and-light plant, and the committee followed the recommendation of the Bureau of the Budget on it.

With reference to the Geological Survey. The amount recommended in the bill was $1,927,500. The Budget estimate was $2,384,900. This makes a reduction in the estimate of $457,400.

For the National Park Service the amount recommended in the bill was $5,051,850. The Budget estimate was $5,123,840. This amounts to a reduction in the estimate of $71,990, or a total reduction under the 1933 appropriation of $5,588,770.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. BRIGGS. Can the gentleman inform us how this very material saving was effected? It is a rather conspicuous one, it seems to me.

Mr. HASTINGS. The large reduction under 1933 appropriation for national parks is due to the fact that there was an emergency appropriation of $3,000,000 for roads and trails made available by the emergency relief and construction act and the reduction of the $5,000,000 for roads and trails to $2,435,700.

Mr. BRIGGS. There were nonrecurrent items?

Mr. HASTINGS. Yes; nonrecurrent items. They were not, in part, provided for in this bill. For the Office of Education the bill carries $270,000, which is $15,610 under the Budget estimate.

For the Territories the amount recommended in the bill is $1,360,250. The Budget estimate was $1,373,280. There was a reduction in the estimate of $13,030, or a reduction under the 1933 appropriation of $346,360.

For the St. Elizabeths Hospital the amount recommended in the bill is $1,116,700. This is under the 1933 appropriation by $128,953.

For Howard University the amount recommended in the bill is $632,500. It is the amount that is recommended by the Bureau of the Budget, but is $42,500 under the appropriation for 1933.

For the Freedman's Hospital the amount recommended is $276,130, which is the Budget estimate and is $17,350 below the 1933 appropriation. This reduction is due to deductions on account of the legislative furlough.

As I said a moment ago, there is hardly any new language in the bill, and there are no items in the bill, so far as I now recall, that we believe are subject to a point of order. The language of the bill follows very, very closely the language of the appropriations for the current fiscal year of 1933.

We hope in the reading of the bill under the 5-minute rule fair opportunity may be given to discuss any item that any Member of the House desires. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

The Clerk read as follows:

Salaries: For the Secretary of the Interior, First Assistant Secretary, Assistant Secretary, and other personal services in the District of Columbia, $372,420: *Provided*, That in expending appropriations or portions of appropriations, contained in this act, for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, as amended, with the exception of the first assistant secretary and the assistant secretary the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923, as amended, and is specifically authorized by other law, or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. BLACK. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order for five minutes.

Mr. HASTINGS. Mr. Chairman, reserving the right to object, I am not going to object at this time; but I hope the gentleman will be content with five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK. Mr. Chairman, I was rather interested in the speech of my friend from Georgia [Mr. LANKFORD] proposing a new means of farm relief. Since I have been in the House, I have heard a great many propositions for farm relief. They have had a very wide range—price fixing, internal tariffs, subsidies, market manipulation, government in business, and everything else—all artificial stimulants; but we have had no proposition that created a real market for farm products.

I have been insisting in the House that the real economic sufferer from prohibition is the farmer. I have found it hard to convince the gentlemen from farming sections that this is so. The Ways and Means Committee is reporting a bill on Tuesday which will not only satisfy the entire country on the great question of prohibition, but I believe the farmers are going to be surprised at the great measure of relief that they will get directly from the sale of the beer proposed by the bill.

I commend to the men from the farm sections, before they vote on this proposition on Tuesday, that they look over some of the statistics on the farm question for the years prior to prohibition and the years since. They are going to be rather amazed at the difference at the income of the barley farmer, for instance, prior to prohibition and since prohibition. Another startling distinction that will meet their eyes will be the effect that prohibition has had on the hops farmer.

Mr. ARENTZ. Will the gentleman yield for a question that touches right on that point?

Mr. BLACK. All right.

Mr. ARENTZ. There is no provision in the beer bill to provide for the use of domestically produced farm products; and unless this is done along the seaboard, you are going to have cheap barley and malt and hops coming in from Europe.

Mr. BLACK. I doubt that very much.

Collaterally, the wheat situation was affected by prohibition, because the men who had been growing barley and hops, not being able to produce barley and hops profitably started to produce wheat, thus adding immeasurably to the distress of the wheat farmer.

Another rather odd situation that you will come across is this: The consumption of corn by brewers and distillers prior to prohibition equaled what has been in prohibition years the average exportable surplus of corn that has harried the farmer so much.

Again, the farmer has suffered from the heavy taxes he has had to pay. Prohibition has hit nothing any harder that it has hit the owner of real estate. The farmer's tax is a land tax. The State enforcement tax came from the land. The increased cost of Federal Government because of prohibition and the loss of revenue eventually fell on the land of the country, and fell on the farmer. The farmer was deceived, originally, by the Anti-Saloon League and others, as to the result of prohibition. I do not doubt for a minute that the farmers of the country would have been willing to take the economic loss involved by prohibition if they had received any of the benefits promised, but they did not get them. I think the farmers are realizing the economic harm that has been done them. Some say that the barley used by the brewers was such a small amount that it did not mean anything.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN (Mr. VINSON of Kentucky). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RICH. Will the gentleman yield?

Mr. BLACK. I yield.

Mr. RICH. I notice in to-day's paper that the Pennsylvania State Grange met in Williamsport, Pa., during the past week and proposed resolutions against the beer bill.

Mr. BLACK. The Pennsylvania State Grange only grows coal. They are coal farmers.

Mr. RICH. Will the gentleman yield?

Mr. BLACK. I can not yield further.

On this proposition I will have to talk on the Republican side, because it is the Republican farmer that has been affected. I can not promise anything to the southern farmers or the cotton farmers unless they insist that the foam on the beer be produced out of cotton. [Laughter.] I will have to do my educational work on the Republican side.

It is true that the brewers used only a small percentage of the barley produced, and those who say this are better grounded in their mathematics than they are in their economics. The brewers used just enough of it to affect the entire price of the barley crop. I think it was in the 1922 report of the Department of Agriculture that there was a small statement to the effect that the premium paid by the brewers had an effect on the entire barley price. I used that on the floor at one time. My good friend the gentleman from Iowa [Mr. HAUGEN], leading the farm bloc, gave me some time one night, and I used that statement on a bill for prohibition change because of my heartfelt interest in the farmer's plight.

Since then there has been nothing said in the reports of the Department of Agriculture about the premium that the brewers would pay the barley farmers.

The Anti-Saloon League was able to edit the reports of the United States Government.

Before prohibition a farmer coming to market with nine cars of grain could sell his nine cars. After prohibition the farmer when he comes to market does not find the brewers and distillers with their fat checks to buy the ninth car. So the dumping price of the unsold car determines the price of the entire product.

I think the farmers are going to learn that when they go to market and meet their friends the brewer and the distiller and exchange their grain for fat checks they will find they were sadly misled during the entire prohibition era.

I hope that you men, friends of the farmer, who have any doubt as to how you will vote on the beer bill will look at the reports of the Department of Agriculture and will come to the conclusion to stand for beer and the farmer. I believe that if the beer bill passes and the President approves of it and it becomes a law, we will not have so much agitation for artificial methods to assist the farmers. [Applause.]

The Clerk read as follows:

OFFICE OF SOLICITOR

For personal services in the District of Columbia, $99,920.

Mr. BYRNS. Mr. Chairman, I move to strike out the last word. I have taken this time to call attention to some figures which I know will be gratifying to Members on both sides of the Chamber, with reference to the appropriations carried in the bill which passed the House on yesterday and the bill now under consideration.

On yesterday we passed a bill making appropriations for the Post Office and Treasury Departments of the United States. The appropriations for the Post Office Department were reduced $88,906,297 under the appropriations for 1933 as they passed the House and $7,094,783 under the Budget estimate for 1934.

The appropriations for the Treasury Department reduced the appropriations for 1933, the current law, in the sum of $105,924,939 and $25,817,521 under the Budget estimate.

As the gentleman from Oklahoma has informed the committee, the present bill as reported by the committee, carries



reductions under the 1933 appropriation of $23,990,780 and a reduction under the Budget estimate of $2,891,025.

In other words, if the House does not increase the pending appropriation bill, these two bills as they leave the House will carry reductions under the 1933 appropriations of $218,822,016 and a reduction under the Budget estimate of $35,803,329.

I think that is a splendid record for the House to have made in these two bills.

In this connection I wish to say this respecting the pending bill. I want to compliment the members of the subcommittee for the bill that has been presented and which is now under consideration.

That subcommittee consists of Mr. TAYLOR of Colorado, as chairman; Mr. HASTINGS, of Oklahoma; Mr. GRANFIELD, of Massachusetts; Mr. MURPHY, of Ohio; and Mr. FRENCH, of Idaho. [Applause.] Those gentlemen have done a splendid work and rendered a distinct service to the country. To have reduced the appropriations by over 30 per cent from what they are during the current year is a splendid accomplishment, and I am sure that every one of these five gentlemen who prepared this bill after long hearings is entitled to the gratitude of the House and the taxpayers of the country. [Applause.]

The Clerk read as follows:

PRINTING AND BINDING

For printing and binding for the Department of the Interior, including all of its bureaus, offices, institutions, and services in the District of Columbia and elsewhere, except the Alaska Railroad, the Geological Survey, and the Bureau of Reclamation, $115,000, of which $35,000 shall be for the National Park Service, and $20,000 for the Office of Education, no part of which shall be available for correspondence instruction.

Mr. FRENCH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: Page 5, line 22, after the word "and," strike out "$20,000" and insert in lieu thereof "$40,000."

Mr. FRENCH. Mr. Chairman, the amount indicated in my amendment is the amount recommended by the Budget and by the subcommittee to the full committee, for printing in the Bureau of Education. In 1932 the amount appropriated by Congress was $62,000. Last year, that is, during the present fiscal year, it was $40,000. We then cut the amount recommended by the Budget from $62,000 to $40,000. This year the Budget recommended $40,000, and your subcommittee recommended that amount to the full committee. The full committee, however, thought that $20,000 could be saved and recommended $20,000. In my judgment it would be a serious mistake for us to accept that recommendation. I can indicate very briefly why. One of the greatest services of the Bureau of Education lies in making available to the people of the United States the work that its educators are carrying forward. There is tremendous demand for the studies and reports upon the work that they are doing. These requests have increased 50 per cent within the last five years.

Again, a great many of the publications are sold by the Government Printing Office instead of being distributed free. Last year alone the amount of sales of documents published by the Bureau of Education amounted to $25,000, or $5,000 more than it has been proposed be included for printing in this bill for the coming fiscal year. It would be a serious mistake, it would be a disappointment to those who are interested in this subject throughout the United States, for this House to agree to the recommendations of the full committee.

May I direct attention to one other thought? Last year 250,000 requests by letter came to the Bureau of Education for publications. The postage alone upon requests was $5,000. Similar requests this year at the 3-cent rate would mean $7,500. The amount of money is not particular, but the interest manifested by these requests is important. I do not believe there is a member of the subcommittee who does not feel that the item should be restored.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. COCHRAN of Missouri. Are not the States of the Union carrying on through their departments of education work similar to that being done by the Bureau of Education here?

Mr. FRENCH. In part that is true. Their work is more local, more limited. The Bureau of Education is a sort of clearing house in a sense, and it articulates with the work being done in the several States.

Mr. COCHRAN of Missouri. Is it not true that in some instances the teachers will have almost every pupil in the school write to Washington for some publication when they know that they can get it for nothing?

Mr. FRENCH. I am not acquainted with that feature of the matter.

Mr. COCHRAN of Missouri. I am going on, now, my twenty-first year around here working and handling correspondence in the Senate and in the House and serving in the last four Congresses, and I can truthfully say, coming from a great State—Missouri—that I have not handled a dozen applications for any publication issued by the Bureau of Education. Our entire trouble is the duplication of work by the Federal Government that properly belongs to the States, and if we let the States carry on as they should and stop taxing the people of the States for Federal agencies to do work that has no business in the Federal Government we will be able to reduce the expenditures of the Federal Government.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Idaho.

Mr. STAFFORD. Mr. Chairman, I ask recognition if no member of the committee wishes to defend the action of the general committee in cutting down the appropriation of the subcommittee from $40,000 to $20,000. I see on the floor the hardest working Member of the House, the chairman of the Committee on Appropriations. I do not desire to put him to any extra work, but I do suggest that the acting chairman of the subcommittee should give to the House the reason why the general committee overrode the action of the subcommittee. It is a rather exceptional thing, and when there are such exceptional happenings I think there should be some explanation of it. I think the general committee is put on the spot, so to speak, to give some explanation of their reason for cutting down the appropriation recommended by the subcommittee from $40,000 to $20,000.

Mr. BYRNS. In explanation of my silence, may I say the subcommittee recommended to the full committee the sum of $40,000, as explained by the gentleman from Idaho [Mr. FRENCH]. A motion was made in the full committee to reduce it, and it was cut in half. As I understand—and if I am in error about that I am subject to correction—it is the judgment of the entire membership of the subcommittee which conducted these hearings that $40,000 is necessary for the printing and binding of the Bureau of Education, and if that be true, and I am willing to take their judgment, of course, I did not feel like having anything to say on the subject, even though the full committee cut it from $40,000 to $20,000. The gentleman knows that the five gentlemen who have considered this bill for so many days and weeks naturally are more familiar with the amount that was needed for this particular service than those of us who had not had that opportunity.

Mr. STAFFORD. But it is rather difficult for me to understand, if the members of the full committee were in their normal condition—and I would not for a moment insinuate that they were not—why they would override the superior judgment of the members of the subcommittee. I do not wish my overworked friend, the chairman of the full committee, to disclose committee secrets, but may I inquire whether there are any other instances where the full committee overrode the determination as to appropriations recommended by the subcommittee?

Mr. BYRNS. Not that I know of.

Mr. STAFFORD. This is the only instance where they are reversed for the time being.

Mr. BYRNS. Yes.

Mr. STAFFORD. Just merely a temporary reversal, and then come to the floor of the House and after a gesture to testify to this committee and the country that the full Committee on Appropriations was in error, and that we should stand by the subcommittee.

Mr. HASTINGS. If the gentleman will yield for a moment——

Mr. STAFFORD. Yes; I yield.

Mr. HASTINGS. The reason I did not say anything additional was that it had been fully presented by the gentleman from Idaho. It was the judgment of the membership of the subcommittee that this was needed. It was recommended most urgently. It was impressed upon the members of the subcommittee by the Commissioner of Education that it was urgently needed.

I do not care to discuss the action in the committee and give away any of the proceedings in the committee, but we do not believe opportunity was given to fully present all of the facts to the full committee that have been presented so well by the gentleman from Idaho [Mr. FRENCH]. It has been shown that there have been about $25,000 worth of these publications sold last year. I do not believe that was brought to the attention of the full committee.

I may say to the gentleman from Wisconsin [Mr. STAFFORD] that it is the view of the members of the subcommittee that this amount is needed and should be appropriated.

Mr. STAFFORD. I wish to say, Mr. Chairman, in my time, that I see there are other items where the full committee could exercise more intelligently and more properly their legislative wisdom. If they had attempted to strike out the continuing appropriation of a million dollars or more for the continuation of the construction of the reclamation project that bears the unforgettable name of Owyhee they would have done the country great good.

[Here the gavel fell.]

(By unanimous consent Mr. STAFFORD was granted three additional minutes.)

Mr. STAFFORD. Last year we launched upon the construction of that project at Owyhee with only 10 per cent of the work inaugurated by the appropriation of more than a million dollars. If the full membership of the committee had been asked about some real instance where there could have been a real saving of money, that is one case. To take it out of the poor helpless Bureau of Education to the extent of only $20,000, I feel the committee deserves to have the official censure of the House by having its action reversed. I will support the action of the diligent subcommittee in restoring the amount to $40,000.

Mr. BARTON. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. BARTON. I want to ask the author of this amendment a question. As I read the section, the $20,000 is simply to earmark a part of the $115,000, but does not increase the appropriation at all?

Mr. FRENCH. I understand it will increase the appropriation, because I recall that when it was subtracted in the full committee it was subtracted from the total. If it would be necessary any place else to increase it, I will do that.

Mr. BARTON. I think if you want to increase that, the amendment should be made to cover the $115,000 and raise it to $135,000, and then raise this to $40,000. I think if the gentleman will read the section he will find that is true.

Mr. FRENCH. I shall follow that with the proper amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The question was taken; and on a division (demanded by Mr. COCHRAN of Missouri) there were ayes 22, and noes 11. So the amendment was agreed to.

Mr. FRENCH. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: In line 21, page 5, strike out "$115,000" and insert in lieu thereof "$135,000."

The amendment was agreed to.

The Clerk read as follows:

Surveying public lands: For surveys and resurveys of public lands, examination of surveys heretofore made and reported to be defective or fraudulent, inspecting mineral deposits, coal fields, and timber districts, making fragmentary surveys, and such other surveys or examinations as may be required for identification of lands for purposes of evidence in any suit or proceeding in behalf of the United States, under the supervision of the Commissioner of the General Land Office and direction of the Secretary of the Interior, $500,000, including not to exceed $5,000 for the purchase, exchange operation, and maintenance of motor-propelled passenger-carrying vehicles: *Provided*, That not to exceed $5,000 of this appropriation may be expended for salaries of employees of the field surveying service temporarily detailed to the General Land Office: *Provided further*, That not to exceed $10,000 of this appropriation may be used for the survey, classification, and sale of the lands and timber of the so-called Oregon & California Railroad lands and the Coos Bay Wagon Road lands: *Provided further*, That no part of this appropriation shall be available for surveys or resurveys of public lands in any State which, under the act of August 18, 1894 (U. S. C., title 43, sec. 863), advances money to the United States for such purposes for expenditure during the fiscal year 1934: *Provided further*, That this appropriation may be expended for surveys made under the supervision of the Commissioner of the General Land Office, but when expended for surveys that would not otherwise be chargeable hereto it shall be reimbursed from the applicable appropriation, fund, or special deposit.

Mr. HOGG of Indiana. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HOGG of Indiana: Page 7, line 12, after the word "Interior," strike out "$500,000" and insert in lieu thereof "$375,000."

Mr. HOGG of Indiana. Mr. Chairman, I want to supplement the statement of the distinguished chairman of the Committee on Appropriations, who spoke just briefly a few moments ago. He neglected to point out that the material part of the decrease in the present Interior Department appropriation bill over that of last year is not due to current savings in the operating expenses of this department, but is due, in large measure, to the fact that $15,000,000 less is given to the Boulder Dam project than was appropriated last year.

The actual saving in Government operation under this bill is not $24,000,000 but $9,000,000. This very bill carries in it an increase in appropriations for the Reclamation Service, amounting to the stupendous sum of $566,000, or over half a million dollars.

Mr. Chairman, it is time the representatives of the American people, in the House assembled, should take seriously the promises which we made to our constituents in campaign times. We assured our constituents that we would leave nothing undone to decrease the operating expenses of this Government. One of the major parties asserted that it would decrease expenditures by 25 per cent. And now, instead of decreasing the appropriations 25 per cent it has not decreased them in this department half that amount.

In regard to this item, there is no decrease whatever over last year. I will not argue with my able friends from the Western States that this money will not be wisely used. I will argue with them that the need of the taxpayer for this money is far greater than the need for the surveys that will be made. A half million dollars is a stupendous sum for taxpayers. I am not pleading that these surveys may never be made. I am pleading that we keep faith with the taxpayers of the United States. I would reduce this item and every other one wherever it is possible to do so. I ask the cooperation of the membership of this House in this reduction.

It is foolishness to bring more land under cultivation when farmers everywhere are suffering from the effects of overproduction of farm crops. I opposed the Boulder Dam project. It will eventually bring much land into cultivation before such is needed for our Nation. Farmers in Indiana can not pay interest and taxes. The Government

must not take money from taxpayers to underwrite and promote more competition to the American farmer. I ask your support for the pending amendment. [Applause.]

Mr. HASTINGS. Mr. Chairman, I am sure every member of the subcommittee and the full committee and all the Members of the House are in favor of every reduction that can be made with safety.

Now, if you will notice, for the last few years, beginning in 1927, the appropriations under this item have been less and less. In 1927 the appropriation under this item was $810,000. In 1931 it was $700,000. In 1932 it was $700,000. For the current year, 1933, $500,000 was provided, but there was diverted from other funds $75,000 additional. So there will be expended this year under this item $575,000.

The Budget estimated $544,090, and the subcommittee reduced that in line with the splendid argument of the gentleman from Indiana [Mr. HOGG] by $44,090. So we cut it back to the amount that we appropriated last year, which is $500,000. Thus it is really a reduction of $75,000 less than will be used this year, which we thought could be absorbed without injury to the service.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. COCHRAN of Missouri. What excuse do those administering this law give the committee for using this additional $75,000 when Congress told them to stay within the limit of $500,000?

Mr. HASTINGS. It is because the transfer provision in the economy act authorized it. They justify it under that act. They say it was absolutely needed and pointed to the fact that the year before they had $700,000 and the year before that they had $700,000. They said it was too severe to cut them down $200,000 and reduce this item to $500,000. They availed themselves of the provisions of the economy act by taking $75,000 from the appropriation for roads and trails in national parks and adding it to the $500,000, so they will have $575,000 for this purpose.

Mr. COCHRAN of Missouri. In other words, this is work performed by engineers—civil engineers?

Mr. HASTINGS. I think largely so.

Mr. COCHRAN of Missouri. There seems to be a disposition on the part of the Interior Department to get all the civil engineers at work possible, and for that reason the $75,000 was added to pay the salaries of civil engineers they wanted to keep on the pay roll. Has this been looked into?

Mr. HASTINGS. It was done with the approval of the Bureau of the Budget. As I said a moment ago, the committee desires economy in every way possible, and we did cut the estimate back to $500,000, cutting them $44,000 under the estimate of the Budget and $75,000 under the amount that is being used this year.

Mr. HOGG of Indiana. A large part of this land has been surveyed six or seven times already, has it not?

Mr. HASTINGS. I can not advise the gentleman as to that.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. COLTON. In reply to the question of the gentleman from Missouri [Mr. COCHRAN], only a part of this work is performed by engineers. There are rodmen and other employees. This item incidentally furnishes, of course, employment for a great many men, but the very fact that this transfer was made shows the importance of this work in the minds of those who are administering the affairs of the Interior Department.

You would greatly retard the development of the entire West if you stop the survey of the public lands. Mineral and homestead entries and every other form of development of public lands is dependent upon this identical work. There is no work in the Interior Department of more importance than this.

Mr. COCHRAN of Missouri. Will the gentleman from Oklahoma permit an additional question?

Mr. HASTINGS. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. I notice this money is not only for surveys but for resurveys. Who is responsible for the defective and fraudulent surveys that have already been made which this appropriation in part is to correct?

Mr. COLTON. There are some of them that are not fraudulent. Some are due to mistakes.

Mr. COCHRAN of Missouri. I am taking the language from the appropriation bill, which specifically states fraudulent.

Mr. COLTON. I think there is very little of that now.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I rise in opposition to the amendment.

I want to call the gentleman's attention in this report to the item carried over in the permanent and indefinite appropriations on page 30 of the report where there is an item of $20,000 for deposits by individuals for surveying public lands. Can the gentleman explain what that fund is? Is that in addition to the half million?

Mr. HASTINGS. There is nothing carried in this bill for that. This is on page 30, a provision of permanent law.

Mr. GOSS. I see there is an item of $20,000 this year. It was $28,000 last year, under the permanent and indefinite appropriations, of deposits of individuals for surveying public lands.

Now, right in this same paragraph, not pertaining to this amendment, I notice there is another item, not to exceed $10,000, for surveying the Coos Bay Wagon Road lands, and again, on page 30, I call the gentleman's attention to an item of $18,000 this year, and $10,000 last year, for the Coos Bay Wagon Road grant fund.

Now, it seems to me that in one instance we have half a million for surveys, on top of that another $20,000 for deposits of individuals for surveys, the $10,000 on the Coos Bay Wagon Road grant, and then another one of $18,000, which is an increase of $8,000 over last year.

Mr. ARENTZ. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. ARENTZ. I do not believe there is any deposit made by any individual for the survey of public lands, per se; but if an application is made for patent of a mineral entry, the individual can not proceed before he makes application for the patent accompanied by the necessary payment to cover cost of survey, map, and field notes, as well as the cost of the land at $5 per acre.

This $20,000 item, undoubtedly, is to cover the cost of applications for survey of mineral lands. For instance, take the Coos Bay Wagon Road, the Public Lands Committee of the House has had legislation before it for many years covering the timber lands in that case. There are frauds involved in that transaction and we have got to survey that land to determine accurately the condition of it. The gentleman knows all about the Government lands and railroad lands throughout Oregon and Washington, because the gentleman has lived up there and he knows it is necessary to bring back some of that land into Government ownership and that it will be necessary to resurvey it.

Mr. GOSS. Do these frauds have anything to do with the timber rights under the bill that we will have up Monday when the Consent Calendar is called or are they confined to Coos Bay?

Mr. ARENTZ. No; they are not involved in those bills, because the Public Lands Committee does not appropriate money. We only bring forward legislation without providing any funds.

Mr. GOSS. Why is there an increase of $8,000 this year over last year in the permanent appropriation?

Mr. ARENTZ. I can not answer that.

Mr. GOSS. Can the chairman of the committee answer that question?

Mr. HASTINGS. To be frank with the gentleman, I am not familiar with that matter. I do not think any inquiry was made with respect to that in the committee. These indefinite and permanent appropriations are simply put in here for the information of the House.

Mr. GOSS. You have another appropriation of $10,000 on top of this for Coos Bay.

Mr. HASTINGS. Inasmuch as these are permanent appropriations, they are not contained in the bill and are simply put in the report for the information of the House.

Mr. GOSS. So, really, when we consider this Department of the Interior bill, to the amount of $43,000,000 for 1934, we have to add the $12,000,000 in the permanent and indefinite appropriations for the total appropriation?

Mr. HASTINGS. That is correct.

Mr. GOSS. In reading over these permanent and indefinite appropriations it seems to me that some of those items are carried in the bill, perhaps, for other purposes, and it seems as though there might be a duplication of appropriation, and that is why I am asking these questions. Has the gentleman any information with respect to these other items?

Mr. HASTINGS. My information is that there are no duplications.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Coming from a State where all the public lands have been surveyed I do not wish to take a sectional view in passing upon this appropriation just because the appropriation is applicable to the Western States.

The hearings show there are considerable public lands in the Western States still to be surveyed. I was impressed by the statement of the ranking Republican member of the Public Lands Committee [Mr. COLTON], that this appropriation is very vital in the development of the West. The statement incorporated in the hearings by Mr. Havell, of the General Land Office, confirms the fact there is need for this appropriation.

I generally follow my energetic friend, the gentleman from Indiana [Mr. HOGG], in his proposals to cut down appropriations. While I am in sympathy with the general purpose, I do not wish to do any violence, on the spur of the moment, and cut down by 25 per cent the appropriation because the Democratic Party, as a platform effervescence, has declared it is in favor of a 25 per cent reduction in Government expenditures. This position was riddled and ridiculed as well, at least to my satisfaction, by the present President in his Detroit speech when he said that to cut down the total appropriations $1,000,000,000, as was proposed by Governor Roosevelt, was something that could not be done—that it was not possible.

Mr. MAY. Will the gentleman yield for a question?

Mr. STAFFORD. Yes.

Mr. MAY. I take it my friend from Wisconsin is standing on that Democratic platform, so far as that declaration of economy is concerned?

Mr. STAFFORD. So far as it is attainable within reason; and I am here to support the committee in every practical way. But the President elect did not take the position that he was going to close the Government of the United States in his attempt to cut down the total appropriations from $4,000,000,000 to $3,000,000,000. President Hoover showed in his Detroit speech that this would be necessary, and showed how ridiculous was the contention of Governor Roosevelt, and that he did not know his onions when he proposed to cut down the appropriations from $4,000,000,000 to $3,000,000,000; and I do not believe the gentleman from Kentucky [Mr. MAY], if he knows anything about the mechanics of appropriations, would stand on the floor as a representative of this Government and say it is feasible or possible to cut down the appropriations $1,000,000,000 without doing violence to the workings of the Government. It was merely a campaign utterance, merely a campaign effulgence of the moment to get votes, and I suppose he got votes as a result of it.

Mr. MAY. I quite agree with the gentleman that we sometimes are guilty of being penny-wise and pound-foolish, and that men sometimes in making political speeches for the purpose of getting votes miscalculate their capacity to economize in Government affairs; but does not the gentleman think that with the number of bureaus and departments and extra commissions that have been created in the last four or five years it would not be a difficult thing to save one-half billion dollars and efficiently administer the Government?

Mr. STAFFORD. No; not merely by eliminating needless bureaus. The New York Times, after the President elect made this indefensible statement, took him to task for uttering something that was obviously impossible of accomplishment.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STAFFORD. And I think from that time forth the mouth of the President elect on this item was hermetically sealed. He had nothing further to say, because it was indefensible and he knew it. [Laughter.] Some person had misled him into a morass, and he was wise in not repeating it, because there is no candidate for high office who can stand long by making indefensible statements.

I would like now to come to the issue before the House. [Laughter.]

A brief study of the hearings rather confirms me in the opinion that a cut of from $500,000 to $375,000 would be drastic. The statement shows the need of additional appropriations, perhaps, amounting to $100,000 by reason of the Boulder Dam project. It shows the need of continuing the work in nonagricultural mineral lands. Perhaps by a cut of $50,000 we might not do violence; but a cut of $125,000, when last year we appropriated $544,000 for this purpose, would be out of keeping.

There is a table which may be interesting to Members showing the amount of land surveyed by years dating back to 1926, showing the amount of public lands surveyed in the public-land States. I am of the opinion that if we cut this radically, it will be an injustice to the public-land States; that this is a necessary expenditure. I do not believe the subcommittee that had the matter in charge went into this at any length. There are millions of acres in the Western States yet to be surveyed, and we should continue it on the solemn declaration of the ranking Republican member of the Public Lands Committee that this would cut the very vitals out of the development of the Western States. I am willing to follow his judgment in that regard. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken, and the amendment was rejected.

Mr. GOSS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 7, line 17, strike out all of lines 18 to 21, inclusive.

Mr. GOSS. Mr. Chairman, a moment ago I questioned members of the subcommittee on this item, and none of them seemed to have any information, and frankly said so. In the permanent and indefinite appropriations contained on page 30 of the report you will find an item "Coos Bay wagon road grant fund, $18,000," for the estimated expenditures for 1934. In 1933 there was $10,000 appropriated, and in addition to that permanent appropriation made they are carrying another item of $10,000, or not to exceed $10,000.

In one part of the bill they offer to limit the amount, and in the permanent appropriation they increase it $8,000 over last year. I move to strike that out.

I have talked with members of the committee, and I am not able to get any information in regard to it, and I therefore move to strike it out.

Mr. STAFFORD. The gentleman has a very vivid memory. He will recall that the gentleman from South Carolina was taken aback when he moved to strike out the limit of an appropriation similar to this. If you strike out the limitation, there would be no limit to the amount that could be expended by the department.

Mr. GOSS. By striking out the whole thing I agree with the gentleman, but on the part I suggest to strike out I do not agree with him.

Mr. FRENCH. I think I can explain the item. The bill carries money for meeting the amount of tax that for years had been levied on the Coos Bay Wagon Road grant lands. Many years ago the Coos Bay Wagon Road project, as well as railroad projects, was aided by the Federal Government through the gift of lands under certain conditions, one of which was that the lands should be sold at not more than a certain price. The recipients of some of these grants violated the terms of the grant, and suit was instituted by the Government for their recovery. These suits were successful, and the Government recovered a large amount of the land.

In the meantime, however, counties in which the lands were located had acted upon the assumption that the lands were private lands. Counties were bonded, and these lands in common with other privately owned property were responsible through taxation for interest and for sinking fund. But when cancellation occurred, at once these lands were swept from the tax rolls. Counties were defaulting in their bonds and interest in obligations that had been incurred in good faith. To meet the situation, a few years ago the Congress passed an act providing that certain proceeds from these lands should be paid in lieu of taxes and should go to these counties until the lands should again pass to private ownership.

Mr. GOSS. Is that in the permanent appropriation the gentleman is speaking of now, or in the bill? There are two items.

Mr. HASTINGS. That is the permanent appropriation.

Mr. FRENCH. Yes.

Mr. GOSS. That the gentleman is referring to?

Mr. FRENCH. Yes.

Mr. GOSS. Can the gentleman tell the House why that permanent appropriation was increased by $8,000 over last year?

Mr. FRENCH. Yes. That is because during the last year there had been a very slow sale of timber. For instance, in the same State, over in the Klamath Indian Reservation, the sales a few years ago would run as high as a million or more dollars per year of timber. Last year it fell down to a small fraction of that amount, and so here there has been a falling off in the sale of timber, and naturally the amount of money necessary to meet the money due in lieu of taxes has to be increased to the extent of $8,000. The county receives not more than 25 per cent of the amount of sales.

Mr. GOSS. In other words, the Government is appropriating this money in lieu of taxes on the Coos Bay Wagon Road lands?

Mr. FRENCH. Yes.

Mr. GOSS. So that the Federal Government is spending money for that purpose?

Mr. FRENCH. That is right, and it has been drawn into it on the basis of a county having been built up upon the theory that these lands were in private ownership.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. HASTINGS. I call attention to the middle of page 241 of the hearings. The items contained in the bill are for the surveys of these lands.

Mr. GOSS. What does it mean by the language "for the survey, classification, and sale of lands and timber," and so forth?

Mr. HASTINGS. The hearings disclose. It is for the survey, classification, and sale of lands and timber of the Oregon & California Railroad lands and the Coos Bay Wagon Road lands, and so forth. It is for the survey of these particular lands that are designated by those names.

Mr. GOSS. In other words, we are appropriating not to exceed $10,000 for those surveys of the Coos Bay lands in one instance in the permanent appropriation, and the Government is appropriating to pay up the default of the Coos Bay County lands.

Mr. HASTINGS. That is under the general permanent law, and this is for surveys.

Mr. GOSS. It seems to me a ridiculous situation.

Mr. FRENCH. But as the lands pass into private ownership the lands become liable for their share of the taxes and will necessarily relieve the Government. These lands will pass into private ownership sooner or later, and the Government will be relieved of the burden.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

The Clerk read as follows:

Registers: For salaries and commissions of registers of district land offices, $68,750.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word to inquire of the gentleman having the bill in charge whether the committee followed the recommendation of the department in discontinuing some of the land offices now existing.

Mr. HASTINGS. Yes. We cut down the appropriation, and it means the discontinuance of four offices; and those four offices, as I think I stated in some remarks on the floor, are at Little Rock, where the receipts were $3,086.51 and the expenses $5,414.58, or 175 per cent of the receipts; at Gainesville, Fla., where the receipts were $3,681.55 and the expenses $3,468.55, or 94 per cent of the receipts; at Cass Lake, where the receipts were $1,361.90 and the expenses $2,174.40, or 159 per cent of the receipts; and at Alliance, Nebr., where the receipts were $1,532.42 and the expenses $3,415.34, or 222 per cent of the receipts.

Mr. STAFFORD. With the appropriations carried in this bill how many offices will be continued in the service?

Mr. HASTINGS. All of the remainder except four will be continued in the service.

Mr. STAFFORD. Can the gentleman furnish the committee with the number and whether there are any other instances where there are such glaring disproportions between the receipts and the outgo?

Mr. HASTINGS. None was called to our attention.

Mr. STAFFORD. Is this merely a piecemeal elimination, or are there many other instances where conditions justify the elimination?

Mr. HASTINGS. It looks as though the others are justified.

Mr. STAFFORD. And the work of these four under the proposed plan of the department will be carried on by some other existing office?

Mr. HASTINGS. Yes; or through the General Land Office at Washington. There are 29 at the present time, and with these four eliminated that leaves 25.

Mr. STAFFORD. Would the gentleman have any objection to an amendment providing that when the expenses are in excess of the receipts the department should discontinue them?

Mr. HASTINGS. I have no authority to accept such an amendment, because the committee has not studied it and does not know what the effect of such an amendment would be. There may be some reason why they ought not to be discontinued.

Mr. FRENCH. The Secretary has authority now to discontinue land offices when the receipts in relation to expenditures reach a certain amount.

For instance, I do not think that as to those we are proposing to discontinue, we are required by law to do it. We are forcing them out, just as the gentleman will recall some 8 or 10 years ago, when we had something like ninety-odd land offices and many of them could have been discontinued, we forced the discontinuance of many of them by refusing appropriations. That is what we are doing here.

Mr. STAFFORD. Will the gentleman give the committee the benefit of his knowledge of the situation as to whether in his opinion any of these 29 should be discontinued because of the disparity of receipts with expenditures?

Mr. FRENCH. Yes. We thought that these were the worst cases. They were the worst cases, and those are the ones that we recommended discontinuing.

Mr. STAFFORD. But answering my question further, is the gentleman of the opinion that there are others of the remaining 29 that should be discontinued because of the little work that is being done in those offices?

Mr. FRENCH. Not at this moment, no; but I do think that as we step along we are going to discontinue many of them, and oftentimes it is a question of area and a question of convenience to the land office with respect to the amount of business transacted, and there is no question in my mind that in another year we may want to cut off some more, and the succeeding year still more. We have not opened any new office the last 8 to 10 years.

Mr. ARENTZ. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. ARENTZ. It is rather a coincidence that these four offices are in districts where there is very little public land.

Mr. FRENCH. That is true.

Mr. ARENTZ. And where other offices are located in areas where there is little public land, they will be clipped off.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended, as I want to ask him some questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. EATON of Colorado. Will the gentleman answer why these four land offices, where the expenses are 100 to 250 per cent of the receipts, have not been discontinued this year or are not discontinued now?

Mr. HASTINGS. I do not know why they have not been discontinued. They have not been.

Mr. EATON of Colorado. Is there any movement on foot to stop them now?

Mr. HASTINGS. This will stop them because there is no appropriation made for them after the 1st of July next.

Mr. EATON of Colorado. As I understand it, the receivers get $1,000 each. If there is no business, they get the $1,000; but in the appropriation for the period that is now running, there is an appropriation for carrying these four offices over this whole year. Is that the only reason they are maintained?

Mr. HASTINGS. Oh, yes. The appropriation for the current year is $80,000. We have cut it down to $68,750.

Mr. EATON of Colorado. But in the next paragraph, lines 15 and 16, there is a provision that in this $150,000 expenditure a part of it may be used in the opening of new land offices and reservations. Is there any breakdown to show what new land offices are contemplated to be opened or new reservations?

Mr. HASTINGS. I agree with the gentleman that I think that could be eliminated. I do not know that there is any necessity for opening new land offices. That has been carried in the bill from year to year, because it gives the department authority to do that if they find need for it. There may be need for it. I do not know; but I do not believe there would be any need for it during the coming year.

Mr. EATON of Colorado. Would the gentleman consent to an amendment striking that out?

Mr. COLTON. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. COLTON. This has been carried heretofore, as I understand, because often there have been Indian reservations opened to settlement; and sometimes it has become necessary to open a new land office for the time being, to administer those lands. I do not think any harm has followed by reason of carrying this in the bill. There may not be any demand for the money.

Mr. HASTINGS. There will be no saving, because there is no money appropriated for it.

Mr. COCHRAN of Missouri. I have an amendment waiting on the Clerk's desk to strike out that language; and I propose to press it, in view of what has been said about land offices being operated where the expenses are in excess of the revenues of the land office.

Mr. EATON of Colorado. That has been the subject of this debate, and I wanted an explanation about these new land offices. I am simply trying to get some information in regard to it, to see what the policy of the department is, or what information the committee has.

Mr. FRENCH. May I say that I know of no new land office that has been opened for years. I think possibly in one case a few years ago when we were closing several offices, the one at the capital of a State—and I do not remember what State it was now—was either revived or opened after having been closed a few years; but, generally speaking, no land office has been opened for years.

Mr. EATON of Colorado. I was rather in hopes that they would reopen the land office at Vernal, Utah, and Glenwood Springs, Colo.

They are not in my district. The one in Glenwood Springs is in the district represented by the chairman of the subcommittee, Mr. TAYLOR of Colorado. The other is in the district represented by the gentleman from Utah, Mr. COLTON.

Mr. FRENCH. The members of the committee are sorry they could not see their way clear to accommodate the gentleman with such recommendations. We have not thought that those land offices should be reopened.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Contingent expenses of land offices: For clerk hire, rent, and other incidental expenses of the district land offices, including the expenses of depositing public money; traveling expenses of clerks detailed to examine the books and management of district land offices and to assist in the operation of said offices and in the opening of new land offices and reservations, and for traveling expenses of clerks transferred in the interest of the public service from one district land office to another, $150,000: *Provided*, That no expenses chargeable to the Government shall be incurred by registers in the conduct of local land offices except upon previous specific authorization by the Commissioner of the General Land Office.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Missouri: Page 8, line 15, after the word "offices," strike out the language down to and including the word "reservations" on line 16.

Mr. COCHRAN of Missouri. Mr. Chairman, in view of the discussion during the last 10 or 15 minutes I think the amendment is sound. If we are going to discontinue land offices, why leave it for the Secretary of the Interior to open additional land offices?

It may be that the new Secretary of the Interior will not be so well versed upon this proposition, and he will agree to the appeal of some Senator or some Representative to open an additional land office.

Mr. HASTINGS. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. HASTINGS. As far as I am concerned, I am perfectly willing to accept the amendment.

Mr. COCHRAN of Missouri. If it is agreeable to the committee to accept the amendment, I will say nothing further.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. ARENTZ. The gentleman from Missouri spoke about the new Secretary possibly not being familiar with this. I may say that, regardless of who is Secretary, the chief clerk and the men who will carry on the policy of the Reclamation Service and the General Land Office will go on forever.

Mr. COCHRAN of Missouri. I may say to the gentleman in reply that the Democratic Party hopes to make a change in that kind of administration during the next four years. We have had enough of it to do for a century.

Mr. ARENTZ. I am willing to wager now that you can not cut into the civil service with a battle ax.

Mr. COCHRAN of Missouri. Changes will be made that might surprise the gentleman from Nevada.

Mr. ARENTZ. It will not make a particle of difference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The amendment was agreed to.

Mr. COLTON. Mr. Chairman, I notice the word "offices" appears twice in line 15. After which one does the amendment apply?

Mr. COCHRAN of Missouri. It applies after the third word, "said offices." Strike out the words "and in the opening of new land offices and reservations."

Mr. STAFFORD. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. That is the way the amendment has been construed. The Clerk will again report the amendment.

The Clerk read the amendment, as follows:

Where the word "offices" occurs the first time in the line, strike out down to and including the word "reservations" in line 16.

The Clerk read as follows:

Depredations on public timber, protecting public lands, and settlement of claims for swamp land and swamp-land indemnity: For protecting timber on the public lands, and for the more efficient execution of the law and rules relating to the cutting thereof; protecting public lands from illegal and fraudulent entry or appropriation, adjusting claims for swamp lands and indemnity for swamp lands; and traveling expenses of agents and others employed hereunder, $400,000, including not exceeding $30,000 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles and motor boats for the use of agents and others employed in the field service and including $60,000 for prevention and fighting of forest and other fires on the public lands, to be available for this and no other purpose, and to be expended under the direction of the commissioner.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am curious to obtain information as to the amount of the burden upon the National Government by reason of extending more and more the forest reserve limits and placing them under the domain and care of the National Government. This morning we had a very illuminating address by the gentleman from Montana [Mr. LEAVITT] in which he sought to justify the policy of taking lands outside of our forest reserves and including them in these reserves.

The query has arisen in my mind as to whether there is any great burden imposed upon the National Government, for instance, in the matter of fire protection, a burden lifted from the State governments? Can the gentleman give us a statement as to what the appropriations for this service as carried in paragraph 5 of the bill have been for the past several years, to see whether it has been increasing or decreasing?

Mr. HASTINGS. The amount in this paragraph for the past several years has been:

For 1931, $450,000.

For 1932, $485,000.

For 1933, it was $400,000, but there was diverted another $60,000. So that for the current year there will be used $460,000.

The committee cut it down to $400,000. That is the recommendation in the bill.

Mr. STAFFORD. Will the gentleman give the committee his opinion as to whether the burden increases upon the National Government for fire protection when we continue to increase the acreage by taking in larger and larger private areas?

Mr. HASTINGS. There has not been very much increase in this bill.

Mr. FRENCH. Mr. Chairman, may I say that this committee would not have charge of inquiries into expenditures touching lands that are included in national forests. Forestry administration is under the jurisdiction of the Department of Agriculture. The Interior Department subcommittee has not had the opportunity of going into the matter.

Mr. STAFFORD. Mr. Chairman, as the distinguished gentleman who has given this subject very close attention is without the information, I must, necessarily, withdraw the pro forma amendment.

The Clerk read as follows:

For lease, purchase, repair, and improvement of agency buildings, exclusive of hospital buildings, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, $164,260; for construction of physical improvements, exclusive of hospitals, $55,000; in all, $219,260: *Provided*, That not more than $7,500 shall be expended for new construction at any one agency, except as follows: Northern Navajo, N. Mex., flood protection, $42,000, to be immediately available; Zuni, N. Mex., improving water supply, $8,800, to be immediately available.

Mr. GOSS. Mr. Chairman, I reserve a point of order for the purpose of seeking an explanation of this new item.

Why is it necessary to except that property enumerated in the bill to the extent of $42,000 for flood protection?

Mr. HASTINGS. If the gentleman from Connecticut will notice, he will see it is a limitation.

Mr. GOSS. What is that?

Mr. HASTINGS. It is a limitation.

Mr. GOSS. Not when you use the word "except." I grant that the phrase "not more than $7,500 shall be expended on new construction at any one agency," is a limitation; but when you say "except as follows," and then go on with this new construction item, in my judgment it is not a limitation.

Mr. HASTINGS. The situation at Northern Navajo, N. Mex., is a case which was brought to our attention where there is urgent necessity for flood protection.

The committee visited this place last year and is familiar with it. Page 536 of the hearings is devoted to an explanation of the very urgent need of the expenditure of this amount for flood protection to protect the property of the United States.

Mr. GOSS. Has the legislative committee passed on this item?

Mr. HASTINGS. The legislative committee has not passed on this item; it is not necessary.

Mr. GOSS. Of course, the committee could pass on it.

Mr. HASTINGS. Under the Snyder Act, which was passed in 1921, I think, authorizing appropriations to be made for this and similar purposes, it is not subject to a point of order.

Mr. GOSS. Mr. Chairman, I make the point of order against the proviso that it is legislation in an appropriation bill.

My point of order applies from the words "except as follows" down to and including the word "available" in line 18.

Mr. HASTINGS. Mr. Chairman, under the provisions of the Snyder Act (U. S. C., title 25, sec. 13), the Chair will find the following language:

For the enlargement, extension, improvement, and repair of buildings and grounds of existing plants and projects.

So that it is specifically authorized.

The CHAIRMAN (Mr. BLAND). The Chair is ready to rule.

The Chair is of the opinion that under title 25, section 13, the language read by the gentleman from Oklahoma [Mr. HASTINGS], the point of order is not well taken.

The Chair overrules the point of order.

The Clerk read as follows:

For the purpose of developing agriculture and stock raising among the Indians, including necessary personnel, traveling and other expenses, and purchase of supplies and equipment, $315,000, of which not to exceed $15,000 may be used to conduct agricultural experiments and demonstrations on Indian school or agency farms and to maintain a supply of suitable plants or seed for issue to Indians.

Mr. ARENTZ. Mr. Chairman, I move to strike out the last word.

I do this, Mr. Chairman, to bring certain matters to the attention of this committee.

This summer the Senate Committee on Indian Affairs visited Nevada and took in nearly all the reservations in that State. I remember particularly the visit to the Pyramid Lake Indian Reservation and the testimony that was given by Indians at that hearing. For instance, the statement was made that the Indians on that reservation needed some draft animals and the question was asked, "Have you not grazing land on this reservation so you can raise your

own horses?" The answer was, "We have not any sires on the ranch; in fact, we have not any sires of any kind anywhere on the reservation, and whenever we want to buy a team of draft horses we have to go off of the reservation and buy them from the whites."

Now, what a sad commentary it is to think that with a reservation situated in an ideal horse-raising country, they have nothing but a little bunch of fuzztails which are too small to even pull an Indian farmer's hay wagon, yet this item provides for agricultural experiment professors, it provides for irrigation experts, it provides for Indian farmers, and every other conceivable thing to do something for the Indian farmers, and yet on this reservation, as well as many other reservations, you will not see a chicken or a hog or a sack of flour raised on the reservation. There may be a mill, but there is no grinding of flour.

If you make inquiry as to just what the Indian farmer does, you will find that the Indian farmer works in the office and they say, "We can not spare him to go among the farmers and teach them." "Where is the irrigation expert?" "Well, he is looking after water distribution." "Is not he a farmer?" "Oh, yes; he is a farmer, but he can not interfere with the farmer's work." "Do you mean to say, then, that the farmer is in the office doing clerical work and the irrigation expert is traveling over the reservation distributing water and yet can not tell the Indian how to raise crops?"

Now, may I suggest to the gentleman from Oklahoma [Mr. HASTINGS] that the best thing that can be done to save money and to bring about efficiency on Indian reservations and do something for the farmer is to cut out the reservation farmer and put his work in the hands of the irrigation expert, who receives more pay, who is ordinarily a more intelligent man, and who can do the work that the farmer is looking after.

Now, there is another thing. I would like for anyone on this committee to tell me whether anything is being done on any reservation in the West to teach the Indians to use their hands in the way of shoeing horses. Can any of them put a point on a plowshare? Are any of them taught to do anything in the way of building a house or planing a board or making a board straight? They are not being taught a thing along this line.

The Bureau of Indian Affairs is carrying on a wonderful system of education, but, in my opinion, it is the wrong kind of education. The education that the farm boys should receive is an education that is going to help them to get employment among the white settlers adjacent to the reservation, because the Indian boy is not going very far away from where he was reared.

Mr. GOSS. Will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. GOSS. I notice in the permanent and indefinite appropriations an item of $2,550,000 this year and last year for agricultural and mechanical arts in colleges. I do not know what that is used for, unless it is used for the purposes the gentleman is talking about.

Mr. ARENTZ. I would like the gentleman to inquire about these things and find out just what is being done.

Mr. GOSS. I have tried to do that and I can not find out what is being done.

Mr. ARENTZ. How many Indian boys ever go through high schools?

Mr. GOSS. I could not answer that question.

[Here the gavel fell.]

Mr. ARENTZ. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. GOSS. I shall direct my remarks to the chairman of the committee with respect to the $2,550,000, because I am in sympathy with the gentleman's statement.

Mr. ARENTZ. I was a member of the Indian Affairs Committee of the House for a number of years, and I tried to bring about these changes without any result. My statement of a few minutes ago about trying to break in on bureau policies was made because of my feeling about this matter after having had years of experience in trying to change these things.

I say the education of the Indian is wrong. The Indian boy and the Indian girl on these reservations should be taught to do something that is going to help them in the future.

Mr. COLTON. Will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. COLTON. There are many places on the Indian reservations where such practical things are taught. I have visited a great many of them myself.

Mr. ARENTZ. Then I may say to the gentleman from Utah [Mr. COLTON] let us make it a general policy. Let us make this the policy everywhere in the United States where Indian reservations are located.

I fully appreciate what the 4-H club and the Farm Bureau extension are doing on the reservations. I see the boys that go to the Farm Bureau extension camps at the University of Utah. They come from the gentleman's Strawberry Valley around Vernal and go to Salt Lake City, and I know what they are doing. However, we must do more than that. We have got to spread this out so that the Indian boy and the Indian girl are really taught something that is going to do them some good in later life.

Mr. COLTON. I must say, in justice to my observations, that I think the bureau is handicapped by lack of funds. With the funds available, in many parts of the United States they are doing a wonderful work in teaching the Indians these very practical things that the gentleman has mentioned.

Mr. ARENTZ. I am mentioning them to bring out the fact that we must make this general throughout the entire West and not pick out any particular group of Indians. Let us make it general throughout the States that have Indian reservations.

I would like to know, for instance, how many Indian boys around Vernal and Roosevelt, in the valley where the gentleman lives, can shoe a horse or can put a point on a plowshare or do any of the things that any farmer should know how to do.

Mr. GOSS. Will the gentleman yield?

Mr. ARENTZ. I yield.

Mr. GOSS. Why does not the gentleman find out from the committee here? I have been trying to find out about this permanent appropriation of $2,550,000 for colleges of agriculture and mechanic arts.

Mr. ARENTZ. The gentleman from Oklahoma can answer that.

Mr. HASTINGS. Mr. Chairman, I think this item is one of the most important in the bill. If the gentleman had asked me how many Indians on this farm or that farm could shoe a horse, I could not tell him. Or if he asked me how many white people in this county or that could shoe a horse, I could not give him the information. But let me say that these Indians are in charge of their own land, and they have some stock. The amount appropriated in this item is for the purpose of employing suitable men upon each and every one of these reservations in order to instruct the Indians how to better farm and to raise better stock.

I agree with the gentleman from Nevada that practical things ought to be taught, and I think that they are taught.

Mr. ARENTZ. Does the gentleman deny the proposition I made in regard to the farmers doing clerical work? I think it should be left to the irrigation farmer, the expert, and let him have charge.

Mr. HASTINGS. That is what this appropriation is attempting to accomplish.

Mr. GOSS. I would like to ask the gentleman from Oklahoma what this $2,550,000 for colleges of mechanic arts is used for and where is it spent?

Mr. HASTINGS. That has nothing to do with anything in this bill.

Mr. GOSS. I know it has not, but what I want to know is what happens to that money.

Mr. HASTINGS. The permanent and indefinite appropriations were not investigated by our committee. They were only placed in the report for the information of Members of the House. If Members of the House want to know what the indefinite and permanent appropriations are they can get them from this report. We only investigated what pertain to the items in the bill.

Mr. GOSS. But there may be some duplication.

Mr. HASTINGS. My understanding is that this item which the gentleman calls attention to has nothing to do with any item in the bill and is no duplication.

Mr. GOSS. No; it is in addition.

Mr. FRENCH. Mr. Chairman, the inquiry of the gentleman from Connecticut is entirely apart from the subject discussed by the gentleman from Nevada. It is for an entirely different purpose. The gentleman will recall that some 40 years ago, or in 1890, the Government under the Morrill Act undertook the assistance of land-grant colleges throughout the country by giving them direct money appropriations. The amount appropriated was $15,000 for each institution the first year, which amount was increased annually thereafter for 10 years till a total of $25,000 for each institution was reached. Later by the Nelson amendment of 1907 the amount was increased under a progressive plan until it became $50,000 for each institution. That is the amount to-day. There are 51 institutions receiving this aid, making a total of $2,550,000 annually. This amount is carried as a permanent appropriation of the Government without annual submission to Congress. Under the law this fund is handled by the Interior Department. There are other funds under the Hatch, Adams, and Purnell Acts appropriated for agricultural experiment stations, but these moneys are not handled through the Department of the Interior.

The moneys to which the gentleman from Connecticut refers are moneys over which the committee has no jurisdiction.

Mr. GOSS. Starting that fund 40 or 50 years ago is proof that when you once start a fund of that kind it keeps going on.

Mr. FRENCH. What the gentleman says is quite correct. I am merely stating that these appropriations grow out of the appropriations for colleges of agriculture and mechanic arts throughout the United States under laws that prior Congresses have enacted.

Mr. GOSS. They will continue forever probably.

Mr. FRENCH. I think until the Congress heads them off they will continue.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition of the amendment. Hidden in the figures which the gentleman from Connecticut [Mr. Goss] refers to are the Federal-aid appropriations. There are over 20 States in the Union to-day taking out of the Federal Treasury more money than they are actually paying in, and among those States are the States that are benefiting by this $43,000,000 appropriation bill that we are considering right now. The day is coming when the Congress must go into the permanent appropriations that the gentleman is referring to. Congress has run wild on Federal aid. [Applause.] We are seeking money to help pay this Federal aid, to help these non-tax-paying States to get this money from the Federal Treasury. It is in excess of the amount they actually pay in.

On Monday, December 5, the opening day of this Congress, we voted upon a resolution the purpose of which was to raise money to reimburse the Treasury of the United States, to see if we could not cut down this deficit of $5,000,000 a day, and if gentlemen will look at the RECORD they will see that the Members of Congress who come from these non-tax-paying States that get this Federal aid, with I think one exception, voted against the resolution whereby we sought to reimburse the Treasury of the United States by repealing the eighteenth amendment and taking the money away from the bootleggers of the country and putting it where it belongs, in the Treasury of the United States. Look around. See the Members of Congress from those States in the north central, western, and northwestern parts of this country; every one of them is here to-day looking after this appropriation bill. Why? Because it is their appropriation bill. Within its pages is carried the money that goes to their States. I say to the gentlemen from these States, I realize that you need help, but the taxpayers of my city and State need some help, also. They want the burdens lifted from their shoulders. I say to you in good faith and in all kindness, if you do not help us find ways to raise the revenue to assist you, then this Federal aid is going to be taken away from you sooner or later.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. COLTON. Would the gentleman be willing to vote to turn over to those States all of the Federal property within those States, as has been done in Missouri?

Mr. COCHRAN of Missouri. There is no Federal property in the State of Missouri.

Mr. COLTON. I am speaking of public lands.

Mr. COCHRAN of Missouri. Yes; I will turn over the public lands, reserving the mineral and oil rights to the Government.

Mr. COLTON. Oh! What about the forest and mineral lands in Missouri? They went to the State of Missouri.

Mr. COCHRAN of Missouri. As far as the public lands, forest lands, and mineral lands are concerned, we have none. The Government of the United States can open up lands and they do open up the lands and your State gets the benefit of it. We are appropriating money here, even for paying taxes, paying taxes on public lands to the State of Oregon and other States. The gentleman does not deny that, does he?

Mr. COLTON. No; but that is another matter entirely.

Mr. COCHRAN of Missouri. The point I make is, and I make it in all kindness, that if you gentlemen want our help you must help us. We want your help and we want to help you. Why can you not help us? Why can you not help us take the burdens off our taxpayers' shoulders? They do not want to pay taxes and have their money go to other States.

Mr. COLTON. In my State, for instance, the Government owns 74 per cent of all the lands in the State.

Mr. COCHRAN of Missouri. Why do you not have the people take the lands over and open them up to entry?

Mr. COLTON. Most of them are forest and mineral lands.

Mr. COCHRAN of Missouri. Again I say, we want your help and you want our help. Why do you not help us? You know how you can help.

Mr. COLTON. We will in the right way.

Mr. COCHRAN of Missouri. What difference does it make to the people of the State of Utah, or any other Western State, what the people of the State of Missouri do or what the people of the State of New York or Pennsylvania do? You have the right to legislate for your State and keep liquors outside its borders if you desire. We will never object. What we want is for you to assist us to legalize the sale of liquor so we can start our great industries going again, put our people back to work, and raise taxes, secure money which I said before is going into the bootleggers' pockets and not into the Treasury.

We ask nothing unreasonable. Have your prohibition, if you want it, but let us regulate ourselves. If you do not, just as sure as you are here to-day, you will see the hour come when your Federal-aid appropriations will be curtailed. There will be no money to pay them.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The Clerk read as follows:

For the purpose of encouraging industry and self-support among the Indians and to aid them in the culture of fruits, grains, and other crops, $449,200, which sum may be used for the purchase of seeds, animals, machinery, tools, implements, and other equipment necessary, and for advances to Indians having irrigable allotments to assist them in the development and cultivation thereof, in the discretion of the Secretary of the Interior, to enable Indians to become self-supporting: *Provided*, That the expenditures for the purposes above set forth shall be under conditions to be prescribed by the Secretary of the Interior for repayment to the United States on or before June 30, 1939, except in the case of loans on irrigable lands for permanent improvement of said lands,

in which the period for repayment may run for not exceeding 20 years, in the discretion of the Secretary of the Interior: *Provided further*, That $150,000 shall be immediately available for expenditures for the benefit of the Pima Indians, and not to exceed $25,000 of the amount herein appropriated shall be expended on any other one reservation or for the benefit of any other one tribe of Indians: *Provided further*, That no part of this appropriation shall be used for the purchase of tribal herds: *Provided further*, That the Secretary of the Interior is hereby authorized, in his discretion and under such rules and regulations as he may prescribe, to make advances from this appropriation to old, disabled, or indigent Indian allottees, for their support, to remain a charge and lien against their lands until paid: *Provided further*, That advances may be made to worthy Indian youths to enable them to take educational courses, including courses in nursing, home economics, forestry, and other industrial subjects in colleges, universities, or other institutions, and advances so made shall be reimbursed in not to exceed eight years, under such rules and regulations as the Secretary of the Interior may prescribe.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of inquiring as to the limitation on the first proviso found on page 20, limiting the payment of these charges on or before June 30, 1939, except in certain cases. I have not had time to examine existing law as to whether that is the same date or not. What is the reason for extending the payment seven years hence?

Mr. HASTINGS. We prescribe the time within which these repayments may be made by the Indians.

Mr. STAFFORD. The existing law places the date one year earlier. Is it the policy of the committee always to grant a certain number of years in which these charges may be repaid?

Mr. HASTINGS. That is five years from the next year. That has been the policy all along, as I recall.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

In all, for irrigation on Indian reservations, not to exceed $161,500, reimbursable: *Provided*, That no part of this appropriation shall be expended on any irrigation system or reclamation project for which public funds are or may be otherwise available: *Provided further*, That the foregoing amounts appropriated for such purposes shall be available interchangeably, in the discretion of the Secretary of the Interior, for the necessary expenditures for damages by floods and other unforeseen exigencies, but the amount so interchanged shall not exceed in the aggregate 10 per cent of all the amounts so appropriated: *Provided further*, That the cost of irrigation projects and of operating and maintaining such projects where reimbursement thereof is required by law shall be apportioned on a per acre basis against the lands under the respective projects and shall be collected by the Secretary of the Interior as required by such law, and any unpaid charges outstanding against such lands shall constitute a first lien thereon which shall be recited in any patent or instrument issued for such lands.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. Last year we passed an omnibus bill which canceled the payments on irrigation projects on Indian reservation. As I recall, it was something like $20,000,000 or a little more. Now we are appropriating here $161,000, reimbursable, and there are some other items throughout the page; $220,000, reimbursable, and so on all the way down through. It seems that when we appropriate this money, while it states "reimbursable" it does not take very many years before some Member comes in with an omnibus bill and wipes out the entire charge, and the Federal Government has that further burden on these particular projects.

Mr. HASTINGS. I wish to call the gentleman's attention to the fact that it is my recollection that that legislation gave discretion to the Secretary of the Interior, but before it becomes finally effective he must report his action to Congress. Nothing has been done under that act, as far as I am advised. I think that is correct.

Mr. GOSS. Does the gentleman from Idaho [Mr. FRENCH] or the gentleman from Montana [Mr. LEAVITT] agree with that? I think the gentleman from Montana [Mr. LEAVITT] introduced the bill. Were not these items canceled in that bill?

Mr. LEAVITT. I will read the law to which the gentleman refers. It is Public, No. 240:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to adjust or eliminate reimbursable charges of the Government of the United States existing as debts against individual Indians or tribes of Indians in such a way as shall be equitable and just in consideration of all the circumstances under which such charges were made: *Provided*, That the collection of all construction costs against any Indian-owned lands within any Government irrigation project is hereby deferred, and no assessments shall be made on behalf of such charges against such lands until the Indian title thereto shall have been extinguished, and any construction assessments heretofore levied against such lands in accordance with the provisions of the act of February 14, 1920 (41 Stat. L. 409), and uncollected are hereby canceled: *Provided further*, That a report shall be made to Congress annually on the first Monday in December showing adjustments so made during the preceding fiscal year: *Provided further*, That any proceedings hereunder shall not be effective until approved by Congress, unless Congress shall have failed to act favorably or unfavorably thereon by concurrent resolution within 60 legislative days after the filing of said report, in which case they shall become effective at the termination of the said 60 legislative days.

Mr. GOSS. It amounted to some $20,000,000, did it not?

Mr. LEAVITT. I do not recall the exact amount.

Mr. GOSS. But it was a considerable sum.

Mr. LEAVITT. Yes; but I do not think it was that large.

Mr. GOSS. Now, does not the gentleman think that most of the items in this bill probably will not be reimbursed to the Federal Government? If we go on the experience of the past, that certainly will be true, will it not?

Mr. LEAVITT. This law says they are deferred as long as the land remains in Indian ownership.

Mr. GOSS. And then after years and years another omnibus bill will come in such as the gentleman had passed, and cancel out some $20,000,000. We accumulate them in small amounts, like $160, $220, $1,800, and all these various amounts, and then later some one will come in and say they can not pay on it, and then the Federal Government will simply be out that appropriation.

Mr. LEAVITT. Of course, the first part of this bill has to do with reimbursable charges that have nothing to do with reclamation projects.

Mr. GOSS. Well, this is an irrigation project. Of course, the irrigation part of it is just as flagrant as the reclamation propostion.

Mr. LEAVITT. Many of them are reimbursable debts against the Indians which were unjustly placed against the Indians. It has even been a great damage to them through their not being ready at the time.

Mr. GOSS. Well, the gentlemen come in here and put in these bills for irrigation and they go through.

[Here the gavel fell.]

Mr. LEAVITT. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GOSS. In both the irrigation and reclamation projects the same abuses have occurred; is that not true?

Mr. LEAVITT. The situation is now quite different from that of years ago. We will say that we start a new reclamation project on an Indian reservation. We have the situation now that the Indians are much more ready to go on and use that land than 15 or 20 or more years ago, when many of these old projects referred to particularly in this law that I introduced were put into effect. We also have a new policy for a study of the soil, the topography, economic conditions, and all those things, before we build the projects. My bill had to do with taking care of charges that existed against Indian tribes of every kind, that had frequently been unjustly placed against them, and no one had any authority to deal with them.

Mr. GOSS. The gentleman admits that many times these irrigation and reclamation items, these reimbursable items, are never reimbursed to the Government.

Mr. LEAVITT. I misunderstood the gentleman. Irrigation and reclamation are the same thing here; yes.

Mr. GOSS. But it refers in this particular item to irrigation; but it is about the same story, is it not, on both items?

Mr. LEAVITT. It is as far as the Indian reservations are concerned.

Mr. ARENTZ. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. ARENTZ. The gentleman will find that many of the reimbursable items charged against the Indians were made at the suggestion of the Indian Bureau over the period of

the last 50 years, and the Indian, without taking any interest in it himself, has had these reclamation projects put on the reservation. In many cases the head gates are all rotted and fallen to ruin; the ditches are filled with sand; the water has never been delivered to the Indians, because where there were 10,000 acres available, there were only 500 acres actually put under cultivation, and the Indian lands were charged for this expense.

Does the gentleman not think it is the right thing for this group of western men, headed by the gentleman from Montana [Mr. LEAVITT], to have introduced this bill in the interest of the Indian who had these items charged against him and did not have anything to do with it?

Mr. GOSS. That is perfectly true if the Indian did not know anything about it, but that is always the excuse that has been given.

Are we to assume that the Indians know they are being assessed, on page 25, line 4, $161,000 for the irrigation of these projects?

Mr. ARENTZ. It is in the report made to this committee that the Commissioner of Indian Affairs through the engineer who has charge of all reclamation for all Indian reservations, has made a personal investigation. Maps are available, land contours have all been made, the land has been surveyed, the soil has been surveyed, and they know exactly how much land each Indian wants, and when it is completed the Indians will go to work on it.

Mr. GOSS. So, is it safe to say, or is it not safe to say, that in the future the Indians will realize what these reimbursable items are that are being charged against them so they will not come back in the future as has been done in the past with a request to cancel the charge and have it paid by the Federal Government? We must remember we are spending the taxpayers' money here.

Mr. ARENTZ. Let us hope that from now on the procedure I speak of is going to take place.

Mr. GOSS. I hope the gentlemen representing the West take that into consideration when they put such items in the bill, for certainly that has not been the experience in the past.

Mr. ARENTZ. I think this policy has been in the mind of every man who has represented the Indians of the West in matters of reclamation for the last 10 years.

Mr. GOSS. I do not doubt that.

Mr. ARENTZ. Yes; I think that can be said.

Mr. GOSS. As to irrigation and reclamation both?

Mr. ARENTZ. As to irrigation and reclamation on Indian reservations, I think that can be said.

Mr. FRENCH. Mr. Chairman, I think another statement should be made in connection with the discussion here. The amount involved, $161,500, of reimbursable money is to meet the operation and maintenance charges, essentially, upon a great many projects.

Now we come to the question why these Indian projects should have been begun at all? Many, in fact most of them, are old projects. Many were begun for the purpose of protecting and conserving the rights of the Indians. For instance, here is an Indian reservation the lands under which are largely of a character that are irrigable.

[Here the gavel fell.]

Mr. FRENCH. Mr. Chairman, I rise in opposition to the pro forma amendment.

The lands, let us say, are irrigable and can produce crops only if irrigated. The lands lie near lands that are part of the public domain where a reclamation project is to be undertaken. There is only a limited amount of water. It is not the fair thing to the Indians to use all the water upon lands that are going to pass from the public domain into white ownership, leaving the lands owned by the Indians desert lands. Were we to do so, then in another 25 or 40 years the Indian children of to-day, who will then be the men and women of the Indian race, would discover that their heritage had been swept away and been rendered worthless, not by affirmative action of the Government but by the Government's neglect. There would be no available water. A great many of these irrigation projects have been undertaken in order that the Indian lands may receive their full share of water that a limited watershed affords.

Mr. GOSS. Does the gentleman agree with his colleague from Nevada [Mr. ARENTZ] that most of these bills containing reimbursable items have had the items included in them only after it has been found that the Indians will not come back to Congress in a few years and say: "Well, we can not pay it," and ask for relief and then we adjust the matter to take care of them? Does the gentleman agree with the statement of his colleague?

Mr. FRENCH. I wish to be fair.

Mr. GOSS. Does the gentleman agree that that is the condition that exists now, or has existed during the last few years?

Mr. FRENCH. Well, we are and have been under some very dreadful economic conditions in the West. Irrigation projects on Indian and white lands which were undertaken, for instance, before the war are to-day unremunerative, unprofitable, although upon the basis of economic conditions when they were undertaken they were promising projects and looked thoroughly sound. Essentially, it is because of the changed economic conditions that both white and Indian peoples have had to come to Congress and ask relief.

Mr. GOSS. The gentleman has not yet answered my question.

Mr. FRENCH. No; because I am not a prophet. I can not forecast the future. I hope we may be approaching more nearly to a sound basis for all projects, whether upon white or upon Indian lands. I hope this may be true.

Mr. GOSS. But the gentleman really does not know.

Mr. FRENCH. I can not know. How can anyone know?

Mr. GOSS. The gentleman from Nevada said he knew that.

Mr. FRENCH. I hope there is adequate foundation for that which he believes is knowledge.

Mr. GOSS. I do, too, because it is costing us a great deal of money under present conditions, because the Indian does not know what is being charged against him and then comes in afterwards and asks for cancellation.

Mr. FRENCH. But the gentleman would not permit these Indian reclamation projects to go back to desert. The gentleman would appropriate moneys for their operation and maintenance and then to the extent possible, through the administration of the Indian Office, would collect from the Indians and from white lessees and from white owners of land as much money as may be possible.

Mr. GOSS. I am in favor of the collection of that money, of course.

Mr. FRENCH. And we are trying to do that very thing.

Mr. SMITH of Idaho. May I ask the gentleman from Connecticut a question?

Mr. GOSS. Certainly.

Mr. SMITH of Idaho. Does the gentleman make any distinction between the obligation of the Government toward the Indian and the white man?

Mr. GOSS. No; none at all. My only observation in this whole debate has been that here are a lot of items in the bill—regardless of race, creed, or color—that are claimed on the face of them to be reimbursable, but I just said to the gentleman from Idaho [Mr. FRENCH]—and I would like to say the same thing to the gentleman—I have seen many of these bills here, some of them being in the nature of omnibus bills, for cancellation of reimbursable items to the white lessee and to the Indian, as well as a number of other people.

Mr. SMITH of Idaho. So far as the white men are concerned, I do not think anything of that kind has occurred since the gentleman came here.

Mr. GOSS. We had a vote on such a bill, but I believe it did not pass.

Mr. SMITH of Idaho. The gentleman must realize that the Indians are wards of the Government, and it is the duty of the Government to take care of them; and the Indians living on arid lands can not make a living or progress sufficiently in their farming activities to pay these charges.

Mr. GOSS. We deferred payments for a great many years on a number of these projects.

Mr. SMITH of Idaho. The Indians living on arid lands can not possibly earn money enough to pay the construction charges for placing water upon their lands.

The Clerk read as follows:

For the operation and maintenance of the San Carlos project for the irrigation of lands in the Gila River Indian Reservation and in the Casa Grande Valley, Ariz., including not more than $5,000 for crop and improvement damages and not more than $5,000 for purchases of rights of way, $143,500; for continuing construction, $77,100, including $54,000 for purchase or construction of transmission and distribution lines; in all, $220,600, reimbursable.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Here we have an item of $54,000 for purchase or construction of transmission and distribution lines on the San Carlos project. Is this for the benefit of the Indians themselves or what is the occasion for appropriating $54,000 for purchase and construction of transmission lines?

Mr. HASTINGS. It is in order that they may sell the power that is generated.

The hearings disclose on page 650—

Extension of transmission lines is vital to the success of this project. Negotiations are now in progress looking to the purchase of the lines mentioned. Such lines would be made a part of the power system of the project and would insure electric energy, particularly for operation of pumping plant. In case of failure in the negotiations, it will be necessary to expend the same or a larger amount in the erection of new lines. The installation of three turbine pumping plants for draining and irrigation and water supply is contemplated—

And so forth.

Mr. STAFFORD. May I inquire whether this is new language carried in the appropriation bill for this year?

Mr. HASTINGS. Yes; this is new language.

Mr. STAFFORD. Then, Mr. Chairman, for one, I have been misled by the statement of the gentleman that there is no language in this bill that is new or subject to a point of order. I would certainly have reserved a point of order on this provision, which is seeking to authorize the Commissioner of Indian Affairs, so far as this tribe of Indians is concerned, to go into the generation and sale of power. There is no authorization of law for this Indian tribe to go into the business of generating power and having it sold to private consumers. I accepted the statement of the members of the committee that there is no proposed legislation in this bill. I have not followed the bill as closely as I usually follow such legislation, and here we have a proposition of committing the Government to the policy of having this Indian tribe go into the electric light and power business.

Mr. HASTINGS. We have here the San Carlos project, which was built at very great expense. There is a great dam there with a large amount of electrical energy. Does not the gentleman from Wisconsin think it ought to be utilized, and how are we going to utilize it without these transmission lines?

Mr. STAFFORD. On the same fundamental principle that I opposed the bill reported by the Committee on Military Affairs, supported by the Democratic membership of that committee, committing the Government to the manufacture of fertilizer if the Muscle Shoals properties could not be leased. I am against the Government entering into private manufacture and entering into business in competition with private industry. I know it is a part of the policy subscribed to by the incoming administration, which is in favor of the Government going into the power business in certain instances.

Mr. HASTINGS. Just a moment. The primary purpose is to use this on the irrigation project, and it will be used very largely in that way, but, of course, the purpose is to sell any surplus.

Mr. MURPHY. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. MURPHY. I am sure the gentleman will be interested to learn that the only water power available is on the Indian reservation and they have already built the dam and are prepared to use the water power there. Now, why should they be refused the right to build transmission lines to help this entire country? The Indians themselves will profit by the transaction, because it is all reimbursable. This is simply a forward step. This means progression, and there is no other place for them to get this power.

Mr. STAFFORD. I am very glad that the gentleman has enrolled in the progressive group. I welcome him as a conservative from Wisconsin into the progressive group. [Laughter.] I am not so circumscribed in my views against Government operation that I wish to insist that facilities shall not be granted to Indian reservations to lease power to adjoining tributary districts; but I do oppose the policy of the Government, through the Bureau of Indian Affairs, going into the power business. I am not sufficiently advised about the facts of this case. I have not read the hearings on the subject.

Mr. HASTINGS. I read the gentleman the hearings on this subject. They say:

Extension of transmission lines is vital to the success of this project. Negotiations are now in progress looking to the purchase of the lines mentioned. Such lines would be made a part of the power system of the project and would insure electric energy, particularly for operation of pumping plants. In case of failure in the negotiations it will be necessary to expend the same or a larger amount in the erection of new lines.

Mr. STAFFORD. No one would have any objection to having transmission lines under such circumstances. I wish the gentleman had read that earlier.

Mr. HASTINGS. I did read that to the gentleman.

Mr. STAFFORD. Then my mind was diverted to some other subject. Mr. Chairman, I withdraw my pro forma amendment.

Mr. SMITH of Idaho. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Idaho: Page 27, line 10, after the words "*Provided*, That," insert the words "except as to rights of way and damage claims."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order. I had been informed by a colleague of the gentleman from Idaho that he intends to offer amendments to modify existing law. My attention was called to the proposal late this afternoon. I wonder whether it would be agreeable to the gentleman in charge of the bill to have this paragraph passed over so that I may have an opportunity to examine it with all rights reserved?

Mr. HASTINGS. I am perfectly willing; and I think it would save time.

Mr. SMITH of Idaho. Mr. Chairman, I have two other amendments that I propose to offer.

Mr. STAFFORD. Let them be offered for information.

The CHAIRMAN. Without objection, the amendments will be offered for information and passed over.

Mr. STAFFORD. Subject to all points of order.

The CHAIRMAN. Subject to all points of order.

Mr. SMITH of Idaho. Then, Mr. Chairman, I offer the following amendments:

The Clerk read as follows:

Amendments offered by Mr. SMITH of Idaho: Page 27, line 12, after the word "contracts," insert "with the non-Indian landowners"; page 27, line 13, after the figures "1931," insert the following proviso: "*Provided further*, That the requirements of the first sentence of section 6 of such act shall not be operative in the cases of Indian-owned land."

Mr. SMITH of Idaho. Mr. Chairman, yesterday morning and this morning my colleague [Mr. FRENCH] and I endeavored to confer with the gentleman from Wisconsin, but did not have an opportunity to meet him at his office. We are quite willing to have the matter go over until tomorrow in order that these amendments may be explained to him.

Mr. KETCHAM. Mr. Chairman, I reserve a point of order against the last two amendments.

The CHAIRMAN. These were read for information at this time.

Mr. KETCHAM. I do not want to lose any advantage.

The CHAIRMAN. The gentleman is protected in his rights.

The Clerk read as follows:

For operation and maintenance of the irrigation systems on the Flathead Indian Reservation, Mont., $12,000; for completing Pablo Reservoir enlargement, $35,000, to be immediately available; enlargement and improvement of Tabor feed canal, $22,000; construction of Alder Creek and Lost Creek feed canals, $12,000; purchase of water rights Mission Creek, $6,200; continuing construction of power distributing system, $50,000; lateral systems betterment, $20,000; miscellaneous engineering, surveys, and examinations, $5,000; in all, not to exceed $152,000, reimbursable: *Provided*, That the unexpended balance of the appropriation of $55,000 contained in the Interior Department appropriation act, fiscal year 1932 (46 Stat., p. 1127), for purchase of sites for reservoirs, construction headquarters and administrative uses, is hereby made available for the same purpose until June 30, 1934.

Mr. EVANS of Montana. Mr. Chairman, I offer the following amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. EVANS of Montana: Page 28, at the end of line 25, strike out the period, insert a colon and the following: "*Provided*, That (with the consent of the irrigation districts on the Flathead irrigation project which have executed repayment contracts with the United States as required by law) the Secretary of the Interior may modify the terms of such contracts by requiring the operation and maintenance charges not heretofore carried into construction costs and dealt with in the act of March 7, 1928 (45 Stat. pp. 212–213), to be paid over the same period of years and in like manner as the construction costs are to be paid under the terms of the public notice issued by such Secretary on November 1, 1930, as amended April 20, 1931: *Provided further*, That the first installment of such operation and maintenance charges shall be due and payable on the same date as the first installment of construction charges is due and payable, and interest shall not be assessed against such operation and maintenance charges or obligations after December 1, 1931, where modifications of the contracts are made pursuant hereto."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order in order to give the gentleman an opportunity to explain his amendment.

Mr. EVANS of Montana. Mr. Chairman, the situation is this: The Flathead Indian project has been in course of construction for many years. In the earlier days of that construction it was the custom of the Government to levy an assessment charge for operation and maintenance of that project, a sort of blanket charge. They charged so much an acre to the owner of the land. If he had 80 acres and the charge happened to be a dollar, he would be charged $80, whether the man took water or not. A good many men did not take water in those early days, as they seemed to find it more profitable to dry farm, but the charge was made against the land just the same. Subsequently the department found it was not working out, and they levied a charge whenever a man filed an application for water, provided they thought they had water to furnish him. At times the Government could furnish him water for one irrigation, but they could not furnish him water to mature his crop. Therefore his crop was destroyed because the Government could not furnish the necessary water, but the charge against the man was continued just the same. In 1928, through this Appropriations Committee we passed a provision that no water should be furnished to any of these landowners until they had paid their back operation and maintenance charges, and it is these particular charges that we are now complaining about and trying to remedy.

A number of these men find their land burdened with a charge that they can not pay at the present time. Under the law as passed in the appropriation bill of 1928 the Government can not furnish them any further water unless they pay the back charges. These men are perhaps prepared to pay charges to get water for this year, but under the law it can not be furnished them. It is comparable to the situation where a farmer goes to a merchant to buy a plow. He has the money in his pocket to buy the plow. The merchant says that he has the plow and that he would like to sell it to him, but that he will not sell it to him unless the farmer pays him the $20 he owes him for a harrow that he bought two years before. The farmer is not in a position to pay for that harrow. The result is that we wreck the farmer and we wreck the merchant who has the goods there to sell. The Government will have water there next June, and the man is willing to pay for next year's water, and all that he asks is to defer these back payments, not to cancel them, so that he may pay over a period of years with the other construction charges.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Montana. Yes.

Mr. STAFFORD. Why should not the Government pass a general law extending the same privilege to all similar cases rather than confine it to the Flathead Indian project?

Mr. EVANS of Montana. I think that would be all right if we could do it.

Mr. STAFFORD. Why do you wish to single out for preferential consideration the people on the Flathead Indian Reservation?

Mr. EVANS of Montana. Because we are dealing with the Flathead Indian Reservation at the present time. It is necessary, if these people are to be allowed to live, to relieve them of this back charge for a year. This matter was presented to the subcommittee in charge of this bill, who listened to us very sympathetically, and I believe they think the relief should be granted, but to avoid a possible point of order they did not put it in the bill. I am grateful to the gentleman from Wisconsin [Mr. STAFFORD] for withholding his point of order until the matter might be explained to the House. I am sure there is real merit in our position.

Mr. LEAVITT. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Montana. Yes.

Mr. LEAVITT. Congress did pass such a general piece of legislation allowing the rewriting of the contract on all of the reclamation projects, but did not include the Flathead project, which is an Indian reservation.

Mr. STAFFORD. It did not include any lands on Indian reservations.

Mr. LEAVITT. No. The Flathead project is a large reservation, but it is a white man's project. It should have been included in the original act.

Mr. STAFFORD. I am quite aware that the distinguished gentlemen from Montana would have been only too willing to have had the general law extend to similar cases on Indian reservations, but if the Flathead Indian Reservation was the only one, it would be all right. However, the gentleman from Montana says that conditions are similar on all Indian reservations.

Mr. LEAVITT. Some adjustment has been made by special act having to do with Indian projects elsewhere, such as the Blackfeet Reservation.

Mr. STAFFORD. When was that accomplished?

Mr. LEAVITT. That has been within the last Congress or so. It involved some items of rewriting, allowing more time for some of these payments. They had to enter into an agreement to do certain things. I will be glad to call the gentleman's attention to-morrow to the exact terms of the act.

Mr. HASTINGS. I just want to say before the committee rises that this amendment was presented to the committee. Extended hearings were held upon it. The Indian Bureau officials came before us. They have collaborated in the preparation of the particular amendment. These people are in very great distress. It did appeal very strongly to the committee, but the committee, not being willing that legislation should go on an appropriation bill, was unwilling to accept it and embody it in the bill, but we told the members of the committee that they might, if they wanted to, present it to the House for its consideration.

Mr. STAFFORD. How many other instances are there similar to the Flathead Indian Reservation which were called to the attention of the committee?

Mr. HASTINGS. I think this is the only amendment that has been offered. I do not recall any other.

Mr. STAFFORD. There is considerable testimony in the hearings covering this amendment?

Mr. HASTINGS. Yes.

Mr. STAFFORD. If the gentleman would be willing to move that the committee rise now, I would be glad to exam-

ine the hearings overnight and be prepared to discuss it further to-morrow.

Mr. HASTINGS. I will be glad to do that.

Mr. MURPHY. May I suggest to the gentleman from Wisconsin that he read the hearings beginning on page 708? There he will get all of the information with reference to this particular matter; and I am sure when the gentleman reads it, he will be satisfied with the amendment.

Mr. STAFFORD. It was my unfortunate lot to be appointed to give special consideration to the viewpoint of the Government as to the general legislation that was adopted for relief of the users on Government projects other than Indian reservations, so this subject is one that has come within my special purview. I wish to have an opportunity to read the hearings, and I will do that to-night if the gentleman will move to rise now.

Mr. HASTINGS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes, had come to no resolution thereon.

BOILER-INSPECTION LEGISLATION

Mr. PATMAN. Mr. Speaker, at the request of the chairman of the Committee on the District of Columbia, I ask unanimous consent that the boiler inspection bill (H. R. 8013) be recommitted to the Committee on the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. AYRES (at the request of Mr. HOPE), for Friday and Saturday, on account of illness.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p. m.) the House adjourned until tomorrow, Saturday, December 17, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, December 17, 1932, as reported to the floor leader:

AGRICULTURE

(10 a. m.)

Continue hearings on farm program.

NAVAL AFFAIRS

(9.30 a. m.)

Hearings on transfer of Naval Observatory and other bureaus to Department of Commerce.

MINES AND MINING

(10.30 a. m.)

Hearings on various subjects.

MILITARY AFFAIRS

(10 a. m.)

Hearings by subcommittee No. 7. Private bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

807. A letter from the Secretary of the Interior, transmitting draft of a bill authorizing an appropriation to pay certain enrolled Indians under the Pine Ridge, Standing Rock, Cheyenne River, and Rosebud Sioux Agencies amounts which have been awarded by the Secretary of the Interior under the act of Congress of May 3, 1928 (45 Stat. 484); to the Committee on Indian Affairs.

808. A letter from the Secretary of the Interior, transmitting for approval of the Congress a list of the cancellations and adjustments made with individual Indians and tribes of Indians (H. Doc. No. 501); to the Committee on Indian Affairs and ordered to be printed.

809. A letter from the Secretary of War, transmitting draft of a bill to provide for the erection of a monument to Confederate soldiers in the Crown Hill Cemetery, Indianapolis, Ind.; to the Committee on Military Affairs.

810. A communication from the President of the United States, transmitting for the consideration of Congress estimates of appropriations submitted by the several executive departments to pay claims for damages to privately owned property in the sum of $930.19 (H. Doc. No. 502); to the Committee on Appropriations and ordered to be printed.

811. A communication from the President of the United States, transmitting for the consideration of Congress estimates of appropriations submitted by the Navy Department to pay claims for damages by collisions with naval vessels in the sum of $615.09 (H. Doc. No. 503); to the Committee on Appropriations and ordered to be printed.

812. A communication from the President of the United States, transmitting for the consideration of Congress a list of judgments rendered by the Court of Claims which have been submitted by the Attorney General through the Secretary of the Treasury and require an appropriation for their payment (H. Doc. No. 504); to the Committee on Appropriations and ordered to be printed.

813. A communication from the President of the United States, transmitting for the consideration of Congress a supplemental estimate of appropriation for the Department of Labor Employment Service, for the fiscal year 1933 amounting to $200,000 (H. Doc. No. 505); to the Committee on Appropriations and ordered to be printed.

814. A communication from the President of the United States, transmitting for the consideration of Congress an estimate of appropriation for the fiscal year ending June 30, 1933, amounting to $17,000, to enable the Chief Executive to continue the litigation in connection with joint resolution directing the Secretary of the Interior to institute proceedings touching sections 16 and 36, township 30 south, range 23 east, Mount Diablo meridian (H. Doc. No. 506); to the Committee on Appropriations and ordered to be printed.

815. A communication from the President of the United States, transmitting for the consideration of Congress schedules covering certain claims allowed by the General Accounting Office in the sum of $2,347.47 (H. Doc. No. 507); to the Committee on Appropriations and ordered to be printed.

816. A communication from the President of the United States, transmitting for the consideration of Congress records of judgments rendered against the Government by the United States district courts (H. Doc. No. 508); to the Committee on Appropriations and ordered to be printed.

817. A communication from the President of the United States, transmitting for the consideration of Congress estimates of appropriations submitted by the several executive departments and an independent office to pay claims for damages to privately owned property in the sum of $19,260.86 (H. Doc. No. 509); to the Committee on Appropriations and ordered to be printed.

818. A communication from the President of the United States, transmitting a report for the consideration of Congress, in compliance with section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), schedules of claims allowed by the General Accounting Office, as covered by certificates of settlement (H. Doc. No. 510); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COLLIER: Committee on Ways and Means. H. R. 13742. A bill to provide revenue by the taxation of certain

nonintoxicating liquors, and for other purposes; without amendment (Rept. No. 1800). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MILLER: Committee on Claims. H. R. 7096. A bill for the relief of the Dallas County chapter of the American Red Cross; without amendment (Rept. No. 1797). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 11495. A bill for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holgar E. Sorensen; with amendment (Rept. No. 1798). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 12351. A bill for the relief of Guy M. Kinman; with amendment (Rept. No. 1799). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLIER: A bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquors, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. WILLIAM E. HULL: A bill (H. R. 13743) granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Tiskilwa, Ill.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13744) granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Langley, Ill.; to the Committee on Interstate Commerce.

By Mr. EVANS of Montana: A bill (H. R. 13745) to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto; to the Committee on the Public Lands.

By Mr. KVALE: A bill (H. R. 13746) to provide funds for cooperation with the Minnesota State Board of Control in the extension of the Minnesota State Sanatorium at Ah-Gwah-Ching, Minn.; to the Committee on Indian Affairs.

By Mr. HOUSTON of Hawaii: A bill (H. R. 13747) to amend section 3993 of the Revised Statutes; to the Committee on the Post Office and Post Roads.

By Mr. DAVIS of Pennsylvania: A bill (H. R. 13748) to procure a site for a Federal building at Philadelphia, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. WATSON: A bill (H. R. 13749) to authorize the Reconstruction Finance Corporation to make loans to aid in financing projects for the construction of sewerage systems or sewage-disposal works; to the Committee on Banking and Currency.

By Mrs. NORTON: A bill (H. R. 13750) to regulate the bringing of actions for damages against the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. RANKIN: A bill (H. R. 13751) granting the consent of Congress to the Board of Supervisors of Marion County, Miss., to construct a bridge across Pearl River; to the Committee on Interstate and Foreign Commerce.

By Mr. EATON of Colorado: A bill (H. R. 13752) authorizing payment of retirement pay to be made to certain officers and employees; to the Committee on Expenditures in the Executive Departments.

By Mr. RANKIN: A bill (H. R. 13753) granting the consent of Congress to the Board of Supervisors of Monroe County, Miss., to construct a bridge across Tombigbee River; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMASON: Resolution (H. Res. 326) requesting the retention of troops heretofore stationed at Fort D. A. Russell; to the Committee on Military Affairs.

By Mr. WOLVERTON: Joint resolution (H. J. Res. 512) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. BALDRIGE: Joint resolution (H. J. Res. 513) authorizing the Secretary of Agriculture to issue congressional certificate of merit for 4-H achievement; to the Committee on Agriculture.

By Mr. SIROVICH: Concurrent resolution (H. Con. Res. 43) to declare the sense of Congress that member banks of the Federal reserve system shall not furnish special protection for deposits made by States or political subdivisions thereof; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 13754) for the relief of the Virginia Engineering Co. (Inc.); to the Committee on Claims.

By Mr. BLOOM: A bill (H. R. 13755) for the relief of Ernest Jacober, deceased; to the Committee on Naval Affairs.

Also, a bill (H. R. 13756) for the relief of Edward N. Sonnenberg; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 13757) granting a pension to Alice Lucy Duling; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13758) granting a pension to Laura A. Garrison; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 13759) granting a pension to S. Ida Rhodes; to the Committee on Invalid Pensions.

Mr. KURTZ: A bill (H. R. 13760) granting an increase of pension to Mary C. McCartney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13761) granting an increase of pension to Lillie D. Hartley and a pension to Edna B. Hartley; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 13762) granting a pension to Charles E. June; to the Committee on Invalid Pensions.

By Mr. MICHENER: A bill (H. R. 13763) granting a pension to Elizabeth K. Hack; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 13764) granting an increase of pension to Emily Wilson; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 13765) granting a pension to Arthur King; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 13766) granting a retirement annuity to William Barrett; to the Committee on the Civil Service.

By Mr. SHOTT: A bill (H. R. 13767) for the relief of Hunter B. Glasscock; to the Committee on Claims.

By Mr. WOODRUFF: Resolution (H. Res. 324) for the relief of Delbert E. Libbey; to the Committee on Accounts.

By Mr. WOLCOTT: Resolution (H. Res. 325) providing for the payment of six months' compensation to the widow of Sigismond G. Boernstein; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9017. By Mr. AMLIE: Memorial of the Common Council of the City of Racine, Wis., urging the broadening of the powers of the Reconstruction Finance Corporation for the purpose of unemployment-relief projects; to the Committee on Ways and Means.

9018. Also, memorial of Federated Trades Council of Milwaukee, Wis., protesting against the enactment of a sales tax; to the Committee on Ways and Means.

9019. By Mr. BLOOM: Petition of the officers and members of Civil Service Forum, urging repeal of the unjust and inequitable provisions of the economy act as a forward step

in relieving the stress of unemployment, restoration of national prosperity, and as an act of justice to faithful workers in the service of the United States; to the Committee on Ways and Means.

9020. By Mr. CULLEN: Petition of the Maritime Association of the Port of New York, opposing the abolishment of the United States Employees Compensation Commission and consequent transfer of administration of the longshoremen and harbor workers' compensation act to the Department of Labor as inimical to the best welfare of the shipping interests of the United States; to the Committee on Expenditures in the Executive Departments.

9021. By Mr. ESTEP: Memorial of Squirrel Hill Woman's Christian Temperance Union, opposing repeal of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

9022. Also, memorial of the Fraternal Order of Police, Lodge No. 1, Pittsburgh, Pa., protesting against continuance of the furlough and salary reductions for Federal employees; to the Committee on Appropriations.

9023. By Mr. GARBER: Petition urging support of railroad pension bills, S. 4646 and H. R. 9891; to the Committee on Interstate and Foreign Commerce.

9024. By Mr. KVALE: Petition requesting immediate approval of Senate bill 1197, signed by numerous farmers, laboring, professional, and business men and women from the State of Minnesota; to the Committee on Banking and Currency.

9025. By Mr. LAMBERTSON: Petition of Mrs. H. E. Maynard and 342 other citizens of Jackson County, Kans., opposing any legislation providing for the manufacture of beer and further opposing any measure providing for the nullification or repeal of the eighteenth amendment; to the Committee on the Judiciary.

9026. By Mr. LINDSAY: Petition of Turner Construction Co., New York City, opposing House bill 9921; to the Committee on Expenditures in the Executive Departments.

9027. Also, petition of the Maritime Association of the Port of New York, New York City, protesting against the abolishment of the United States Employees' Compensation Commission; to the Committee on Expenditures in the Executive Departments.

9028. By Mr. MURPHY: Petition of 46 citizens of Conotton, Ohio, and vicinity, urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9029. By Mr. PARKER of Georgia: Memorial of the Southwest Georgia Baptist Pastors Conference, signed by H. M. Melton, president, and H. G. Wheeler, secretary, commending Georgia Congressmen who voted against the resolution to repeal the eighteenth amendment and severely censuring the Georgia Congressmen who voted for repeal, and earnestly urging Congressmen and Senators from Georgia to support the Constitution of the United States and assist in retaining therein the eighteenth amendment thereto; to the Committee on Ways and Means.

9030. By Mr. RUDD: Petition of the Maritime Association of the Port of New York, opposing the President's recommendation in so far as it affects the administration of the longshoremen and harbor workers' compensation act; to the Committee on Expenditures in the Executive Departments.

9031. Also, petition of Turner Construction Co., New York City, opposing the enactment of House bill 9921; to the Committee on Expenditures in the Executive Departments.

9032. By Mr. SNELL: Petition of residents of Ellenburg Depot, Ticonderoga, and Conifer, N. Y., urging prompt action on the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9033. By Mr. SPARKS: Petition of citizens of Miltonvale, Kans., submitted by Mrs. T. E. Mason, Jim M. Willey, and Mrs. L. W. Neaderleiser, and signed by 264 others, protesting against the legalizing of intoxicating liquors; to the Committee on the Judiciary.

9034. By Mr. STRONG of Pennsylvania: Petition of citizens of Punxsutawney, Sigel, and vicinity, all of the State of Pennsylvania, favoring an amendment to the Constitution of the United States to exclude aliens in the count for the apportionment of Representatives in Congress among the several States; to the Committee on the Judiciary.

9035. Also, petition of Barnard Woman's Christian Temperance Union, of Dayton, Pa., opposing any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

9036. By Mr. TAYLOR of Colorado: Petition of citizens of southwestern Colorado, urging legislation for the remonetization of silver at a reasonable ratio with gold; to the Committee on Coinage, Weights, and Measures.

9037. By Mr. TARVER: Petition of members of the Missionary Society of the First Methodist Church, of Marietta, Ga., opposing the repeal of the eighteenth amendment; to the Committee on the Judiciary.

9038. By Mr. TEMPLE: Petition of Rev. O. E. Rodkey, Methodist Episcopal Church, Carmichaels, Pa., supporting the stop-alien representation amendment to the Constitution; to the Committee on the Judiciary.

9039. Also, petition of Col. A. L. Hawkins Council, No. 334, Junior Order United American Mechanics, California, Pa., protesting against the continuance of the furlough provision of the economy law; to the Committee on Ways and Means.

9040. By Mr. TIERNEY: Petition of Harry W. Congdon Post of the American Legion, Bridgeport, Conn., with reference to the so-called Economy League; to the Committee on World War Veterans' Legislation.

9041. Also, petition of Ignatius K. Werwinski, requesting the issuance of special series postage stamps in honor of Gen. Thaddeus Kosciuszko during the month of October, 1933; to the Committee on the Post Office and Post Roads.

9042. By the SPEAKER: Petition of John J. Boyd and others of Baltimore, Md., requesting that an amendment to the Federal home loan bank act be passed; to the Committee on Banking and Currency.

9043. Also, petition of citizens of Jackson, Mich., favoring the maintenance of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

SATURDAY, DECEMBER 17, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Reynolds
Austin	Dale	Kean	Robinson, Ark.
Bailey	Davis	Kendrick	Robinson, Ind.
Bankhead	Dickinson	Keyes	Schall
Barbour	Dill	King	Schuyler
Barkley	Fess	La Follette	Shipstead
Bingham	Frazier	Logan	Shortridge
Black	George	Long	Smith
Blaine	Glass	McGill	Smoot
Borah	Goldsborough	McKellar	Steiwer
Broussard	Gore	McNary	Thomas, Okla.
Bulkley	Grammer	Metcalf	Trammell
Bulow	Hale	Moses	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Wagner
Carey	Hatfield	Nye	Walsh, Mass.
Cohen	Hawes	Oddie	Walsh, Mont.
Coolidge	Hayden	Patterson	Watson
Copeland	Hebert	Pittman	White
Costigan	Howell	Reed	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are neces-



sarily detained in attendance on the funeral of the late Representative Garrett.

I also desire to announce that the Senator from Illinois [Mr. LEWIS] and the Senator from Virginia [Mr. SWANSON] are detained on official business.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] and the junior Senator from Arkansas [Mrs. CARAWAY] are detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present. The Senator from Louisiana [Mr. LONG] retains the floor.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LONG. I yield to Senators for the transaction of routine morning business.

PETITIONS AND MEMORIALS

Mr. COPELAND presented numerous memorials of sundry citizens and religious bodies in the State of New York, remonstrating against the passage of legislation to legalize the manufacture and sale of beers and liquors with a stronger alcoholic content than one-half of 1 per cent, which were referred to the Committee on the Judiciary.

Mr. GOLDSBOROUGH presented resolutions adopted by the directors of the Maryland Tobacco Growers' Association, at Baltimore, Md., stating "if there are to be any changes made in the agricultural marketing act that these changes be made by those who are sympathetic with the problems of the American farmer," and favoring the replenishing of the revolving fund of the Federal Farm Board to its original amount of $500,000,000, which were referred to the Committee on Agriculture and Forestry.

Mr. BINGHAM presented the petition of the Woman's Home Missionary Society, of Hamden, Conn., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society, of Hamden, Conn., praying for the passage of legislation providing regulation of the motion picture industry, which was ordered to lie on the table.

He also presented a resolution indorsed by the senior and junior sections, National Council of Jewish Women, of Norwalk, Conn., favoring the initiation by the United States Government of negotiations with foreign powers to obtain international action on economic issues, including revision of war debts and reparations, which was referred to the Committee on Finance.

SENATOR FROM ARKANSAS

Mr. ROBINSON of Arkansas presented the credentials of Mrs. HATTIE W. CARAWAY, chosen a Senator from the State of Arkansas for the term commencing on the 4th day of March, 1933, which were ordered to be placed on file and to be printed in the RECORD, as follows:

STATE OF ARKANSAS,
EXECUTIVE CHAMBER,
Little Rock, December 15, 1932.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932 (Mrs.) HATTIE W. CARAWAY was duly chosen by the qualified electors of the State of Arkansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His Excellency our Governor Harvey Parnell, and our seal hereto affixed at Little Rock, Ark., this the 15th day of December, in the year of our Lord 1932.

HARVEY PARNELL, *Governor.*

By the Governor:
[SEAL.]
ED F. MCDONALD,
Secretary of State.

REPORT OF THE COMMERCE COMMITTEE

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 5059) to extend the time for completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt., reported it without amendment, and submitted a report (No. 1007) thereon.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on yesterday, December 16, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McGILL:

A bill (S. 5212) granting a pension to Fred B. Johnson; to the Committee on Pensions.

By Mr. AUSTIN:

A bill (S. 5213) granting an increase of pension to Rosa A. Hall; to the Committee on Pensions.

By Mr. GOLDSBOROUGH:

A bill (S. 5214) to correct the naval record of Michael J. Budzinski; to the Committee on Naval Affairs.

By Mr. HAYDEN:

A bill (S. 5215) granting an increase of pension to Claud D. Lugenbeel; to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 5216) granting an increase of pension to Mahala Burton (with accompanying papers);

A bill (S. 5217) granting a pension to Charles Kemmer (with accompanying papers); and

A bill (S. 5218) granting a pension to Mariah A. House (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 5219) to provide funds for cooperation with the Minnesota State Board of Control in the extension of the Minnesota State Sanatorium at Ah-Gwah-Ching, Minn. (with an accompanying paper); to the Committee on Indian Affairs.

A bill (S. 5220) authorizing the appointment of Bernard C. Rose as a second lieutenant, Army Air Corps; to the Committee on Military Affairs.

A bill (S. 5221) granting a pension to Matilda Davison (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Arkansas:

A joint resolution (S. J. Res. 218) authorizing the issuance of a special series of postage stamps commemorative of Gen. Thaddeus Kosciusko; to the Committee on Post Offices and Post Roads.

By Mr. CAREY and Mr. STEIWER:

A joint resolution (S. J. Res. 219) authorizing the fixing of grazing fees on lands within national forests; to the table.

MAIL AND MERCHANT MARINE

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Evening Star, of this city, under date of December 16, 1932, entitled "Mail and Merchant Marine."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAIL AND MERCHANT MARINE

The House, in its action on the Treasury and Post Office Departments appropriation bill, has wisely retained the provisions for the transportation of foreign mail in American-flag merchant vessels. Annually, when this item of appropriation comes up for consideration in the Congress, there is assault on "mail subsidies" awarded by the Government to American merchant vessels. The money so expended, however, makes it possible for the United States to have an overseas merchant marine. That is the long and the short of it. Either the Government must continue to aid these American ships through mail contracts, or the Government must watch the American merchant marine, engaged in overseas trade, vanish from the seven seas, as it vanished in the past, before the World War. The only alternative would be a Government

owned and operated merchant marine, which would be vastly more costly to the American people than the present mail subsidies.

An adequate merchant marine is to the United States an essential. It is essential because America must have a voice in the carrying of its foreign trade, unless it is to be in a position to be discriminated against when occasion arises. It is essential because fast and large merchant vessels are vitally needed as auxiliaries to the Navy in the event of war. When the World War broke out in 1914 America was not long in learning how helpless the country was without its own overseas merchant marine. And when the United States itself became involved in the war the country, with feverish haste and at an expenditure of billions of dollars, undertook to build up a merchant marine as a military and naval auxiliary to the armed forces.

Following the World War the Congress determined that never again should the United States be permitted to suffer as it had from lack of an adequate merchant marine. For a time the Government, through the United States Shipping Board and its Fleet Corporation and its agents, operated the overseas American merchant fleet. But the intent of Congress was to get the Government out of the shipping business as speedily as possible. With that end in view steps were taken to make it possible for Americans to compete in the foreign carrying trade with other nations. These included loans to Americans desiring to extend the merchant marine and the so-called mail subsidies. And now, in some quarters in this country, there is demand that this policy be discontinued. There could be no more foolish and unpatriotic course. There could be no course that would more delight the foreign shipping nations. These competitors of the United States in the carrying trade had come, before the war, to look upon the business of carrying American commerce as a vested right. They still so look upon it, and they have moved heaven and earth to disparage American shipping and to stir up resentment against it in this country.

There are two reasons why American ships can not compete on all fours with those of foreign nations without some aid from the Government. First, ships can not be constructed in American shipyards for as little money as they can be constructed in foreign yards. Second, under the laws of the United States and the higher standard of living set in this country, they can not be operated as cheaply as can foreign ships. And in addition to these reasons for governmental aid, investigation has shown that foreign governments have given many subsidies to their merchant marines and are still giving them.

The appropriation for the transportation of the foreign mails, as it is formally called in the appropriation bill, has still to run the gantlet of the Senate committee and the Senate itself. The total carried in the bill is $35,000,000, of which not to exceed $7,000,000 may be used for carrying foreign mail by aircraft. The total is small in comparison to the vast benefits which the country receives from a merchant marine that, despite the depression, has made rapid strides in service.

THE FARM PROBLEM

Mr. COSTIGAN. Mr. President, last Sunday Mr. Bernhard Osterlenk published in the New York Times an informative article on certain legislative aspects of our national farm problem. I ask unanimous consent that the article may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the New York Times, Sunday, December 11, 1932]

THE FARM PROBLEM BECOMES MORE URGENT—AGRICULTURAL PRICES HAVING DROPPED AGAIN, THE FAILURE OF PREVIOUS RELIEF MEASURES IS EMPHASIZED, AND NEW REMEDIES ARE CONSIDERED—THE DEBENTURE AND EQUALIZATION FEE ARE REVIVED, AND GREAT INTEREST CENTERS ON THE LATEST SCHEME, THE ALLOTMENT PLAN—IN THREE YEARS FARM INCOMES HAVE DROPPED MORE THAN $6,000,000,000—FARM PRICES HAVE DROPPED 56 PER CENT, WHILE TAXES ARE VIRTUALLY UNCHANGED

By Bernhard Osterlenk

The problem of farm relief has become more urgent than ever. It threatens not only to press hard for some sort of solution or amelioration on the present session of Congress but also to test severely the Roosevelt administration which will take office next March. The prices of farm products, whose steady decline since 1920 has been wiping out farmers' equities and reducing their labor income to the vanishing point, have taken a further sharp drop.

The average farmer can not meet his taxes or pay interest on his mortgage; he can not find the money needed for the purchase of fertilizer, machinery, or any of the scores of other things necessary in his work. With this great fundamental industry laid low, any real recovery in the country as a whole is retarded until some program is worked out for the restoration of agriculture.

THE MORTGAGE DEBT

The farms of America are burdened with $9,500,000,000 in mortgages. To pay the interest on the average Iowa farm mortgage—to take a typical example—would require more oats than the farm could possibly raise. Under such conditions foreclosures have become more and more frequent; banks, insurance companies, and other mortgage concerns, forced to take over farms, receive from their tenants in rent an amount insufficient to cover the taxes. The farmers who have not been foreclosed are demanding a writing down of their mortgage debt and its refunding at lower interest rates.

The burden of these debts is reflected in the attitude of the Middle West toward the war debts owed the United States. The farmer can not easily see why the country should agree to any downward revision of the foreign debts of $11,000,000,000 so long as he is told that the writing down of his mortgage debt is "uneconomic" and outside the realm of practical achievement.

MARKET RESTRICTIONS

To the farmer the whole international situation appears puzzling. While the United States, Canada, Argentina, Australia, the Danubian countries, Poland, and other countries that produce agricultural surpluses are staggering under the weight of unsalable stocks and their farmers are becoming impoverished, industrial countries such as Germany, France, and England, which normally supplement their domestic production by imports of farm commodities, are now sharply restricting such imports—by means of tariffs, import monopolies, milling and mixing restrictions, quotas, and embargoes. By maintaining high domestic prices they are, on the one hand, encouraging home production, and, on the other, discouraging consumption. The net effect is that the surplus of agricultural products is rapidly increasing and prices on the world market are falling.

Farm income in the United States has dropped from $16,000,000,000 in 1919 to $11,000,000,000 in 1929 and to $5,300,000,000 in 1932. By the wiping out in three years of an annual market for $6,000,000,000 worth of goods—an amount far greater than the value of all our exports during the 1929 peak—industrial activity has been severely curtailed. The effects have been felt in mills and factories in the form of unemployment and reduced profits, by the railways in the form of decreased traffic, and by the Nation's financial institutions in the form of strains and readjustments. Industrialists and bankers are therefore joining the 6,500,000 farmers in demanding that the disabilities under which agriculture labors be corrected.

I. Past efforts

In past years the farmers have raised the same cry for help, with inadequate results. The Republican policy at Washington has been to meet their plaints with suggestions and measures designed to reduce production costs. These took the form of promotion of scientific, mechanized agriculture; the advocacy of cooperative marketing; the regulation of stockyard and commodity exchanges in order to give the farmers a larger share of prices; the lowering of freight rates; the reduction of farm taxes by shifting part of these taxes from lands to income and manufactured goods; and the reduction of interest rates through the establishment of Federal land banks, joint-stock land banks, and intermediate credit banks.

On the other hand, these means of reducing farm costs have been offset, in part at least, according to a large group of farm leaders, by the enactment of Republican tariff laws in 1922 and 1930. It is argued that the increased tariff rates on farm commodities embraced in these two measures were of no assistance to agriculture, while the added rates on industrial commodities greatly increased the price of things the farmer needed in production.

An attempt was made by President Hoover to stabilize farm prices through the creation of the Federal Farm Board. But this experiment resulted disastrously. At the end of three years prices had reached the lowest levels on record; the $500,000,000 capital of the board had been spent and in its place the board held some 250,000,000 bushels of wheat and 1,000,000 bales of cotton, both of which had been bought at far higher prices than the present sale prices of these commodities.

THE FARMERS' PROPOSALS

While these policies were being followed at Washington the farmers themselves had fairly definite ideas as to the kind of relief they wanted. For the past decade their leaders have been advocating two plans, the debenture and the equalization-fee plan, but both of these failed of enactment. In recent months a third proposal, the voluntary allotment plan, has been added, and this plan also, it is reported, has the disapproval of the Hoover administration. The voluntary allotment plan is now gaining wide support in farm and political circles and it seems probable that an attempt will be made to enact it into law at the present session of Congress. If it meets with a presidential veto, it will be revived as soon as Governor Roosevelt enters the White House.

It is not unlikely, moreover, that the debenture and equalization-fee plans will be revived and used in connection with the allotment plan with regard to commodities which can not very well be controlled under that scheme. Both in Congress and among the advisers of the President elect there is talk of a "three-ply program," meaning a combination of the three plans which now dominate farm discussion.

II. Debenture

Under the debenture plan exporters of farm products would receive bounties from the Federal Treasury. The latest form of the plan calls for bounties equal to one-half the tariff rates on the products involved. Thus an exporter about to ship wheat abroad would receive a bounty of 21 cents a bushel, one-half the existing wheat tariff rate of 42 cents.

The plan is designed not only to encourage the exportation of surplus farm products but to raise the price levels in this country. The bounty of 21 cents a bushel would enable the exporter to pay that much more for his wheat in the United States and still sell

at the world price level with about the same margin of profit as before. And farm economists are agreed that he would be compelled to pay these higher prices under stress of competition with other exporters.

With the exporters bidding 21 cents more per bushel, it is argued that domestic millers would have to bid equally high for the wheat they needed. Therefore an American wheat crop of 800,000,000 bushels would bring the farmers $168,000,000 additional income because of the debenture program, but the debentures would actually be paid on only about 200,000,000 bushels exported and would cost the Government $42,000,000.

Two main criticisms have been made of this plan. The first is that the increased prices to the farmers would encourage them to increase production and thus ultimately nullify the benefits sought. The second is that a burdensome increase in the cost of food would be borne by the consumer; his real wages would be lowered in consequence.

III. Equalization fee

The equalization-fee plan, which has the same purposes behind it as the debenture plan and has been subjected to the same criticism, differs from it in a number of ways. As incorporated in the McNary-Haugen bills—twice vetoed by President Coolidge on the ground, among others, of unconstitutionality—the plan would call for some degree of Government assistance, but for no bounty from the Treasury.

The proposal involves the creation of a Government export corporation which would buy up surplus farm products at approximately the world price plus the tariff charge and withhold them from the domestic market. Its proposed workings can be shown, for example, in the case of wheat.

Let us assume a 42-cent tariff on wheat, a total production of 800,000,000 bushels, an exportable surplus of 200,000,000 bushels annually, and a world price of 50 cents a bushel. Because of the tariff the domestic price could be advanced to about 90 cents a bushel by withholding the surplus. The export corporation would buy the 200,000,000-bushel surplus at about 90 cents, thereby advancing prices to that point, but would sell abroad at the world price of 50 cents.

The losses incurred by the corporation in this way would be made up by the farmers who were benefited. The assessment against each farmer would constitute his "equalization fee."

Without some such plan as this the 800,000,000 bushels of wheat produced in the United States would bring, under a world price of 50 cents a bushel, about $400,000,000. Under the equalization program the total return to the farmers, at 90 cents a bushel, would be $720,000,000; out of this the farmers must repay the export corporation $80,000,000, or 10 cents a bushel, to make up its losses. The net gain to the farmers would therefore be about 30 cents a bushel, or $240,000,000—in the case of wheat alone.

Under present conditions, farm leaders assert, the existence of an exportable surplus makes the tariff on agricultural products ineffective, but under the debenture and equalization-fee plans the tariff would be converted into a weapon to force higher prices.

IV. Voluntary allotment

Newer than either of the two plans so far discussed, and just now the magic formula among farmers, is the voluntary-allotment plan. In a sense it combines some of the features of the debenture and equalization-fee proposals, but it meets some of the more serious objections made against them. Like both of them, it is designed to advance the domestic price of farm commodities. Unlike both of them, however, it is also designed to hold production within bounds.

The allotment plan passed the Senate as the Norbeck bill last summer, but was recalled before it could be introduced in the House. Another bill was introduced in the House as the Fulmer bill, and still another somewhat later as the Hope bill. The Democratic platform favorably alluded to this plan, and Mr. Roosevelt, during his campaign, and especially in his Topeka speech on September 14, virtually outlined this program and gave it his approval.

Under the voluntary-allotment scheme, the Internal Revenue Bureau would collect, by a stamp arrangement or otherwise, an excise tax upon farm products domestically consumed. This would be collected from the processor—in the case of wheat, from the miller; in the case of hogs, from the meat packer; in the case of cotton, from the textile mills, etc. In each case the excise tax would be equal to the tariff. Upon wheat the miller would pay a tax of 42 cents for every bushel which he ground into flour and sold on the domestic market; no excise tax would be levied when the flour was sold abroad.

A FUND CREATED

Assuming that a tax would be paid on 600,000,000 bushels of wheat, there would be created a wheat fund of $252,000,000. Similar funds would be established for other exportable commodities, such as tobacco, cotton, and, in a more complicated way, livestock.

Another step in the program would involve a contract between the Government and the individual farmer whereby the farmer would agree to limit his producing acreage in return for a portion of the fund collected by means of the excise tax.

In the case of wheat, for example, a referendum of the 1,300,000 wheat growers would have to be held, in which 60 per cent must consent to Government allotment of wheat acreage before the Government would make the plan effective. The referendum would be preceded by a campaign of education explaining the workings of the plan and the need of cooperation on the part of the farmers.

If 60 per cent or more of the farmers proved agreeable, Federal, State, and county allotment commissions would be set up. The Federal commission would allot to each State a certain acreage of wheat, based upon the acreage shown by census figures for the previous five years. The State commission in turn would allot wheat acreage to each county on a similar basis. The county commission would carefully survey the wheat acreage of its farmers and, after holding hearings and publishing its findings, would divide its allotment among the farmers.

DEALINGS WITH INDIVIDUALS

Farmer Jones would now be approached by the county committee. He would be asked to agree voluntarily to a limitation in his wheat acreage in accordance with the plan worked out. If Jones refused to agree, he would be dropped, so far as this plan on wheat was concerned, and would continue producing wheat in accordance with his inalienable right.

But Smith, his neighbor, might agree to an allotment. It would be worked out in his case in accordance with his average wheat acreage during the previous five years. If the national commission had decided to reduce wheat acreage 20 per cent and this ratio had been passed down to the county, Smith would be asked to sow only 20 acres of wheat instead of his previous 25 acres. If he were accustomed to raising 15 bushels to the acre, he would receive in return for this voluntary restriction of acreage allotment certificates for the 300 bushels of wheat he would now expect to grow.

When the crop was harvested, Smith would sell his wheat on the open market in competition with all other producers, including Jones, and would receive the open-market price. But in addition Smith would have his allotment certificates for 300 bushels, which would now be redeemed by the Government from the fund made up by the excise tax.

CASHING THE CERTIFICATES

If all of the wheat growers in the United States, except Jones, had cooperated in the plan and the total production of wheat had been reduced 20 per cent, from 800,000,000 bushels to 640,000,000 bushels, there would be outstanding 640,000,000 allotment certificates. There would have been collected in excise taxes $252,000,000 and, after deduction of expenses for the operation of the plan, there would be available, say, $250,000,000 to be divided among the allotment-certificate holders. Each holder would, therefore, receive an additional 39 cents for every bushel of wheat.

If Jones and Smith had both sold their wheat at 50 cents a bushel, Jones would have received $187.50 for the 375 bushels from 25 acres, while Smith would have received $150 for the 300 bushels from his 20 acres and would add to it now the $117 to which he was entitled from the Government fund. His total receipts would become $267, as against Jones's $187.50, and his labor would have been 20 per cent less.

Yet another advantage would be Smith's under the plan. If he complied with the contract which he signed, he would receive the bonus on his 300 shares no matter what happened to his crop because of drought or other factors. He would get the $117 if he harvested no wheat at all. In that case the scheme would serve him as crop insurance.

The sponsors of this plan argue that it is not only intended to make the tariff effective on agricultural commodities but that it would actually limit production and raise prices accordingly. It is a plan to adjust production to consumption. It is planned production.

V. The debate

It is too early to predict precisely the form that this legislation will take in Congress because of the conflicting interests involved and also because hosts of new ideas are constantly being injected into it. In its simplest form it was made applicable only to commodities of which we have a surplus. Special devices are being suggested to make it effective with regard to cotton, while evading possible retaliation by foreign governments, which may interpret the scheme as a dumping process. A conflict arises between various producers as to what commodities should be included. Then there is disagreement as to whether the scheme should be administered under the Farm Board, thus rehabilitating a defunct institution, or under the Department of Agriculture, or under the political organization of States and counties.

Needless to say, the plan has the enthusiastic support of thousands of farmers who produce crops of which there is now a surplus. The creditors of the farmers and those who serve the farmers, such as the insurance companies, country bankers, machinery manufacturers, and others, have for obvious economic reasons aligned themselves in favor of the idea. Even among urban groups this plan is meeting with some favor, in spite of the fact that it will increase domestic prices and thereby reduce real wages. The urban groups that favor it do so because they hope it will increase the purchasing power of the farmer to such a degree as to assist in restoring industrial activity.

EFFECT ON FARM INCOMES

Varying with the number of commodities included in the proposed bill, the additional farm income by this plan has been estimated from $750,000,000 annually to $1,025,000,000. The farm income would be raised from $5,200,000,000, as of 1932, to about $6,000,000,000. This increase, of itself, many farmers point out, would not be sufficient to restore their purchasing power; hence the proposals to combine the plan with other price-advancing measures.

Opponents of the plan, besides declaring that it would be insufficient to bring back prosperity and that it would set up a bureaucracy, object to it on several other grounds. The processors, from

whom the excise tax would be collected, fear that they could not pass it on entirely to the consumer, and some assert they would have to make larger investments. The tobacco interests, for example, point out that they cure their tobacco over a long period of years. If the tax were applied when they purchased their tobacco, they would become involved in large, long-time, nonproductive investments. If, on the other hand, the tax were not imposed until the tobacco finally went to market the grower would have to wait many years to cash his allotment certificates.

EFFECT ON THE CONSUMER

The most important objection, however, is that the plan would increase the cost of food to the consumer. To the industrialist this means that he would be placed at a disadvantage in the markets of the world because of the wage differential needed in this country to pay the increased food prices. To the consumer himself a rise in the price of food means a reduction in real wages.

An allotment plan that would increase the farm income to $6,000,000,000 would cost the average consumer about $7.70 annually, or $26.18 for the average family of 3.4 persons, if the excise taxes in full were passed down. In the case of a pound loaf of bread the increased cost would be about 1 cent.

Whether the prospect of such increases will bring a protest from the general public, or whether it will be accepted as a necessary factor in ending the depression, can only be determined as the situation develops.

Meantime students of economics are vitally interested in the scheme for two reasons: (1) Because it offers inducements to the farmers to limit their production, and (2) because it suggests a method of planned production within the capitalistic system instead of the present method of unrestrained competition.

REPORT ON THE HUDSON RIVER BETWEEN TROY AND WATERFORD, N. Y. (S. DOC. NO. 155)

Mr. COPELAND. I have been requested by the Committee on Commerce to ask unanimous consent to have a report of the Army engineers on the Hudson River survey made a public document. It is the usual custom.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Is there objection? The Chair hears none, and it is so ordered.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. BYRNES. Mr. President, I desire to offer an amendment if the Senator from Louisiana will yield for that purpose.

Mr. LONG. I yield.

Mr. BYRNES. I offer the amendment and ask that it may be reported.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 37, strike out all after line 7, down to and including the word "report" in line 23, and insert in lieu thereof the following:

SEC. 9. (a) If in the election provided for in section 4, on the question of the adoption of the constitution, a majority of the votes cast are in favor of the ratification of the constitution, such ratification shall be deemed an expression of the will of the people of the Philippine Islands in favor of Philippine independence, and the result of said election shall be reported to the President of the United States, who shall within 60 days thereafter issue a proclamation announcing the result of said election, and on the 4th day of July, immediately following the expiration of a period of 12 years from the date of the inauguration of the new government under the constitution provided for in this act.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I believe that the arrangement contemplated by the amendment now offered by the Senator from South Carolina ought to prove satisfactory to almost everyone here. It is provided in the amendment that if, in the election which is contemplated in connection with the adoption of the constitution, a majority vote for the constitution, that action shall be regarded as an expression of the will of the people of the Philippine Islands in favor of independence. That would terminate any question as to their desire in the matter.

It does seem to me that is the logical and effective way to determine their will. There is in a sense a measure of inconsistency in requiring them to adopt a constitution based without doubt upon the theory that independence is intended, and then require an additional and subsequent expression on the subject in favor of independence. I believe that this constitutes a means by which a conclusion may be reached and the bill brought hastily to final passage.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from California?

Mr. LONG. I yield.

Mr. SHORTRIDGE. Am I to understand that if the proposed amendment is adopted it will do away with any future plebiscite?

Mr. LONG. This is the plebiscite. It is made the plebiscite. I agree with the Senator from Arkansas that this is a compromise which makes a consistent provision.

Mr. BYRNES. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. LONG. I yield.

Mr. BYRNES. The effect of the amendment is to have the election upon the ratification of the constitution serve as an expression of the views of the people of the Philippine Islands on the question of their independence. Whenever the result of that election is reported to the President he shall issue a proclamation as to the result of the election and at the same time, as provided in the amendment and as was provided by the House and provided by my amendment offered on yesterday, at the expiration of the period of 12 years heretofore agreed to by the Senate, on the 4th day of July, there shall be issued a proclamation of independence. There is no change made in any of the provisions of the bill passed by the House, which, as a matter of fact, are carried in the Senate's bill, except the ratification of a constitution being regarded as an expression of the views of the people of the islands.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. LONG. I yield.

Mr. BINGHAM. If I understand correctly the amendment now offered by the Senator from South Carolina, it is in effect exactly what he offered previously, the only difference being that the vote in regard to the constitution, which comes after their constitutional convention meets in the course of a couple of years, is to be regarded as the final vote on independence. The Senate by its vote yesterday extended the time for the people to decide definitely whether or not they wish independence to the end of the 12-year period of trial and experimentation with a modified tariff wall.

The proposal to-day sets it back 12 years and says they must decide before they have experimented with the tariff, before they have experimented with their own form of government, and before they know by a period of 12 years what is going to be the condition in the Far East at the end of that 12-year period. It is called a compromise. It is difficult to see just where the compromise comes in, except that the first plebiscite on the constitution is termed a plebiscite on independence. Actually under the provisions of the amendment offered by the Senator from South Carolina yesterday that was the case. The vote on the constitution, if adopted by a majority vote, decides the question of independence, as it would decide it under the amendment offered yesterday. Therefore, Mr. President, it is difficult to see wherein this is a compromise.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. Yes, sir.

Mr. BORAH. As I understand the effect of this amendment it is to provide for an election dedicated to the ratification of the constitution, a plebiscite that is to say, and that that shall be regarded as a final determination of the Philippine people in behalf of independence.

Mr. President, I do not know of any better test of the desire of the people to be independent than that of electing delegates to a constitutional convention, framing a constitution, and ratifying the constitution. That ought to be final and conclusive, and I sincerely hope that it will prove satisfactory. The regret I have about the whole bill is that it postpones the time of independence too far in the future. That perhaps can not be avoided under the circumstances, but certainly this is a sufficient plebiscite for the manifestation of the opinion and the feeling of the people of the Philippines to be independent. Now, if we can shorten the time for independence, I shall feel we have met the issue fairly.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. LONG. I yield; but I promised to yield to the Senator from Arkansas.

Mr. BINGHAM. I wish to ask the Senator from Idaho whether he voted for the amendment offered by the Senator from South Carolina yesterday?

Mr. BORAH. I did. May I ask the Senator from Connecticut if there is anything illogical in my position?

Mr. BINGHAM. Not at all. The Senator has not changed his position in the least. He was in favor of the amendment yesterday, which is virtually the same as the amendment offered to-day.

Mr. ROBINSON of Arkansas. Mr. President, I wish to be heard on that proposition.

Mr. BORAH. There is a difference in the proposition, I think, a very substantial difference, and that is that we declare by this proposal that action on the constitution shall be considered a final determination of these people of their desire for independence. We do not hold out anything further in the future for them; they know when they act upon the constitution that that is their final judgment, and it seems to me that ought to be conclusive.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. PITTMAN. Mr. President, will the Senator permit me?

The VICE PRESIDENT. Does the Senator from Louisiana yield and, if so, to whom?

Mr. LONG. I promised to yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I will yield to the Senator from Nevada.

Mr. PITTMAN. Mr. President, I am sorry that the Senator from New Mexico [Mr. CUTTING] is unable to be here this morning by reason of a severe cold, and his physician would not permit him to come. He is one of the proponents of this measure and one of its authors; but on yesterday afternoon several of us conferred with the Senator from New Mexico and also with the Senator from Arkansas with regard not only to the parliamentary situation but the necessity of promptly getting action on this proposed legislation in some form.

I do not think that I have at all misrepresented the position of the Senator from New Mexico when I say that he was deeply interested in the question of the plebiscite. The foundation of his desire to provide for one was that we should not cast off these people, but should allow them to determine whether they desire to be cast off or not. As the House bill is now framed, there is no opportunity at any time for them to express themselves on that question, nor is there any provision in the bill as it is before the Senate to enable them to give expression to their desire except under the form of the plebiscite that is now provided in the bill. If that provision goes out, then, to satisfy those who think that they should have a chance of expression, there must be something else placed in it, whether it be at the beginning or at the end of the interim period.

Without the amendment of the Senator from South Carolina the question is not submitted to the people as to whether they desire separation or not. The sole question under the present language of the bill, eliminating the plebiscite provision, would be whether they approve the constitution or not. They are two separate questions; but, on the other hand, both seem to me to be covered if by an amendment to this bill we say to them, "In voting at the constitutional referendum you have two questions to decide: First, are you satisfied with the constitution; and, second, being satisfied with the constitution, are you satisfied at a certain period of time prescribed in the bill, without any further action, to be entirely separated from the United States?" So the two questions are involved in this proposal.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. Could not that question be separated on the ballot at the time the election is held so that the voter might express his wishes as to each of them, thus providing a separate determination as to the constitution itself on its own merits and the question of liberty on its merits?

Mr. PITTMAN. Recognizing that the Filipino people have more interest in the question than anybody else, we have done exactly as we have done toward the States. We have granted to them full power through their legislature to regulate the method and manner and time, within limits, of submitting this question and how it shall be submitted. If the Legislature of the Philippine Islands feels that the question should be divided, it is perfectly simple, under the authority they have, for them to divide the question. If they feel that the adoption of the constitution will in itself be an admission that the Filipinos desire separation, that is probably the way the vote will be taken. I do not think we can possibly in the bill arrange the way the vote shall be taken.

Mr. BARKLEY. I agree with the Senator that if that be possible through the operation of the Philippine Legislature, it would satisfy not only my curiosity but my interest; but to provide simply for a vote on a constitutional question and that that vote automatically shall be regarded as an expression of the will of the people on another question, seems to me a little unusual.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Nevada a question?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. Yes, sir.

Mr. ROBINSON of Arkansas. In the event the constitution should be adopted under the terms of the committee bill, and independence should be rejected under the plebiscite that is contemplated by the bill subsequent to the Philippine people passing upon the constitution, what would be the government of the Philippines after it had adopted the constitution prepared and promulgated with a view to independence and then rejected independence? What then would be the situation of the government?

Mr. PITTMAN. Under the act, if they rejected the constitution, they would exist under an autonomous government called the "Commonwealth of the Philippine Islands."

Mr. ROBINSON of Arkansas. Would they retain their constitution?

Mr. PITTMAN. Under the act they would retain their constitution.

The question that agitated the minds of the Senator from New Mexico and others was that under the bill as framed the Filipinos were not put on notice if they approved the terms of the constitution that in itself would settle the question whether they wanted totally to separate or whether they wanted to retain the autonomous government; but, by virtue of this amendment, they are put on notice that there are really two questions submitted to them; namely, do they approve the terms of the constitution; and, if they do, do they approve of the total separation that will take place at the end of the period specified in the bill? To a great extent that satisfies that principle.

Mr. LONG. That is the same question, is it not? The fact that they vote for a form of government and a con-

stitution under which they are going to live is an expression that they wish to sever themselves from the United States.

Mr. PITTMAN. That is the principle; and, therefore, the principle being taken care of, it is only a question of the time when they shall express themselves. As we have a right to believe, there is a majority in this body that do not believe that the question as to whether they want to separate should be put off so long. We have to recognize the majority sentiment. As far as the other House is concerned, its Members were unanimously opposed to the long wait before determining the question as to whether or not the Filipinos wanted totally to separate themselves from the United States. We have taken care of that principle.

Before I conclude let me say a word or two further.

Mr. BARKLEY. Mr. President, will the Senator yield to me again?

The VICE PRESIDENT. Does the Senator from Louisiana yield further?

Mr. LONG. I yield.

Mr. BARKLEY. I am not satisfied that the Senator is correct in his interpretation of the amendment of the Senator from South Carolina. After consulting with the author of the amendment, I am afraid the Senator from Nevada is not correct in the statement that the Legislature of the Philippine Islands will be free to offer any detailed plan for the holding of the election and to separate the question of adopting the constitution from the question of liberty.

The Senator from South Carolina advises me that it does not authorize any such interpretation. If that is true, suppose the Philippine Legislature or the constitutional convention, whichever frames the constitution which is to be submitted to a popular vote, should frame a constitution that would not meet the approval of the Philippine people. That is not inconceivable, because I remember a few years ago some of the ablest men in New York State framed a constitution that was hailed by the newspapers and magazines and public speakers as the last word in wisdom in the framing of constitutions; but when it was submitted to the people of New York, they rejected it by an overwhelming majority. If it be true that a vote on the question of the constitution automatically is an expression of their will on independence, if we might conceive of a constitution framed and submitted to them that they would not support on its merits, a negative vote on that constitution would automatically carry with it also the interpretation that they did not want independence. So I am afraid that would not be a fair expression of their will.

Mr. PITTMAN. Mr. President, if the amendment offered by the Senator from South Carolina does not authorize the submission of the question of independence, we may turn to section 4 of the bill, which provides for the holding of the constitutional convention, and reads as follows:

> SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act, it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made.

If we want to do so, we can add to that section a provision that the Philippine Legislature may submit the question as to whether or not the Filipinos desire complete independence.

Mr. BARKLEY. So that if they should express independently a desire for independence, although they might not approve of the constitution submitted, they could go ahead and in a subsequent proceeding write another constitution which they might approve.

Mr. PITTMAN. Absolutely, and I intended, if the pending proposal does not give them that liberty, to change the words in section 4.

Now, just one more suggestion and I am through. I take it that if we adopt this amendment, we will perfect the other section if necessary, and I see from the statement of the Senator from Kentucky that section 4 should be enlarged in conformity with the amendment. The main question, however, that agitated me as a member of the committee was not so much the plebiscite as it was the question of our Government giving them authority during the interim to prepare their financial condition for the future. I know that some Senators are more interested in the question of the bonds than anything else. I assure them that that is secondary. Under the present law they can not do anything except what the United States says. We would like to give them a chance to start to do something. So all we did was to empower them during a period of five years to levy certain export taxes. I think that is the most important part of the whole matter; and, in my view of their financial situation, they will be able to get independence.

I did favor the plebiscite, for the reason I stated on the floor. I favored it because I want them, not us, to determine whether they shall be cast off.

As to the time when that vote shall be taken, as I have said before, I am not so particular. As the bill is now framed, we say to the people of the Philippines, "We put you on notice that when this vote comes off you are not only voting as to whether or not you approve of the proposed constitution, but you are also determining, under a constitution that you may adopt at the period stated in the bill which provides for absolute independence, whether or not you want that absolute independence."

As was said by the Senator from Kentucky [Mr. BARKLEY], probably the amendment has not yet given the people of the islands the authority to act; but if that is the case, I have already suggested that the insertion of one or two words in section 4 would accomplish the desired result.

Mr. BYRNES. Mr. President, will the Senator from Louisiana yield to me for a moment in order that I may call the attention of the Senator from Nevada to a provision of the bill?

Mr. LONG. I yield.

Mr. BYRNES. It is unnecessary to make any other provision, for the reason that the concluding paragraph of the section to which the Senator refers, section 4, provides:

> If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue, without regard to the provisions of this act.

That means that we will be right back where we are; and, therefore, provision will have to be made for ordering another constitutional convention; and whenever that is done we can again provide that the ratification of the constitution by the people of the Philippine Islands shall be regarded as an expression of the views of the people of the islands as to independence. If the constitution is voted down by the people, the bill provides in the section to which I have referred that the government of the islands shall continue as before the passage of this bill.

Mr. PITTMAN. That is true enough; but it might be found, as was suggested by the Senator from Kentucky [Mr. BARKLEY], that a number of voters would say, "Yes; I like this constitution and I am going to vote for it, but I do not want the islands to be independent at that particular date." They may claim, as the Senator from Kentucky has claimed, that possibly the provisions are not sufficient. Now, if they vote for the constitution, they are voting for independence.

Take the case of a voter there who is for the constitution but against independence. How can he express himself?

Mr. BYRNES. The view of the Senator from Idaho [Mr. BORAH], as expressed by him a few minutes ago, was complete enough for me that whenever the people ratify the constitution under which they want to live, it is sufficient expression of the views of the people as to their desire for independence.

Mr. BARKLEY. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER (Mr. FESS in the Chair). Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. Yes.

Mr. BARKLEY. Take the converse of the situation. Suppose the case of any number of voters who are enthusiastic for independence but who do not like the constitution that has been submitted to them, under which they will have to live if they adopt it.

Mr. ROBINSON of Arkansas. Mr. President, may I interrupt the Senator?

Mr. BARKLEY. Yes.

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. If they reject the constitution, they do not get independence. The adoption of the constitution proposed here is the condition upon which they may have independence. That, in my judgment, is a complete answer to all that has been said to the effect that it is necessary to separate the two. Unless we change the bill in that particular, if they reject the constitution they can not proceed with independence.

Mr. BARKLEY. In other words, they have to accept whatever constitution is handed them, or get no independence.

Mr. ROBINSON of Arkansas. Yes; that is entirely true under the bill.

Mr. BARKLEY. It seems to me it might be possible to arrange the matter so that, although they want independence, and so express themselves, they would have some discretion in the making of a constitution under which they would live.

Mr. ROBINSON of Arkansas. The whole legislation in both Houses has proceeded upon the theory that, in order to obtain independence, they must ratify the proposed constitution. They can, of course, subsequently modify their constitution.

Mr. LONG. That is the way statehood is acquired when a State is taken into the Union.

Mr. ROBINSON of Arkansas. Certainly.

Mr. LONG. We are not proceeding any differently in this case. A constitution is set up, upon which they vote.

Mr. ROBINSON of Arkansas. It would be impossible to pass any Philippine bill leaving constitutional provisions entirely unsettled at the option of varying influences in the islands. It is necessary to have a constitution to begin with. The opportunity for changing their government will exist after they have adopted it and acquired their independence.

Mr. PITTMAN. Mr. President, there is just one word more that I should like to say.

After visiting the Philippine Islands, I have been so absolutely confident that 90 per cent of the people would vote for independence either to-day, to-morrow, or 18 years from now; that the matter was not one of material importance to me. The amendment is satisfactory to me; and I have only suggested that if anybody wants to submit the two questions, one sentence can be put in the bill and settle it.

Mr. LONG. Mr. President, it is an immaterial proposition whether we amend section 4 or not, as I see it. I agree with the view of the Senator from Arkansas and the Senator from Idaho; but after we adopt the amendment of the Senator from South Carolina, if anyone wants to go forward and add another word or two in section 4, that will not hurt anybody, and I do not think it will detract from or add to the matter. So, now, in order to get the question settled——

Mr. BYRNES. I ask for a vote on the amendment.

Mr. COSTIGAN. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. LONG. Yes, sir; I yield.

Mr. COSTIGAN. Much was said yesterday about a compromise. I wish the RECORD to state that I have not been a party to any compromise on the pending legislation.

The PRESIDING OFFICER. Does the Senator from Louisiana withdraw his motion for reconsideration?

Mr. LONG. Without prejudice, if that is possible.

The PRESIDING OFFICER. Without objection, the Senator from Louisiana withdraws his motion for reconsideration. The question now is on the amendment offered by the Senator from South Carolina to the amendment.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PITTMAN. Did the Senator from Louisiana enter notice of a motion under the rule, or has he made his motion? If he has made his motion, it is essential to withdraw it. If he has not made his motion, he can withhold it.

The PRESIDING OFFICER. The Chair understood the Senator had made the motion.

Mr. LONG. I understood that I had given notice; but I argued that out this morning with the Parliamentarian. My understanding was that I gave notice of a motion; but if the Chair rules that I did make the motion, then, without prejudice, I withdraw it, which I have done now, if that is necessary.

So now, without prejudice, I withdraw the motion, so that we can take a vote; and I ask for a vote on the amendment of the Senator from South Carolina.

The PRESIDING OFFICER. The present occupant of the chair understood from the Vice President that the Senator had made the motion.

Mr. LONG. I do not think I had; but it does not make any difference.

The PRESIDING OFFICER. Without objection, the Senator from Louisiana withdraws his motion for reconsideration. That has to be done by leave of the Senate. Without objection, the Senator withdraws his motion; and the question is on the amendment offered by the Senator from South Carolina [Mr. BYRNES] to the amendment.

Mr. LA FOLLETTE. Mr. President, in view of the fact that apparently there is not going to be a record vote on this amendment, I think the RECORD should show that the junior Senator from New Mexico [Mr. CUTTING], who has been so interested in this question, authorized me, in view of his indisposition this morning and inability therefore to be present, to pair him against the amendment offered by the Senator from South Carolina. He regards it as a proposal which defeats the ends sought to be achieved by the provision for a plebiscite which the bill now provides.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. Is the Senator able to say whether my paraphrase is correct when I quote the Senator from New Mexico as saying that he would consider this amendment as a fatality requiring the defeat of the bill, in his view?

Mr. LA FOLLETTE. No; the Senator is not correct in that statement, since the Senator from New Mexico informed me over the telephone this morning that if the amendment offered by the Senator from South Carolina should be adopted, which he hoped would not happen, he nevertheless would support the bill.

Mr. BINGHAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Reynolds
Austin	Dale	Kean	Robinson, Ark.
Bailey	Davis	Kendrick	Robinson, Ind.
Bankhead	Dickinson	Keyes	Schall
Barbour	Dill	King	Schuyler
Barkley	Fess	La Follette	Shipstead
Bingham	Frazier	Logan	Shortridge
Black	George	Long	Smith
Blaine	Glass	McGill	Smoot
Borah	Goldsborough	McKellar	Steiwer
Broussard	Gore	McNary	Trammell
Bulkley	Grammer	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walsh, Mass.
Carey	Hatfield	Nye	Walsh, Mont.
Cohen	Hawes	Oddie	Watson
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Pittman	
Costigan	Howell	Reed	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance upon the funeral of the late Representative Garrett, of Texas.

The PRESIDING OFFICER. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. BINGHAM. Mr. President, on yesterday the Senate rejected an amendment offered by the Senator from South Carolina [Mr. BYRNES] which would have done away with the plebiscite at the end of the period of experimentation. To-day we are offered a compromise which would have the plebiscite held as soon as the constitutional convention could do its work, which might be within a year or so; and the plebiscite would become effective at the end of 12 years thereafter. The disadvantages would be exactly the same as those which would occur under the amendment offered by the Senator from South Carolina yesterday.

Mr. President, this is called a compromise. As a compromise it is in line with that celebrated compromise achieved by the distinguished citizen who wanted to spend a vacation in the mountains and his wife wanted to spend the vacation at the seashore. They compromised and went to the seashore.

Mr. LA FOLLETTE. Mr. President, I hope the pending amendment will be rejected. If a majority of the Senate wishes to strike the plebiscite provision from this bill, then do so. The proposal contained in the amendment offered by the Senator from South Carolina, however, is absolutely indefensible.

I ask Senators to envision what would be the situation confronting a citizen of the Philippine Islands in voting upon the question of whether or not he desired to ratify the constitution submitted by the proposed constitutional convention. If he is in favor of independence of the islands from the United States, he then must vote for any kind of a constitution, regardless of whether he thinks it is for the welfare of his country or not, in order to express his desire for independence. To put the people of the Philippine Islands in that position would be indefensible.

If the Senate does not desire that the people of the Philippines should have a plebiscite, let them accomplish it directly by striking the provision from the bill. But let us not be a party to forcing the people of the Philippine Islands to accept perchance a constitution which would violate the entire conception of the type of government which they wished to see set up in the islands in order that they may achieve their desire for independence.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from South Carolina [Mr. BYRNES] to the committee amendment.

Mr. MOSES, Mr. MCKELLAR, and others demanded the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULOW (when his name was called). On this question I have a pair with the junior Senator from Connecticut [Mr. WALCOTT], and in his absence I withhold my vote.

Mr. COPELAND (when his name was called). Present.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce that the junior Senator from New Mexico [Mr. CUTTING] is detained by a slight illness. If he were present, he would vote "nay."

Mr. HEBERT (when his name was called). Again announcing my pair with the senior Senator from Florida [Mr. FLETCHER], I find I can transfer that pair to the junior Senator from New Mexico [Mr. CUTTING], and I do so, and vote "nay."

Mr. ROBINSON of Indiana. I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from New Mexico [Mr. BRATTON], and in his absence I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. SHORTRIDGE (when his name was called). Announcing my general pair with the junior Senator from Texas [Mr. CONNALLY], not advised presently as to how he would vote on this immediate question, I am not at liberty to vote, which I regret. If I could vote, I would vote "yea."

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY].

Mr. BORAH. I desire to announce the absence of my colleague [Mr. THOMAS] on account of illness. He is paired with the junior Senator from Montana [Mr. WHEELER]. If my colleague were present and voting, he would vote "yea."

Mr. HULL (after having voted in the affirmative). I find I have a general pair with the senior Senator from Iowa [Mr. BROOKHART], and in his absence I withdraw my vote.

Mr. MCKELLAR. I have a pair with the Senator from Delaware [Mr. TOWNSEND] which I transfer to the Senator from Texas [Mr. SHEPPARD], and vote "yea."

Mr. ROBINSON of Arkansas. I desire to announce that my colleague [Mrs. CARAWAY] is detained from the Senate by illness.

I also wish to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained attending the funeral of the late Representative Garrett, of Texas, and that the Senator from Illinois [Mr. LEWIS] and the Senator from Virginia [Mr. SWANSON] are detained on official business.

The result was announced—yeas 44, nays 29, as follows:

YEAS—44

Austin	Coolidge	Hayden	Oddie
Bailey	Costigan	Howell	Reynolds
Bankhead	Couzens	Kendrick	Robinson, Ark.
Black	Dickinson	King	Schuyler
Borah	Dill	Long	Shipstead
Broussard	Fess	McGill	Smith
Bulkley	Frazier	McKellar	Smoot
Byrnes	George	McNary	Thomas, Okla.
Capper	Glass	Neely	Trammell
Carey	Harrison	Norbeck	Tydings
Cohen	Hatfield	Nye	Walsh, Mont.

NAYS—29

Ashurst	Gore	La Follette	Vandenberg
Barbour	Grammer	Logan	Wagner
Barkley	Hale	Metcalf	Walsh, Mass.
Bingham	Hastings	Moses	Watson
Blaine	Hawes	Patterson	White
Dale	Hebert	Pittman	
Davis	Johnson	Reed	
Goldsborough	Kean	Steiwer	

NOT VOTING—23

Bratton	Cutting	Norris	Swanson
Brookhart	Fletcher	Robinson, Ind.	Thomas, Idaho
Bulow	Glenn	Schall	Townsend
Caraway	Hull	Sheppard	Walcott
Connally	Keyes	Shortridge	Wheeler
Copeland	Lewis	Stephens	

So Mr. BYRNES's amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, while the Senate is still considering this particular phase of the bill, I think perhaps it would be the most useful time for me to take the Senate's judgment on the philosophy of my substitute, which is lying on the desk.

This substitute had two fundamental differences from the procedure contemplated under the pending bill. One difference related to the trade relationship. That difference has been so completely canvassed by the Senate that it seems to me it would be a futility to revert to it.

The other difference dealt solely with the proposition that the Government of the United States has no right to extend itself into responsibilities in the Orient without adequate authority to defend that responsibility.

It occurs to me that the surest, cleanest-cut way in which I can take the Senate's judgment on this latter point is not to call up the substitute, but to offer a motion to recommit with instructions.

Therefore, Mr. President, after briefly indicating to the Senate the very deep conviction with which I submit this proposition to the Senate's consideration, I shall offer a motion to recommit with instructions.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. DICKINSON. I have three perfecting amendments which I would like to offer to the pending bill before the motion is made to recommit the bill to the committee, or before the substitute offered by the Senator from Michigan is voted upon. My reason for that statement is that it is my understanding of the rule of the Senate that perfecting amendments should be taken up before the substitute is voted on.

Mr. VANDENBERG. Mr. President, I am asking to withdraw the substitute, as I have already indicated, and in lieu thereof I propose to offer a motion to recommit, which I understand is in order at any time.

I do not care to repeat the thesis which I laid at the bar of the Senate upon Monday, but nothing has happened in the course of this debate—and I say this with great respect for the answer submitted by the able senior Senator from Nevada [Mr. PITTMAN] to my argument of last Monday—nothing has been submitted in this debate to change in any degree the challenge in this situation, as I see it. On the contrary, the action the Senate has just taken in establishing the native plebiscite at the beginning of the 12 or 14 year period instead of at the end emphasizes and aggravates the hazard and the jeopardy involved in the situation which we are asked to accept.

I am referring to the fact that we propose to permit the creation of a native constitution, the erection of a native state, under conclusive mandate that it is a finality, at the beginning of a 12 or 14 year period, and thereafter we propose to leave the Government of the United States responsible for all of the developments, good, bad, or indifferent, dangerous or otherwise, which may flow from this 12 or 14 year experiment.

Not only that, but in view of the fact that we have now put the plebiscite at the beginning instead of the end of the 14-year period, we have left no opportunity whatever, in the event that native Philippine sentiment decides in the course of 8 or 10 years of experience that the experiment is not satisfactory, for them to express themselves in any way whatever against the culmination of the independence era except by a revolt which shall precipitate intervention under subsection (n) of the bill.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. Certainly.

Mr. ROBINSON of Arkansas. Many of us for many years have been committed as a political proposition to the independence of the Filipinos. The Senator well knows that almost every Democratic platform which has been adopted during the last 30 years has declared in favor of Philippine independence. At one time while the Democrats were in control of the Senate a resolution for Philippine independence was passed in this body. It failed of action in the body at the other end of the Capitol.

In view of that fact, why should Senators who believe in independence be expected to contribute to experimentation? We believe, or at least avow we believe, that independence is a right of all peoples who are capable of self-government. We do not believe that we can experiment 1 year or 2 years or 5 years and then, if the people get weary of it, pass it off and permit them to assume the situation suggested.

As a parallel to the Senator's question, let me ask him if, after independence is established, the Philippine people should grow weary of independence and should seek to come back into the United States and take a position under the flag of the United States, the Senator would then say they should be permitted to pass upon that question, to vote independence to-day and subjection to-morrow just as their public opinion might change, as it might be influenced by economic and other causes?

Mr. VANDENBERG. I am very happy to answer the Senator's question.

Mr. ROBINSON of Arkansas. I hope I have made my position clear.

Mr. VANDENBERG. I think it is.

Mr. ROBINSON of Arkansas. Philippine independence is a matter of right and not a mere matter of experimentation. The limitation we impose at the time is to assure that opportunity will be given for the fair enjoyment of the right when it is granted.

Mr. VANDENBERG. I agree with the able Senator from Arkansas. First, that Philippine independence is a right; second, that we are irrevocably committed to it; third, that we should proceed to that objective as speedily as is practical and safe. Here is the difference between us, I suspect: I contend that there are only two logical methods to implement this philosophy upon which the Senator and I agree.

The first philosophy is the philosophy of a period of economic preparation ahead of the actual severance of relationships, and it is upon that theory that the pending bill is built. The other theory and the only other logical theory would be immediate independence with a postindependence period of economic readjustment. In other words, the first philosophy is the philosophy of a preindependence period of economic preparation and the other philosophy is a period of postindependence preparation for complete economic severance of our relationships.

I contend that the first philosophy must proceed under complete unadulterated American sovereignty so long as we continue to pretend to be the sovereign power in the Philippines, and it is that proposition which is violated by the pending bill, as I intend to try to show. I am perfectly willing, Mr. President—and I invite the attention of the Senator from Arkansas to this—to give the Philippines their complete independence in two years with a graduated reduction subsequent thereto in respect to their right of import entry into our free markets. In that event, however, I invite the attention of the Senator—they are proceeding under their own flag, they are on their own responsibility as they proceed, and we are not the sovereign responsible power for what happens. In other words, there is a consistent theory.

On the other hand, under the pending bill, say what you please about the efforts that have been made to put saving clauses into the native constitution as recited by the able Senator from Nevada [Mr. PITTMAN] the other day, say what you please upon that proposition, the sovereign responsibility remains in the United States and an opportunity to violate that sovereignty is inherent in every administrative branch of this native commonwealth which we are about to set up. It is to that proposition that I take exception. It is that proposition which violates both of the fundamental policies between which I ask the Senate to choose.

Mr. HAWES. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. I yield.

Mr. HAWES. I was very much interested in the suggestion of the Senator from Michigan that we give independence to the Philippines in two years and then follow that by a period of readjustment. But the Senator from Utah [Mr. KING] and others have investigated that question and, unfortunately, it can not be done under the law. When we grant independence in one or two years the whole question is settled and we can not then control our relationship with the islands after that period, so that the proposition of the Senator is clearly out of the picture.

Mr. VANDENBERG. I entirely disagree with the Senator from Missouri. We are entitled to control our Philippine relations to the end of those relations. The only possible question involved in that proposition, and I supposed it was the one the Senator was going to raise, is the possibility that such a postindependence relationship would violate

our favored-nation treaty clauses in respect of the tariff. I do not want to quote any Senators on this floor whom I am not entitled to quote specifically, but I want to say that I have discussed the subject within the last 48 hours with at least one Senator whom I consider to be as complete authority on the subject as is available, and he agrees with me that under the circumstances in which this arrangement would arise it would be possible for us to proceed upon this basis without violating our favored-nation obligations.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. VANDENBERG. Certainly.

Mr. SHORTRIDGE. Would that be under the treaty-making power of the Constitution?

Mr. VANDENBERG. It would, in part.

Mr. SHORTRIDGE. How can we treat with a people immediately under our own sovereignty?

Mr. VANDENBERG. It would be subsequently under the treaty power. At the immediate moment it would be part of the inherent organic act under which we are proposing to separate these two units of government. As such, and as a part of this present action, we would not violate the favored-nation clause. But that is a question supplementary to the immediate issue I am bringing to the Senate bar. I am about to move to recommit the bill with instructions to report back to the Senate not later than December 20, which is next Tuesday—and I emphasize that fact because I want to make it plain that I have no interest in postponing decisive action in connection with the legislation—to recommit with instructions to rewrite the bill solely in respect of the time when the constitution shall be established. My motion solely raises the question in respect to the proposition that so long as we are in the Philippine Islands as sovereign we should be sovereign in fact as well as name, and that our flag shall not be, well, let us say at sort of half mast. I want to prove that that would be the case.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield for a question. I would like to continue my argument. Does the Senator desire to ask a question?

Mr. HAWES. No. I thought the Senator had yielded the floor.

Mr. VANDENBERG. No; I have not yielded the floor.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Does the Senator from Michigan yield for that purpose?

Mr. VANDENBERG. I yield for a question.

Mr. SHORTRIDGE. Does the Senator believe in giving independence to the Filipino people?

Mr. VANDENBERG. I certainly do.

Mr. SHORTRIDGE. When?

Mr. VANDENBERG. Dependent entirely upon which philosophy we follow. If we want to follow the philosophy of immediate and absolute independence, I am for that theory, provided we are consistent. If we want to follow the other theory, the theory of the bill, to wit, the theory of preindependence period of preparation, I insist we must be consistent in that theory also, and that we are not consistent so long as we leave the American flag up, so long as we retain American responsibility in the Orient without adequate American authority to defend that flag and that responsibility against untoward hazard. That is the proposition to which I wish to address myself.

Mr. SHORTRIDGE. I think I understand the Senator's position now.

Mr. VANDENBERG. I hope so.

Mr. SHORTRIDGE. I have striven to understand it.

Mr. VANDENBERG. Mr. President, we are yielding up under the terms of the bill practically every administrative control of events in the Philippine Islands during the next 12 or 14 or 15 years when this process of experimentation to which the Senator from Arkansas referred is proceeding. We have not escaped experimentation by the passage of the bill. There is just as much experimentation left, using the words of the senior Senator from Arkansas [Mr. ROBINSON], as there could be in any bill. I object to the fact that this experimentation proceeds outside of and beyond our power and authority to defend it against implications which could involve the United States of America in desperate oriental hazards.

The Senator from Nevada [Mr. PITTMAN], responding to my thesis the other day, quoted numerous sections from the bill which require certain mandatory provisions to be inserted in the constitution of the new Philippine government. I want to give some attention to those briefly and I submit as I do so that not one of those provisions touches the fundamental question of law and order in the Philippines, law and order for which we are specifically committed in responsibility, but to which we have no opportunity whatever to give the slightest direction until such a moment as major trouble has actually broken and we are called in to liquidate it.

The Senator from Nevada called attention to the fact that the native constitution of the Philippine Commonwealth requires certain oaths of allegiance to be taken. Very good. It has no bearing whatever upon the direct fact that that oath of allegiance does not necessarily validate itself. There has to be an authority behind it when there is a challenge to it.

The Senator from Nevada pointed out the fact that property owned by the United States, and so forth, must continue to be exempt from taxation under the requirements of the constitution. That is entirely beside the point which I am making.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nevada?

Mr. VANDENBERG. I yield.

Mr. PITTMAN. I invite the Senator's attention to this requirement in the mandatory provisions of the constitution. I invite his attention to this provision in the mandatory constitution giving our Government until the period of freedom power to prevent disorder. Let me read it:

(1) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

Mr. VANDENBERG. I am coming to that section in just a moment. I am trying first to catch up with the Senator in his previous address. The Senator pointed out, responding to my charge that this involves responsibility without authority, that the native constitution must permit the President of the United States to approve legislation affecting currency, coinage, imports, exports, and so forth. I am not worried about coinage or currency or imports or exports, Mr. President; I am not worried about any phase of the material situation; I am worried about the fact, for example, that in the last 90 days there has been an incipient religious revolution on a small scale in one of the southern Philippine provinces. I am worried about the fact that one of the leading Manila newspapers, which has constantly, in season and out, advocated complete and early independence, the editor of which has been a member of most of the independence missions that have come to this country heretofore—I am worried about the fact that he himself, in his own journal, now points to the fact that, although this was but an incipient and casual sort of a trouble in the island of Jolo, even this incipient and casual outlawry was almost beyond the control of the forces at Manila; and I am pointing out that I think he is utterly justified when he expresses his opinion, in his own journal, that this ought to be a warning not only to us but to the Filipinos that there may well be a law and order situation which can not be controlled under their own auspices. If anything of that sort is to eventuate, Mr. President, I submit that the control of the American Government must continue to be constant and intimate from the very moment when the trouble starts so that we may get a fair chance to control it before it

becomes a major crisis, precisely as the Governor General went to the island of Jolo and ultimately controlled the situation to which I have adverted before it had become a major crisis. I object, Mr. President, to an arrangement under which we are not recalled to our contract and our responsibility to meet that sort of a hazard until after the hazard has graduated into a major crisis, when God only knows what effort and cost may be involved in meeting it.

Mr. PITTMAN. Mr. President, this was an incipient trouble in a particular locality. I will ask the Senator whether the incipient trouble was not put down by the local Philippine police force?

Mr. VANDENBERG. Has the Senator concluded his question?

Mr. PITTMAN. That is the first question I wish to ask.

Mr. VANDENBERG. The answer is, yes; under the direction of the Governor General, but in a fashion which caused Mr. Carlos P. Romulo, editor of the Manila Tribune, to say, drawing his analogy from this particular instance, the following:

An independent Philippine government may have to live on less than half its present revenue. That would mean the reduction of the activities of our constabulary force to the lowest possible minimum. It would mean the placing of our peace and order in a state of constant jeopardy.

Furthermore, he insists that out of this instance, quoting:

It gives us—

The Filipinos—

a foretaste of what may happen in the future.

Mr. PITTMAN. Now, one other question. Has the Senator noticed subdivision (n)?

Mr. VANDENBERG. Yes; I am coming to that.

Mr. PITTMAN. Would the Senator let me read it?

Mr. VANDENBERG. No; I will read it myself. I want to spend a little time on it.

Mr. PITTMAN. Very well.

Mr. VANDENBERG. I wish the Senator would permit me to pursue his previous speech seriatim. That is what I am attempting to do.

Mr. PITTMAN. The Senator from Michigan was speaking, however, of the impossibility of preserving law and order under this constitution.

Mr. VANDENBERG. Yes; I am coming to that.

Mr. PITTMAN. And was stating that the United States was excluded, when, as a matter of fact, it is included.

Mr. VANDENBERG. I deny that construction.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Does the Manila Tribune advocate independence for the Filipinos?

Mr. VANDENBERG. It has always been one of the leading journals advocating independence for the Filipinos. I repeat, for the information of the Senator from Massachusetts, that its editor usually has been a member of the independence missions that have come to this country from the Philippine Islands.

Mr. SHORTRIDGE. Has he changed his view?

Mr. VANDENBERG. The Senator from California asks me if he has changed his view. I am unable to answer categorically. I give the Senator the quotation to which I have just adverted, and the Senator will have to draw his own conclusions. Apparently the editor of this native journal has come to the conclusion, based upon this recent experience, that perhaps these new natives' latitudes are going to be dangerous, perhaps the native resources are going to be unequal to the responsibility of meeting these situations. Not only the type of a situation which was involved in this particular disturbance, which seemed to have its source in the Mohammedan-Christian divergence of thought, but also to the possibility of trouble from what he calls "demagogue-led farmers" when they discover that the new arrangement is curtailing their opportunities for a happy livelihood. I submit, if it has come to be a matter of warning over there, we may well consider it as a matter of warning over here.

The Senator from Nevada in his previous address, attempting to answer the point I have raised, quoted numerous other sections of the native constitution, all of which, with one exception—and I will not take the time of the Senate to enumerate them all—related to material considerations, such as coinage, currency, property rights, debts, and so forth. I am not discussing that sort of a situation, Mr. President. I am discussing our fundamental responsibility for law and order and republican institutions in the Philippine Islands during a period of 12 or 14 years with what I contend to be an utterly inadequate authority to answer that responsibility. I contend that this proposed legislation is a virtual commitment to an unknown, undisclosed responsibility in a section of the world which is utterly chaotic and treacherous at best, where we are finding it sufficiently difficult to maintain a safe course when we are in complete control of every step of our procedure. I am contending that this is an arrangement which commits us to unliquidated responsibilities in that treacherous, chaotic forum, responsibilities which we can not competently handle, because, even under subsection (n) to which the Senator from Nevada refers, there is no opportunity for us to inject our authority until the trouble has graduated into a major climax.

The Senator from Nevada wants me to read subsection (n), and I am very happy to do so because, Mr. President, I submit that the very existence of subsection (n) is a bald confession that all in the world we have got left is the right of intervention after trouble has become a major catastrophe. I will read subsection (n):

The United States may exercise the right to intervene—

I call attention to the language of the clause. They do not even recognize our right to intervene as a right. The implication is that it is a mere permission—

for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of their constitution.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Arkansas. The Senator has made a point of the use of the word "may" instead of the word "shall." Does not the term "may" give the option to the United States to intervene, and would not the word "shall" compel or obligate the United States to intervene? In other words, the language the Senator has quoted gives the United States the power to intervene if it chooses to do so?

Mr. VANDENBERG. I wonder if that is not a typical demonstration of the difference between us in our construction of this proposal? Yes; the language says we "may" intervene instead of "shall" intervene, which would indicate an option; but I submit to the Senator that if any of these untoward events shall happen, namely, if life, property, and individual liberty shall cease to be protected during the course of this experiment, we do not have an option. So long as our flag is up over this Commonwealth, and so long as the sovereignty is specifically inherent in us, we do not have an option as to whether we shall intervene or not, but we must intervene. Therefore, when the language in the bill pretends to extend an option, I submit to the Senator that in effect it dilutes our authority, whereas the very thing for which I am contending is that we would have sufficient authority so long as the flag is up.

Mr. ROBINSON or Arkansas. Mr. President——

Mr. VANDENBERG. I yield to the Senator.

Mr. ROBINSON of Arkansas. With the Senator's permission, I merely wish to say that I am utterly unable to comprehend his viewpoint in that particular. The Senator is usually very clear and forceful in his explanations. I would not wish to obligate the United States to intervene in

the affairs of the Philippines every time some one might suggest that we do so. I should like to have my Government left free to exercise its judgment in the matter, and that is what I think the language does.

Mr. VANDENBERG. May I ask the Senator a question?

Mr. ROBINSON of Arkansas. Certainly.

Mr. VANDENBERG. Does the Senator consider if life, property, and individual liberty shall fall into jeopardy in the Philippine Commonwealth so long as it is under the American flag, that there could be any possible avoidance of our intervention in view of this legislation?

Mr. ROBINSON of Arkansas. Absolutely, Mr. President. Life, property, and individual liberty are jeopardized in the United States every day, notwithstanding our Constitution and our laws. I would not like to obligate the United States to intervene in Philippine affairs every time somebody's life was threatened, every time a burglary was imminent, every time a violation of law was threatened. I should like the Government of the United States to have the power which is implied in the language that the Senator has criticized, to intervene when it found it necessary to do so, and to refrain from intervention when it did not find it necessary to intervene.

Mr. VANDENBERG. May I ask the Senator a further question? I am sure he would not wittingly misconstrue the position I am submitting to the Senate.

I am not discussing a few murders and a few burglaries, as the Senator's paraphrase might have indicated. I am discussing a jeopardy to life, liberty, and independence which goes to the extent, as defined in subsection (n), of threatening the existence of the government of the commonwealth as provided in their constitution.

If that sort of a threat should arise, would not the Senator frankly concede to me that not only under the terms of this contract but under the general implication of our continued sovereignty there would be no escape from our intervention?

Mr. ROBINSON of Arkansas. By no means—by no means. I can conceive of a condition, and so can the Senator if he will exercise his very great talents and think upon the subject without reference to his biased viewpoint, in which a threat might be made which would not involve a necessity of intervention on the part of the United States. I can think of no condition under which the obligation to intervene really devolved upon this Government in which it would not be exercised under the language employed.

Mr. VANDENBERG. Mr. President, my able friend refers to my "biased viewpoint," and I suppose implies that he is entirely free from any such constraint. Having thus discovered wisdom from an unbiased source, perhaps I should yield to it; but the fact remains that he fails to impress me in any degree with his proposition.

So long as the American flag is flying over the Philippine Islands during these 12 or 14 years, I can not conceive that we are not responsible—and that responsibility must express itself in case of major hazard in the form of an intervention—I can not conceive that we are not absolutely responsible in the net result for the safety and the perpetuity of the entire adventure until we have left the islands. I contend that subsection (n) is a paraphrase of the Platt amendment in the Cuban constitution, under which and by direct analogy we were forced to return to Cuba in precisely the same fashion; and I contend that our responsibility under this legislation is infinitely more intimate and imminent than it is even under the Platt amendment.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I do.

Mr. ROBINSON of Arkansas. I thank the Senator for yielding. Perhaps there is bias or prejudice on both sides of the case; and it is not profitable to pursue that.

Mr. VANDENBERG. I am sure it is.

Mr. ROBINSON of Arkansas. But, Mr. President, I do not think the bill is subject to the criticism that the Senator is making, in that he would have it changed so as to require the United States to intervene in Philippine affairs whenever there is a threat of the loss of life, property, or liberty. I think, necessarily, the United States must exercise its own discretion about that, and I think its course will be the same whether we employ the word "may" or "shall"; and with that observation I shall not interrupt the Senator further.

Mr. VANDENBERG. Mr. President, I make no point with emphasis respecting the verb that is used, though it occurred to me that the verb might have some significance. We will omit all consideration of the verb. We will consider the mere physical fact that here is a commonwealth that simulates independence. It simulates it so completely that we have deliberately foreclosed even the right of the American High Commissioner to live in Malacanang Palace, which is the symbol of authority in the Philippine Islands. I contend that this creates at least a paraphrase of complete independence in the Philippine Islands, and that in the vast majority of its 13,000,000 minds that will be the construction put upon it. But the paradox is that so long as that situation persists—namely, until our flag and our sovereignty are permanently and completely withdrawn—we can not escape the implication of responsibility for what happens as the result of the actions of a people substantially beyond our control.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Is this intervention clause similar to the intervention clause of the treaty of independence with Cuba?

Mr. VANDENBERG. I will say to the Senator that I have not compared it. Certainly, the purport is the same.

Mr. WALSH of Massachusetts. In substance, it is. The intervention clause in the case of Cuba is operative as against an independent government, is it not?

Mr. VANDENBERG. That is correct.

Mr. WALSH of Massachusetts. While this intervention clause does not seek to be operative after the Philippine Islands obtain their independence?

Mr. VANDENBERG. That is entirely correct.

Mr. WALSH of Massachusetts. It is only to be operative during the period of time of the constitutional government, and up to the time we withdraw?

Mr. VANDENBERG. Precisely; and that is the very point I am undertaking to make as indicating that there is an even more intimate responsibility in subsection (n) than there is in the Platt amendment to the Cuban constitution. The Platt amendment represents an external obligation on our part, whereas subsection (n) represents an internal obligation and therefore one which is infinitely more constant and continuous and irresistible and entangling.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from California?

Mr. VANDENBERG. I yield to the Senator from California.

Mr. SHORTRIDGE. I understand the position of the Senator to be that our responsibility continues during this transition period.

Mr. VANDENBERG. Inevitably.

Mr. SHORTRIDGE. Then subsection (n) can not deprive us of that continuing power and responsibility; can it?

Mr. VANDENBERG. Oh, Mr. President, I am not contending that subsection (n) subtracts anything from our power. I am saying that it illuminates and demonstrates the proposition that we are responsible. That is the only point I am trying to make. I contend that we do not have enough power in the face of this responsibility.

Mr. SHORTRIDGE. Well, let that be granted.

Mr. VANDENBERG. If it is granted, does the Senator say that he would permit American responsibility in the Orient to be handled by an alien proxy?

Mr. SHORTRIDGE. Certainly not.

Mr. VANDENBERG. That is precisely what the Senator is doing under the terms of this bill.

Mr. SHORTRIDGE. With great respect for the Senator, I construe this section as the Senator from Arkansas indicates.

Mr. VANDENBERG. I hope the Senator will construe the entire bill.

Mr. SHORTRIDGE. But the Senator is addressing himself to that particular section for the moment.

Mr. VANDERBERG. I am addressing myself to that particular section because I think it illuminates my general point of view.

Mr. SHORTRIDGE. Precisely; but if it can not add to nor take from the power and the accompanying responsibility of the United States, then may it not be cast out from consideration?

Mr. VANDENBERG. No, Mr. President; because it deals in illuminating fashion with the point I am trying to make, and that the Senator from California himself has conceded—to wit, the existence of a responsibility upon us which we can not shake off. Paralleling that responsibility is a constantly depleted authority under which we may be unable to protect that responsibility against untoward hazards.

I will illustrate to the Senator what I mean by reverting to the example which I recently used respecting an incipient trouble in the island of Jolo.

Why was it only incipient? Why was it that it cost only 25 or 50 lives? It was because an American authority, the Governor General of the Philippine Islands, exemplifying inevitably a powerful force, personally visited the situation, composed it through his direction of the Philippine constabulary, and there was no progressive difficulty. Under this bill we shall have no such opportunity to deal with trouble when and where it starts; yet we are responsible for it when it comes to crisis.

I submit to the Senator that the time to stop trouble of that sort is when it starts; and I submit to the Senator that every moment of the 12 or 14 years when the Philippine Commonwealth is in existence under our flag, but under its own complete administrative control, we are dependent upon them for what shall be done in meeting these incipient troubles; and we do not have an opportunity to serve our responsibility until trouble has gone out of the control of the native authorities in the Philippine Commonwealth. It is that to which I object, Mr. President. We are the residuary legatees of disaster.

Mr. SHORTRIDGE. Exactly, Mr. President; but will the Senator permit me to suggest that under the language of this section we may intervene. That does not necessarily mean that we shall remain silent until the trouble has developed as suggested. We may intervene when? When in our judgment it is necessary to preserve life, liberty, or to see to it that government obligations are observed.

Mr. VANDENBERG. All right. Then the Senator is now stating that we have an even more constant responsibility than the one which I have been undertaking to define, because he is now saying that we have to keep ourselves in intimate touch with all these local situations over there so that we can start to intervene any time we see anything which invites difficulty; and yet, on the other hand, we are foreclosed in these directions because we are supposed to have established a quasi-independent Commonwealth of the Philippine Islands. The Senator is demonstrating that this arrangement is a "nature fake," and nothing else.

Mr. SHORTRIDGE. Will the Senator permit this observation, and then I will not further interrupt?

The VICE PRESIDENT. Does the Senator from Michigan further yield to the Senator from California?

Mr. VANDENBERG. Yes; I yield to the Senator.

Mr. SHORTRIDGE. I am not stating my views, unless they be revealed by way of questions. I am trying to get at the views of the Senator, rather than to express my own, for the moment. I am suggesting, finally, in respect to this particular section, that it is not obligatory upon the part of the United States to wait until some incipient trouble has grown into a major crisis before intervening or taking hold of the problem; that is all.

Mr. VANDENBERG. Mr. President, how long does the Senator think it would take for us to organize ourselves to express our intervention when we are ten or fifteen thousand miles away, and, as the Senator well knows, these difficulties in the Orient crack overnight, and a most casual circumstance may become a casus belli in 24 hours?

Mr. SHORTRIDGE. That is true in all nations.

Mr. VANDENBERG. It is particularly true in the Orient, as the Senator well knows.

Mr. SHORTRIDGE. That is why I want to have my country get out of the Orient and stay out.

Mr. VANDENBERG. Precisely; and in the present bill, instead of doing that, the Senator is leaving his country in the Orient, where for 14 years its destiny is at the mercy of any errors in administration, any errors in domestic relationships, which an amateur government of Malay citizens may happen to perpetuate. It is precisely the thing to which I object. It is the thing which it seems to me no American Congress can justify or support; and no matter what other provisions there might be in this bill that appeal to my sense of justice—and there are many—I will not vote for any legislation which sublets American responsibility under the American flag to some other people and some other race, leaving us only a residuary right to intervene after a major calamity is staring us in the face. Particularly, I will not do this in the tinder zones of the Far East.

That is the point and essence of the plea that I submit to the Senate.

Now, Mr. President, just one thing more.

The able Senator from Nevada [Mr. PITTMAN], in answering my other argument, points out that under the new arrangement we are to have a high commissioner in the Philippine Commonwealth. That is true. We are to have a high commissioner who can send reports over here to Washington whenever he has anything to report, who can not live in Malacanang, which is the symbol of Philippine authority, and who has not a single power now inherent in the Governor Generalship, which is the focus around which we organize our present authority in the Philippine Islands. We have a high commissioner who, in net result, is nothing more than an unofficial observer. He is about as useful as the fifth wheel on a wagon. He is the eloquent exemplification of our impotence to meet our responsibilities during these 12 or 14 years when the Filipinos are governing themselves under our absentee protectorate.

Now, let us see the difference between the high commissioner and the Governor General, because I am insisting that as long as the American flag is in the Philippine Islands there must be an American Governor General who shall exemplify and use the sovereign power necessary to sustain American Government responsibility, which we accept in this contract for a period of 12 or 14 years. Let us see the difference between a high commissioner and a governor general.

At the present time the Governor General recommends the budget, and the recommendation has a very high authority, and in that budget are the ways and means which sustain the forces of law and order. That is the initial step at which the adequacy of the forces for maintaining law and order is maintained. The high commissioner will have nothing whatever to do with the budget.

The Governor General to-day vetoes any law he pleases to veto and he can even veto any part of an appropriation measure. So long as the Governor General is in control, if there is any social legislation which may lead us squarely into the vortex of this oriental complex, the Governor General, representing American sovereignty, can stop it when it is born. The high commissioner can stop nothing. He has no power and no authority even remotely comparable with the responsibilities which we are asked to maintain under the American flag in the Orient.

The Governor General at the present time can remove department heads who are derelict. The high commissioner can remove nobody. He is little more than scenery.

The Governor General has final control over practically every executive department. That means administrative control. For example, he commands the constabulary, upon which domestic peace and order rest. What does the high commissioner command? He commands exactly nothing. He has not even the privilege of living in the seat of authority, in the capital of the islands. The constabulary is locally, domestically directed, and domestically led. That very fact of itself might well prove to be a challenge to trouble.

The powers which are now exercised by the Governor General, Mr. President, are the realities of authority, because, as every Senator knows, the final test of the reality of authority in a colonial situation is the administrative power, not the legislative power, and the administrative power, with almost no exception, completely passes to alien hands under the terms of this bill, while the American flag still stays up and America is responsible for the net result of any error, any hazard, any jeopardy, any cost that may be inflicted upon us as the result of the mismanagement of that domestic control during this period of 14 years.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WALSH of Massachusetts. Would the Senator retain the Governor General in the Philippine Islands after the constitution was adopted?

Mr. VANDENBERG. Evidently the Senator did not hear my initial statement. I am contending that the constitution should be adopted the last thing. That is my sole plea. I ask that the creation of the new native government be the last thing instead of the first thing in this attenuated adventure. Keep our flag up or take it down. But do not half-mast it.

Mr. WALSH of Massachusetts. That makes the Senator's position logical.

Mr. VANDENBERG. I can think of no other logical method of dealing with a preindependence period. I want to call the Senator's attention to this, lest there be any misinterpretation or misconstruction of my ultimate objective. I say that if one does not want to follow that theory, which is one of two logical courses in dealing with Philippine independence, then the other logical theory is to give them their independence immediately and provide a postindependence period of economic adjustment when they are under their own flag and out from under our responsibility.

Mr. WALSH of Massachusetts. I thank the Senator.

Mr. VANDENBERG. I am asking the Senate to choose one or the other of two logical courses, and not a hybrid course in between, which is neither one nor the other.

Mr. KING. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. KING. The argument which the able Senator is making, while many may not agree with it, is one which ought to be heard by all Senators. I shall not ask for a quorum; I merely rise, with the permission of the Senator, to express my appreciation of the very clear manner in which the Senator is indicating some of the difficulties, if not dangers, incident to the measure which has been thus far approved.

I entirely agree with the Senator that the Filipinos ought to have their independence, or they ought not to have it. If they are not to have it for 10 or 15 or 20 years I would infinitely prefer to maintain the status quo, and for that reason I have not been able to bring my judgment to the approval of the measure which is now before us. I shall, therefore, later in the proceedings offer a measure which I have prepared, which I have been offering for 10 or 12 years in the Congress of the United States, to grant to the Filipinos their independence.

The measure which I shall offer would allow the Filipinos their independence within 37 months, taking the minimum time, or approximately 50 months, adopting the flexible provision of the measure; but in the meantime they will be under the flag of the United States, and the responsibility will rest upon the United States, as it rests upon the United States now, to assert its sovereignty in every proper way under the Jones law, which is now governing the relations between the two countries. But I agree with the Senator that there are only two philosophies which are available here, one to give the Filipinos their independence, the other to continue the Filipinos under the flag under the Jones law, with perhaps some liberalization of its provisions.

Mr. VANDENBERG. Mr. President, I thank the able Senator from Utah for his observations. We have discussed this problem together many, many times, in public and in private. I think we see eye to eye respecting the philosophy of the situation. He happens to prefer one of the two logical courses and I happen to prefer the other of the two logical courses. But if I could not pursue the logical course which I have chosen, then I would pursue the logical course which the Senator from Utah has chosen, except that I would add to it a postindependence period of economic adjustment to our markets. I decline, however, to wander into the illogical hazard of the pending proposition.

Mr. President, I think that concludes the presentation I care to make to the Senate upon this subject. I conclude by simply summarizing this proposition.

I submit that the Senate can not, in justice to the American people, sublet American sovereignty in the turbulent, treacherous, chaotic Orient, to an alien people and race, who will live and operate upon their own responsibility, yet under a flag which calls us back for 14 unhappy years to liquidate any troubles into which they may happen to get. I submit that is not the route either to a logical and adequate administration of the Philippine Islands or a logical means of preserving peace, not only for us but for the Orient and the world. I repeat the warning uttered by the late President Roosevelt in 1914:

> If the Filipinos are entitled to independence, then we are entitled to be freed from all the responsibility and risk which our presence in the islands entails upon us. * * * To substitute for * * * government by ourselves, either a government by the Filipinos with us guaranteeing them against outsiders or a joint guaranty between us and outsiders would be folly. * * *

This pending proposal is guilty of this folly. It was folly then. It is folly now. Let us either leave the Philippines at the earliest possible date or let us remain to the end of any preindependence preparation, with American authority constantly equal to American responsibility. There is no tenable middle ground.

Therefore, Mr. President, in line with my argument I offer the following motion to recommit.

The VICE PRESIDENT. The motion will be read.

The legislative clerk read as follows:

> I move to recommit the pending bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, to the Committee on Territories and Insular Affairs with instructions to change the relative time for the adoption of a new Philippine constitution from the beginning of the preindependence period to the end thereof, as generally provided in the substitute amendment proposed by me, and with further instructions to said committee to report the bill back not later than Tuesday, December 20, 1932.

Mr. VANDENBERG. Mr. President, on my motion I ask for the yeas and nays.

Mr. HAWES. Mr. President, referring to the remarks of the Senator from Michigan [Mr. VANDENBERG] I desire at this time to pay to him the highest possible tribute I can. He has given a great deal of careful consideration to this question.

Mr. BLAINE. Mr. President, will the Senator from Missouri yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Missouri yield for that purpose?

Mr. HAWES. I do.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Bankhead	Bingham	Borah
Austin	Barbour	Black	Broussard
Bailey	Barkley	Blaine	Bulkley

Bulow	Goldsborough	Logan	Schuyler
Byrnes	Gore	Long	Shipstead
Capper	Grammer	McGill	Shortridge
Carey	Hale	McKellar	Smith
Cohen	Harrison	McNary	Smoot
Coolidge	Hastings	Metcalf	Steiwer
Copeland	Hatfield	Moses	Thomas, Okla.
Costigan	Hawes	Neely	Trammell
Couzens	Hayden	Norbeck	Tydings
Dale	Hebert	Nye	Vandenberg
Davis	Howell	Oddie	Wagner
Dickinson	Hull	Patterson	Walsh, Mass.
Dill	Johnson	Pittman	Walsh, Mont.
Fess	Kean	Reed	Watson
Frazier	Kendrick	Reynolds	
George	King	Robinson, Ark.	
Glass	La Follette	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce again that the senior Senator from Texas [Mr. SHEPPARD] is absent attending the funeral of the late Representative Garrett, of Texas.

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

Mr. HAWES. Mr. President, the Senate Committee on Territories and Insular Affairs commenced to discuss the question of Philippine independence nearly three years ago. We had various bills presented before the committee and as a result of the hearings many members of the committee changed their minds. I may say I was one of them. The distinguished Senator from Michigan [Mr. VANDENBERG] changed his mind. But on that committee of 11 members and on the House committee of some 21 members there is not any member of either committee, so far as I know, who agrees with the contentions of the Senator from Michigan. He stands alone. Therefore it would be perfectly useless to recommit the bill. It would be only an idle gesture. It would be a mere consumption of time because there is no single argument connected with the bill that has not been presented to the committee and considered by it.

Mr. President, I ask permission to insert in the RECORD as a part of my remarks a memorandum of the powers of the high commissioners.

The VICE PRESIDENT. Without objection, that order will be made.

The memorandum is as follows:

MEMORANDUM ON PROVISIONS IN BILL PROTECTING AMERICAN SOVEREIGNTY AND CITIZENS IN THE PHILIPPINE ISLANDS

Section 1 of the bill dealing with the proposed form of constitution for the Philippine Islands, provides in section 2 that the constitution shall be republican in form and shall contain a bill of rights. It has the following mandatory provisions:

(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

(b) Every officer of the government of the Commonwealth of the Philippine Islands shall take an oath of allegiance.

(d) Property owned by the United States shall be free from taxes.

(f) The public debt of the Philippine Islands shall not exceed the limits now or hereafter fixed by Congress, and no loans shall be contracted in foreign countries without the approval of the President.

(g) The debts of the existing government shall be assumed by the new government.

(i) Acts affecting currency, coinage, imports, exports, and immigration, shall not become law until approved by the President of the United States.

(j) Foreign affairs shall be under the direct supervision and control of the United States.

(k) All acts passed by the Legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

(l) The Philippine Islands to recognize the right of the United States to expropriate property, to maintain military and naval establishments, and to call to its service any military forces organized by the Philippine government.

(m) The decisions of the courts of the Philippine Islands shall be subject to review by the Supreme Court of the United States.

(n) The United States may exercise the right to intervene for the preservation of the government, as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations.

(o) The authority of the United States high commissioner shall be recognized.

(p) Citizens and corporations of the United States shall enjoy in the Philippine Islands all the civil rights of citizens and corporations, respectively, thereof.

Section 3 provides that the constitution shall be submitted to the President of the United States, who shall determine whether or not it complies with the provisions of the bill.

Section 5: The United States reserves from its grant of land to the Commonwealth of the Philippine Islands all such land or other property as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States.

(I am informed by the Philippine commission that these reservations now amount to approximately 700,000 acres. Roxas reports that he gave to Senator PITTMAN a complete list of these reservations.)

Section 7 provides that until complete withdrawal of American sovereignty over the Philippine Islands—

1. Every amendment to the constitution shall be submitted to the President for approval;

2. The President shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government which shall, in his judgment, result in the failure of the Government of the Commonwealth to fulfill its contracts, or to meet its bonded indebtedness and interest thereon, or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which, in his judgment, will violate international obligations of the United States.

The President is further given the right to take such action as, in his judgment, may be necessary in pursuance to the right to intervene reserved under paragraph (n) of section 2 of this act.

3. The chief executive of the commonwealth shall make annual reports to the President and such additional reports as the President and Congress may request.

4. The President shall appoint a United States High Commissioner to the Philippine Islands, who shall represent the President. He shall have access to all records of the government; shall be furnished reports by the chief executive of the islands. If the Commonwealth of the Philippine Islands fails to pay any of its bonded indebtedness or interest thereon, or fulfill its contracts, the high commissioner shall so report to the President, who may direct the high commissioner to take over and administer the customs of the commonwealth, and he may perform such other functions as are delegated to him by the President.

The high commissioner shall have a financial expert or comptroller, who shall receive duplicate copies of the reports of the insular auditor, and to whom appeals to the insular auditor may be taken.

5. The commonwealth of the Philippine government shall appoint a Resident Commissioner to the United States.

6. The right of review by the Supreme Court of the United States shall be as now provided by law, and such review shall extend to all cases involving the constitution of the Commonwealth of the Philippine Islands.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan.

Mr. VANDENBERG. On that motion I ask for the yeas and nays.

The yeas and nays were ordered and the Chief Clerk proceeded to call the roll.

Mr. COPELAND (when his name was called). Present.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce the unavoidable absence of the junior Senator from New Mexico [Mr. CUTTING]. If present, he would vote "nay."

Mr. McKELLAR (when his name was called). On this vote I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the senior Senator from Texas [Mr. SHEPPARD], and vote "nay."

Mr. ROBINSON of Indiana (when his name was called. I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I transfer that pair to the junior Senator from New Mexico [Mr. CUTTING], and will vote. I vote "nay."

The roll call was concluded.

Mr. HULL (after having voted in the negative). I have a general pair with the senior Senator from Iowa [Mr. BROOKHART], and therefore withdraw my vote.

Mr. BULOW. I have a pair with the Senator from Connecticut [Mr. WALCOTT], which I transfer to the Senator from Illinois [Mr. LEWIS], and vote. I vote "nay."

Mr. HEBERT. Repeating the announcement of my pair with the Senator from Florida [Mr. FLETCHER], and not knowing how he would vote if present, I transfer that pair to the Senator from Maine [Mr. WHITE], and vote "yea."

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Illinois [Mr. LEWIS] and the Senator from Virginia [Mr. SWANSON] and the Senator from Utah [Mr. KING] are absent on official business.

I desire also to announce that the junior Senator from Arkansas [Mrs. CARAWAY] is absent on account of illness.

I wish further to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the Senator from New Mexico [Mr. BRATTON] are necessarily absent, attending the funeral of the late Representative Garrett, of Texas.

Mr. FESS. I was requested to announce the following general pairs:

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER];

The Senator from Minnesota [Mr. SCHALL] with the Senator from New Mexico [Mr. BRATTON];

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY]; and

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON].

The result was announced—yeas 19, nays 54, as follows:

YEAS—19

Barbour	Fess	Hatfield	Patterson
Bingham	Goldsborough	Hebert	Steiwer
Couzens	Grammer	Kean	Vandenberg
Dale	Hale	Metcalf	Watson
Dickinson	Hastings	Moses	

NAYS—54

Ashurst	Cohen	Kendrick	Robinson, Ark.
Austin	Coolidge	La Follette	Robinson, Ind.
Bailey	Costigan	Logan	Schuyler
Bankhead	Davis	Long	Shipstead
Barkley	Dill	McGill	Smith
Black	Frazier	McKellar	Smoot
Blaine	George	McNary	Thomas, Okla.
Borah	Glass	Neely	Trammell
Broussard	Gore	Norbeck	Tydings
Bulkley	Harrison	Nye	Wagner
Bulow	Hawes	Oddie	Walsh, Mass.
Byrnes	Hayden	Pittman	Walsh, Mont.
Capper	Howell	Reed	
Carey	Johnson	Reynolds	

NOT VOTING—23

Bratton	Fletcher	Norris	Thomas, Idaho
Brookhart	Glenn	Schall	Townsend
Caraway	Hull	Sheppard	Walcott
Connally	Keyes	Shortridge	Wheeler
Copeland	King	Stephens	White
Cutting	Lewis	Swanson	

So the Senate refused to recommit the bill with instructions.

TARIFF BARRIERS

Mr. WALSH of Massachusetts. Mr. President, I have received this morning several telegrams from business establishments in the city of Boston protesting against the threatened action of the Bermuda Government in raising tariff barriers against the importation into that country of food products from this country. I would like to have one of these telegrams read at the desk for the information of the Senate and then, with the other telegrams, referred to the Committee on Finance.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will read, as requested.

The telegram was read, as follows:

[Telegram]

BOSTON, MASS., *December 17, 1932.*

Senator DAVID I. WALSH,
United States Senate:

Understand from authentic source that Bermuda Government plans to place absolutely prohibitive tariff on food products from United States, thus throwing business to Canada or foreign countries. Bermuda's tremendous hotel industry has for many years been supported by United States citizens. Canada and other foreign visitors in exceedingly small minority. Think supplies should be purchased from countries from which income is derived. Imperative assistance and quick action essential.

CHARLES H. STONE CO.

Mr. KING. Mr. President, will the Senator from Massachusetts permit an inquiry?

Mr. WALSH of Massachusetts. Certainly.

Mr. KING. I was wondering whether the good people who send the telegrams would support a proposition to lower the high tariffs we have imposed if complaints should be made by foreign nations against us on account of such tariffs. It is a matter of fact, as the Senator knows, that prior to the enactment of the Fordney-McCumber tariff law and the so-called Smoot-Hawley tariff law there were exportations from the United States to Canada in the amount of approximately $825,000,000, largely fabricated and semi-fabricated products, and Great Britain purchased from us approximately the same amount.

Mr. WALSH of Massachusetts. The Senator knows I took the same position he took with reference to that tariff legislation. I have simply sent these telegrams forward in the nature of petitions from these business establishments. I think they indicate the restlessness which exists throughout the world, and the need of international tariff conferences, which the Democrats have advocated, looking to some adjustment, on account of the continuous efforts on the part of other countries to raise their tariff barriers following our adoption of the Smoot-Hawley law.

Mr. KING. I agree with the Senator entirely, but it is a little ironical for those people, who have been urging these high prohibitive tariffs in our own country, to object to prohibitive tariffs being levied by other countries. The ox is being gored now, but it is the other fellow's ox.

Mr. ASHURST. Mr. President, I have clipped from one of the Scripps-Howard papers an article referring to myself. I seldom offer for the RECORD an article commendatory of myself, but prefer to select rather those that are critical, and I read this article, as follows:

OH, STOP AND THINK A BIT, SENATOR!

"Taxes," orated Senator HENRY F. ASHURST, of Arizona, in the Senate the other day, "constitute one of the burdens that civilization must bear. If somebody will discover a plan or remedy whereby we may go through this life without being heavily taxed, I shall cheerfully subscribe to the dissemination of his propaganda.

"I sometimes marvel at the patience of the taxpayers themselves that they should so uncomplainingly make so many sacrifices and deny to themselves in so many instances the privileges, rights, reposes, and opulences of civilization in order to meet and satisfy the ever-present taxgatherer."

Okay, Senator! We'll tell you how people "may go through this life without being heavily taxed."

Like you, we have marveled at the patience of taxpayers, and wondered when it would end.

If you really want to cut taxes, instead of just talking about cutting them, here's how:

Abolish about 200 Government bureaus to start with.

Repeal the fool Volstead Act, legalize beer and thus save huge waste of money and pile up a big revenue.

Make the Budget balance—not by increasing taxes, but by decreasing expenses everywhere.

Stop handing out billions to big business.

Cut down the crazy tariff that blocks trade and results in the export of factories and jobs to foreign countries.

That's just a starter, Senator. You go ahead with that program—and meanwhile we'll think up a few more simple little details—that you'd have thought of yourself if you were not so busy making orations.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. METCALF. Mr. President, as bearing on the present debate, I ask unanimous consent to have printed in the RECORD a very able analysis of the question of Philippine independence prepared by the Senator from Nevada [Mr. PITTMAN]. I think it would be well to have it in the RECORD.

The VICE PRESIDENT. Without objection, the analysis will be ordered to lie on the table and be printed in the RECORD.

The matter referred to is as follows:

THE PHILIPPINE PROBLEM AND THE HAWES-CUTTING BILL

The United States has had two policies toward the Philippine Islands. The first policy has been political, and the second economic. These two policies have been diametrically opposed.

Politically, every President since McKinley, and the United States Congress in the preamble to the Jones law have committed the United States to the policy of preparing the Filipino people for independence, and in promising to them the right to determine their own destiny at some time in the future.

Economically, the Philippine Islands have been and are being bound more closely year by year to the United States by the policy of bringing the islands within the tariff barrier of the United States, which was begun in 1903, completed in 1909, and has been maintained since.



POLITICAL POLICY

The form of the political promise has varied. President Taft, in his message to Congress in December, 1912, said, "We should endeaver to fit the Filipinos for economic independence, and to fit them for complete self-government with the power to determine eventually whether * * * such self-government shall be self-independence."

In March, 1905, President Taft stated: "Should the Philippine people when fit for self-government demand independence, I should be strongly in favor of giving it to them; and I have no doubt that the American people of the next generation would be of the same opinion."

President Wilson, in a message to the Filipino people delivered through Governor General Harrison, said: "We regard ourselves as trustees acting not for the advantage of the United States, but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence."

Congress in the preamble to the Jones Act recited, "Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

In the pronouncements of Presidents McKinley, Taft, and Roosevelt the emphasis was laid upon the development of self-government which might or might not result in complete independence from the United States. The pronouncements of President Wilson and the preamble to the Jones Act lay emphasis on complete independence as soon as a stable government is established in the islands.

Year by year the Philippine people have progressed in self-government. The original form of government provided for the islands was a United States commission appointed by the President, which had complete executive and legislative power in the islands. In 1902 a Republican Congress passed the first organic act of the Philippine Islands, and, among other things, inaugurated a lower house, corresponding to our House of Representatives, the members of which are elected by the Filipino people. The original Philippine Commission continued as the upper house and as the executive branch of the government.

In 1916 a Democratic Congress passed the Jones Act, which substituted an elective senate for the Philippine Commission.

In the Hawes-Cutting bill now before the Senate it is proposed to further extend the autonomy of the islands by allowing the Filipino people to adopt a constitution for the commonwealth of the Philippine Islands which shall grant to them the right to elect their own executives, the direct control over the islands by the United States being transferred from the Governor General to a high commissioner from the United States to the Philippine Islands, who will be the direct representative of the President of the United States in the islands. The bill, it is believed, reserves to the United States authority commensurate with the responsibility incident to the retention of sovereignty.

This extension of authority is in line with the general policy of the United States toward the Philippines, and will supply the final laboratory test of the capacity of the Filipino people to maintain a stable government in the islands. At the end of a 15-year period after the inauguration of the new government the islands are given a right by a plebiscite vote to determine whether they shall have complete independence or continue the then existing status with the United States. Such a plan is equally in line with the statement of President Taft, who was more intimately associated with and familiar with the affairs of the islands than any other President, when he said that the United States policy toward the Philippines necessarily involved in its ultimate conclusion, as the steps toward self-government became greater and greater, the ultimate independence of the islands; although, of course, if both the United States and the islands were to conclude after complete self-government were possible that it would be mutually beneficial to continue a governmental relation between them like that between England and Australia, there would be nothing inconsistent with the present policy in such result.

ECONOMIC POLICY

Looking at the picture from the economic point of view, under the treaty of peace with Spain which ceded the Philippine Islands to the United States, which was signed in December, 1898, it was decided that "the United States will, for the term of 10 years from the date of the exchange of the ratifications of the present treaty, admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States.

In 1909, when this 10-year period had expired, the United States granted free trade to the Philippines and set up a tariff barrier in the islands against merchandise coming in from other countries than the United States. As pointed out by Speaker Roxas, of the Philippine commission, this policy of free trade was imposed upon the Philippine Islands by the United States despite the fact that the Philippine Assembly, by unanimous vote, protested against this action as likely to so tie up the Philippine Islands with the American economic system as to cause disruption at some time in the future, and thus be an obstacle to the achievement of national independence. The handling of this problem is one that rests clearly at the doors of the American people. Nobody could have stated this more clearly than Senator HARRISON, of Mississippi, when he said:

"We have obligations in the Philippines, and they must be observed. We can not afford, guardians as we are of the Philippine people, to alter our revenue laws in such a policy as will destroy the industries of the islands. Whatever is done toward their independence must be done sanely and with the idea of giving them every opportunity and time to adjust their fiscal policies to meet our altered policies."

The result of this policy is graphically shown in the development of the trade of the Philippine Islands. In 1899 the total trade of the islands, imports and exports, amounted to $34,039,568. Of this total trade the trade with the United States amounted to $5,288,341, or 16 per cent of the total. In 1930 the total trade of the Philippine Islands amounted to $256,260,081. Of this total the trade with the United States amounted to $183,525,089, or 72 per cent. In other words, while the trade of the Philippine Islands with all countries other than the United States increased from 1899 to 1930 from $28,751,227 to $72,734,991, or a little over two and one-half times, the trade with the United States increased from 1899 to 1930 from $5,288,341 to $183,525,089, or a little over thirty-five fold.

The average annual value of leading exports from the Philippines to the United States for the years 1890 to 1894, before the American occupation, was $3,379,000, or 16.8 per cent of the total exports; for the years 1905 to 1909, preceding free-duty trade, the average annual value was $11,287,000, or 35 per cent of the total exports; and for the last three years, from 1928 to 1930, it was $84,878,000, or 63 per cent of the total imports.

Approximately 77 per cent of the imports of the United States from the Philippines were protected by United States tariff, while 99.29 per cent of the imports into the Philippine Islands from the United States in 1929 were protected by Philippine tariff.

The United States' trade with Asia in 1899, the year of American occupation, was $45,000,000; in 1929, it was $643,000,000.

Prior to American occupation, United States shipping carried between 2 and 3 per cent of the trade of the Philippine Islands. In 1929 it carried 48.12 per cent of the trade.

The result of this development should in all fairness be studied from two points of view: First, from the point of view of its effect on the Philippines, and second, from the point of view of its effect on the United States.

From the point of view of its effect on the Philippine Islands, the result of this policy has been to incorporate the Philippine Islands in the economic structure and tariff wall of the United States to substantially the same effect as any State in the Union. The standard of living in the Philippine Islands is as much higher than the standard of living in other oriental and tropical countries as the standard of living in the United States is higher than the standard of living in most Latin-American countries. If anyone will visualize what would happen to his own State should that State be taken outside of the tariff barrier of the United States and put on the basis of world trade, they will get a fair picture of what would happen in the Philippine Islands, and if such action is to be taken, it must be taken only after a substantial period of time to enable the islands to adjust themselves to the new economic conditions which will result.

A study of the various commodities which constitute the main exports of the Philippine Islands will make this situation even clearer. The average value of the exports to the United States from the Philippine Islands of the commodities which were exempted from import duty after 1909 is as follows:

For the 7-year average from 1903 to 1909, these exports amounted to $1,155,000 a year, or 16.7 per cent of the total exports of these commodities to all countries. In 1929 the exports of these commodities amounted to $97,240,000, or 92.4 per cent of the exports of these commodities to all countries.

Against this the leading Philippine exports to the United States which are duty free in the United States regardless of the country of export shows the following growth: For the 7-year average from 1903 to 1909 the purchase of these commodities in the United States was $10,753,000, or 44 per cent of the total exports to all countries. In 1929 the exports of these commodities to the United States amounted to $26,434,000, or 48 per cent of the total exports of these commodities to all countries.

These figures tell the story of the effect on the industries of the Philippine Islands of free trade with the United States. Prior to 1909 we purchased from the islands 16.7 per cent of the commodities which are produced in the islands on which duties are now waived, while in 1929 we bought 92.4 per cent of these commodities. On the commodities produced in the Philippine Islands which have free entry into the United States regardless of the country of origin the increase has been from 44.6 to 48 per cent over the same period.

The economic life of the Philippine Islands, with all that has gone with it in the way of improved standards of living, higher wages, better transportation, improved sanitation, and general prosperity, has its origin and is maintained as a result of the policy of the United States in bringing the Philippine Islands within its tariff barriers.

From the point of view of the United States the acquisition of the Philippine Islands and our trade development with them has meant the following:

First. An investment of $257,000,000 in the Philippine Islands by the United States. Aside from the land in the islands the American investment there constitutes 49 per cent of the entire capital investment in the Philippine Islands. These investments have been made not for the purpose of exploitation but very

largely at the urgent request of the American Government in the efforts which have been made by the American Government to build up the trade and prosperity of the Philippine Islands.

Of this investment only $12,000,000 is in real estate, the balance being in bonds, sugar centrals, railroads, street railroads, and electric-lighting plants, manufacturing and mercantile establishments. Any precipitate action in reference to the Philippine Islands would inevitably result in great losses in connection with these investments.

Second. The United States has built up in the Philippine Islands a sure market for between eighty and ninety millions of dollars for its products. This list of exports to the islands constitutes a varied list of manufactured and agricultural products of the United States, and constitutes the only free market we have left in the world at the present time for our products. At a time like this when general depression and currency depreciation is cutting our exports in half, there must be some overwhelming reason to insist on interfering with such an outlet for the products of this country.

The more one studies the situation with reference to trade between the Philippine Islands and the United States the more one must realize that this trade constitutes an ideal arrangement for the two countries.

On the other hand, it is the sale by the Philippine Islands of tropical products that are not and can not be produced in this country, and which, as will be shown, do not compete with the products of this country. Against this we sell to the Philippine Islands the manufactured and agricultural products of the Temperate Zone, 99 per cent of which are protected by the import tariffs of the Philippine Islands.

Third. Our shipping is handling 48 per cent of the total foreign trade of the Philippine Islands, and this traffic is vital to maintain our merchant marine on the Pacific.

Fourth. No one who has not studied the situation in the Orient on the ground can realize how important it is for the United States to have a base in the Orient. Anyone who has studied the trade developments in the world to-day must realize that the place where the foreign trade of this country must have its greatest growth is in the Orient, and that our destiny is in that direction.

The philosophy of the Hawes-Cutting bill is based on the belief that a moral obligation does exist on the part of the people of the United States to extend local self-government to the people of the Philippine Islands, and upon the completion of the experiment and proof of their capacity to maintain local self-government to grant to them the right of determining their own destiny whether this destiny shall be as President Taft said, a continuation of a relationship such as exists between Great Britain and Australia or complete self-independence; second, that to carry out such a moral obligation without unnecessary injustice or hardship to the people of the Philippine Islands, or to the people of the United States requires a substantial period of readjustment and preparation. To carry this out the bill provides that upon the completion of the inauguration of the self-government provided for in the bill that the exports from the Philippine Islands to the United States which are now protected by free entry to the United States shall be limited to approximately the status quo of the present trade from the islands to the United States. In other words, the trade in the three major products that has now been built up on the basis of the waiving of the tariffs on Philippine products is allowed to continue on the basis of the status quo, but the Philippine Islands are given notice that any further expansion of this trade in these products must be based on world markets. For a period of 10 years this trade is allowed to continue as a means of amortizing investments, reduction of costs, and general preparation for competition on the lower scale of prices which must inevitably result. Beginning with the eleventh year an ascending scale of export duties are to be charged by the Philippine Islands on these commodities, the purpose of which is threefold: First, to gradually adjust these industries to the new conditions should the Philippine Islands vote for complete independence; second, to provide a fund which will redeem the bonds of the Philippine Islands which have been issued under authority of the United States; and third, to give a practical demonstration to the people of the Philippines of the effect of complete independence upon them prior to the time when they must decide as to their destiny.

The bill further provides that even in the event of the complete independence of the islands the United States reserves the right to maintain in the islands such bases as are considered necessary and advisable. Anyone who has studied the situation in the Orient must realize how important this reservation is in connection with our future trade and relationships in the Far East.

PHILIPPINE IMMIGRATION

The bill further settles a condition which has been a source of considerable friction in connection with the Philippine Islands, and that is the question of unrestricted immigration of the Filipinos to the United States. It is very much to the credit of the representatives of the Filipino people who have come to Washington in connection with this program that an agreement has been reached with and concurred in by them upon this delicate and important question. The commission has become convinced that such action is advisable not only from the point of view of the United States but from the point of view of the Philippine Islands as well. The Philippine Islands are a large and undeveloped country and the labor is needed there for that development.

SUGAR

So far as sugar is concerned, the following table shows the sources from which the sugar consumed in the United States was produced in 1930:

	Per cent
Continental United States, beet and cane	20
Hawaii, Puerto Rico, and Virgin Islands	24
Philippine Islands	12
This sugar comes in free of duty.	
Cuba	44
This sugar pays a duty of 2 cents a pound.	

The continental sugar producers, Hawaii, Puerto Rico, and the Virgin Islands sell all the sugar they produce in the United States. The only effect of reducing the amount coming from the Philippine Islands will be to increase the purchases from Cuba.

The only danger from the Philippines to domestic sugar producers is a very large increase in the free entry of Philippine sugar. This danger is fully met by the provision in the Hawes-Cutting bill.

It is admitted that sugar production in Hawaii and Puerto Rico is at its maximum and continental beet and cane sugar would have to increase production 200 per cent before there would be any competition from the Philippine Islands.

Continental beet and cane sugar production in the United States has not for the last 20 years been able to maintain its pro rata of American consumption.

In 1910 continental beet and cane sugar produced 23.58 per cent of American consumption; in 1930, 20 per cent of American consumption.

The economic dependence of the Philippine Islands upon the United States as a result of the free-trade relationship largely centers around the sugar industry. For the 3-year average, 1900–1902, sugar constituted 3 per cent of the total exports to the United States. In 1929 sugar constituted 41.9 per cent of the total.

As shown by the testimony presented before the Insular Affairs Committees of Congress, the sugar industry in the Philippine Islands was very largely increased during and after the war, at the instance of the United States, acting through the Philippine Bank, in financing a large number of sugar centrals. The momentum in this industry is shown by the following statistics of sugar exports to the United States from the Philippine Islands:

	Long tons
1929	634,578
1930	708,686
1931	730,061
1932 (estimated)	865,000

As shown by the testimony submitted to the House and Senate Committees on Insular Affairs, the existing milling capacity of the centrals in the islands is 1,200,000 long tons, and the existing obligations entered into by these centrals with the sugar planters will call for the production of this amount of sugar, and that such amount will be reached within a period of three or four years.

The theory of the Hawes-Cutting bill is to put such limitation on the amount of sugar imported from the Philippine Islands as shall allow the existing industry in the islands, which has been built up on the basis of free trade between the islands and the United States to continue, and at the same time to prevent any further expansion of the industry in reliance on free trade.

The limitation provided in the Hawes-Cutting bill of 850,000 long tons will be exceeded by the 1932 shipments. On the actual figures of production for 1932 the exports will be 820,000 long tons of raw sugar and 45,000 long tons of refined sugar.

Owing to the fact that all sugar coming in from Cuba is allowed a 20 per cent preferential, and the further fact that the amount of sugar produced in Cuba is so largely in excess of the United States' demand that Cuban sugar sells here on the world price of sugar plus the 2-cent duty, no sugar in excess of the limitation set out in the Hawes-Cutting bill can be exported to the United States from the Philippine Islands, but such excess must find the world markets. The following figures make this situation clear:

Assuming the price of raw sugar in the United States to be 2.65 cents a pound, Cuba, shipping sugar in, pays a duty of 2 cents a pound, and therefore receives 0.65 of a cent a pound for her sugar. And sugar in excess of 850,000 long tons from the Philippines would have to pay the full duty of 2½ cents a pound, so that if sold to the United States the Philippines would only receive 0.15 of a cent a pound for her sugar, while in the world market she would receive 0.65 of a cent a pound.

Our national honor and good name is at stake in carrying through to a successful conclusion the colonial experiment which the United States has conducted in the Philippine Islands. The Hawes-Cutting bill points the way to its solution, and to change this bill in compliance with unjustifiable demands of special interests in this and other countries would be an immoral and tyrannical act, in violation of our concepts of government, the high sentiments of our people, and in violation of the spirit of our oft-repeated declarations and promises. The honor of our Government and the security of our own people is involved in the pending measure.

Mr. DICKINSON. Mr. President, I desire to call up an amendment to the bill, which I presented some time since,

limiting the imports of pearl buttons from the Philippine Islands to the United States.

The VICE PRESIDENT. The amendment proposed by the Senator from Iowa will be stated.

The CHIEF CLERK. On page 28, line 17, it is proposed to insert a new section, as follows:

There shall be levied, collected, and paid on all buttons of pearl or shell, finished or partly finished, and on all pearl or shell button blanks, not turned, faced, or drilled, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 800,000 gross of all such articles hereinbefore enumerated the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. DICKINSON. Mr. President, it is my hope there will be no objection to this amendment on the part of the committee, for the reason that most of the pearl buttons which are manufactured in this country are manufactured at Muscatine and in various other localities in Iowa. The amendment simply provides under the bill a limitation, similar to the other limitations on other commodities, for the protection of the particular interest in the locality which I have named. I repeat, I hope there will be no objection on the part of the committee to the amendment.

Mr. HAWES. Mr. President, there were last year only $4,000 worth of pearl buttons sent to the United States from the Philippines. I do not believe such an importation can affect the domestic market; but it is such a very small item that I am not going to object to the amendment.

Mr. GORE. Mr. President, I agree with what has just been said by the Senator from Utah [Mr. KING]. I concur in his protest against the imposition of a tariff upon pearl buttons imported from the Philippine Islands.

If I understood the Senator from Missouri, he said he would not object to this amendment because the item was a small item. The fact that this is a small item I do not believe justifies a violation of principle, a violation of the principle of justice toward an enthralled people.

If we are to violate a principle, let us not do so thus cheaply. If we are to barter principles for booty, let us demand more booty. Let us not swap our principles for pearl buttons. If we are to accept the wages of sin, let us demand a high wage, a wage commensurate with the sin.

There is a little town in Iowa where pearl buttons are manufactured out of mussel shells, a delightful little city, a deserving people; but I do not believe that in order to protect a local industry of this kind we ought to violate a principle of justice toward a distant, toward an enthralled, toward a helpless people.

Mr. DICKINSON. Mr. President, one would think, from the statements of both the distinguished Senator from Utah and the distinguished Senator from Oklahoma, that I was suggesting a new principle in this bill. As a matter of fact, the remarks of the Senators apply equally to sugar and coconut oil, which are limited in the bill under exactly the same conditions under which I am proposing to limit pearl buttons.

Mr. KING. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. KING. I agree with the Senator, and I would denounce with the same vigor the plan to include coconut oil or sugar or any other commodity in this bill. I will not vote for any bill which imposes such restrictions upon the Philippine Islands.

Mr. DICKINSON. I simply wanted the Senator to know that I was not initiating in this bill any new principle, that the same remarks apply to both sugar and coconut oil as apply to pearl buttons. This is a matter of the protection of an industry which has grown up in the Mississippi Valley, which I think is entitled to just as much protection as are these other industries.

Mr. GORE. Mr. President, the principle applies equally, as far as I am concerned. These people are held by us in subjection, and I do not think we ought to rob or rape them while they are in that situation.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The question is on agreeing to the amendment offered by the junior Senator from Iowa [Mr. DICKINSON].

Mr. DICKINSON. I ask for a division.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Reynolds
Austin	Couzens	Hull	Robinson, Ark.
Bailey	Dale	Johnson	Robinson, Ind.
Bankhead	Davis	Kean	Schuyler
Barbour	Dickinson	Kendrick	Shipstead
Barkley	Fess	King	Shortridge
Bingham	Frazier	La Follette	Smith
Black	George	Long	Smoot
Blaine	Glass	McGill	Steiwer
Borah	Goldsborough	McKellar	Thomas, Okla.
Broussard	Gore	McNary	Trammell
Bulkley	Grammer	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Nye	Walsh, Mass.
Carey	Hatfield	Oddie	Walsh, Mont.
Cohen	Hawes	Patterson	Watson
Coolidge	Hayden	Pittman	
Copeland	Hebert	Reed	

Mr. ROBINSON of Arkansas. Mr. President, I desire to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained in attendance on the funeral of the late Representative Garrett, of Texas.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

Mr. DICKINSON. I ask for the yeas and nays on my amendment.

Mr. WALSH of Montana. Mr. President, I raise the point of order against the pending amendment. It is quite evidently a revenue measure and can not, under the Constitution, originate with the Senate.

The VICE PRESIDENT. That is a constitutional question, which the Chair will submit to the Senate to determine whether the point of order is well taken. The question is, Is the point of order well taken? [Putting the question.] The Senate sustains the point of order.

Mr. BROUSSARD obtained the floor.

Mr. DICKINSON. Mr. President, I simply want to suggest, in view of the confirming of the point of order made and sustained by the Chair with reference to this section, that it is in identical language with the section relating to the limitation on the tonnage of sugar and also the limitation on the importation of coconut oil. Therefore, if that is true, I now make the point of order against both the sugar section and the coconut-oil section of the bill.

Mr. BROUSSARD. Mr. President, I wish to offer an amendment on page 21.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PITTMAN. Is not a point of order pending?

Mr. BROUSSARD. I have not yielded for that purpose.

Mr. PITTMAN. Very well.

Mr. BROUSSARD. On page 21, line 1, after the word "meet," I propose to amend by inserting the words "within the period of one year from the approval of this act." Then on page 24, line 17, after the word "submitted," I move to insert "within two years from the date of the approval of this act."

I assume everyone here wants to put some certainty into the bill as to its effect. All of us believe that there should be a period of 12 years, and that is definite. It is definite as to the time from the inauguration of the government of the Philippine Islands.

Mr. DICKINSON. Mr. President, will the Senator yield? I make the point of order, and I understand it can be made at any time——

Mr. BROUSSARD. I do not yield for that purpose.

The VICE PRESIDENT. The Senator from Louisiana does not yield for that purpose.

Mr. DICKINSON. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. DICKINSON. I make the point of order against subsection (a), on page 27; subsection (b), on page 28; and subsection (c), on page 28, and insist that the rule of the Senate requires the Chair to hold that those paragraphs be stricken from the bill.

The VICE PRESIDENT. The Senator has the right to raise the point of order, but the Chair would hold that the Senator from Louisiana has the right to conclude his remarks and that the point of order should properly be raised when that question is before the Senate. The Senator from Louisiana has the floor and will proceed.

Mr. BROUSSARD. There is no time specified for the meeting of the Philippine Legislature. I invite the attention of the Senate to the fact that we can not remedy that matter in conference, because the House bill contains the same provision, and if we pass the bill without fixing some definite time when action shall be taken on the part of the Philippine Legislature and the adoption of their constitution and those people shall see proper to hold up the matter for 20 years, there is no provision to require them to act and the Congress will have divested itself of authority to act in the premises.

I believe it is a very serious matter. I am not wedded to the time that shall be given, but if we are to grant them independence and if we think it important to make it 12 years from the inauguration of their government, then certainly we should not leave this open, so they can remain in their present status without taking any action and indefinitely postpone any action Congress may wish to take with reference to matters in the Philippine Islands.

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. BROUSSARD. I do.

Mr. PITTMAN. What period of time does the Senator propose to fix by his amendment?

Mr. BROUSSARD. For the holding of a convention within the period of one year and providing that they shall submit the constitution to the President of the United States within two years from the approval of this act. I may state, however, that I am not wedded to the particular time I have proposed.

Mr. PITTMAN. Suppose, for instance, there is no limit as to when they shall submit either?

Mr. BROUSSARD. But it must be within that period. The House has not that provision in its bill. It might be well for those having charge of the matter to take the bill over there and discuss it with the Members of the House. If the Philippine Legislature were not satisfied and preferred to remain as they are, we would have divested ourselves of the right to legislate with reference to certain matters.

Mr. PITTMAN. Personally I see no objection to it, and I do not think any one else will. I think the theory on which the committee proceeded was that they were certain the Philippine Legislature would act as quickly as possible.

Mr. BROUSSARD. Yes; we have assumed that in the debates also.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Louisiana.

Mr. PITTMAN. Mr. President, before we proceed further I would like to have the attention of the senior Senator from Louisiana. The amendment which he has offered, in so far as the first part of it is concerned, was adopted on yesterday. It was submitted by the Senator from New Mexico [Mr. CUTTING] and will be found on page 567 of the RECORD. I will read it:

On page 21, line 3, after the word "fix," to insert the words "within one year after the enactment of this act," so as to read:

"CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

"SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, within one year after the enactment of this act, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898—"

And so forth.

Mr. BROUSSARD. That covers it. May I ask the Senator about the second amendment on page 24?

Mr. PITTMAN. That is not provided for, but the first one is.

Mr. BROUSSARD. Then I withdraw the first amendment and submit the second amendment, which I ask may be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 24, line 17, after the word "submitted" insert the words "within the period of two years from the passage of this act," so as to read:

SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands, the constitution shall be submitted within the period of two years from the passage of this act to the President of the United States, who shall determine whether or not it conforms with the provisions of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Louisiana.

The amendment was agreed to.

Mr. DICKINSON. Mr. President, I offer the following amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. On page 28, line 17, insert a new section, as follows:

There shall be levied, collected, and paid on all buttons of pearl or shell, finished or partly finished, and on all pearl or shell button blanks not turned, faced, or drilled, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 800,000 gross of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

Mr. PITTMAN. Mr. President, was not a parliamentary objection raised to that by the Senator from Montana [Mr. WALSH]?

The PRESIDENT pro tempore. That is true; but, in view of the fact that the Senate has the House text before it for consideration, the present occupant of the chair will hold the amendment to be in order. An appeal may be taken from that ruling if the question of order is raised. The question is on agreeing to the amendment proposed by the Senator from Iowa. [Putting the question.] The Chair is in doubt.

Mr. PITTMAN. Mr. President, I am going to demand the yeas and nays on this question, but before doing so I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Reed
Austin	Couzens	Hull	Reynolds
Bailey	Dale	Kean	Robinson, Ark.
Bankhead	Davis	Kendrick	Robinson, Ind.
Barbour	Dickinson	King	Schuyler
Barkley	Fess	La Follette	Shipstead
Bingham	Frazier	Logan	Shortridge
Black	George	Long	Smith
Blaine	Glass	McGill	Steiwer
Borah	Goldsborough	McKellar	Thomas, Okla.
Broussard	Gore	McNary	Trammell
Bulkley	Grammer	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walsh, Mass.
Carey	Hatfield	Nye	Walsh, Mont.
Cohen	Hawes	Oddie	Watson
Coolidge	Hayden	Patterson	
Copeland	Hebert	Pittman	

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I desire to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained in attendance on the funeral of the late Representative Garrett, of Texas.

Mr. KING. Mr. President, I desire to make merely one observation. We started out with the high purpose to liberate the Filipinos and professed to have a little altruism and a little love of liberty. We have now degenerated to engage in a hide-and-seek struggle as to where the button is to be found.

Mr. PITTMAN. Mr. President, there is no provision of law and there can be no provision of law for the Philippine government to tax the exports from our country to those islands unless we have so provided. No one has ever thought of providing it. On the contrary, we have prevented them from doing it, and have compelled them to place tariff duties against the products of every other country except ours so as to build up our trade. We have an enormous trade with them. Now it is proposed to enact tariff legislation against them. It was considered by the House and it was considered by the Senate committee and was determined by a vote of the Senate that the status quo as to all their exports should prevail, subject to the exception that their chief exports should be limited and above that limit those chief exports should be taxed; and the tax is provided. If we now start imposing tariffs, we will have abandoned not only every theory of the House and every theory of the Senate so far but we will allow the petty, selfish interests of this country to defeat their own end. I hope that all amendments of this kind will be defeated.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Iowa [Mr. DICKINSON] to the amendment of the committee, on which the yeas and nays have been demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULOW (when his name was called). Making the same announcement as on the previous roll call with respect to my pair and its transfer, I vote "nay."

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce that if the junior Senator from New Mexico [Mr. CUTTING] were present, he would vote "nay."

Mr. HEBERT (when his name was called). Again announcing my pair with the Senator from Florida [Mr. FLETCHER], I withhold my vote.

Mr. McKELLAR (when his name was called). Making the same announcement of my pair and its transfer as I have made heretofore to-day, I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I announce again my general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. SHORTRIDGE (when his name was called). Again announcing my general pair with the junior Senator from Texas [Mr. CONNALLY], I withhold my vote.

The roll call was concluded.

Mr. HULL (after having voted in the negative). I have a general pair with the senior Senator from Iowa [Mr. BROOKHART]. I transfer that pair to the Senator from Washington [Mr. DILL], and let my vote stand.

Mr. FESS. I wish to announce the following general pairs:

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER];

The Senator from Minnesota [Mr. SCHALL] with the Senator from New Mexico [Mr. BRATTON];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY].

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance upon the funeral of the late Representative Garrett, of Texas.

The result was announced—yeas 21, nays 46, as follows:

YEAS—21

Austin	Dickinson	Long	Schuyler
Barbour	Fess	McNary	Shipstead
Capper	Goldsborough	Moses	Watson
Carey	Hastings	Norbeck	
Dale	Hatfield	Oddie	
Davis	Kean	Reed	

NAYS—46

Ashurst	Coolidge	Hull	Reynolds
Bailey	Costigan	Kendrick	Robinson, Ark.
Bankhead	Couzens	King	Smith
Barkley	Frazier	La Follette	Steiwer
Bingham	George	Logan	Thomas, Okla.
Black	Glass	McGill	Trammell
Blaine	Gore	McKellar	Tydings
Borah	Grammer	Metcalf	Wagner
Bulkley	Hale	Neely	Walsh, Mass.
Bulow	Harrison	Nye	Walsh, Mont.
Byrnes	Hawes	Patterson	
Cohen	Hayden	Pittman	

NOT VOTING—29

Bratton	Fletcher	Robinson, Ind.	Townsend
Brookhart	Glenn	Schall	Vandenberg
Broussard	Hebert	Sheppard	Walcott
Caraway	Howell	Shortridge	Wheeler
Connally	Johnson	Smoot	White
Copeland	Keyes	Stephens	
Cutting	Lewis	Swanson	
Dill	Norris	Thomas, Idaho	

So Mr. DICKINSON's amendment to the amendment was rejected.

Mr. DICKINSON. I offer another amendment to the committee amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 28, it is proposed to strike out lines 3 to 8, inclusive, and in lieu thereof to insert the following:

There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That for the first year of the existence of the government of the Commonwealth of the Philippine Islands 150,000 long tons of coconut oil shall be exempt from the payment of said duty, and that for the second year the amount of coconut oil herein provided to be admitted free of duty shall be reduced by 15 per cent, for the third year by 30 per cent, for the fourth year by 45 per cent, for the fifth year by 60 per cent, for the sixth year by 75 per cent, for the seventh year by 90 per cent, and for the eighth year, and thereafter, full duties shall be paid.

Mr. DICKINSON. Mr. President, this amendment adopts a new principle. In the bill we have provided a straight tonnage exemption, which exemption was reduced by the amendment of the Senator from Louisiana. Now, instead of permitting that full tonnage to carry through the entire period, and having it automatically all cut off at the same time, or all be subjected to a duty at the same time, the amendment provides for a graduated scale during the 8-year period.

If this amendment should be adopted, and if in conference with the House the conclusion should be reached that the time should be longer or should be shorter, and the conferees see fit to accept the principle, then they could extend the time and reduce the percentage or they could shorten the time and increase the percentage.

The object of submitting this amendment now is to enable this principle to be in conference between the two Houses, the purpose being, instead of providing, as the bill does at the present time, a full tonnage exemption until the end of the period, to provide a graduated scale of reduction, which I believe is both for the benefit of our producers here and for the benefit of the Philippine Islands, because they will have to take care of themselves at the end of the interim period anyway.

There is this further purpose: The tonnage limitation is put in for the purpose of the protection of the competitive interests of this country. If we are going to be in competition with the Philippines, we, too, ought not to have that

competition come in here automatically and all at once in full amount. We should adjust ourselves to that competition by a graduated scale; and that is all that is involved in this amendment.

Mr. LONG. Mr. President, as I understand, under the bill as it is now prepared, with the amendments that have been adopted, beginning after the seventh year under our amendment, provided the 12-year provision stands, an export tax is gradually levied on all sugar coming from the Philippine Islands.

Mr. PITTMAN. That is true—sugar and oil.

Mr. LONG. Sugar and oil—that is, coconut oil?

Mr. PITTMAN. Yes.

Mr. LONG. My people, of course, are in sympathy with the stand taken by the Senator from Iowa [Mr. DICKINSON]; but we are going to have to get a bill, and I believe probably we have gone as far as we can hope to get the House to concur in. We have cut down the quantities considerably, and we have made such amendments that I am fearful that we are trying to go farther than there is any hope of getting the House to go. In other words, I am willing to draw a line and quit at a certain point. If they will let us alone, I am willing to let them alone about this matter.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. Yes, sir; I yield.

Mr. TYDINGS. If the Senator will yield for the purpose of making a motion, I desire to move that the amendment of the Senator from Iowa be laid upon the table.

Mr. BORAH. Mr. President, let us vote on the amendment directly. We do not desire to lay these amendments on the table. Let us vote on them directly.

SEVERAL SENATORS. Vote!

Mr. TYDINGS. If there is to be a vote at this time, I will withdraw the motion; but we have been over this matter three or four times. If there is going to be a vote, I withdraw it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Iowa to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. DICKINSON. Mr. President, I offer another amendment, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 27, strike out lines 21 to 25, inclusive, and on page 28 strike out lines 1 and 2 and insert in lieu thereof the following:

> There shall be levied, collected, and paid on refined and unrefined sugars coming from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That for the first year of the existence of the government of the Commonwealth of the Philippine Islands 30,000 long tons of refined sugar and 585,000 long tons of unrefined sugar shall be exempt from the payment of said duty, and that for the second year the amounts of refined and unrefined sugars herein provided to be admitted free of duty shall be reduced by 15 per cent, for the third year by 30 per cent, for the fourth year by 45 per cent, for the fifth year by 60 per cent, for the sixth year by 75 per cent, for the seventh year by 90 per cent, and for the eighth year, and thereafter, full duties shall be paid.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa to the amendment of the committee. [Putting the question.] The amendment to the amendment is not agreed to.

Mr. DICKINSON. Mr. President, I ask for the yeas and nays on that amendment. I want to see if these sugar boys will go on record.

The PRESIDING OFFICER. The Senator from Iowa asks for the yeas and nays. Is the request seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULOW (when his name was called). Making the same announcement as on the previous roll calls, I vote "nay."

Mr. COPELAND (when his name was called). Present.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). If the junior Senator from New Mexico [Mr. CUTTING] were present, he would vote "nay."

Mr. ROBINSON of Indiana (when his name was called). Making the same announcement as before with reference to my general pair with the junior Senator from Mississippi [Mr. STEPHENS], I withhold my vote.

Mr. SHORTRIDGE (when his name was called). Making the same announcement in regard to my general pair with the junior Senator from Texas [Mr. CONNALLY], I withhold my vote.

The roll call was concluded.

Mr. McKELLAR. Making the same announcement that I have made heretofore as to my pair and its transfer, I vote "nay."

Mr. HULL (after having voted in the negative). I make the same transfer that I made a while ago, and will let my vote stand.

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance upon the funeral of the late Representative Garrett, of Texas.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER];

The Senator from Minnesota [Mr. SCHALL] with the Senator from New Mexico [Mr. BRATTON];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY].

The result was announced—yeas 20, nays 48, as follows:

YEAS—20

Barbour	Dickinson	Hatfield	Oddie
Capper	Fess	Howell	Patterson
Carey	Frazier	Kean	Schuyler
Dale	Goldsborough	Moses	Shipstead
Davis	Hastings	Norbeck	Watson

NAYS—48

Austin	Cohen	Johnson	Pittman
Bailey	Coolidge	Kendrick	Reed
Bankhead	Costigan	King	Reynolds
Barkley	Couzens	La Follette	Robinson, Ark.
Bingham	Dill	Logan	Smith
Black	Gore	Long	Steiwer
Blaine	Grammer	McGill	Thomas, Okla.
Borah	Hale	McKellar	Trammell
Broussard	Harrison	McNary	Tydings
Bulkley	Hawes	Metcalf	Wagner
Bulow	Hayden	Neely	Walsh, Mass.
Byrnes	Hull	Nye	Walsh, Mont.

NOT VOTING—28

Ashurst	Fletcher	Norris	Swanson
Bratton	George	Robinson, Ind.	Thomas, Idaho
Brookhart	Glass	Schall	Townsend
Caraway	Glenn	Sheppard	Vandenberg
Connally	Hebert	Shortridge	Walcott
Copeland	Keyes	Smoot	Wheeler
Cutting	Lewis	Stephens	White

So Mr. DICKINSON's amendment to the amendment of the committee was rejected.

Mr. HARRISON. Mr. President, while the Senator from Iowa [Mr. DICKINSON] is offering amendments with reference to the tariff, merely for the delectation of the Senate I wish to recall to their minds the fact that within the last fortnight the wonderful Tariff Commission that was created by this dying administration made certain recommendations asking, on about eight products, for increased tariff duties under the flexible provision of the tariff act, all of which recommendations would have increased taxes, which President Hoover gladly accepted and approved; and in the case of two recommendations made by the Tariff Commission for decreases—one on velveteen, and the other on spades and forks and hoes for the farmer—the President declined to accept these decreases, and sent them back.

Mr. SHORTRIDGE. Mr. President, for the further delectation of the Senate, I wish to remind the Senate that within the last 10 days or two weeks the same Tariff Commission, in the exercise of its power under the so-called flexible sec-

tion of the present tariff law, denied the petitions of four or five manufacturers, the petitions being to reduce the tariff on long-staple cotton, which tariff rate of 7 cents per pound was placed on that article through the splendid efforts of the Senator from Mississippi, feebly assisted by me. We fought as brothers for that tariff duty. The legislature of the imperial State of Mississippi, by a joint resolution—their lower house being practically unanimous, with but one dissenting vote in their State senate, made up of statesmen—had called upon my distinguished friend, perhaps impliedly including me in its request, to urge and fight for a tariff on long-staple cotton. It was I who proposed the amendment, and we fought together, and we won.

Gentlemen from certain Eastern and New England States who then opposed us recently petitioned for a reduction of that rate, and after thorough examination, the Tariff Commission denied their four or five petitions—all of them—and the President of the United States promptly approved the action of the Tariff Commission.

Mr. LONG. Mr. President, a parliamentary inquiry. What is the business before the Senate at this time?

The PRESIDING OFFICER. The amendment of the committee.

Mr. HARRISON. Mr. President, I move to strike out the last word.

The PRESIDING OFFICER. The Senator from Mississippi moves to strike out the last word.

Mr. HARRISON. I did not know about this other matter before the Tariff Commission, because I have not kept up with the fight since the duty on long-staple cotton was placed in the act. I have had advices from some of my constituents to the effect that a movement was on foot to have the Tariff Commission reduce the rate, and asking me to intercede. I replied to them that the Tariff Commission was a great independent body, that it should try to ascertain the differences in costs of production here and abroad, that there should be no political influence exerted on the Tariff Commission even by the President of the United States, or even by the Senator from California.

Mr. LONG. Mr. President, will the Senator pardon an interruption?

Mr. HARRISON. Not just yet.

Mr. LONG. Just a little one.

Mr. HARRISON. I do not care to have it just now.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. HARRISON. So I declined to inject myself into the Tariff Commission. May I say to the Senator from California that if the Tariff Commission should, on an investigation of the differences in the costs of production of long-staple cotton, recommend that the rate should be reduced, I should hope that the President of the United States would approve that recommendation, because it is the function of the Tariff Commission to make such investigations and report, and that is what I want them to do.

I do not believe, Mr. President, that the President of the United States should inject himself into the consideration of these tariff matters before the Tariff Commission any more than United States Senators should, and I was in hopes that the President would approve these recommendations for decreases, if he should approve some of the increases. It is a pity that on rakes and hoes and spades, those things which the farmers need at this time, the rates on which the Tariff Commission, after a full investigation, found should be reduced, the President of the United States should have injected himself into the matter and sent the recommendations back and said, "No; you are wrong on this occasion, but you are right when you want to increase tariff duties."

Mr. SHORTRIDGE. Oh, Mr. President, the President of the United States did not inject himself into the problem. Under the law the petitions were filed with the Tariff Commission——

Mr. HARRISON. He refused to accept the recommendations of the Tariff Commission.

Mr. SHORTRIDGE. They acted upon the petitions, and, under the law, the President is called upon to approve or disapprove.

Mr. BARKLEY. Regular order.

Mr. HARRISON. Now I withdraw the motion I made.

The PRESIDING OFFICER. The Senator from Mississippi withdraws his motion.

Mr. LONG. Mr. President, I think I could bring this matter to an understanding by simply quoting a little passage of Scripture, explaining that the tariff fights of the Senator from California and of the Senator from Mississippi were correct.

Where your treasure is, there will your heart be also.

That applies to the cotton for the Senator from Mississippi and to the sugar for the Senator from Louisiana. So what is this argument? [Laughter.]

Mr. SHORTRIDGE. Mr. President, to pursue this matter of a tariff just a moment longer—in a spirit of levity—I wish to call attention to this further fact that my friends, many of them on the other side of this imaginary line which divides us, stood with me in favor of increasing the rate of duty on certain poultry products, most of which, in the matter of competition, come from the Orient. Many who opposed us then recently petitioned for a reduction of those rates, and the Tariff Commission made examination and decided and reported against reduction, whereupon the President of the United States, in my judgment wisely, approved the action of the Tariff Commission. In both instances, as to long-staple cotton and as to poultry products, the President did no more than follow the advice and adopt the conclusions of the Tariff Commission.

Mr. REED. Mr. President, I did not want to interrupt this display of brotherly love on the subject of long-staple cotton; but I do not want to let the motion of the Senator from Mississippi go by without comment. In the House of Representatives it has long been the practice to move to strike out the last word. So far as I know, the motion has never before been entertained in the Senate. It has always seemed to me to be a senseless motion, and I hope that it will not become the practice of the Senate to entertain it. I wanted to enter my dissent at the beginning of that practice in this body.

Mr. NEELY. Mr. President, unlike the eminent Senators from California and Mississippi, I rise to add nothing to the "delectation" of the Senate. It is my purpose to direct attention to something that is not delightful but as important as life and death.

Under the pleasing delusion that we have been devoting our serious attention to the highly important question of Philippine independence, which is dear to every patriotic heart, we have consumed the greater part of eight legislative days in debating the relative rights of the producers of sugar in America and the islands and the measure of protection which should be provided the former against the latter.

Millions of American people are, at this hour, jobless, homeless, utterly destitute, and threatened with actual starvation.

If we continue to ignore and neglect the problem of human suffering until our army of unemployed shall have increased from 12,000,000 to more than 50 per cent of our toiling population, the awful result will probably be such as to make it a matter of little importance to this Government as well as to the Philippines what the ties that bind them to us or us to them may be.

During the last eight days many able Members have spoken eloquently and at length concerning special features of the Philippine bill. Let me raise my feeble voice in behalf of the millions of forgotten American women and men who will die of destitution during the next few months unless the Federal Government, by appropriate action, promptly rescues them from their peril. Let me implore the Senate to dispose of the Philippine bill without further delay, to the end that when we convene next Monday the perplexing problems of employing the idle, sheltering the

homeless, clothing the naked, and feeding the starving may be given prompt and effective consideration.

Mr. COSTIGAN. Mr. President, will the Senator yield to me?

Mr. NEELY. Gladly.

Mr. COSTIGAN. Strongly endorsing what the eloquent Senator from West Virginia has just said, I think it appropriate to call attention to an article in the New York Herald Tribune of this morning which states that Italy has announced that it is about to employ 300,000 idle Italians under a program of public works in a national effort to reduce human suffering in the peninsula.

May I ask the Senator from West Virginia whether he believes that the Government of the United States, through a public-works program, should not proceed far more vigorously and extensively than heretofore to employ idle men and women in this country?

Mr. NEELY. Mr. President, my answer to the question is emphatically yes. And if the remedial legislation which was so ably prepared and advocated by the distinguished Senator from Colorado [Mr. COSTIGAN] and the equally distinguished Senator from Wisconsin [Mr. LA FOLLETTE], in the last session of the Congress, had been enacted into law, my participation in to-day's debate would have been spared. Since the Government has the power to send the people of the Nation to war to fight battles, and shed their blood and die for their country, it owes its faultless millions of unemployed the duty of saving them from starving to death.

Let us pass the Philippine bill this afternoon, and then, having done justice to those who are 10,000 miles away, let us begin to discharge our duty to those who are freezing and starving at our very door.

The PRESIDING OFFICER. If there be no further amendment, the question is, Shall the amendments be engrossed and the bill read a third time?

Mr. KING. Mr. President, I offered an amendment a few days ago, and I ask the clerk to read it.

The PRESIDING OFFICER. The Senator from Utah offers the amendment which the clerk will report.

The CHIEF CLERK. On page 31 in the committee amendment, between lines 5 and 6, the Senator from Utah proposes to insert the following new paragraph:

> So long as any duties may be levied and collected by the United States under this act upon any articles coming into the United States from the Philippine Islands, the government of the Commonwealth of the Philippine Islands may levy and collect duties upon any articles coming into the Philippine Islands from the United States.

Mr. KING. Mr. President, I understood the other day during the debate, that the Senator from Nevada, if not the Senator from Missouri, conceded that there was an injustice, or at least a discrimination; that we could impose restrictions or a tariff—it is true that the collections under the latter would be paid into the treasury of the Philippine Islands, but for the benefit of American bondholders—and that the Filipinos ought to be permitted to impose duties, if they desired, upon American commodities which might be introduced into the Philippine Islands. I offer the amendment in good faith, and I think it ought to be adopted.

Mr. HAWES. Mr. President, the amendment to which the Senator from Utah has referred was my amendment. It accomplishes the same results as that offered by the Senator from Utah, and I think it should be incorporated in this bill, in simple justice to the Filipino people.

Mr. BROUSSARD. Mr. President, I wish to direct a question to the Senator from Utah, the author of the amendment. As I understand it, the tax imposed upon the Filipinos is an export tax, to be turned over to their own treasury. What does the Senator's amendment propose to do—to permit them to tax us, and to keep that money?

Mr. KING. Obviously.

Mr. BROUSSARD. We are not keeping their money.

Mr. KING. We are keeping it, in an indirect way. It inures to the advantage of American bondholders. Certainly the solicitude which we are exhibiting for the American bondholders prompted the provision to which the Senator refers. I ask for a vote.

Mr. WALSH of Massachusetts. Mr. President, we were unable to hear the debate. I would like to inquire whether the amendment is acceptable to the Senator from Missouri.

Mr. HAWES. It is.

Mr. WALSH of Massachusetts. The Senator recommends its adoption?

Mr. HAWES. Yes.

Mr. HOWELL. Mr. President, the greatest external menace of the United States to-day is the possession of the Philippine Islands. We are committed to their freedom and liberty. They are demanding it now. Notwithstanding the menace, we are putting off the time of Philippine independence for 14 years. It may cost innumerable lives of our countrymen. It may cost immense treasure, and our national debt to-day is about $21,000,000,000.

Why is it we do not end this menace immediately inasmuch as the Filipinos demand their liberty now? Why is it? It is because of a third interest—money, dollars and cents. We may rue the day that we ever put off this independence of the Philippine Islands, because we want to conserve profit for some one, for commercial interests. We should not, Mr. President, thus weigh in the balance commercial interests against the lives of our people and the tremendous cost that this menace threatens our country.

I feel inclined to vote against the bill, but if the Senate and the Congress are not willing to end this menace at once, if we must wait 14 years, I shall vote to end it at that time, as there is no possibility evidently of overcoming this commercial objection to ending it now.

Mr. BROUSSARD. Mr. President, I wish to present some figures I have prepared. In 1930 the importations of Philippine products and goods into this country amounted to $105,882,682. I take that from the hearings in the House. Of course, their importations have increased since 1930, but I have not the 1932 figures. I have some figures that I have prepared as applied to the value of products brought into this country in 1930 free of charge.

The argument has been made that some provision should be incorporated in the bill to take care of the funded indebtedness of the Philippine Islands, and that has been the great argument used. They have seven years during which they pay no duty at all. In the eighth year they pay 5 per cent. On the basis of the 1930 figures, at 5 per cent, they would pay something over $5,000,000. The ninth year they pay 10 per cent, and that, on the basis of the 1930 importations, will amount to $10,588,268. The tenth year they pay 15 per cent, and that will be $15,882,372. The eleventh year they pay 20 per cent, which will be $21,091,536. The twelfth year they will pay 25 per cent, and that will be $21,647,670. This makes a grand total of $78,932,980.

This does not take into consideration the increases in the importations since 1930. It has been admitted that their total indebtedness is $66,000,000, so if they paid all of the $66,000,000, they would still have $18,000,000 profit, and besides that a free market for seven years.

But I wish to invite the attention of the Senate that they have been redeeming their bonds under their present revenues at the rate of $4,749,155 per annum. For the 7-year period they will have accumulated $33,244,085. That, with what we are giving them back and permitting them to retain in the Philippine Islands to be applied on the debt, would take care of half of it, but we are giving them $18,000,000 under this bill in excess of the total indebtedness to-day. That has been used as an excuse to pass the bill.

The people who are paying for this accumulation of taxes for the benefit of the bondholders in the treasury of the Philippine Islands are the farmers of this country. In addition to making them a present of this handsome sum of millions of dollars, it is proposed to permit them to tax our goods and keep that money in their treasury, and to put an export tax on what they send to this country and put that money all in their treasury, and all of that for the benefit of bondholders in the United States. Those who vote for any such amendment will know that in addition to taxing the farmers of this country much in excess of what it will be at the end of the seventh year, they will owe only

$32,000,000, but we are making them a present of $78,000,000, and now it is proposed to tax the goods from this country going over there. What is the justification for that? How can any man interested in American goods and American farm products subscribe to permitting the Filipino to tax his exports for the benefit of the bondholders and then again tax our products for the benefit of the bondholders? There is no American farmer holding any of the bonds, but the American farmers are made to pay off those bonds for the benefit of the commercial interests who do hold them in the United States.

Mr. HAWES. Mr. President, I dislike to occupy further time of the Senate, but I desire to give the facts in relation to this matter. The American people went to war with Spain to give the Cuban people their liberty. We were engaged only 111 days in winning for them that liberty. Then for three years we fought to conquer the Filipino people, an oriental nation, 7,000 miles away from home.

What did we do in our settlement with Spain? We cleared the debt of the Cuban people so they might face the world financially as well as politically a free nation. In our treaty of peace with Spain we allowed the Spanish people a period of 10 years in which to adjust their business in the Philippines. But now, with a question of liberty and justice before us for decision, we are asked to decide it in terms of sugar.

By a tie vote alone was freedom denied these Filipino people, in 1899, when Congress was fixing their destiny. By a tie vote was that freedom again withheld in 1916. And now, 16 years after the enactment of the Jones law, Senators threaten another denial of Philippine independence by their talk of sugar and of fears of war in the Orient. We have out there, Mr. President, 12,000,000 Christian Malays, and I say to those Senators who are afraid of trouble in the Far East that the surest way to prevent conflict in the Orient is for this Nation of 120,000,000 Christians to treat their 12,000,000 wards in the Philippines as one Christian nation should treat another.

The eyes of the whole Orient are fixed on our attitude toward the Filipinos, a people of the Orient. Five hundred million people in the Far East are waiting to see what action a great Christian nation will take when its promise is due for fulfillment. Those myriads of millions want to know on what terms their oriental fellows—our wards—are to have their freedom. Well may they ask whether freedom for the Filipinos is to be weighed against copra and oil and sugar, or whether it is going to be measured in terms of American principles and traditions, of American regard for the sanctity of promises. Twelve million Christian Malays are waiting for our word. What message shall this Nation, this great American Nation, send them? We have been proud to tell the world of our kindness to our wards, to recount the good we have wrought for them. What shall the western Nation of 120,000,000 people say to the 500,000,000 of Orientals? Shall we say that this Christian Nation of the Occident has put human liberty and its own honor in the balance with pearl buttons and copra and sugar?

Mr. President, we are not concerned, either, with a question of redeeming bonds and paying the bondholders. It is a question of insuring to the Filipino people a safe economic condition of their affairs when they shall have begun to use and enjoy their liberty. Let me say just a word about sugar. I find that 91 per cent of the sugar in the Philippines is owned by the Filipino people, only 4 per cent by Americans, and 5 per cent by Spaniards. I find that of the money invested in the sugar industry of the islands 43 per cent belongs to Filipinos, 33 per cent to Americans, 22 per cent to Spaniards, and 2 per cent to citizens of other countries.

Mr. President, the American people forced the production of sugar upon the Filipino people. We Americans actually lent them through our banks $40,000,000 to stimulate the production of sugar. Mr. Harvey Firestone went to the Philippines with his dream that the Philippines might produce rubber. We sent experts there and persuaded them to raise coffee. During the World War period when sugar was a commodity in demand throughout the world, American capital was urged to go to the Philippines to extend and intensify the planting and production of sugar. With all these facts in mind, we are asking this 10-year period for the same purpose for which the American people gave a like period to the Spanish. That we ask not only as a matter of justice to the Filipinos but also as an assurance that when liberty enters their islands she shall not have an American mortgage around her neck. That is all.

It is my hope that within a few days the Senate and the House, where there were only 47 votes against this charter of Philippine liberty, will have delivered a message that will bring cheer and happiness to our 12,000,000 Christian wards far away in the Orient, surrounded by non-Christian people, and that it will be such a proof of our good faith as all orientals shall understand and appreciate. That will do more to solve the problems and conserve the peace of the Orient than any other course we could take.

We owe something to those people. Their quest for liberty is not of recent origin. Almost ever since we raised the American flag over the Philippines and ever since their legislature was established they have sent delegations here to petition for independent nationhood. In our committee hearings we asked for the name of any Filipino who did not want liberty. After much persistence upon the part of the committee the names of seven Filipinos were given, and those were all that could be found.

Now in the season of Christmas, at a time when our thoughts are upon that day of good will to men, time is being consumed, not in what should be a discussion of liberty and justice and American principles but in talk about pearl buttons, sugar, oil, and copra. Twenty-one Members of the House committee heard all the evidence—and there has been more evidence taken on this subject than on any other one since I have been a Member of the Senate—and they all agreed that the honorable thing to do was to fix these limitations at the status quo. That also was agreed to by every member of the Senate committee excepting one—the Senator from Louisiana. He is the sole exception.

Now what is the object of those limitations? Only one thing, and that is to afford a period of time during which the Philippine people, who had these artificial conditions forced upon them by the American Congress may have a fair chance to pay their bills and to face the future as a Christian republic in the Orient, free from debts of the past and free from fear of the future.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING].

Mr. BINGHAM. Mr. President, as I understand the amendment, so long as any duties are levied and collected by the United States on articles coming from the Philippines the government of the Philippine Islands may collect and levy duties on any articles coming into the Philippines from the United States. There are no limitations at all. In other words, as soon as we start collecting any duty on sugar or coconut oil over and above the free limitation provided in the bill, the Philippine government then will be free to levy duties on everything going from this country into the Philippine Islands. We have provided during the first few years for the maintenance of the status quo, at least the committee tried so to provide and the bill very nearly so provides, with certain amendments; but the Senator from Utah in offering his amendment has not provided at all for maintaining the status quo on goods going from the United States into the Philippine Islands. Is that a correct statement, may I ask the Senator?

Mr. KING. Mr. President, during the debate upon this bill a few days ago it was suggested that it was unfair discrimination against the Philippine government to be established under the bill to restrict exports from the Philippines to the United States and to impose export duties upon certain commodities shipped to the United States. I understood, as a result of the discussion, that those having the bill in charge would offer an amendment providing that the Philippine government might impose tariffs upon American products landed in the Philippines so long as Philippine products were subjected to restrictions or tariff duties, direct

or indirect, that might be brought into the United States. It has been conceded that the legislation enacted by Congress has forced the Philippine trade out of channels into which it might have gone, and compelled the Filipinos to trade almost exclusively with continental United States. The tariff act of 1909 was almost an embargo upon products originating in other countries than the United States, which might have sought entry into Philippine ports.

Obviously the Filipinos in their future development must secure markets in other countries, particularly when their exports to the United States are subject to the same tariff duties as are all other commodities imported into the United States. If we are to restrict, as this bill does, Philippine commodities and, after a given period, subject certain exports to the United States to export duties, then it would seem only fair that the Philippine government should have authority to impose tariff duties upon commodities exported from the United States to the Philippine Islands. It would not be just to adopt a policy which, in effect, operated as a restriction or a tariff upon and against their products shipped to the United States, and then compel them to admit, free of duty, American commodities. The Filipinos must, if the pending measure becomes law, seek broader markets and develop trade and commerce with other nations. The amendment which I offer, imperfect as it is and subject to more or less criticism if not objection, is an effort in the direction of ameliorating the conditions which the proposed measure before us will create. The reasons discussed a few days ago which suggested this amendment are reasons in favor of legislation that does not impose restrictions, embargoes, and tariffs in dealing with the Philippine problem, but which provides for early Philippine independence.

Mr. BINGHAM. I should agree with the Senator in his position if he would change his amendment so as to have it do for the the United States exporter, by maintaining the status quo, what we have endeavored to do for the Philippine exporter by the provisions of the bill maintaining a status quo on goods coming into the United States from the Philippine Islands; but it does not appear to me that the Senator's amendment, in its present form, is fair, in that it permits a very large portion of all the exports coming from the Philippines at the present time to come in free of duty, placing a tariff duty only on the excess over that, and then turns around and gives them a chance to place a tariff on our goods without any maintenance of the status quo of free trade with the Philippine Islands.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah.

The amendment was rejected.

Mr. KING. I offer an amendment in the nature of a substitute for the pending bill.

The PRESIDING OFFICER. The amendment, in the nature of a substitute, will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause, and in lieu thereof to insert the following:

That the Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands at such time as the Philippine Legislature may fix, not earlier than one year and not later than 18 months after the enactment of this act, to formulate and draft a constitution for a free and independent government of the Philippine Islands. The Philippine Legislature shall provide for the necessary expenses of such convention.

SEC. 2. The constitution formulated and drafted by the constitutional convention shall, either as a part thereof or in an ordinance appended thereto, provide substantially as follows:

(1) That the property rights of the United States in the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(2) That the Philippine government will sell or lease to the United States lands necessary for coaling or naval stations at certain specified points to be agreed upon with the President of the United States within two years after his proclamation recognizing the independence of the Philippine Islands.

(3) That the officials elected pursuant to the provisions of this act for the Philippine government to be formed under the constitution thereof shall be constitutional officers of said government and qualified to function in all respects as if elected directly pursuant to the provisions of the constitution, and shall serve their full terms of office as prescribed in the constitution.

(4) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the approval of the proposed constitution, shall be assumed by the government established thereunder; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands or any Province, city, or municipality theren, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

(5) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except par. 3) in a permanent treaty with the United States.

SEC. 3. If a constitution is formed in compliance with the provisions of this act, the said constitution shall be submitted to the people of the Philippine Islands for their ratification or rejection, at an election to be held within eight months but not later than one year after the completion of the constitution, on a date fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution, or for or against any proposition separately submitted. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast thereon, and upon separate propositions, and a copy of said constitution, propositions, and ordinances.

SEC. 4. The Governor General of the Philippine Islands shall, within six months after the receipt of such certification, issue a proclamation for the election of the officials provided for in the constitution, such election to take place not earlier than six months nor later than eight months from the date of the proclamation of the Governor General. The election of such officials shall be held in such manner as may be prescribed by the Philippine Legislature.

SEC. 5. The returns of the election of the officials for the independent government of the Philippine Islands shall be certified by the Governor General of the Philippine Islands to the President of the United States, who shall, within four months after the receipt of such certification, issue a proclamation reciting the facts of the formation of the constitution for the Philippine Islands and the election of the officials provided for in such constitution as hereinbefore provided, announcing the results of such election, and designating a time, not earlier than six months and not later than one year after the date of the issuance of such proclamation, when the government of the Philippine Islands will be turned over to the duly elected officers, and such officers will begin to function under the constitution. At the time designated in such proclamation the President of the United States shall withdraw and surrender all rights of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, except that the President shall reserve to the United States such lands and rights and privileges appurtenant thereto as may at the time of the transfer be possessed by the United States as naval bases or coaling stations.

SEC. 6. Upon the proclamation and recognition of the independence of the Philippine Islands under their constitution, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

Mr. KING. Mr. President, the debate upon the pending bill has been so protracted and the questions involved so fully discussed I shall content myself with a very few observations in support of the substitute which I have offered. I am fortified in that conclusion because of the lateness of the hour and the feeling upon the part of Senators that a vote should be had before we conclude the session to-day.

For 10 years I have been urging the Senate to grant independence to the Filipinos. I have, upon a number of occasions during that period, offered bills to accomplish that result and have also presented resolutions requesting the President of the United States to negotiate treaties with governments having interests in the Pacific under the terms of which the independence of the Philippine Islands would be recognized and the territorial integrity of the Philippine

government respected. I have not been satisfied with the so-called Hare bill passed by the House of Representatives a few months ago, nor am I satisfied with the substitute therefor which came from the Senate Committee on Territories and Insular Affairs or with the substitute offered by the Senator from Michigan [Mr. VANDENBERG]. As I have heretofore stated, when discussing the amendment offered by the Senator from Iowa [Mr. DICKINSON], the bill for which I am offering a substitute contains provisions to which I can not subscribe. As I have heretofore stated the Filipinos, in my opinion, are entitled to absolute independence and that independence should be granted to them to take effect within a period of not exceeding five years. I believe that it will be advantageous for the Filipinos to have their independence within the period indicated.

If they are assured of that fact, they will with zeal and courage address themselves to the economic and political questions with which they will be confronted, and they will bring about such an adjustment of their economic condition as will be most conducive to their peace and welfare. Undoubtedly they will have serious problems to meet; but with the certainty of independence within the period indicated, they will with greater zeal and vigor address themselves to their solution. To retain American sovereignty over the Philippines for the long period provided in the so-called Hawes-Cutting bill will not, in my opinion, produce the most satisfactory results; nor do I believe that if that measure is enacted into law it will meet the wishes of a majority of the people of the Philippine Islands.

The Filipinos believed they were capable of self-government when they won their independence from Spain, and during the intervening years they have insisted that the United States withdraw its sovereignty and grant to them independence.

It has been demonstrated that the Philippine Islands have resources for the maintenance of a strong and progressive independent state, and the many hearings that have been conducted by the House and the Senate committees furnish conclusive evidence that the Filipinos have attained those standards of education, culture, and political wisdom and understanding that justify their demands for freedom and inspire confidence in their ability to maintain an independent and progressive government.

Mr. President, if the Filipinos were entitled to their freedom at any time during the past quarter of a century, obviously they are entitled to now ask at the hands of the American people the enactment of a measure that will enable them to set up within a very brief period a government which meets their desires. To postpone the day of their emancipation from American authority is, in my view, not the highest service we could render to the Filipinos. To provide for their speedy independence will bring the most satisfactory results and enable them to more expeditiously obtain economic sufficiency and political security. If the substitute which I have offered were enacted into law it would give faith and courage to the Filipinos; it would inspire them to adopt and execute policies under which, when independence came, they would be able to meet whatever difficulties and vicissitudes their government might encounter.

The provisions of the substitute just offered are substantially those found in various bills which I have offered during the past 8 or 10 years. I have never departed from the view which I have entertained for years, that the best interests of the Filipinos would be served by granting their request for independence. The various plans suggested for delay in meeting the demands of the Filipinos have failed to convince me of their merit or to shake my confidence in the capacity of the Filipinos to embark upon the great adventure of independence. The substitute offered contains all necessary steps to be taken in order that independence may be achieved. If the narrowest time limits provided are followed, independence would result in 37 months. If the Filipinos availed thmselves of the maximum period the sovereignty of the United States would not be withdrawn for 60 months; in other words, if the Philippine Legislature desired independence for the Filipinos at the earliest possible date, 37 months only would be required to bring about that result. If, upon the other hand, they preferred a longer period and desired to avail themselves of the extreme limits provided they could postpone independence for a period of five years after the substitute became a law.

Mr. President, I submit the substitute and urge its adoption.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. VANDENBERG. May I ask the Senator whether his substitute includes the same type of provision as that which concludes the pending bill, requiring the approval of the Philippine Legislature before it becomes effective?

Mr. KING. No.

Mr. VANDENBERG. Would the Senator object to adding to his substitute the same language that is carried in the pending bill? I read it, as follows:

> The foregoing provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question as may be provided by the Philippine Legislature.

Would the Senator object to adding that to his substitute?

Mr. KING. Let me ask the Senator: When may that step be taken?

Mr. VANDENBERG. It would be the preliminary step to making this action of the Congress effective.

Mr. KING. But it would be within the period prescribed in the substitute?

Mr. VANDENBERG. Oh, yes.

Mr. KING. I have no objection to accepting that as an amendment.

Mr. VANDENBERG. I offer that amendment to the substitute.

Mr. KING. I accept it.

The PRESIDING OFFICER. The Senator from Utah modifies his amendment by the proposal of the Senator from Michigan?

Mr. KING. I do; and with that modification I ask for a vote upon the substitute.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Utah [Mr. KING].

Mr. HAWES. Mr. President, just a word.

When the Filipinos write a new history, after they shall have founded their new republic, one of the most illustrious names to adorn the record of their fight for liberty will be that of the Senator from Utah [Mr. KING].

Year after year, long before I became a Member of this body, and since, with the thought of liberty foremost in his mind, he has advocated immediate independence for the Philippines. That, also, was my own thought in the beginning. The first bill I introduced was for independence in five years; but the exhaustive testimony before the House committee, and the long 2-session hearings in the Senate proved to the members of the House committee and most of the members of the Senate committee that it could not be done. So both of these committees, faced by realities, rejected the high ideal of the Senator from Utah, and they rejected also the different thought of the Senator from Michigan [Mr. VANDENBERG].

As we are approaching a decision in this matter, I should be omitting a duty did I not make this plain statement, and also pay the highest compliment that I might pay, and which I know the Filipinos will pay in their history, to the distinguished Senator from Utah.

At the same time I should like to make a confession to the Senate.

I listened for days and days and for some hours to constitutional arguments made by the Senator from New York [Mr. COPELAND]. A little impatient possibly, a little afraid that liberty would not be given these people before Christmas, perhaps even a little irritated, as I may have been sometimes, I did not follow the Senator from New York quite as closely as I had intended. During the last three evenings, however, I have read his speeches and followed his

contention that an amendment to the Constitution was necessary to empower Congress to grant Philippine independence. I find it a very able and very logical statement of his position, and I want to say to the Senate, as I have said to my own consciousness, that I am sorry I imputed to the Senator from New York a purpose which was far from him.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Utah [Mr. KING].

The amendment, in the nature of a substitute, was rejected.

Mr. PITTMAN. Mr. President, there is a perfecting amendment which will have to be adopted to make the bill conform to the amendments that have already been adopted.

There is in the bill a provision for a conference between our Government and the Commonwealth of the Philippine Islands one year before complete independence. The language should be changed. At present it reads:

That within six months after the people of the Philippine Islands have voted on the question of Philippine independence, if a majority of the votes cast are in favor of independence—

That should be stricken out and the following language should be inserted—

Provided, That at least one year prior to the date fixed in this act for the taking effect of the independence of the Philippine Islands.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada to the amendment of the committee will be stated.

The CHIEF CLERK. On page 40, line 23, after the word "countries," it is proposed to strike out "*Provided*, That within six months after the people of the Philippine Islands have voted on the question of Philippine independence, if a majority of the votes cast are in favor of independence," and to insert in lieu thereof the following:

Provided, That at least one year prior the date fixed in this act for the taking effect of the independence of the Philippine Islands.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is, Shall the amendment be engrossed and the bill be read a third time?

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

PAYING TOO MUCH FOR ELECTRICITY

Mr. BLACK. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting article appearing in The New Republic of December 21, 1932, by Mr. Morris Llewellyn Cooke, the title of which is "Paying Too Much for Electricity."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Republic, December 21, 1932]

PAYING TOO MUCH FOR ELECTRICITY

It seems clear that the American people are definitely of the opinion that retail electric rates are excessive. Householders are asking why they are compelled to pay, say, 7 cents per kilowatt-hour for current which their neighbor, the big industrialist, purchases for, say, 7 mills, to operate his blast furnaces, mines, and railways. The merchant, the farmer, and the city councilor negotiating a contract for street lighting also question the rates charged them.

Our ambassador to Germany, the Hon. Frederic M. Sackett, gained nation-wide popularity for his remark at the world power conference in Berlin two years ago to the effect that he knew of no other manufacturing industry where the sale price of the product to consumers is fifteen times the actual cost of production. In my opinion the ambassador overestimated the spread. On the other hand, the rejoinder of the spokesmen for the industry was unsatisfactory. The next day George N. Tidd, at Berlin, and J. F. Owens of the National Electric Light Association, then in convention in San Francisco, both explained that the apparently excessive price to domestic users for electric service was due to the high cost of distribution. Bananas, they said, were cheap off the plants in Central America, but necessarily cost many times more in a grocery store in New York. The gentlemen were quite right. It does cost more per unit to deliver electric energy in small quantities to a house on a side street than in huge volume to a great industrial plant—but how much more? That is what they failed to state and what the American people, and presumably Mr. Sackett himself, would like to know.

The surprising thing is that had Ambassador Sackett put this question to his critics they could not have answered him, because they did not know. The whole electrical industry could not have answered him, because it does not know. Its executives can tell you to the fraction of a mill what it costs to generate electricity, or what it costs to transmit current over high-tension lines for 10 miles or 350 miles. But they do not know what it costs per kilowatt-hour to distribute energy from a local switchboard or the step-down station at the end of a transmission line to houses, stores, and streets—a distance usually not more than 5 miles.

They have not investigated or discovered this important fact about their business in all the 50 years of its existence. Had Mr. Sackett gone to the libraries, even the engineering libraries, he would have found no light on this subject. Had he turned expectantly to the great engineering societies he would have been no better off.

The electric-service companies do not claim to keep cost accounts on distribution by such methods as are employed in every phase of the steel, clothing, paper, and other industries. Only a few years ago every operating company in Pennsylvania officially advised an investigating commission that cost keeping in the domestic field was not attempted. Mr. Alex Dow, president of the Detroit Edison Co., recently testified to the same effect. The Electrical World, recognized organ of the industry, in its leading editorial for the issue of March 7, 1931, "Turn More Light on Distribution Costs," frankly admitted the entire absence of these data and emphasized their public importance.

This indifference to distribution costs has been studied and deliberate. It is well known that the uniform classification of accounts required of electrical companies by State public-service commissions originated with the National Electric Light Association. It provides no possibility of cost-finding on distribution. As a result the regulators know nothing of this matter. The absence of distribution-cost data has barely attracted their attention. Further, the rate research committee of the National Electric Light Association has studiously avoided the question.

The upshot is that while the householder and commercial manager are told that their higher rates are primarily due to the high cost of distribution, there are absolutely no scientific data upon which such costs are based. The importance of the issue here raised becomes apparent when we consider that while the national electrical bill for 1931 was $2,000,000,000, 70 per cent of this amount, or $1,400,000,000, was paid by the retail consumers. The energy they used possibly cost the companies $400,000,000 to generate and transmit to local substations. Therefore the retail users paid $1,000,000,000 for local distribution. The item is impressive. In the absence of a proper engineering, cost-finding technique we are compelled to resort to other methods in an effort to determine whether the above-estimated distribution-cost figure is excessive and, if so, to what degree. The cost of distribution is a matter of concern to three classes of electric service: (1) Domestic, including rural; (2) commercial light and power, retail; and (3) municipal, largely street lighting. The current consumed by each class, the revenue derived therefrom and the average rates paid in 1931 as reported by the National Electric Light Association were as follows:

	Kilowatt-hours	Revenue	Average rate per kilowatt-hour
			Cents
Domestic	11,785,000,000	$686,000,000	5.82
Commercial light and power	13,837,000,000	569,000,000	4.11
Municipal and street lighting	2,793,000,000	108,000,000	3.87
	28,415,000,000	1,363,000,000	4.80

To determine what part of this total charge for retail service belongs to distribution we may assume that the "transmitted current" costs on the average 1½ cents per kilowatt-hour, including return on invested capital. The national average rate paid for wholesale transmitted power in 1931 was 1.48 cents per kilowatt-hour.

There are municipalities owning their distribution systems, but buying current at wholesale, who pay for it in the neighborhood of 1 cent per kilowatt-hour. That part of the sales price, therefore, which may be said to be attributable to the total national consumption of 28,415,000,000 kilowatt-hours would be not more than $426,225,000. Subtracting this from the $1,363,000,000 of total revenue, there remains $936,775,000 to be justified as the cost, including profit, of distribution, or nearly one-half the revenues of the industry. A distribution overcharge of major proportions is here clearly indicated. This overcharge, as before stated, can not be exactly determined. It can, however, be roughly approximated.

There is support for the statement that "the whole cost of distribution is approximately $7.50 per year per domestic con-

sumer for 500 kilowatt-hours of service, or 1½ cents per kilowatt-hour." If, then, the cost of current ready for delivery is 1½ cents per kilowatt-hour and the distribution cost is 1½ cents, a fair average price to the domestic consumer would be 3 cents per kilowatt-hour with a fair profit left to the industry. But reports show that in 1931 the national average collected by the industry was 5.82 cents. Subtracting, we arrive at a suggested excess charge of 2.82 cents. Apply this to the nearly 12,000,000,000 kilowatt-hours used in domestic service for that year and we arrive at an estimated unjustifiable charge of $330,000,000 for distribution expense. Even allowing 2 cents for distribution, the overcharge will still total $275,000,000.

In commercial service the average use per customer is much higher than domestic use and other factors are more favorable. Allowing 1¼ cents for cost of current and the same for distribution, the overcharge in this field would be over $200,000,000. Even using the same cost figures as for domestic service, an overcharge of $150,000,000 is indicated. As for municipal service, no approximation of overcharge is possible because of varying local conditions and contracts. Hence, until we have some definite cost data scientifically determined to the contrary, the estimate of $400,000,000—possibly $500,000,000—annual overcharge on distribution seems justified and conservative, this despite the possibly misleading character of general averages when applied to certain special local conditions. The figures here used, however, are well within the facts for a great majority of urban situations.

Substantial support is given these estimates by the unexplained differences between the general level of rates charged by private and by the public plants. In Ontario, Canada, for instance, in the year 1930–31, the householders in 289 cities, towns, and hamlets paid just a little over 1½ cents per kilowatt-hour. In Seattle, where the public plant is in competition with a private plant, the average domestic cost is 2.8 cents and in Tacoma 1.72 cents per kilowatt-hour. In Winnipeg and Fort William it was 8 mills; in Ottawa 9 mills. Thus our national average cost per kilowatt-hour is more than three times that of Ontario and well over double that in several American cities having public plants. This difference in rates, though not an accurate measure of the difference in costs, is far too large to be accounted for by taxes and profits paid by private companies, charges which public plants customarily do not have to meet. The discrepancy is further emphasized by the fact that the capital outlay of public plants both in Ontario and the United States is being amortized, so that in time the people will own the plants outright. Under private ownership no such deduction is made, so that a return must be paid indefinitely by the public on the capital invested.

In spite of the dramatic drop in electric costs during the last 10 years, rates for the great majority of small consumers have remained practically stationary. The average rates reported have fallen because a small percentage of the more well-to-do customers have received the advantage of the lower rates in the stepped-rate schedules. In many places the changes in demand charges, service charges, minimum charges, etc., have actually raised rates for large numbers of consumers.

Notwithstanding this discrimination in rates, however, the consumption of electricity in our homes is slowly increasing. In 1926 the average domestic revenue stood at $29.70 and at $33.70 in 1931. Yet the industry has doubtless obtained a greater profit both per domestic consumer and per kilowatt-hour used in domestic service with each drop in the national average of rates paid. The principal added expense to the companies has been for the current itself. If we compute the cost of this current at 1½ cents per kilowatt-hour, we find that in each of the last five years the cost of the added current is only about half the added revenue received. Normal business usage in other lines suggests a smaller profit per unit as the number of units sold increases. In view of the fact that increased consumption at lower rates not only insures larger net profits to the industry but removes the public feeling that it has an antisocial attitude, it is puzzling to understand why the industry has so persistently fought to maintain high rate levels.

That low rates result in greatly increased consumption is easily demonstrated. In the United States the average family consumption is less than 600 kilowatt-hours per year; in Seattle it is nearly 1,200; in Ontario as a whole, 1,600; in Winnipeg over 4,000 kilowatt-hours per year. It is clear that if we abandon our present topsy-turvy rate structure based on "all the traffic will bear" and replace this by one based on actual cost plus a fair profit, our present domestic use can speedily be trebled.

As a by-product a much better feeling on the part of the public toward the industry will be engendered. The people are now aware, from the revelations of the Federal Trade Commission investigation, that misleading propaganda, political activities, and other antisocial practices sponsored by the National Electric Light Association and other agencies of the industry are largely paid for out of profits yielded by high rates to retail consumers.

To understand how the electrical industry has ignored modern cost accounting in the field under discussion one must go back 50 years to the time when electricity was used almost exclusively for lighting during a few hours at night. To succeed it was necessary to put the plant at work in the daytime. Hence the urge to sell current to factories for industrial purposes. This technically was called improving the load factor. It seemed, and was at that time, more important to find customers who could use electricity in off-peak hours for plants designed primarily for night lighting. This absorbed the attention of the engineers and the executives, and little attention was paid to distribution. But now, that about half the revenue received is from distribution amounting to $1,000,000,000 annually—$8,000,000,000 in the last 10 years—through the tremendous growth of domestic usage, there is an obligation on the industry to give retail consumers the benefit of scientific cost finding in respect to distribution already given to other consumers in the field of generation and transmission.

The importance of the domestic business as a financial stabilizer has, during the depression, been impressed upon the industry. While industrial use has materially decreased, household consumption of electricity has increased, and the total earnings show a decline of but 1.2 per cent. Again the load factor in domestic use compares favorably with that of industry. A study by the Commonwealth Edison Co. of Chicago disclosed it to be 31 per cent. The old arguments seeking to justify discrimination against the retail consumer are disappearing. As a matter of fact, the most promising load builder for the immediate future lies in increased domestic use. But that result will not follow to the desired extent if the industry continues to penalize its customers in the home.

If it is objected that the further extension of the accounting classifications will burden the industry by an added expense, the answer is that the expense will not be increased, because it is proposed to substitute for the present meaningless and cumbersome system a truly scientific system which will prove profitable both to the industry and to the consumers. To date accounting in the industry has been developed almost wholly by accountants who knew nothing of the necessary engineering techniques. The time has come when the engineer must be called in, for the reason that, in order to practice effective cost finding, expenses must be subdivided in accordance with the plant and work units involved. Each unit must have its standard, and comparisons must be made between the units and actual costs progressively as the work goes forward. It is not a question of further subdivision of accounts or more elaborate distribution of general and overhead expense, but better organization of accounts and a more obvious tie-in of costs with the general books.

It is not hoped to obtain costs which are absolutely correct, but to obtain comparable costs under different conditions and in different localities for the light which these costs will throw upon the relative value of different devices, methods, and administrative policies.

It is pertinent here to take note of a recent decision by the Indiana Public Service Commission in the Martinsville-Wabash electric case, now before the United States Supreme Court. The commission fixed the domestic rate by first ascertaining the cost of "transmitted current" at the city limits. To this was added only the local distribution expense incurred within the city limits. This simplifies rate-making procedure. The significance of this case lies in the fact that a commission has recognized that retail costs consists of two factors: The one, the cost of transmitted current, which is now generally known within reasonable limits; the other, local distribution costs, a scientific method of determining which must be devised.

The appliances of distribution, however much they may vary in size and number, are always the same. Everywhere and always we have poles, wires, transformers, meters, and sometimes underground ducts. These factors are so constant that the day is not far off when, given a few easily obtained facts about a given community, the rates for retail electric service will be quickly determined on a slide rule. Such a development, however, would throw into the discard every retail rate schedule in the United States. By eliminating many present wasteful practices based on guesswork, as well as unjust overcharges on distribution, costs will be obtained which will drive drudgery out of the home and off the farm. The ledger balance of the commercial houses will be removed farther from the red and the tax levy for street lighting will be lessened. Another result of importance to investors and promoters will follow: The temptation will be materially lessened to form holding companies, whose chief reason for existence has been to provide reservoirs in which to drain off, and so conceal, the unjustified profits taken from retail consumers by operating companies.

MORRIS LLEWELLYN COOKE.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

Mr. AUSTIN. Mr. President, I move that the Senate proceed to the consideration of House Joint Resolution No. 154, to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Vermont.

Mr. BLAINE. Mr. President, I desire to address an inquiry to the Senator from Oregon [Mr. MCNARY]. Is it the Senator's purpose to move to adjourn or to recess this evening?

Mr. MCNARY. If it is not sought to consider the pending motion to-night, I shall move a recess until 12 o'clock on Monday.

Mr. BLAINE. For the convenience of the Senate and for the information of the Senator from Oregon, I desire to state that I shall resist the motion.

Mr. MCNARY. Very well. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. McNARY. Upon a recess, the pending motion will be ready for consideration on Monday?

The PRESIDING OFFICER. It will.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until Monday, December 19, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, DECEMBER 17, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Heavenly Father, Almighty and Everlasting God, we entreat Thee to meet with us; enrich and ennoble our aspirations, our thoughts, and our endeavors. We would have within ourselves an altar dedicated to Thy service. All that is best in humanity springs from this unseen depth. Grant unto us a full apprehension of our indebtedness to our fellow men. We pray that Thou wilt help us to deal nobly and justly with all events and all questions that come to us. We thank Thee for the world's purest Teacher, who has revealed unto us the peerless depths of eternal truth. To turn to Him in the simplest, childlike trust is to feast upon the bread of the ageless life. Bless all missions and all labors of love and charity; breath upon them something of Thine own spirit as they minister unto the poor and the distressed. Amen.

The Journal of the proceedings of yesterday was read and approved.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. HASTINGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13710, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose an amendment had been offered by the gentleman from Montana [Mr. EVANS] and the reservation of a point of order had been made by the gentleman from Wisconsin [Mr. STAFFORD]. There also had been passed over the paragraph beginning on page 27, line 3, and extending through to line 17, to which amendments had been offered for information, to which objections were to be made.

Does the gentleman from Wisconsin [Mr. STAFFORD] desire to interpose the point of order to the amendment offered by the gentleman from Montana [Mr. EVANS]?

Mr. STAFFORD. Since the adjournment of the House I have followed the hearings and have come to a more or less definite conclusion as to the merits of the proposition and what the policy of the House should be, but I think it is only fair to give the gentleman from Montana an opportunity to explain the purpose of his amendment.

The CHAIRMAN. The gentleman from Wisconsin still reserves his point of order?

Mr. STAFFORD. Oh, yes; most assuredly.

The CHAIRMAN. The gentleman from Montana is recognized for five minutes.

Mr. EVANS of Montana. Mr. Chairman, I think, perhaps, I covered the ground fairly well in the remarks I made yesterday, and I think almost anything I could say now would be but a repetition of what appears in the RECORD this morning as to the merits of this particular amendment.

There is no question if this or some similar amendment is not adopted we are going to wreck a considerable portion of this project. We now have $4,500,000 or $5,000,000 invested in it. If these distressed people can not get water this year, they will have simply sacrificed their life savings and work.

As I said yesterday, they are not asking that you cancel these charges. They are asking that you grant them a temporary moratorium, that you carry it into the general construction, and that they will pay interest on it; but to pay it now in order to get water this year is a physical impossibility. They are more or less in the position of the hunger army; they simply have not got the money; and the Government comes in and violates the precepts of the President and everybody else, that, so far as possible, we should cease to foreclose upon people who can not pay their obligations in these distressed times.

Mr. KELLER. Who is objecting to this item?

Mr. EVANS of Montana. Nobody is objecting. The gentleman from Wisconsin has reserved a point of order on it.

Mr. FRENCH. Mr. Chairman, will the gentleman yield for a question?

Mr. EVANS of Montana. I yield to the gentleman from Idaho.

Mr. FRENCH. May I ask if, under the general law, the Secretary of the Interior has authority to waive the deferred charges?

Mr. EVANS of Montana. I doubt if he has authority in this particular case, because we passed an amendment to the appropriation bill in 1928 which specifically stated that until these charges are paid these people can have no further water. It is possible he has the authority, but the department is in accord with us on this proposition.

Mr. FRENCH. May I take of the gentleman's time sufficient to make a brief statement?

Mr. EVANS of Montana. Yes, indeed.

Mr. FRENCH. The effect of the amendment offered by my friend from Montana, Representative EVANS, concerning the Flathead irrigation project in Montana was so well covered by Mr. EVANS last evening that I shall need to review it but briefly at this time.

On this project there are delinquent charges amounting to approximately $80,000 that have accumulated over a period of years, from about 1920, when contracts were made, until the present. Most of the charges accumulated prior to 1927 or 1928. The project was in process of development and only a very limited amount of water was available.

The settlers were given contracts for water upon the basis of about 80 cents per acre, the settler taking his chance on whether he could get any water at all. If he were able to obtain water, of course he was paying a low price for it. About one-half of the lands could be fairly served and settlers upon these lands were able to keep their water charges paid. Others did not fare so well. During most of the years many settlers were unable to obtain hardly any water, because the Government had not developed the project to the point where adequate water could be delivered. These farmers had to do the best they could essentially by dry-farm methods. The result was that many settlers found themselves financially unable to meet the charges against their lands in full, and an accumulation of deficits of something like $2 to $4 per acre has piled up against their land, making a total delinquency of about $80,000.

The proposal in the gentleman's amendment is that these deferred charges be spread over succeeding years as part of the construction charges. My colleague has referred to the law under which it is questionable whether or not the Secretary of the Interior may not be compelled to deny any water to a settler who has any charges due and unpaid.

Next year for the first time the Government will be in position to turn a fairly adequate supply of water upon these lands, possibly not entirely adequate—and possibly

it will not be entirely adequate for another two or three years—but a fairly adequate supply of water. The settlers against whom charges have accumulated will thus be able to receive the real benefit of reclamation. They are asking, not that the accumulated charges be canceled but that they may be merged into the construction charges and paid during the next few years.

[Here the gavel fell.]

Mr. EVANS of Montana. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. FRENCH. What they are asking for is that the Government do just what a mortgage company would do if an obligation were due from a person who owned land and against whom the mortgage had run until the date of payment had arrived. They are asking for a reasonable period of extension. If the Government will provide for the deferring of these charges, I fully believe they will be met, because this is one of the fine projects. The amount of delinquency per acre is not great, but these people have not been raising crops. They have had almost no income. They simply can not meet the obligation now.

The subcommittee went into the matter very carefully. Members of the subcommittee I am sure individually feel that the item is one that ought to be approved, but we were helpless because we recognized it was subject to the point of order of being new legislation; and having respect for the policy of the House in this regard and the power of our committee, we did not attempt to place the amendment on the bill. We did go so far as to say that if it could come to the House itself from the legislative committee, the Committee on Indian Affairs, or if it could be proposed by some one not on the Appropriations Committee, that, so far as we were concerned, we could not and would not invoke any point of order against it, because we believe in the merits of the proposition. It is my belief that the present settlers are the ones who should be encouraged; that it is in the interest not only of their welfare but in the interest of the project itself and of the Government that this amendment be accepted by the House. If these settlers be forced off, other settlers will in time take their place. No good will come, the Government will not be served, and present settlers will be ruined. The amendment calls for no additional appropriation of money. It calls for what might be termed a method of collecting money already due. This is a way to collect the money. I believe it should become part of the law, and I hope that a point of order may not be invoked against the language proposed.

Mr. STAFFORD. Mr. Chairman, under the reservation of a point of order, I ask for recognition.

It is not my desire to do injustice to any stricken farmers on irrigation lands.

So far as this project is concerned, two-thirds of the farmers have been able to meet the maintenance and operation charges ever since they have been utilizing the water. I have examined rather closely the hearings, which are rather lengthy, covering 15 pages and running over a good portion of the day, and they show that these farmers were not obliged to pay any maintenance and construction charges before the irrigation plant was completely constructed, but if they wished, all they were obliged to pay was a rental for the water that was to be used.

The hearings show that sometime back, Doctor Work, who was then Secretary of the Interior, transferred supervision of the irrigation ditches on Indian reservations from the Bureau of Reclamation to the Bureau of Indian Affairs. Immediately there became established a different policy from that which was in force under the Bureau of Reclamation. I look upon this one-third of the farmers here as of a more or less ne'er-do-well character.

As I stated yesterday afternoon, I have had some acquaintance with this matter by being requested by certain Members of the House to represent them in the question of deferring maintenance and operation charges so far as projects are concerned on other than Indian reservations for the years 1931, 1932, and 1933. It was the desire of those from the West that these deferred charges should not bear interest, and the Secretary of the Interior and the head of the Bureau of Reclamation, Mr. Mead, insisted that in fairness to those who had met the obligations, if these deferred charges should be postponed, they should bear interest at a reasonable rate. The gentleman now, by his amendment, proposes that we shall give an unfair advantage to the persons who may not be good, businesslike farmers, by not charging any interest against the operation and maintenance obligation after December 1, 1931. This would be in violation of the principle that the Secretary of the Interior and the Commissioner of Reclamation insisted should be the policy so far as the deference of charges on the projects under the jurisdiction of the Bureau of Reclamation, namely, the reclamation projects, are concerned.

This is an indefensible position. I do not believe in cumbering an appropriation bill with legislation, and yet I am in an accommodating mood——

Mr. BLANTON. Mr. Chairman, I ask for the regular order, to find out whether this is a sham battle or not.

Mr. STAFFORD. Oh, I hope the gentleman will not do that. I have given two hours of study to these hearings.

Mr. BLANTON. Is it just a sham battle or a real one?

Mr. STAFFORD. It is not a sham battle. I read these hearings for two hours, and I want to do justice to the House and to the Members who are interested, and I am taking the matter very seriously.

I would like to inquire whether it would be agreeable to the gentleman proposing this amendment to strike out the clause "and interest shall not be assessed against such operation and maintenance charges or obligations after December 1, 1931."

We can not have one policy so far as irrigation projects on Indian reservations and a different policy with respect to reclamation projects. We have established a policy so far as reclamation projects are concerned that they should bear interest, and now you are asking us to waive interest in the cases now under consideration.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. EVANS of Montana. Mr. Chairman, I would prefer that the amendment remain as it is, but this is a very small matter, and I should not want to stand in the way of its passage. What I am trying to do is not to save 6 or 7 per cent for two or three years, but to save a lot of these settlers.

Mr. STAFFORD. Every Member from the West was desirous of lifting the burden of interest charges on these deferred maintenance and operation obligations, and I am not surprised that the gentleman would like to have that plan followed, but there has been a policy established and that policy has the support of the Secretary of the Interior. If I can have the assurance of the gentleman from Montana and his colleagues that if this is stricken out they will use their good offices to have the amendment kept in its present form, I shall withdraw my objection to the amendment being included in the bill.

Mr. EVANS of Montana. I give the gentleman from Wisconsin assurance, so far as I am concerned, that we will strike out the matter referred to and I shall not ask anybody to put it back.

Mr. STAFFORD. The gentleman realizes that this is because we established a policy last year that all these deferred charges on reclamation projects should bear interest.

Mr. EVANS of Montana. I appreciate that.

Mr. STAFFORD. I presume the gentleman's colleague is likewise sympathetic with his position?

Mr. LEAVITT. This is not in my district, but an area in my district on the Blackfeet Reservation, to which the gentleman referred in the debate yesterday, has an interest charge connected with it, and, of course, I could not personally make such an objection, and it is not in my district, anyway.

Mr. STAFFORD. Mr. Chairman, with this understanding and with the assurance to the membership of the House that if this item comes back here with any lifting of interest different from the policy which the Congress has established so far as deferred charges on reclamation projects are concerned, they will meet with my insistent opposition, I withdraw my reservation of a point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. FREAR. Mr. Chairman, is it too late to offer a point of order to that provision at the end of the paragraph that is now under consideration?

The CHAIRMAN. It is too late to make a point of order against the paragraph. The paragraph has been read and an amendment has been offered. Is it desired to amend the amendment?

Mr. STAFFORD. Mr. Chairman, I offer the following amendment to the amendment which I send to the desk.

The Clerk read as follows:

Amend the amendment by striking out in the fourth last line of the amendment the following language: "And interest shall not be assessed against such operation and maintenance charges or obligations after December 1, 1931."

The CHAIRMAN. The amendment is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana as amended by the gentleman from Wisconsin.

The amendment, as amended, was agreed to.

Mr. FREAR. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. FREAR: Page 28, line 20, beginning with the word "*Provided*," strike out the remainder of the paragraph.

Mr. FREAR. Mr. Chairman, my attention was called to this paragraph this morning. Of course, it was then too late to make the point of order against it. I am moving now to strike out, which is the only method that is left. In this connection I call attention to some papers that have been handed to me. One is a letter dated at Polson, Mont., June 15, 1932, addressed to the Assistant Commissioner of Indian Affairs, Mr. Scattergood. That reads as follows:

POLSON, MONT., *June 15, 1932.*

J. HENRY SCATTERGOOD,
Assistant Commissioner of Indian Affairs,
Washington, D. C.

DEAR COMMISSIONER: We are advised that you are trying to get the $55,000 item for the purchase of reservoir and camp sites contained in the second deficiency bill.

We protest against this item to the effect that there should be no appropriation available for this purpose as the tribe has voted against the disposal of this tribal property.

Very truly yours,

CAVILLE DUPUIS.

The following also was sent to the Indian Bureau. Based on these statements, I submit the provision should be stricken from the bill.

FLATHEAD AGENCY,
Dixon, Mont., May 30, 1932.

Hon. COMMISSIONER OF INDIAN AFFAIRS,
Washington, D. C.

DEAR MR. COMMISSIONER: Referring to my letter of May 5, 1932, relative to appraisal of reservoir sites and the wishes of the Indians to give the matter further consideration before taking final action on the matter.

The meeting scheduled for May 17 was deferred at the request of Senator WHEELER, who telegraphed to Mr. Caville Dupuis, president of the tribal council, asking that the matter be postponed.

A meeting was held at St. Ignatius Saturday, May 8, 1932, for further consideration of the question of the sale of the reservoir sites to the irrigation service. After considerable discussion the matter was voted upon. The result was practically unanimous against a sale at this time.

Very truly yours,

CHARLES E. COE, *Superintendent.*

MAY 28, 1932.

Hon. CHARLES J. RHOADS,
Commissioner of Indian Affairs,
Washington, D. C.

DEAR MR. COMMISSIONER: This association protests against the proposed alienation of 13 reservoir sites and mountain lakes, property of the Flathead Tribe of Montana. We find it difficult to understand the processes of reasoning which apparently have guided the Indian Office in its proposal that such alienation shall be carried out at the price contemplated by the department and under the conditions revealed in the record.

1. THE PROPERTIES IN QUESTION

They are chiefly the reservoir sites, indispensable to the existence of the Flathead irrigation district. They include some locations of extraordinary beauty at a high elevation in the Rocky Mountains. As reservoir sites they are, as stated, the essential properties in making possible a gravity supply of water for an irrigable area of 112,000 acres. There were irrigated in the fiscal year 1931, 43,875. Of this irrigated acreage, 40,745 acres belonged to whites and 3,130 belonged to the Indians; in other words, 92 per cent of the total irrigated acreage was owned by whites, and, we may add, 96.7 per cent of the total irrigated acreage under the district was irrigated by whites.

We call your attention to the summary of the Flathead irrigation facts given by Senator KING, beginning page 10428 of the CONGRESSIONAL RECORD of May 12, 1932.

Reference is there made to the tribal testimony, never controverted, and, in fact, reasserted by Senator WHEELER at a hearing on the 26th of the present month, that the Government, in behalf of the irrigation district, seized the Flathead's waters without compensating them for these waters; furthermore, that the Indians, before the district was projected, had their own irrigation system, which was destroyed by the creation of the district system. No compensation was ever paid to the Indians for their seized waters.

The reservoir sites withdrawn from the reservation, but with the Indian title unimpaired, were similarly seized without compensation, and no rental has been paid to the tribe for the varying periods up to 20 years, during which they have been dispossessed from these sites while the district has made use of them.

We mean that no rental has been paid by the district for the reservoir uses. The areas of some of the sites have been leased for grazing or farming, and the rentals therefrom have been paid to the tribe or its members. And at this point our attention is called to a discrepancy between the data on page 3374 of part 10 of the Frazier committee hearings and the statement on page 3 at the end of paragraph 2 of Engineer Wathen's memorandum to Commissioner Scattergood, dated May 24, 1932. The tabulation, presented by Superintendent Coe to the Frazier committee in 1930, showed a yearly rental paid by farming and grazing lessees on these reservoir sites in the amount of $3,519.11. Mr. Wathen states that the total sum paid into the tribal fund by reason of such rentals has aggregated only $3,445, or less than the rentals of one year.

Throughout the years of the above record, various seizures of tribal property have apparently been carried out without reference to tribal consent. When steps were being taken to obtain from Congress money to buy the reservoir and camp sites, the tribe apparently was ignored. It had, so far as the available record shows, no voice in the appraisal operations, discussed below, and was not invited to criticize the appraisal results; no record appears that the tribe was consulted before Congress was asked for $55,000, which sum Congress granted in the appropriation act for the fiscal year 1932. The matter was tardily, and apparently in a casual manner, reported or submitted to the tribal council a few weeks ago, but we assume that the department is going on the theory which has guided it heretofore, that tribal consent is not necessary to the alienation of these properties.

2. THE APPRAISAL OF THE PROPERTIES

As stated, the tribe had no voice in this matter, the appraisal being carried out by Superintendent Coe and Project Engineer Moody. Mr. Coe demonstrated his indifference to the tribal interests and his contempt of tribal wishes throughout the Flathead power-site contest. Mr. Moody, of necessity, is practically identified with the irrigation district, which is the interested party seeking to procure these sites at a minimum payment to the Indians. (Whatever payment is made will, of course, become a lien on the district.) Their appraisal report is on its face grossly unfair to the tribe and constitutes, in fact, not a scientific appraisal at all.

This characterization is borne out as soon as the details of the appraisal, recited by Mr. Wathen in his May 24 memorandum to Commissioner Scattergood, are examined. Class 1 agricultural lands within the reservoir sites are valued at only $3.50 an acre, $6 an acre, or a maximum of $7 an acre. Class 2 agricultural lands, deemed to be less productive, are valued at only $3.50 per acre. Yet the department, with respect to these identical lands, states on page 3374 of part 10 of the Frazier committee hearings that the land rents for an average of $1.245 per acre per year. And the department, in its tabulation of miscellaneous irrigation data, found in part 6 of the Frazier committee hearings, page 2670, states that these identical acres are worth $100 per acre.

It is curious that this value of $100, estimated for 1928, has been cut to $30 in the department's estimate for 1931, page 330 of the House hearings on the Interior Department appropriations bill for 1933. No cut has been made in the estimated value of the Blackfeet irrigated acreage, or the Crow, or Fort Belknap, or Fort Peck, or Shoshone, but the Flathead estimate has been cut from $100 to $30. The peculiar adjustment with respect to the Flathead project (and to the Flathead alone, among the six projects in district No. 3) coincides with the putting forward of the scheme to buy the reservoir sites at an appraised value arrived at by the very low figures cited above.



It is noted that the appraisers (Superintendent Coe and Engineer Moody) have appraised the value of the lands "at the time of withdrawal." Their position can not be defended. They recognize that no rental has been paid to the tribe by the district since the lands were withdrawn. The unimpaired title is in the tribe. The tribe has lost the use of the areas, and now the tribe is to be penalized by having the areas taken from it at a fictitiously low value as of the date when it was deprived of the areas, although the district has paid no rental in the interim.

Even accepting the indefensible idea of awarding the value as of the time when the lands were forcibly taken rather than the value as of the present, the appraisals are still indefensibly low. The lands in question, in so far as they are of the irrigable class, lie right up against the reservoirs. They possessed, when the reservoir sites were withdrawn, a perfect water right. The bureau estimated that they became worth $100 an acre as soon as the water right was applied, and yet its appraisers give to these lands a value, with their water right, of only $3.50, $6, and $7 an acre.

The more that we examine the appraisal the worse it appears to us to be. How is it possible for the guardian of these Indians to propose to waive their rental rights; to appraise their property not as of the date when it is to be alienated but as of a date long anterior; to find, as of that long anterior date, figures only one twenty-fifth as great as the value of the irrigated lands in question, as stated by the Indian Office itself after the water rights had been applied?

We repeat that this operation has gone forward without concurrence by the tribe. It is our view that the consent of the tribe should have been obtained before the appraisal was begun; that the tribe should have been consulted about the methods of appraisal and should have been given an opportunity to criticize the methods and the results; and that the nominal sum obtained from Congress as payment for the reservoir sites should not have been requested at all until the tribe had concurred both in the matter of alienation and in the price to be paid therefor.

3. THE ARGUMENT THAT THE INDIANS WOULD BENEFIT BY SUCH FORCED SALE AT SUCH NOMINAL PRICE

It is argued that $50,000 or $55,000 paid into the tribal fund will benefit the Flathead Indians. As a matter of fact, such payment will merely avail to partially support the Indian Bureau at the Flathead reservation for another year. The Indian Office spent, in the fiscal year 1931, $103,362.77 of Flathead trust money. The timber income has fallen off and the agency needs to have the tribal fund replenished for agency costs, including largely the salaries of agency employees. And to that end the nominal payment would be devoted if made. The Flathead rights would be sacrificed, and one of the most wastefully conducted and unsatisfactory of the Indian agencies in the country would continue for another year to fatten on the replenished tribal fund.

We earnestly register our protest against the whole operation that has led up to the transaction now about to be consummated, and against the pending transaction.

Respectfully,

JOHN COLLIER,
Executive Secretary.

AMERICAN INDIAN DEFENSE ASSOCIATION (INC.),
219 First Street NE., Washington, D. C.

Mr. HASTINGS. Mr. Chairman, I trust that the amendment will not be agreed to. This is for the purpose of paying for reservoir sites. The acreage amounted to 8,504.96 acres. The camp sites comprise a very small part, which would amount to only 63.80 acres. It is my understanding that these reservoir sites have already been appropriated, and this is for the purpose of paying for the sites that aggregate that acreage. For that reason the amendment ought not to be adopted.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. FREAR. In order to ask the chairman of the committee, who has just spoken, whether he has any knowledge of this controversy which has arisen between the Indian tribe and the Indian Bureau in reference to this appropriation of $55,000.

Mr. HASTINGS. No controversy was brought to the attention of the committee, but this matter was investigated very fully by the subcommittee, and I think the subcommittee understands it.

Mr. FREAR. Who of the subcommittee is able to respond?

Mr. FRENCH. Mr. Chairman, members of the subcommittee went into the question of the reappropriation of the $55,000. The money had heretofore been appropriated for purposes indicated by my colleague [Mr. HASTINGS] and the money lapsed on July 1, 1932. In the hearings on pages 701 and 702 members of the committee will find some discussion touching this point. A question was asked by me in regard to the $55,000. Mr. Dodd, speaking for the Bureau of Indian Affairs, said:

That is a reappropriation of the unexpended balance of $55,000 that was provided two years ago to reimburse the Flathead Indians for reservoir and camp sites located within this project. The money lapsed on July 1 of this year. There has been some difference of opinion as to the method of appraisal and other features in connection with this matter. It is hoped that some definite arrangement can be worked out between now and the time the money is available and the whole question settled.

Again I asked with regard to the amount, whether it was an unusual price, and Major Post, for the department, said:

I think it is paying the average value. It seems to me that is $10 an acre.

Mr. Walker, of the bureau, said:

It varies according to where the reservoirs are located, wherever we have to locate a ditch-rider's quarters and there does not happen to be any tribal land, we must purchase from that Indian two or three acres to locate the ditch-rider's headquarters on. This one expenditure of $1,550 was for the purchase of two or three small lots to locate our electrical office on. I do not think we have bought any ditch-rider's quarters.

Then the assistant commissioner, Mr. Scattergood, said he would be glad to add a brief statement, which is as follows:

When I was at the Flathead Reservation in 1929 I learned that the Indians had at several times presented to our office their feelings that the tribe should be paid, as a tribe, for the tribal lands taken and used by the irrigation project for camp sites and for reservoir sites. For a number of years these lands have been in use in the various instances and have totaled about 9,000 acres, and it seemed a perfectly fair and just thing that the tribe should be compensated for this land taken for the project.

Now, it was the judgment of members of the committee that those representations of the officers of the department should be respected. We are taking Indian land. We are using it for the purpose of project benefit. The word "camp sites," as my colleague, the gentleman from Oklahoma [Mr. HASTINGS] has said, does not refer to a camp in the popular sense, but rather refers to certain areas set apart for project work.

Mr. FREAR. I understand that, but the point I make is: Did Mr. Scattergood at that time make any statement in regard to this protest on the part of the Indian tribe against that money being expended in the deficiency appropriation bill or at the present time?

Mr. FRENCH. No. The gentleman raises the question for the first time.

[Here the gavel fell.]

Mr. FREAR. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FRENCH. So far as the members of the subcommittee are concerned, the gentleman raises the question for the first time.

Mr. HASTINGS. I think the gentleman is correct.

Mr. FREAR. Here is a protest from the Indian tribe most concerned, and no member of the committee was made aware of the fact that a protest had been made from an Indian tribe by its representatives to the assistant commissioner against this appropriation being placed in the deficiency appropriation bill, and, of course, they have no representative that they can keep here to protest against the item in this bill. The bureau, as they say, gets the benefit of the appropriation, and the funds are very largely for the bureau's support. That was the explanation made back in June by the Flathead Indian Tribe. Their views should have some consideration at this time. I am presenting their protest to the committee.

Mr. FRENCH. The thought that was indicated to the committee is entirely different from the representations in the protest and were proposed by officers from the department. We were advised by those officers that the money was for the purpose of compensating the Indians for their lands. More than that, Mr. Scattergood points out on the following page in the hearings, page 703, that the item was in line with the wishes of the two Senators from Montana, and that it was stricken out without regard to their wishes a year ago.

Mr. FREAR. But did he say that it was in accordance with the wishes of the tribe of Indians who are the parties most immediately concerned?

Mr. FRENCH. Well, we were not advised that there was a conflict.

Mr. FREAR. No; naturally not. That was my experience when I was a member of the committee. The bureau was always represented, but the Indian who is vitally interested and for whom Congress acts, often fails to get what he deems are his rights.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

The question was taken; and on a division (demanded by Mr. HASTINGS) there were—ayes 17 and noes 33. So the amendment was rejected.

The CHAIRMAN. Last night we passed over the preceding paragraph with certain amendments offered for information. What is the desire of the committee now? Does the committee desire to take up that paragraph at this time?

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent to return to the item on page 27 and ask for the consideration of it now.

The CHAIRMAN. The Chair is advised that unanimous consent is not necessary, so the Clerk will report the paragraph:

The Clerk read as follows:

For improvements to the Fort Hall irrigation project, Idaho, including payment of damage claims and purchase of rights of way, as authorized by and in accordance with the provisions of the act of February 4, 1931 (46 Stat. 1061), the unexpended balance of the appropriation for this purpose contained in the Interior Department appropriation act for the fiscal year 1933 is continued available until June 30, 1934: *Provided*, That no part of this appropriation shall be available for expenditure until repayment contracts shall have been entered into in accordance with the provisions of the act of February 4, 1931: *Provided further*, That no part of this appropriation shall be available for the extension of canals or ditches in connection with the Michaud division.

Mr. SMITH of Idaho. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Idaho: Page 27, line 10, after the words "provided that," insert the words "except as to rights of way and damage claims."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

Mr. KETCHAM. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. SMITH of Idaho. I do not wish to contest the point of order, but I do wish to explain the necessity for this legislation.

The CHAIRMAN. Does the gentleman desire to reserve the point of order?

Mr. KETCHAM. I shall insist on the point of order, but I will reserve it for five minutes.

Mr. SMITH of Idaho. Mr. Chairman, the necessity for this amendment has been carefully investigated by the Assistant Commissioner of Indian Affairs, on the ground at Fort Hall, Idaho, and recommended by him. It has been considered by the Subcommittee on Appropriations and approved by the subcommittee. The full Committee on Appropriations considered it and approved it. However, inasmuch as it is amending existing law, we recognize that a point of order could well be sustained.

On the 4th of February, 1931, Congress passed an act authorizing an appropriation to complete the Fort Hall irrigation project, and in that law it also provided for the payment of certain damage claims which had resulted from the overflow of lands around the reservoirs and along the Blackfoot River resulting in damages to privately owned lands which the department has not yet adjusted, which could be paid under the pending amendment.

Mr. BLANTON. Mr. Chairman, is this another sham battle or is the gentleman in earnest?

The CHAIRMAN. The gentleman from Idaho has been recognized for five minutes.

Mr. SMITH of Idaho. When the appropriation bill for the current year was taken up for consideration an estimate was approved for an appropriation of $250,000 to make the contemplated improvements and also to take care of the claims which had accrued. There was a limitation attached to that appropriation, as authorized under the act of February 4, 1931, that no funds hereby authorized to be appropriated shall be expended unless and until the Secretary of the Interior shall make contracts with both Indian and non-Indian land owners, obligating said land owners to repay the cost of the work that was to be done.

On the 1st day of last July an act of Congress was passed excusing the Indian owners on irrigated projects on Indian reservations, in the discretion of the Secretary of the Interior, from paying the construction charges. About one-fifth of the land is owned by whites, and the remainder by Indians, the lands having been allotted to them. So that condition presents a situation which will require a change in the law to excuse the Indians from making contract to repay these charges, as under the act of Congress approved July 1, 1932, a contract with the Indians to repay the charges would be a futile thing. Inasmuch as the Committee on Appropriations has approved of this proposed change in the law and the Assistant Commissioner of Indian Affairs has made a personal investigation and urges the enactment of the legislation, we feel that it is of the very greatest importance that the amendment proposed limiting the appropriation, should be adopted. If this action is taken improvements will be made which will prevent further damage to the privately owned land and also make available funds for the payment of existing claims.

Mr. KETCHAM. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. FRENCH. Mr. Chairman, if the gentleman is going to insist on his point of order, no matter whether he may be convinced or not, of course, I should not attempt to make a statement.

Mr. KETCHAM. I do not want to object to the gentleman making any statement he desires, but I may say that I have gone into this matter very thoroughly and I am going to insist on the point of order on this and also the other amendment presented by the gentleman.

Mr. FRENCH. Will the gentleman withhold the point of order for a few moments?

Mr. KETCHAM. Not for any castigation, or anything of that sort.

Mr. STAFFORD. The gentleman from Idaho never indulges in such things.

Mr. MILLARD. The point of order has been sustained.

The CHAIRMAN. The gentleman from Idaho started to take his seat and the gentleman from Michigan made the point of order.

Mr. FRENCH. If the gentleman would withhold his point of order, I should like to make a statement.

Mr. BLANTON. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded. The regular order is, the point of order is sustained.

Mr. SMITH of Idaho. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Idaho: Page 27, line 12, after the word "contracts," insert the words "with the non-Indian landowners."

Mr. KETCHAM. Mr. Chairman, I make a point of order.

Mr. FRENCH. Does the gentleman make a point of order or reserve it?

Mr. KETCHAM. I will reserve it for five minutes.

Mr. BLANTON. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded. Does the gentleman make the point of order?

Mr. KETCHAM. I make the point of order, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Idaho desire to be heard on the point of order?

Mr. SMITH of Idaho. I do not desire to be heard on the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. SMITH of Idaho. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Idaho: Page 27, line 13, after the figures "1931," insert the following proviso: "*Provided further*, That the requirements of the first sentence of section 6 of such act shall not be operative in the cases of Indian-owned lands."

Mr. KETCHAM. Mr. Chairman, I make a point of order.

Mr. BLANTON. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded.

Mr. FRENCH. I do not think the gentleman from Texas wants to prevent a member of the committee from making a brief statement.

Mr. BLANTON. The gentleman can be recognized by asking to be heard on the point of order.

Mr. FRENCH. I do not care to be heard on the point of order, for I believe the point of order if pressed will be sustained.

Mr. BLANTON. Mr. Chairman, if the gentleman wishes to make a statement I withhold the request for the regular order with the understanding that the reservation is pending.

The CHAIRMAN. A point of order is reserved. The gentleman from Idaho is recognized for five minutes.

Mr. FRENCH. Mr. Chairman, the third amendment of my colleague goes to a slightly different proposition in connection with this one section. The first amendment went to the matter of whether or not any of the moneys could be used for paying damage claims. I want to tell Members of the House that the damage claims are being presented by citizens who are not benefited whatever by Federal reclamation. They are along the Blackfoot River above the reclaimed area, where the Government is using the river as a channel, and unquestionably the Government in putting in the project has caused these damages.

The way to bring the matter of recurring damages to an end is to do what is sought to be done in this bill—add facilities that will prevent or make possible to avoid the flood conditions that at times arise. If you do not do it, not only will these damages that have occurred be a liability against the Government—which some time will be paid, unquestionably, because our Government will do the right thing—but unless the language proposed by my colleague may be adopted, you will continue to perpetuate a condition under which new damages from year to year will occur to innocent peoples who are not interested whatever in the reclamation project.

The second part of the amendment pertains to whether or not in the arrangement of contracts between the department and the settlers, Indians shall be required to sign the contracts. After the bill was passed a year ago and members of this committee insisted that Indian and white settlers should sign the contract, this Congress passed an act, the Leavitt Act, which was discussed yesterday, which removed possibly for years to come the responsibility of the Indians to the Government on this and other projects. That, then, meant that the whole responsibility, if tossed upon the white settlers, would throw upon 20 per cent of those interested in the work to be done—the white settlers—the burden that some time should be shared by the other 80 per cent.

As a practical proposition that could not be done, because the original law says that the contracts must be signed by the Indians and whites. However, if the Indians will not sign, and the Leavitt Act cuts out the effect of their signing, Congress is in the position of saying in one act that the Indians and whites shall sign, and in another act, the Leavitt Act, that the Indians are not responsible.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Surely.

Mr. BLANTON. The Committee on Appropriations is not a legislative committee. We have a very active Committee on Public Lands that grinds out bills by the double-handful in favor of the citizens whom the gentleman represents. We have a Committee on Indian Affairs that is continually grinding out such bills. We have another Committee on Irrigation and Reclamation that continually grinds out these bills. Why put this onus on the Committee on Appropriations?

Mr. FRENCH. Mr. Chairman, may I say that the gentleman has pointed out the very reason why the subcommittee would not entertain the proposition as coming from the subcommittee. We did go this far. The amendments in verbiage are very simple, and they pertain to matters that are simple and yet of vast importance. The members of the subcommittee said that while we believe in the soundness of the amendments we did not think we would be doing the right thing to attempt to include the language in the bill; but if the amendments were to come from the appropriate committee, that is, with the blessing of the legislative committee, we would not raise a point of order against them. This is the simple proposition, and I have explained the background. Of course, it is a matter that is subject to a point of order; but I believe it would be a wholesome thing if the amendments could be adopted.

Mr. BLANTON. In other words, the gentleman himself would not put on his appropriation bill legislation that was not authorized; but he would be willing to come in here and let anybody else put the legislation in the bill.

Mr. FRENCH. No; not unless it was the soundest type of legislation and unless it had the approval of the appropriate legislative committee, as I understand these amendments have.

The CHAIRMAN. Does the gentleman make the point of order?

Mr. KETCHAM. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just a word, because I had occasion last evening to go over in detail the hearings, in fairness to the two gentlemen representing the State of Idaho.

I think this Michaud project under no circumstances should be built. It involves an expenditure of two and a half million dollars. The entering wedge was made in the bill passed on February 4, 1931, authorizing an initial expenditure of $250,000. The hearings show that the Indians on the Fort Hall Reservation are opposed to the development of this Michaud division. They are opposed to it because they do not believe there is adequate water for this project.

The farmers of the country are protesting against more and more irrigable land being opened to cultivation, and here we are attempting, for the benefit of 28 white settlers, to inaugurate a policy of the Government which will involve an expenditure of two and a half million dollars.

The Fort Hall project was originally inaugurated as a part of the Newell scheme, whereby an appropriation of $550,000 was proposed. This was inadequate, and then in 1928 they came in with an additional appropriation on the Fort Hall project of $760,000, and still it is not a practical irrigation project. Now you want the Congress to inaugurate here a policy—with the support, it is true, of the subcommittee—involving two and a half million dollars to make available more and more land, when the cry of the farmers should be less tillable land and not more, particularly when the additional land is put under cultivation at the expense of the Government. If there is an instance where we should put on the brakes and put them on heavily once and for all it is here and now.

If it were in order I think it would be a wise act of economy, even for the western irrigation projects, to repeal this act so far as the Michaud division is concerned.

Mr. HASTINGS. Will the gentlemen yield?

Mr. STAFFORD. We have been just running wild. I remember the time when my great leader, Hon. James R. Mann, more than 25 years ago requested me to accompany

him to an audience on a Sunday evening in the Shoreham Hotel, with Director Newell. Director Newell was a visionary. He had bankrupted the service and had committed the Government to expenditures way beyond the original proposal. He was drowning. What did we have to do? During the administration of President Taft we had to provide a ten-million-dollar loan or bond issue to make possible some of these visionary projects. And now the Representatives from the Western States are trying to again unload on us to the extent of two and a half million dollars. I say stop and stop hard, now.

Mr. HASTINGS. Will the gentleman now yield?

Mr. STAFFORD. Yes.

Mr. HASTINGS. I want to call the gentleman's attention to the last proviso of this section which provides that no part of this appropriation shall be available for the extension of canals or ditches in connection with this Michaud division.

Mr. STAFFORD. And yet the very purpose of the amendments for which a high appeal has been made by the gentleman from Idaho is to pay damages and private claims for enlarging the possibilities of the Fort Hall Indian Reservation project. If I had not gone over these hearings in detail last night for two hours, I would not be qualified to protest so earnestly, but there is nothing in the hearings except a small line which shows that the total amount required for the development of the Michaud project is two and a half million dollars, and there is nothing but a casual reference to show that it is for the benefit of only 28 white settlers, and there is nothing but a scant reference to show that the Indians are opposed to it. I say call a halt, good and hard.

Mr. KETCHAM and Mr. HASTINGS rose.

Mr. STAFFORD. I yield first to the gentleman from Michigan.

Mr. KETCHAM. Is it not true in this connection that the Indians, who are primarily interested, all say there is not enough water for the supply of the Fort Hall project?

Mr. STAFFORD. That is why they are opposing the Michaud division. There is not adequate water on the Fort Hall project and they do not want the water diverted to the Michaud division, which is the purpose of this act which we are seeking to amend by the amendments that have properly been ruled out of order.

Mr. HASTINGS. If the gentleman will now yield a moment——

Mr. STAFFORD. Certainly.

Mr. HASTINGS. The last proviso is in accordance with the wishes of the Indians and prevents the extension of this appropriation to the Michaud division, and that is all there is to it.

Mr. FRENCH. Mr. Chairman, I move to strike out the last two words. In view of the fact that my colleague from Wisconsin [Mr. STAFFORD] has referred to me in his remarks, touching the appropriation for the Fort Hall irrigation project, and the Michaud division, I wish to say that it is a straw man that he has knocked down, because the subcommittee does not propose in this bill that any money shall be expended for the Michaud division. More than that, language is carried in the bill which provides that no part of this appropriation shall be available for the extension of canals or ditches in connection with the Michaud division. More than that, it is the Michaud division that is opposed by a great many of the Indians upon the project, and if any of them are opposed to the other part of the work, that is proposed to be handled by the money, it has never come to my attention. The payment of these claims is a matter that ought to be attended to, regardless of whether the Michaud division may ever be built or not. Personally I do not think the Michaud division should be undertaken at all, unless it may clearly appear that there is an abundance of water. Again, I do not think, even should abundance of water be disclosed, that we ought to engage upon it during this period of depression, because I recognize that every new project does mean to some extent more commodities, more farm products and especially in some lines where small additional production disturbs the markets. I feel it is due the House that I say this, because this project has factors in it which ought not to be considered at the present time, maybe not for many years or maybe never at all, and on the other hand it has several factors that ought to be considered now that are in harmony with the highest interest of the Indians and of the people involved.

Mr. KETCHAM. Mr. Chairman, I rise in opposition to the pro forma amendment. I wish you gentlemen would give careful consideration to the statement made by the distinguished gentleman from Wisconsin [Mr. STAFFORD] upon this project. In his usual earnest and emphatic manner he has stated what is involved in this Michaud project so clearly that I am sure that no words of emphasis are required on my part to impress upon you the importance of doing exactly the thing that has been suggested on all sides, namely, that here is just the time to stop a project of this sort.

It will be remembered that I made a fight on this item last year, both on this floor and elsewhere. As a result, the amendment prohibiting any expenditures on the Michaud project proper was adopted. I am happy to note that the same amendment is included by the committee in the bill before us.

In response to the suggestion of the gentleman from Idaho just a moment ago, to indicate to you just how these good western friends of ours are right on their toes to secure advantages for their particular sections, never overlooking a single bet, I call your attention to the report on the proposition. My good friend from Idaho [Mr. FRENCH] has said that the bill itself as reported carries a very distinct statement that no money is to be expended on the Michaud project this year. Yet, if you will turn to the report, you will see the very nice way in which this project was sought to be launched.

Turn to page 15, and to the State of Idaho in this report, and you will find under the Fort Hall Reservation this statement:

> Construction of the Michaud unit, Fort Hall project, reimbursable.

That language is unmistakable. I do not think it occurred in the report of the committee last year, but unless some one is alert and active when this project is reached another year, the department, possibly under the urge of discharging its duty, feeling it must conform to legislation, may possibly try this again, and unless someone is alert when this particular project is reached, if I mistake not, language of that sort will appear again. I say that we ought to remember that the time to stop these projects is in the initial step; and that is here and now.

I want to pay my respects to the committee and compliment them on including in the language the amendment prohibiting work on this particular project. I would have been very grateful if they had not included in the report any reference to the Michaud unit whatsoever, but had made it exactly what the committee said it was last year, namely, an inclusion of $250,000 to pay these damages, claims that have been incurred by reason of water overflowing the banks of the river that already supplies the Fort Hall irrigation project. That was the only reason why the committee last year permitted the item to come in, but here you see the determination in the mind of some one that this particular project shall eventually be launched and carried on to completion. If that shall be done it will involve a commitment of two and a half million dollars, where there are only 28 white families, and only relatively few Indian families that have already gone on record as saying that they do not want that project because there is not water enough now available to water the 60,000 acres that are under improvement, with canals established on the Fort Hall Reservation. So, gentlemen of the committee, may I offer this word of commendation again for the inclusion of language prohibiting the expenditure of $250,000 on the Michaud project and urge that those of you who know exactly what is ordinarily done in a project when it is once started, to watch this particular item and see to it when it

is reached another year that another "camel's head under the tent" amendment does not appear in some form or that some other proposition that will get the Michaud project under way and the expenditure of money started is not proposed. When once started, that two and a half million dollars is gone.

Here is a practical way to achieve and continue economy. I commend the committee for the consideration they have given to it.

Mr. GOSS. Mr. Chairman, I move to strike out the last four words, apropos of the remarks of the gentleman from Michigan.

During the consideration of the last bill and this bill I have tried to have explained the question of the permanent and indefinite appropriations as carried in both of these bills. In the two bills they amount to something over $1,250,000,000. Yesterday in my inquiry of the chairman of the subcommittee, he indicated that his committee paid little or no attention to the question of these permanent and indefinite appropriations. Inasmuch as the chairman of the committee, the gentleman from Tennessee [Mr. BYRNS], is present, I would like to ask the gentleman if the committee intends to or if it does study and restudy any of these questions of permanent and indefinite appropriations in all of these bills, with a view to seeking further economy by either reductions in the original acts or just what can be done. As I see it, there is no way that the Members can reach the items contained under the permanent and indefinite appropriations. The only place we can find them is in the back of the reports. They are not in the bill so that amendments may be offered to them, and apparently there is very little study being made of the question of how many may be eliminated or cut down. I would like an expression from the chairman of the committee on that subject if it is possible at this time.

Mr. BYRNS. Mr. Chairman, these permanent and specific appropriations apply to quite a number of items. For instance, there is the public retirement debt appropriation, the sinking fund, interest on the public debt, which, of course, must be paid every year, and which, of course, depends upon the amount of revenues collected and also upon the amount of the public debt. Therefore, the Committee on Ways and Means, which recommended that particular legislation, provided that these funds should be set apart as a permanent appropriation, so to speak, and governed solely by the needs of the service. There are a great many other permanent appropriations. The committee always tries to set them out in its report so that every Member of the House may be advised.

These permanent appropriations have been established in the past from year to year, many of them a number of years ago. They are all going propositions. They are all needed, so the departments say; but I think there ought to be some survey and reexamination of those appropriations, and at this session or at the next session of Congress I hope to see a very careful examination made of all of these permanent appropriations by a subcommittee of the Committee on Appropriations, with the view of revising them, if such revision is necessary. There is no money lost to the Government, because if the money is not needed, of course, it is not expended; but I have held to this conclusion for a long time—that it is hardly the wise thing to have these permanent appropriations in a bill, except as it applies to the public debt and interest, and things like that. It is much better, it seems to me, to make direct appropriations every year for many of the things now covered by the permanent appropriation, so that inquiry may be made from year to year. I think I can say to the gentleman that this matter will be investigated and a careful survey made.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GOSS. Of course, the only way we can take off these permanent indefinite appropriations is by repealing the statutes. Is that correct?

Mr. BYRNS. Yes.

Mr. GOSS. How can they be modified? Is there any way they could be reached through this appropriation or other appropriation bills?

Mr. BYRNS. Of course, these permanent appropriations are established by legislation. The Committee on Appropriations has no power to legislate or to repeal existing laws.

Mr. GOSS. But it has the right to not appropriate, however.

Mr. BYRNS. Well, it is not making these appropriations. These appropriations to which the gentleman refers are not carried in this bill.

Mr. GOSS. That is true.

Mr. BYRNS. The only result that such an investigation as I have mentioned would have, it seems to me, is that information would be furnished to the proper legislative committee as to the facts surrounding some particular permanent appropriation, with the suggestion that a bill ought to be introduced repealing it so as to make it an active, live appropriation, if it is necessary.

Mr. GOSS. Personally I would like to see a lot of these repealed and then let the Appropriations Committee bring in appropriations for these items in the various appropriation bills so that the Members of the House, in the consideration of all appropriations, might have an opportunity to review the situation, and to either repeal it entirely or modify it, so that we might save a great many millions of dollars to the Federal Government.

Mr. SNELL. Will the gentleman yield for an inquiry?

Mr. BYRNS. I yield.

Mr. SNELL. How does the money get out of the Treasury when it is not carried in an appropriation bill?

Mr. BYRNS. The law itself provides that it shall be a permanent appropriation, payable from year to year in certain amounts.

Mr. SNELL. In the original law it was so provided?

Mr. BYRNS. Yes.

Mr. SNELL. So that it does not ever come before the Committee on Appropriations?

Mr. BYRNS. That is correct.

Mr. FRENCH. May I interrupt to suggest a few illustrations which might be of interest?

Mr. BYRNS. Certainly.

Mr. FRENCH. Years ago—to be exact, in the year 1890—the Congress passed an act that bears the name of the late Senator Morrill, of Vermont, under which a permanent appropriation of $15,000 a year was to be made to land-grant colleges of the United States, the amount to be increased from year to year. That measure was amended by the Nelson Act in 1907, and the amount paid to each such institution to-day is $50,000.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. FRENCH. The amount paid is $50,000 annually to every institution of that kind, making a grand total, since there are 51 institutions, of $2,550,000 paid out of the Treasury every year under the authorization of a permanent appropriation act, you might say, which the Congress enacted years ago.

Again, in the gentleman's own State there are two or three Indian tribes that had problems involving money settlements with the Government. The Government undertook certain responsibilities, going back possibly 100 years ago.

In order to remove those responsibilities the Government entered into agreements or what at that time were called treaties, with the Indians, under which the Government undertook to pay a specific amount annually forever to the

tribe. One tribe was to receive $6,000 annually, and other tribes receive different amounts.

Again, with regard to certain of the fisheries in Alaska, treaties were made under which it was understood that certain profits and returns that would come in through the fisheries were to be paid annually to the natives. These illustrations are of items kindred to items in the interior appropriation bill.

But there are others: Under the Hatch, Adams, and Purnell Acts certain moneys are paid annually to agricultural experiment stations. These funds have increased until today, as I recall, they represent $90,000 annually for each of the many institutions of that character throughout the United States, a sufficient number of institutions to involve several millions of dollars annually. We are not required to make the appropriations annually, but the moneys are paid out of the Treasury under the force of the law that was passed years ago.

Now, the chairman of the committee has well said that these are matters that maybe ought to be subjected to the scrutiny and reexamination of Congress. Even so, most, if not all, of these appropriations are where the Government has assumed obligations and where there are obligations upon the part of some other country or of some individual or State—obligations either performed or to be performed. In so far as they are kindred to Interior Department items, we have included them in the reports for the advice and information of the House.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. I yield.

Mr. SNELL. What proportion of the entire amount of around $4,000,000,000 that it costs to run the Government each year is carried in what we call permanent appropriations?

Mr. FRENCH. For the Interior Department more than $12,000,000. I do not have the data for all departments.

Mr. BYRNS. About $1,300,000,000, in round numbers.

Mr. SNELL. So there is about $1,300,000,000 that we do not pass on each year.

Mr. BYRNS. That applies to the public debt and the sinking fund.

Mr. GOSS. This last Treasury and Post Office bill and this bill involve over $1,300,000,000.

Mr. BYRNS. I said in round numbers.

Mr. GOSS. That much is involved in these two bills.

Mr. BYRNS. It is between $1,300,000,000 and $1,400,000,000.

Mr. SNELL. These bills are the largest ones anyway.

Mr. BYRNS. There is very little in the nature of permanent appropriations in any of the other bills except agriculture.

Mr. FRENCH. There is something like $12,000,000 in the Interior Department bill.

Mr. BYRNS. There is something like $12,000,000 in the bill the gentleman from Idaho has already alluded to.

Mr. GOSS. In the gentleman's criticism last spring of the large expenditures of the Federal Government the gentleman probably included in his remarks the extra permanent appropriations that are beyond the power of Congress to act on.

Mr. BYRNS. No. I may have added those in in the summary I made as to the total amount of charges, but there is no criticism involved so far as those permanent appropriations are concerned.

My criticism was directed to the action taken on increasing active live appropriations and not to these permanent appropriations, and the gentleman will find in no remark I have ever made any criticism of Congress or the administration for the amount expended under these permanent appropriations.

Mr. GOSS. The gentleman, then, leaves us to understand that he will bend all his efforts in the next House to trying to do away with all or as many as possible of these and bring them in in the annual supply bill?

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. BYRNS. I said this to the gentleman, and I repeat it: I agree with him; there ought to be a survey made from time to time of these permanent appropriations and whenever it is apparent that some of them can be restored to the active list so as to give the committees an opportunity to investigate them, as suggested by the gentleman from Idaho, it ought to be done; but all that such survey could do would be to recommend to the appropriate legislative committee the repeal or modification of those acts so as to provide that all appropriations will have to be made annually rather than being permanent. There are a great many of them which are permanent where there could be no particular purpose in withdrawing.

Mr. GOSS. As I understand these items could not be repealed unless the legislative committees brought in bills to repeal them? Is that the only method by which we can get at any of these items of permanent appropriation?

Mr. BYRNS. The gentleman knows the rules of the House.

Mr. FRENCH. May I say this further in connection with these indefinite appropriations: So far as I am aware these appropriations are ones that involve long-time policies, and in very large part the honor itself of the United States. For instance, the payment of interest upon indebtedness, as was illustrated by the chairman of the committee. It hardly seems that it would be a feasible thing for this Government from year to year to depend upon whether or not the Congress of the United States should choose to fix a certain rate, or no rate, a large rate, or a small rate of interest upon its indebtedness.

Mr. GOSS. There may be some exceptions to the rule.

Mr. FRENCH. With regard to some of the illustrations I used, settling the affairs between an Indian tribe and the Government. The tribe has certain responsibilities; the Government has certain responsibilities also. Years ago the Government undertook to pay a definite amount. Now, it may be that a readjustment could be made, but the Government has undertaken a definite contract. It is the same with these schools and educational institutions. Many, and probably all, of those appropriations are contingent upon the States themselves providing certain facilities, building certain school buildings, making certain investment in plant and equipment at a cost of millions of dollars, the Government saying: "If you will do that thing, the Government on the other hand perpetually will pay a certain annuity."

Mr. GOSS. On the other hand, you have increased this appropriation for St. Elizabeths Hospital from $80,000 last year to $295,000 this year, right in the pending bill.

Mr. FRENCH. Yes.

Mr. GOSS. I am not at all familiar with it, but I am calling that to the gentleman's attention as an illustration.

Mr. FRENCH. This item does not mean Government money. The item refers to money due as pensions to inmates of St. Elizabeths Hospital. Under the law it is paid over to the superintendent or disbursing officer of the hospital and by him administered for the benefit of the inmates, or his dependents.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for four minutes out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, it occurs to me that in the midst of our ponderous deliberations here upon matters of great public importance, although it might seem in the nature of a triviality, it might not be entirely inappropriate for me to insert into the RECORD this morning what I conceive to be a rather excellent piece of humor. We recall that a few days ago an incident developed before the Committee on Appropriations that disclosed the fact that the Postmaster General of the United States had purchased an automobile to conform to his hat specifications. The gentle-

man from Texas [Mr. LANHAM], who is a very serious-minded and earnest legislator, sometimes departs from that attitude to engage in some lighter intellectual relaxation, and he showed me this little poem with reference to the incident I have referred to, and, without objection, I am going to read it into the RECORD. I am sure that it will give no offense to anyone, even General Brown himself, who is a good sportsman. It is entitled "A Brown Study."

A BROWN STUDY

Low ceiling, aye, the airman's bane
When he goes flying high,
For him as well is grief and pain
Who soars the social sky.

An elevated auto front,
To speak in general terms,
Alone can free a social stunt
From awkward squats and squirms.

The ordinary motor car,
However low and flat,
May leave brown derbies as they are,
But not the Brown high hat.

A car that tilts to dodge the tile!
If Jones bears all expense,
Is this in high official style
A capital offense?

No greater service, if you please,
A statesman ever did
Than bending all his energies
To keeping on the lid.

So, though the public look askance
At our Potomac town,
Its General bound for fete or dance
Must do the thing up Brown.

The Clerk read as follows:

Not to exceed 10 per cent of the foregoing amounts for operation, maintenance, improvement, or construction of Indian irrigation projects shall be available interchangeably for expenditure for similar purposes on said projects, but not more than 10 per cent shall be added to the amount appropriated for any one of said projects or for any particular item within any project, and any interchange of appropriations hereunder shall be reported to Congress in the annual Budget.

Mr. HASTINGS. Mr. Chairman, I offer a committee amendment striking out the paragraph.

The Clerk read as follows:

Committee amendment offered by Mr. HASTINGS: On page 32, beginning in line 9, strike out all of the paragraph ending in line 17.

Mr. HASTINGS. Mr. Chairman, the Members will remember that in the Treasury and Post Office appropriation bill there is authority for the continuance of section 317 of the economy act, providing for the transfer of not to exceed 15 per cent between appropriations, and in view of the fact that that provision applies to all the appropriation bills, this item is unnecessary, because it would give them authority to use an additional 10 per cent. For this reason we have offered the amendment.

Mr. STAFFORD. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. STAFFORD. Does it necessarily follow that if we provide by definite limitation as here proposed that not to exceed 10 per cent of the foregoing amounts may be used interchangeably that the general law would not be modified in its construction to that extent, and instead of having 12 per cent available for this purpose they would have only 10 per cent available?

Mr. HASTINGS. We have already provided in the Treasury and Post Office bill that not to exceed 15 per cent may be used in this way. If this language were left in the bill, it might be construed as authority to use an additional 10 per cent, and in order that there may be no doubt about it we have offered this amendment to eliminate this paragraph so they can not use in excess of 15 per cent.

The amendment was agreed to.

Mr. BUSBY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I make this pro forma motion for the purpose of making an announcement.

Most of our time here is spent in considering appropriation bills and in considering revenue measures to raise funds that may be appropriated. Very little of our time has been spent recently in dealing with fundamental legislation which has for its purpose relief for the masses of the people who are in much distress at the present time. The point I want to direct your attention to is this: I have made some investigation with regard to the policy that will be pursued by the leaders at this session to enact legislation for monetary reform, legislation to prevent farm-mortgage foreclosures, legislation for farm relief, and other legislation that is fundamental. I find that so far as the leaders are concerned they know of no policy to propose or consider any such legislation, and in all probability no legislation along this line will be proposed unless it is originated by free-thinking and free-acting Members of Congress. All our activities at this session will be largely those of appropriating money and passing revenue-raising bills to try to get from the depleted funds of the people more revenue to meet these appropriations. It is easy to appropriate money and it is easy to pass laws to tax the people. But we must have something more.

THE OPEN FORUM COMMITTEE

There has recently been organized not an official body but one that is called an Open Forum. This Open Forum is composed of about 100 Members of Congress of all parties who are interested in fundamental legislation which has for its purpose relief for the suffering people. Mr. HATTON SUMNERS, chairman of the Judiciary Committee, is the chairman of the Open Forum committee. It met this week in his office. About 100 Members of Congress were present.

Following the intent and purpose of this committee the gentleman from Texas [Mr. SUMNERS] appointed four subcommittees to consider legislation and submit to the forum concrete legislative proposals to be acted on by the forum and presented to Congress. The four subcommittees are: Farm-loan foreclosure, the chairman is Judge JOHN SANDLIN, of Louisiana; farm relief committee, of which Congressman ARNOLD, of Illinois, is chairman; I am the chairman of the currency reform committee; there is also a committee on city cooperation, and the idea is to have the cities and the country districts cooperate in their efforts along the lines of this legislation. Mr. MEAD, of New York, is chairman of this committee.

Our subcommittee on currency reform will meet at 7.30 o'clock on Monday evening in the rooms of the Committee on Coinage, Weights, and Measures in the House Office Building.

Gentlemen who are interested in this legislation or who are interested in policies being formulated for immediate legislation at this session of Congress are invited to join the Open Forum and lend such assistance and such help as they can, so that we may cooperate with the leaders in planning legislation along these lines. In the Open Forum we are not hampered by House rules, party lines, caucus rules, or any such impediments, from fully expressing ourselves. It is our earnest hope through all the wisdom we may evolve legislation that we think ought to be enacted by this Congress without further delay before it is too late to save a destitute and starving Nation. In order that we may organize our efforts so that we can press the legislation for immediate enactment we are combining our efforts regardless of party affiliation or political programs. We hope in some degree to consider the people who are interested in this type of legislation rather than spend all of our time appropriating money and devising new schemes of taxation whereby to get more from the depleted incomes of the already tax-burdened people. [Applause.]

The Clerk read as follows:

EDUCATION

For the support of Indian schools not otherwise provided for, and other educational and industrial purposes in connection therewith, including tuition for Indian pupils attending public schools, $3,590,800: *Provided*, That not to exceed $15,000 of this appropriation may be used for the support and education of deaf and dumb or blind, physically handicapped, or mentally deficient Indian children: *Provided further*, That $4,500 of this appropriation may be used for the education and civilization of the Alabama and Coushatta Indians in Texas: *Provided further*, That not more than $10,000 of the amount herein appropriated may be expended for the tuition of Indian pupils attending higher educational institu-

tions, under such rules and regulations as the Secretary of the Interior may prescribe, but formal contracts shall not be required, for compliance with section 3744 of the Revised Statutes (U. S. C., title 41, sec. 16), for payment of tuition of Indian pupils attending public schools, higher educational institutions, or schools for the deaf and dumb, blind, physically handicapped, or mentally deficient: *And provided further*, That not to exceed $10,000 of the amount herein appropriated shall be available for educating Indian youth in stock raising at the United States Range Livestock Experiment Station at Miles City, Mont.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. I notice in the proviso that you provide not to exceed $15,000 for the education of the deaf, dumb, and blind. That is a wonderfully good work, but in our permanent law for all over the country we appropriate only $10,000 for that purpose. I suppose there is not a Member of the House who is not interested in the deaf, dumb, and blind. I am wondering why we can not get a little larger appropriation to help these unfortunate Indians as well as trying some day to increase the $10,000 carried in the Treasury-Post Office appropriation bill for such a worthy cause. Why does the committee limit it to $15,000?

Mr. HASTINGS. That is the amount estimated for by the Indian Bureau for the payment for these unfortunate people in State institutions. It is much cheaper for the Government to maintain them in that way than to, perhaps, send them clean across the country in a good many instances.

Mr. GOSS. Does the gentleman think that is a sufficient amount?

Mr. HASTINGS. That is the amount estimated by the Indian Bureau.

Mr. GOSS. I hope the gentleman and some of his colleagues will give consideration to the permanent law, where we appropriate only $10,000 for the blind.

Mr. HASTINGS. I thank the gentleman for his suggestion.

Mr. BLANTON. Where the bureau does not ask for more than that amount, the gentleman may rest assured that not more than that is needed. The bureau always asks for all it needs.

The Clerk read as follows:

In all, for above-named nonreservation boarding schools, not to exceed $3,745,000: *Provided*, That 10 per cent of the foregoing amounts shall be available interchangeably for expenditures for similar purposes in the various boarding schools named, but not more than 10 per cent shall be added to the amount appropriated for any one of said boarding schools or for any particular item within any boarding school. Any such interchanges shall be reported to Congress in the annual Budget.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Here again we have an interchangeable item. I am wondering whether the gentleman wants to eliminate that and whether it should be eliminated along the line of the endeavor of the prior interchangeable item. In that particular, can the gentleman inform the committee where the interchangeable item is to be found in the Treasury-Post Office appropriation bill?

Mr. HASTINGS. I think it is section 317 of the economy act, which is continued in the Treasury-Post Office appropriation bill. With reference to this 10 per cent here, that applies only to these school subitems. These items are controlled by this appropriation of $3,745,000 at the end of the various nonreservation school subitems, and no transfers would be made between these subitems and any independent and separate item in the bill. Transfers would be made only from or to the total of $3,745,000.

Mr. STAFFORD. In the construction of this proviso, I take it that the general interchangeable item would not be applicable but that this 10 per cent, as the latest expression, and specific in its terms, would pertain to these respective amounts.

Mr. HASTINGS. That is my construction.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

Colorado: Ute Mountain Hospital, $11,650; Edward T. Taylor Hospital, $24,400.

Mr. FRENCH. Mr. Chairman, I move to strike out the last word. Gentlemen will note that one of the hospitals which we are caring for in the pending bill bears the name of the chairman of our subcommittee, the Hon. EDWARD T TAYLOR. The hospital formerly was the Ignacio Hospital. It is located in the State and the district of our distinguished chairman. The name was changed by the members of the committee in recognition of the services of nearly a quarter of a century of a man who has given that part of his fine, splendid life to the highest interest and welfare of the people of the country and to the people of the Indian race. It is in recognition of the untiring interest and sympathetic attention and helpfulness that our colleague has always manifested in dealing with Indian peoples. It may serve, too, as a modest tribute from the Congress to one of our colleagues in recognition of his outstanding worth. I believe the Members of the House will be glad that I bring this thought to their attention at this moment. [Applause.]

Mr. STAFFORD. Mr. Chairman, I wish to compliment the action of the subcommittee over which the gentleman from Colorado [Mr. TAYLOR] presides so capably and efficiently in selecting a hospital to bear his name, and I hope it will bear that name for all time. Mr. TAYLOR has consecrated his life to the public welfare and particularly to the welfare of all interests pertaining to the State of Colorado, which he has so ably represented for almost a quarter of a century.

I can not allow this occasion to pass by without making some passing reference to the oversight of the subcommittee in not paying like tribute to a man who has, with the general accord of this Chamber, rendered fine service, not only to hospitals but to the public service in general. Thirty years ago, in the Fifty-eighth Congress, this man, fresh from the cloistered walls of the University of Chicago, came here with his certificate of election from the State of Idaho. From the very moment of his entrance into this Chamber he impressed the membership not only with his scholarly attainments but with his studious habits, his fairness, and breadth of vision. I think, though perhaps not in this Congress, it would be most fitting to recognize this exceptional work of this exceptional man during the 28 years of service, by associating his name with some public institution. Possibly it might be more fitting in the next Congress, because, unfortunately, he will not be a Member of that Congress. The country suffers, the State of Idaho suffers, the people of the world, because of his broad vision on matters of armament, suffer, in the loss of BURTON L. FRENCH from the public service. [Applause.]

Fortunately he comes from a district that recognizes good work, and I, as his friend, and as a friend of the people, and as a friend of this Chamber who want to see devoted public service recognized by constituents, hope that the constituents of that district, which was carried away for the time being with hysteria, will return him back to this hall to continue to do that great work he has been doing for more than a quarter of a century. [Applause.]. All hail to such men of the sterling worth of BURTON FRENCH. [Applause.]

Mr. EATON of Colorado. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. EATON of Colorado. I want to ask if any hospital or school has been named for Mr. BURTON FRENCH?

Mr. STAFFORD. I mentioned in my remarks that the committee had unwittingly overlooked paying a like deserved compliment to another Member. I am hopeful that in the next Congress, if not in this Congress, although public work is soon forgotten, they will not forget the exceptional character of that distinguished public servant who has given his all for the public service, the distinguished Member from Idaho [Mr. FRENCH.] [Applause.]

The Clerk read as follows:

Wisconsin: Hayward Hospital, $28,700; Tomah Hospital, $25,950.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. When I read the capable report accompanying this bill I concluded that there was no attempt on the part of the subcommittee to curtail any appropriation for work now in progress, and particularly that pertaining to hos-

pitalization of our Indian wards. Am I correct in that conclusion?

Mr. HASTINGS. Yes; but we did not provide for the construction of any new hospitals. We provided for water supply and some repairs, but nearly all of it is for emergency improvements and repairs.

Mr. STAFFORD. As I understand the policy of the committee, it is that you have adequate appropriations to continue and complete the buildings now in course of construction, and in no wise have you suspended construction.

Mr. HASTINGS. That is correct.

Mr. STAFFORD. Will the gentleman inform the committee generally whether the present hospitalization service is adequately meeting the needs of the Indian Service?

Mr. HASTINGS. Of course there is always more demand for hospital construction and for more space in hospitals, but the committee went just as far as it could in making adequate provision for it.

Mr. STAFFORD. Some years ago I was rather impressed with the need of providing hospitalization for the Indians at Tomah. Provision was made some years ago for that condition. I was wondering whether similar conditions prevail at other Indian reservations?

Mr. HASTINGS. We made provision for Tomah, $25,950. Of course, the gentleman from Wisconsin knows that there is always a demand for more hospitals, and we have expanded this service very, very greatly in the last five years. Perhaps we do not make all the appropriation that is desirable or necessary, but we have been rather liberal in making appropriations for the hospitals in the Indian Service.

Mr. STAFFORD. Is there any special reason why the demand for hospitalization should increase as the years go by?

Mr. HASTINGS. Well, there is a change in the mode of living of the Indians. They once had the entire out-of-doors to range over. Now they are restricted to their own allotments, and a great many of them have sold their allotments, and they are congested into smaller quarters. Perhaps there is greater need for hospitalization now and for general health work than there was in the years gone by.

Mr. STAFFORD. In the case of the Five Civilized Tribes, where the Indians receive their full citizenship and have full allotment of land, after they have attained that status does the Government attempt to provide hospital service for them, or do the localities in which they are citizens furnish that service?

Mr. HASTINGS. In part; yes. It is rather inadequate hospital service. For instance, there is a hospital maintained at Claremore. That does not have very many beds. There is a hospital maintained at Talihina. Those two hospitals are availed of by the members of the Five Civilized Tribes. There is also a hospital at Shawnee. That is used more for the western and southwestern tribes.

Mr. STAFFORD. Those are all Government-maintained hospitals?

Mr. HASTINGS. Those are all Government maintained, but the gentleman from Wisconsin must remember that we have about one-third of the Indians of the United States in Oklahoma, and while all of them are citizens of the United States, that is true as to all Indians in all tribes. They are all made citizens of the United States, but the Government retains supervision over all restricted Indians, and there are a great many restricted Indians in the State of Oklahoma. Among the Five Civilized Tribes there were allotments made to 101,500, in round numbers. Of course, through death and through the action of the Secretary of the Interior and the Congress, the number of restricted Indians among the Five Civilized Tribes is greatly reduced, except there are being born to those restricted Indians a great many young Indians, who are not carried on the rolls, but who are, as far as blood is concerned, restricted Indians.

[Here the gavel fell.]

Mr. STAFFORD. I ask unanimous consent for three additional minutes, Mr. Chairman.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HASTINGS. Then, of course, we have approximately 33 Indian tribes in Oklahoma. A great many of them are small in number. There is a larger percentage of restricted Indians among other tribes than there is among the Five Civilized Tribes. I would not say that we make adequate provision for hospitalization for all of these Indians, but the Congress has been more generous and more liberal in the past four or five years than it ever has heretofore.

Mr. LEAVITT. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LEAVITT. I want to add a word as to the need for increased hospital facilities. It does not come entirely because of any poorer condition of health among the Indians, but it comes also from the fact that the Indians have come to have confidence in hospitals and doctors, which they did not have at one time. They turn to the hospital now where they resisted going to the hospital a few years ago.

Mr. STAFFORD. They are no longer going to the Indian doctors?

Mr. LEAVITT. Some of them go.

Mr. STAFFORD. But not to such an extent?

Mr. LEAVITT. No. Some of them still do that, of course, because they have confidence in them. But I have in mind one case on the Blackfoot Reservation, of a Doctor Yates, who, because of the great confidence of the Indians in him was able to get them into the hospitals and perform a number of trachoma operations, which they had resisted heretofore. They have come to have confidence in him, and that has increased the necessity for hospital facilities—that change in attitude on the part of the Indians.

Mr. STAFFORD. And as the younger generation grows up, who have attended the Indian schools and become more and more like the white race, they, too, look to the medical profession for attention and also to the concomitant service of hospitals.

Mr. LEAVITT. I can illustrate that by the demand there is on two or three reservation in Montana. They have asked for one on the Blackfoot, one on the Crow, and to some extent one at Fort Peck, where they are demanding new hospitals now. They have come to realize that existing hospital facilities are not adequate, are not always sufficiently modern, and they are demanding and expecting to receive additional facilities.

[Here the gavel fell.]

The Clerk read as follows:

Nebraska: Omaha, $1,000.

Mr. HOWARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOWARD: Page 49, following line 17, insert: "For traveling and other necessary expenses of the delegation of Omaha Indians to and from Washington, D. C., on business relating to the affairs of said Indians, $650, to be immediately available, payable from funds held by the United States in trust for the Omaha tribes."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order to the amendment just proposed.

Mr. HOWARD. I beg the gentleman's pardon.

Mr. STAFFORD. I am awaiting an explanation before I decide whether to apply the dry torpedo to the gentleman's amendment; let it continue in the bill.

Mr. HOWARD. I think it ought to continue, and I hope the gentleman will reserve this vicious torpedo for something more worthy of his ammunition.

Mr. STAFFORD. I shall not apply the torpedo to the gentleman himself, because I love him too much, as we all do.

Mr. HOWARD. Mr. Chairman, for the information of all concerned, this would have been in the estimate prepared by the department, but a new tribal council was elected and did not get its report in until after the estimate was made. I have a statement here from the Interior Department approving the appropriation of this money from the tribal funds. It does not come out of the Treasury but comes from the tribal fund on deposit here to the credit of the little Omaha Tribe.

Mr. STAFFORD. Is it the general policy of the committee to recognize these authorizations for travel expenses for representatives of the tribes?

Mr. HASTINGS. Answering the gentleman from Wisconsin, I may say there has been a provision carried in the estimate, as the gentleman will notice two pages farther along in the bill, permitting the Osage Council to come to Washington. I think that appropriation is continued in this bill at $5,000.

Inasmuch as the amendment to be offered was by the chairman of the Committee on Indian Affairs who was in close touch with the Indians of his district, and inasmuch as the expenses were to come out of their own tribal funds, and inasmuch as it met with the approval of the Indian Bureau, while we did not place it on the bill, I think the members of the committee have no objection to it if the House wants to place it on the bill. It is the money of these Indians and it comes out of their funds, and the item is recommended by the Indian Bureau.

Mr. STAFFORD. Will the gentleman from Nebraska inform the House what the status is of the tribal fund of these Omaha Indians?

Mr. HOWARD. They have about $10,000.

Mr. STAFFORD. Is this to provide for an annual pilgrimage, biennial, decennial, or what?

Mr. HOWARD. No; this is a special matter. They have a new tribal council out there and five or six measures affecting their tribe are now pending before Congress. The tribe wants to send one representative—they never send a delegation; they send just one representative—down here to stay throughout the special session.

Mr. STAFFORD. And this has the full approval of the tribe itself?

Mr. HOWARD. Oh, yes. I filed it at the request of the tribe.

Mr. STAFFORD. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

The Clerk read as follows:

South Dakota: Cheyenne River, $75,000; Pine Ridge, $4,000; in all, $79,000.

Mr. COLLINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I make this motion for the purpose of asking the gentleman if he will agree to a unanimous consent request to return to the last paragraph on page 5.

The fund for printing in the office of the Bureau of Education was reduced by the Committee on Appropriations from $40,000 to $20,000, and I understand that on yesterday a motion was made and adopted to restore the item. I would like to have the gentleman agree to return to this paragraph in order that I may make a motion to restore it to $20,000, as reported by the Committee on Appropriations.

Mr. HASTINGS. Mr. Chairman, I may say to the gentleman I hope he will not press his request now, but that he will withhold it. I will consult with the other members of the subcommittee some time before the conclusion of the bill. I do not want the reading of the bill interrupted at this time, for I am sure this matter will lead to considerable discussion and debate. For this reason I hope the gentleman will not press his request at the present time.

Mr. COLLINS. I may say to the gentleman that I am going to discuss it so as to let the House know the reason the full committee agreed to reduce the amount from $40,000 to $20,000.

I was unable to be in the House yesterday when the matter was brought up because I was having hearings on the War Department appropriation bill.

I do not think the House yesterday had all the facts before it when it acted upon this matter.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I yield.

Mr. COCHRAN of Missouri. In my feeble way I attempted yesterday to prevent the increase in that appropriation. I thought it rather strange that all members of the subcommittee sat in their seats and did not oppose the motion of the gentleman from Idaho [Mr. FRENCH] to increase the amount.

I agree with the gentleman from Mississippi that the amount as carried in the bill as it came from the Appropriations Committee should remain at $20,000, or be reduced, because once you increase these amounts you are setting a precedent that is going to come back to plague you before this session is over. Keep every appropriation within the amount recommended by the Appropriation Committee, is my motto.

Mr. HASTINGS. The gentleman can have it remedied by asking for a separate vote on the item when we get back into the House. I do not want to interrupt the reading of the bill.

Mr. COLLINS. I understand the regular procedure, but I think we can settle the matter here in a very few minutes.

Mr. HASTINGS. I do not want to interrupt the reading of the bill. If the gentleman will withhold it I will be glad to consult with him and consider it a little later.

The Clerk read as follows:

In all, not to exceed $524,300.

Mr. HASTINGS. Mr. Chairman, I offer an amendment correcting the total because of the amendments just adopted.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: Page 50, line 18, after the word "exceed," strike out "$524,300" and insert "$524,950."

The amendment was agreed to.

The Clerk read as follows:

Support of Chippewa Indians in Minnesota (tribal funds): For general support, administration of property, and promotion of self-support among the Chippewa Indians in the State of Minnesota, $75,000, to be paid from the principal sum on deposit to the credit of said Indians, arising under section 7 of the act entitled "An act for the relief and civilization of the Chippewa Indians in the State of Minnesota," approved January 14, 1889 (25 Stat., p. 645), to be used exclusively for the purposes following: Not exceeding $45,000 of this amount may be expended for general agency purposes; not exceeding $30,000 may be expended in the discretion of the Secretary of the Interior in aiding indigent Chippewa Indians upon the condition that any funds used in support of a member of the tribe shall be reimbursed out of and become a lien against any individual property of which such member may now or hereafter become seized or possessed, the two preceding requirements not to apply to any old, infirm, or indigent Indian, in the discretion of the Secretary of the Interior.

Mr. KVALE. Mr. Chairman, I move to strike out the last word for the purpose of securing some information from the chairman of the subcommittee with reference to the item carried for aid of indigent Indians. Can the gentleman inform us how this compares with the estimate carried in the Budget and the appropriation which was available for similar purposes under the current appropriation?

Mr. HASTINGS. It is the same amount that is carried in the law for the present fiscal year.

Mr. KVALE. The Budget recommended a higher amount and indicated that the higher amount recommended would meet only the minimum requirements for relief purposes, and I wondered if the action of the gentleman's committee did not savor just a little bit of being arbitrary, and I say this with all respect; but conditions out there are quite serious, and I think on the basis of the recommendation of the Budget the original amount recommended should have been carried in the bill.

Mr. HASTINGS. The members of the committee, in considering this particular item, thought that this would go largely to the employees of the bureau rather than to the Indians themselves. We thought we might effect a saving of this small amount to the tribal funds, and this is the reason we kept the appropriation at the same amount carried in the current law.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Support of Osage Agency and pay of tribal officers, Oklahoma (tribal funds): For the support of the Osage Agency, and for

necessary expenses in connection with oil and gas production on the Osage Reservation, Okla., including pay of necessary employees, the tribal attorney and his stenographer, one special attorney in tax and other matters, and pay of tribal officers; repairs to buildings, rent of quarters for employees, traveling expenses, printing, telegraphing and telephoning, and purchase, repair, and operation of automobiles, $125,000, payable from funds held by the United States in trust for the Osage Tribe of Indians in Oklahoma.

Mr. GARBER. Mr. Chairman, I move to strike out the last word.

Recurring to the item on page 38, with respect to the Chilocco School providing an appropriation of $311,000, including all items entering into the expenses and administration of the school, I desire to call the attention of the members of the committee to the importance of this institution of learning, as an assurance that the money being invested there for educational purposes is well spent.

This school was established in 1884 and has a plant with about 9,000 acres of land situated in the very heart of the finest agricultural district in the Southwest, with an unlimited supply of pure water, with timber and limestone for building purposes. From the quarries on this land material has been procured to erect nearly all the buildings of the school. From one building, in 1884, the number has increased to 58 buildings in 1932.

In this connection, the school specializes in vocational agriculture and home economics. The large acreage is necessary to carry out the latest policies in vocational education. Members of the student body, upon application, when reaching a certain grade, are permitted to rent from the school a certain tract of land composed of perhaps 60 to 75 acres and are put in exclusive charge and management of the tract. They keep their own books and cultivate the land and do all the work pertaining to the rotation of the crops grown, and so forth. As a consequence, there is always a waiting list among the Indian boys to take advantage of this opportunity for vocational education.

Hurriedly speaking, the school has about 600 head of registered white-face beef cattle and about 60 head of Holstein cattle. They raise about 1,000 hogs, and from 1,200 to 1,500 laying hens. They specialize in all practical branches of agriculture that are essential to diversification in the industry. The children are taught practical lessons in agriculture.

The institution has a garden of 40 acres, raising its own vegetables; it produces its own meat and its own dairy and poultry products. As a consequence, the per capita cost of the students at this school is less than that of, perhaps, any other Indian school in the United States. I believe it is a conservative statement to say that this institution has reached, in its development along the lines of practical, beneficial education of the Indians, the position of a major, leading institution in the United States.

Mr. STAFFORD. Will the gentleman inform the committee, after his very illuminating address, whether the Indians in this garden spot of Oklahoma differ in any particular from the Indians anywhere else?

Mr. GARBER. I am not informed as to the conditions of the Indians in other sections of the country, but I will say that if the gentleman will visit this school and see its student body it would afford him the most pleasant surprise he would be able to find anywhere in the United States.

Mr. STAFFORD. Then, as I understand from the gentleman's statement, the activities of this school differ from those in other places in that they are more or less along technical lines.

Mr. GARBER. Vocational lines.

Mr. STAFFORD. It qualifies them for entering the ordinary pursuits of life rather than professional lines.

Mr. GARBER. Yes; it is purely vocational. They get the practical benefits of the theories they are taught from the books in the school.

CHILOCCO THE LEADING INDIAN SCHOOL OF THE UNITED STATES

The school is one of the leading, major Indian schools of the United States. In fact, we believe its location—close to one-third of the Indians of the United States residing in Oklahoma—and the extensiveness and quality of its plant, rank it superior, if not at the present, in the near future, to any of the Indian schools. The following table is informative of these facts:

Chilocco

1933:	
Value of school plant (real property)	$998,000
Number of buildings	56
Area of school land—acres	8,580
Area of school land—acres cultivated	5,250
Number of employees authorized	81
Total net salaries	$126,120
1932:	
Number appropriated for	900
Average attendance of pupils	934
Per capita appropriation	$339
Per capita cost, based on average attendance	$278
Value of agricultural products	$18,577
Value of other school products	$23,295
Indian moneys, proceeds of labor (school earnings), expended	$7,800

ESTABLISHMENT OF THE CHILOCCO INDIAN SCHOOL

By the Indian appropriation act of May 17, 1882, the Secretary of the Interior was authorized to cause to be constructed a building suitable in size and convenience for the care and instruction of 150 Indian children, at a point in the then existing Indian Territory adjacent to the southern boundary of the State of Kansas and near to the Ponca and Pawnee Reservations, upon a section of land suitable in quality and location for the industrial purpose of said school, which section of the land was thereby reserved for that purpose.

The Secretary of the Interior sent a representative to examine the location, and on the 19th day of October, 1882, he made his recommendation of selection and urged that a larger tract be reserved for the institution. On July 12, 1884, by Executive order, the tract thus selected was enlarged, and the Chilocco Reservation now contains 8,580 acres of land.

The school was opened on the 15th day of January, 1884, with 186 pupils. Maj. J. M. Haworth, the first superintendent of United States Indian schools, planned the building, which was constructed under his supervision and direction. In a letter dated January 3, 1884, Major Haworth says:

I have just returned from the Cheyenne and Arapaho and Kiowa and Comanche countries, having arranged for about 100 children, who will reach here in about 10 days, or as quick as the weather moderates a little so they can safely travel in wagons. I have had a cold, rough, stormy trip, day and night, traveling through storms and freezing cold, crossing unbridged rivers and untenanted plains, but to-night I am seated by a comfortable fire for which I am thankful.

Thus, owing to the courage and vision of Major Haworth, the initial plant in the way of a suitable building was erected and the initial attendance of 186 Indian students secured.

The first superintendent of the Chilocco School was Mr. Jasper Hadley, a Quaker.

DEVELOPMENT OF THE CHILOCCO PLANT

From a single building in 1884 the number has increased to 56, nearly all of which are of limestone, procured from the unlimited quantity in the quarries upon the school land.

OBJECT OF THE SCHOOL

The primary object of the school thus established in the heart of the most prolific soil in the State of Oklahoma was to enable the teaching of agriculture by the actual allotment of small tracts to the Indian students so that they might be permitted to put in actual practice, under appropriate supervision, the agricultural knowledge and information which they procured from the books in the schoolroom. This large acreage permits of this plan to be put in practical operation upon a large scale. But even this scale is insufficient to supply the demand of Chilocco students, who must now form a waiting line for such opportunity and advantage.

THE SCHOOL SPECIALIZES IN DIVERSIFIED AGRICULTURE

The farm-plot plan, which has been practiced at Chilocco for the past eight years, has been developed by Mr. Lawrence E. Correll, then director of agriculture and at the

present time superintendent of the school. Under this plan anybody who wishes to major in agriculture may lease from 60 to 70 acres of land from the school and work it as any tenant farmer. He is furnished the necessary machinery, horses, and tractor power, and seed to plant his land. The work is supervised and directed by trained agriculturists and practical farmers, and in return for their work the boys receive one-fourth of what is harvested from their acreage.

The number of plots increased from 1924 to 1930 from 4 to 33, and each year there is a waiting list of boys anxious for the benefits of practical farming experience, realizing the value of "learning to do by doing."

In addition to this practical farming the students are taught the value of purebred stock, pure seeds, of proper preparation of seed beds, the cultivation of the soil, and all other necessary important steps in the proper management of a farm. Under this plan they are required to plant half of their plot each year in wheat, one-fourth in oats, and one-fourth in corn or Kafir. Cowpeas are worked in as a soil builder when there is time.

During the winter months and on rainy days the boys are busy repairing machinery, repairing and building fences, hauling manure to fertilize their plots, and helping to feed and care for the stock.

The school dairy, with a herd of high quality dairy cows which produce all of the dairy products used at the school, affords similar opportunities in practical experience for these boys interested in dairying.

The swine department at Chilocco is one of the largest in Oklahoma. Duroc-Jerseys are raised both for market and for school consumption.

In the horticulture department the students are taught the methods of top and cleft grafting, budding, pruning for better fruit production, the best methods of cultivation for different fruits, and the proper methods of gathering and caring for the crops after harvest.

The poultry department affords the boys practical training in poultry raising, as well as providing eggs and chickens for school use. The school produces its necessary vegetables for school use, planting about 40 acres in gardens each year for this purpose, and in addition to daily consumption, many are stored and canned each year.

The industries of beef production, dairy, poultry, and swine are given special attention; likewise the agricultural department. The farm has about 600 registered white-face beef cattle which means hundreds of tons of alfalfa and ensilage, with ground corn for their growth and fattening.

The dairy department includes approximately 60 head of registered Holstein dairy cows; the swine department, about 1,000 head of hogs; the poultry department, 1,500 laying hens; the horticultural department, 60 acres in fruit with a vegetable garden of 40 acres.

In the extension of their studies the students are required to plow, plant, sow, cultivate, and harvest about 1,000 acres of wheat, an equal number of acres of oats, grow and harvest 10,000 bushels of corn. The school produces in excess of its own consumption beef, pork, dairy products, and poultry products, and for the year 1931 sold, in addition to its consumption, $18,577 worth of agricultural products.

THE SCHOOL ALSO SPECIALIZES IN HOME ECONOMICS

Home economics is taught at Chilocco from the sixth to the twelfth grades, inclusive. All girls in the sixth, seventh, eighth, and ninth grades have courses in foods and clothing, and, in addition to those subjects, the tenth grade has a practical course in household management at the practice cottage. The eleventh grade receives instruction in methods of teaching, interior decoration, home nursing, and child care, and in the twelfth grade the girls specialize either in foods or clothing. For those who choose the foods course there is work in advanced cookery, quantity cookery, dietetics, child welfare, and practical experience as assistants in the school kitchen and dining room. For those who choose clothing as their speciality there are courses in costume designing, and they have the benefits of practical work as assistants to the school seamstress in the sewing room. Both groups do practice teaching under trained supervisors, using the sixth-grade classes as the training school.

The home-economics department consists of two food laboratories, a dining room, and two clothing laboratories. The food laboratories each consist of five unit kitchens equipped for a unit of four girls, and the work is planned and carried out on a family basis. Likewise, the activities carried on in the practice cottage are those necessary to the management of the home. In the clothing department the girls learn to design and make their own clothing, to make household linens, to renovate clothing, and to make children's clothes.

In the home-management course the class is divided into groups of six, each of which stays at the cottage for a period of six weeks, the work being so arranged that each girl has the entire management of the house for one week, including ordering all supplies and responsibility for the activities of the other members of the group.

The sewing room, the mending room, the school laundry, the dining room, the school kitchen, and the bakery also come under the supervision of the home-economics adviser.

THE SCHOOL SPECIALIZES IN THE TRADES

The primary object of the trade courses at Chilocco is to train the boys to become competent workmen, with a substantial, theoretical, and practical knowledge of the work they wish to engage in after graduation. The theoretical aspect of each trade is taught by a trained instructor, and his classes are small enough to enable him to give much individual attention to the students. The boys gain their practical knowledge, in accordance with the policy of the other departments, in actually engaging in the work.

For instance, those majoring in engineering learn the trade by working at the school plant. They are responsible for the operation and upkeep of the heating and lighting systems, for pumping the water used on the campus from the deep wells, and for the manufacture of the ice used at the school.

Those interested in printing have opportunity of learning the fundamentals of that trade. The Indian School Journal, the Senior Class Annual for Chilocco, and other printing activities of the students, evidence a high degree of ability and practical knowledge which will be of great value to those engaging in the trade in later years.

The general mechanics trade is subdivided into automechanics, plumbing, tin work, and blacksmithing, each division being responsible for certain definite institutional work. The school maintains a number of cars, trucks, tractors, and other machinery that must be cared for. The plumbers look after the water supply after it leaves the water tower, and install and repair all plumbing fixtures on the campus. The blacksmith shop is the general repair shop for all of the school's farm machinery.

The shoemakers are always busy with a thousand students wearing out shoes; and since much of the farm work is done by horsepower, there is a great deal of harness repairing to be done.

The construction departments are engaged in putting up new buildings and repairing the old ones, the work being directed by a skilled workman of many years' experience. The plastering, concrete work, stone masonry, and brick work are all done by the masons, and the boys interested in painting get their practical training on the buildings at Chilocco.

THE CHILOCCO HOSPITAL

The Chilocco Hospital, opened on November 24, 1926, has a bed capacity of 50. There are two large wards, private rooms, operating room, X-ray room, sterilizing room, classroom, physician's office, dentist's office, dispensary, nurses' quarters, reception room, dining room, and kitchen.

Realizing the paramount importance of good health in successful citizenship, Chilocco endeavors to safeguard the health of her students.

The course for student nurses includes 20 weeks of instruction, with a 3-hour period per week. The instruction, which is primarily for home nursing, includes practical care of the sick and the ethics of hospital training. Instruction

is given in anatomy, physiology, and surgical technique, and the practical training includes the actual care of patients, care of the hospital, invalid cookery, bandaging, and dispensary work.

CHILOCCO, A SOUND INVESTMENT

Situated as it is, more than 10 miles distant from any city, upon a tract of land of rich alluvial soil, with unlimited supply of pure water, with its school grounds covered with a carpet of blue grass growing in the shade of the elm and the maple, Chilocco possesses the most beautiful surroundings of all the Indian schools.

Lawrence E. Correll is the present superintendent, and due to his high executive ability and conscientious performance of duty, with his faithful corps of teachers enthusiastic in their work, the school has made surpassing, substantial growth and development, assuming its rightful place of leadership among the Indian schools of the country.

The members of this committee may rest assured that moneys expended here are the best investment made by the Government. There is no waste in the ornate. The buildings constructed here are from the limestone furnished from the school acreage and the labor furnished by the students. The recent additions of the boys' and girls' dormitories and the hospital are modest buildings, but substantial and well suited for their purposes.

The per capita cost of this school, based on the average attendance, is only $278, while that of many of the other Indian schools is much higher, ranging from $300 to $343 per capita.

It is hoped that the personnel of this school will remain undisturbed and that it will continue to have the advantages of the high executive and scholastic ability of its present superintendent, who, by his successful administration, has demonstrated his superior qualifications for the position, and under whose directing hand Chilocco has become a noble educational institution.

NEED FOR SUPPLEMENTAL AGENCY TO PLACE GRADUATES IN POSITIONS

The education here received, however, should be followed up by an agency of the Government, giving special attention to the placement of its graduates in positions, furnishing them with jobs and keeping continually after them until the habit of working in the outside world has been firmly fixed. Such an agency would be invaluable in service to all the Indian schools.

The Clerk read as follows:

Expenses of Osage Tribal Council (tribal funds): For traveling and other expenses of the Osage Tribal Council or committees thereof when engaged on business of the tribe, including visits to Washington, D. C., when duly authorized or approved by the Secretary of the Interior, $5,000, to be paid from the funds held by the United States in trust for the Osage Tribe.

Mr. HASTINGS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: On page 52, after line 23 insert a new paragraph reading as follows:

"For traveling and other necessary expenses of a delegation of Creek Indians to be selected by the existing Creek Council, to and from Washington, D. C., on business relating to the affairs of said Indians, $1,100, to be immediately available, payable from funds held by the United States in trust for the Creek Nation of Oklahoma."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. HASTINGS. Mr. Chairman, this amendment is offered at the very urgent request of the attorney representing the Creek Tribe of Indians, stating that a delegation wanted to come to Washington for the purpose of making some investigations with reference to their affairs, and I am introducing this amendment at his request. I have understood that he submitted it to the Indian Bureau, and that the Indians have this amount of money to their credit and that it will be paid out of their tribal funds.

Mr. STAFFORD. Does the gentleman know the extent of the fund now to their credit?

Mr. HASTINGS. It is around the amount appropriated, about $1,100.

Mr. STAFFORD. Why should we appropriate all of the fund for the purpose of giving an attorney who claims to represent the Indians a joy ride to Washington?

Mr. HASTINGS. It could not be divided up per capita and I know of no better use to put the money to. They have asked it for the purpose of coming up here to consult the Indian Bureau and some records, and it is at the urgent request of the attorney of the Creek Tribe that I have offered it.

Mr. STAFFORD. How large a membership comprise the Creek Nation?

Mr. HASTINGS. The rolls are made as of 1906, and I think there were some 19,000 allotments. Of course, a great many of them died, but new members have been born into the tribe. I would say in round numbers about 19,000.

Mr. STAFFORD. When was the last payment made from the tribal fund?

Mr. HASTINGS. It has been a number of years—15 or 20—not since I have been in Congress, I think.

Mr. STAFFORD. Does the tribe maintain its tribal relations still; does it have a tribal agency?

Mr. HASTINGS. Under the act of Congress they have a Creek tribal attorney who represents them in other matters, and they have brought a good many suits that are pending here, and it is in connection with them that they wish to come.

Mr. STAFFORD. Well, in these piping times of economy, I do not think it would look well to appropriate this money for the purpose of having an attorney come up here to Washington for the purpose of exhausting the fund. I make the point of order.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. HASTINGS. No.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

Confederated Bands of Utes (tribal funds): The sum of $24,250 is hereby appropriated out of the principal funds to the credit of the Confederated Bands of Ute Indians, the sum of $14,710 of said amount for the benefit of the Ute Mountain (formerly Navajo Springs) Band of said Indians in Colorado, and the sum of $9,540 of said amount for the Uintah, White River, and Uncompahgre Bands of Ute Indians in Utah, which sums shall be charged to said bands, and the Secretary of the Interior is also authorized to withdraw from the Treasury the accrued interest to and including June 30, 1933, on the funds of the said Confederated Bands of Ute Indians appropriated under the act of March 4, 1913 (37 Stat. 934), and to expend or distribute the same for the purpose of administering the property of and promoting self-support among the said Indians, under such regulations as the Secretary of the Interior may prescribe: *Provided*, That none of the funds in this paragraph shall be expended on road construction unless preference shall be given to Indians in the employment of labor on all roads constructed from the sums herein appropriated from the funds of the Confederated Bands of Utes.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I notice the committee has cut the appropriation more than half over that appropriated last year, although it is the Budget estimate. Last year we appropriated $60,000 and this year but $24,250. What is the occasion for such a drastic cut in the appropriation?

Mr. HASTINGS. I very much regret that I do not have the detailed information before me, but we followed the Budget estimate. My recollection is that their funds are more depleted.

Mr. STAFFORD. What was the reason for the committee cutting even below the Budget estimate in the prior items for the support of the Osage Agency and the Chippewas?

Mr. HASTINGS. Let us go first to the Osage. The Osage had 2,229 members of the tribe. They occupy one county in Oklahoma, named Osage County. As I said a moment ago, there were allotted 2,229. At one time Congress, in my judgment, was a little bit extravagant and altogether too generous in the appropriation of the Osage funds. I never felt that we were justified in appropriating very large sums of money that have been heretofore appropriated out of the tribal funds. At one time these Indians had a per capita payment of some $10,000 or $12,000 each, and when they had such a large sum of money Congress felt more generous

about making these appropriations. Then there were more oil developments on the land. At present these oil wells are nearly all on the pump. There is very little new development. They all live in one county. It can be managed from the county seat, Pawhuska, where the agency is. The year before last, and for 1932, my recollection is the appropriation was $259,000 and Congress cut it down, as I recall, to $150,000. The committee thought there could be a further reduction in the expense of managing this small tribe of Indians all in one county and that $125,000 would be adequate. That is the reason we reduced the appropriation again this year.

Mr. STAFFORD. What is the status of the respective funds of the Five Civilized Tribes? Some of them have very large amounts and others are depleted.

Mr. HASTINGS. The Cherokees do not have a dollar to their credit. The Creeks have about $1,100. The Seminoles have something over $200,000. That is my offhand recollection. The Chickasaws do not have anything to their credit. I do not know the exact amount, but the Choctaws have a small amount. The Choctaws and the Chickasaws have some revenues coming from coal royalties. The Cherokees, the Creeks, and Seminoles, as I now recall, do not have any.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

For the construction, repair, and maintenance of roads on Indian reservations not eligible to Government aid under the Federal highway act, including engineering and supervision and the purchase of material, equipment, supplies, and the employment of Indian labor, $250,000: *Provided*, That where practicable the Secretary of the Interior shall arrange with the local authorities to defray the maintenance expenses of roads constructed hereunder and to cooperate in such construction.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last word.

I notice the report shows that we appropriated $1,400,000, including the appropriation in the relief act, for construction, repair, and maintenance of roads on Indian reservations where they were not eligible to Government aid under the Federal highway act, for the present fiscal year. Does the gentleman know how much of that money has been spent?

Mr. HASTINGS. I am sorry, but I do not have any figures on that.

Mr. COCHRAN of Missouri. I notice there is very little information in the hearings with reference to this item. There are a lot of figures here, and a report by the department. It seems to me we ought to know whether or not this $1,400,000 which they have at their disposal now has been spent, and if it has not been spent, why appropriate $250,000 more until we know it has been spent? All such appropriations that we can suspend will react to the taxpayers' benefit.

Mr. HASTINGS. My offhand recollection is, subject to correction, that all but about $150,000 has been used. My recollection is that this, added to that, will make about $400,000 available.

Mr. COCHRAN of Missouri. Are the roads provided for here handled by the Bureau of Public Roads for the Indian Service, or does the Indian Service do the work?

Mr. HASTINGS. It is handled by the Indian Service.

Mr. COCHRAN of Missouri. And they have a complete set of engineers to go out and build roads. It seems to me there is a justification for putting all Government road building under one head rather than having it scattered around the various departments. The Bureau of Public Roads very satisfactorily performs such duty for the Forest Service and for the national parks. Why it could not perform that service for the Bureau of Indian Affairs I do not see. I think it would be advisable for the subcommittee to go into this and see whether or not the Bureau of Public Roads can take care of this appropriation and build more roads for the money than the Bureau of Indian Affairs with a separate organization. The Department of the Interior knows that the Bureau of Public Roads will construct roads, that is, solely Government roads, and as the Indian Service is a part of the Interior Department the Secretary might do well to utilize the services of the Public Roads Bureau. It knows how well it has performed its work for the Forest Service and in the national parks. Our trouble is that the officials do not watch these matters with the caution that should be shown. We talk about consolidation, but there seems to be little effort to stop duplication. There is no excuse nor reason that I can see, although some might defend the action, for not having this work done by the Bureau of Public Roads—I mean supervision—if this bureau has satisfactorily performed similar work for other agencies in the Department of the Interior. If we can save a few thousand dollars here and there, it will soon run into the millions.

Mr. LEAVITT. Mr. Chairman, I rise in opposition to the pro forma amendment. I want to take just a moment to answer the suggestion made by the gentleman from Missouri [Mr. COCHRAN].

The purpose of this appropriation is not only to construct roads on Indian reservations, but also to give employment to the Indians. It is handled in such a way that as much employment is given to the Indians on the reservations as possible. It would not be advisable to do that under the supervision of the Bureau of Roads.

Mr. COCHRAN of Missouri. I would like to ask the gentleman if it would not be advisable to use the road engineers of the Bureau of Public Roads to supervise the work, and let the labor be done by the Indians? There is no objection to the labor being done by the Indians, but the supervisory work and the engineering work could be done by the Bureau of Public Roads. This provides for the employment of engineers and supervisors.

Mr. LEAVITT. Is the gentleman referring to the item on page 54?

Mr. COCHRAN of Missouri. Certainly.

Mr. LEAVITT. If the gentleman will read that carefully, he will see that it provides—

Where practicable the Secretary of the Interior shall arrange with local authorities to defray the maintenance expenses of roads constructed hereunder and to cooperate in such construction.

As that works out, nearly all of the engineering work on these roads is donated by the county authorities. It is largely done through the county surveyors.

Mr. COLTON. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. COLTON. Or by the State road department.

Mr. LEAVITT. Yes.

Mr. GOSS. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. GOSS. There was $1,000,000 in the relief act of 1933.

Mr. LEAVITT. That is an added amount. That was to meet an emergency. Of course, that is not reappropriated. This is under a standing authorization, under which roads of a secondary character on Indian reservations are being constructed everywhere. They are being carried forward with particular attention given to the labor provision that is contained in the law, which requires that the Indians be given preference. I doubt if it could be practically handled through the Bureau of Public Roads. It is entirely local, with the cooperation of the county and State authorities.

Mr. COLTON. Will the gentleman yield further?

Mr. LEAVITT. I yield.

Mr. COLTON. In most instances these roads form connecting links of other systems; and it is necessary to construct these connecting links, otherwise there would not be a completed road system.

Mr. LEAVITT. I have been on some of these roads and they are all of good quality and meet the requirements of Indian labor. I think in some cases perhaps too much machinery has been used and not the fullest amount of employment of Indian labor, but it is being handled in a way to give them a great deal of employment.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. COCHRAN of Missouri. Can the gentleman advise as to what extent the local authorities have cooperated?

Mr. LEAVITT. I can not give any amount in money at the present time, but in connection with every one of these roads in Montana, constructed on Indian reservations, the county authorities have cooperated, and there has also been some cooperation in cases, from the State highway commission. In other States it is done through State authorities, but they have this cooperation on all of these roads. The Indian Service does not have, except in a supervisory way, the force to carry on the engineering. So they turned to the local county surveyors and authorities for aid.

Mr. COCHRAN of Missouri. And they pay the local authorities and engineers, do they not?

Mr. LEAVITT. Yes.

Mr. COCHRAN of Missouri. Are their salaries paid out of this appropriation?

Mr. LEAVITT. No.

Mr. COCHRAN of Missouri. The salaries are paid by the county?

Mr. LEAVITT. They are paid by the county. This is done as a matter of cooperation, because these roads always have some value to the Indian reservations and in the development of that section of the country.

Mr. COCHRAN of Missouri. I would not challenge the statement of the gentleman from Montana; but I do feel if a thorough investigation was made, it would be found some Government money is allocated for the supervisors and engineers.

The Clerk read as follows:

To carry out the provisions of the Chippewa treaty of September 30, 1854 (10 Stat., p. 1109), $10,000, in part settlement of the amount, $141,000, found due and heretofore approved for the St. Croix Chippewa Indians of Wisconsin, whose names appear on the final roll prepared by the Secretary of the Interior pursuant to act of August 1, 1914 (38 Stat., pp. 582–605), and contained in House Document No. 1663, said sum of $10,000 to be expended in the purchase of land or for the benefit of said Indians by the Commissioner of Indian Affairs: *Provided*, That, in the discretion of the Commissioner of Indian Affairs, the per capita share of any of said Indians under this appropriation may be paid in cash.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of inquiring of the gentleman from Idaho regarding the appropriation which we are about to come to in connection with appropriating the power revenues.

Now, I realize that certain of the revenues from those power projects are appropriated to take care of maintenance and repair of the power projects that are involved. I want to inquire if there is any appropriation from the Federal revenues for any other purpose at all in the bill?

Mr. FRENCH. The history of power development in connection with reclamation projects is one that embraces two phases.

In the first place, when the reclamation work was undertaken some 30 years ago under the Federal Government, power development was a mere incident in connection with each project. Many of the projects, perhaps most of them, did not have any considerable power development in prospect. Whatever investment was made in the power features was part of the construction cost, and the proceeds, or the profits, went into the moneys received by the particular project and tended in that way to reduce the cost of the construction charges or operation and maintenance charges to the individual settlers upon each particular project.

That plan was followed for many years; in fact, almost up to the present time. In some of the projects where great dams were built, where large amounts of water were impounded, as for instance under the Roosevelt Dam in Arizona, considerable power was developed. The same was true on the Shoshone project in Wyoming. In Arizona almost from the beginning the power factor was most valuable. Not so in Wyoming, and here the settlers at one time asked to be relieved of the power-development costs. Later, when oil was discovered in Wyoming and power could command an adequate return upon the investment, the settlers wanted the benefits to be credited to them.

In general, power-development costs were charged to each project. Power was a sort of by-product of reclamation. It soon appeared that where profits were to be had, the settlers wanted, and in fact invited, the costs to be assessed against them, the profits of power going to the reduction of construction costs and costs for operation and maintenance. On the other hand, where there was little demand for power and no profits, they wanted the Government to carry the loss.

Then some five or six years ago came the second phase of the development of the handling of the power question. This occurred under the leadership of the former chairman of the committee, Louis C. Cramton. At that time the members of the Interior Department subcommittee made a restudy of the whole matter. It did not seem fair that in two projects that would cost $100 per acre each if in the one there were power possibilities that could cut the charges to $50 per acre and in the other no such possibilities, the one group of settlers should be at so distinct an advantage over the other group. It did not seem fair that upon an equivalent investment the profits of the power features of the works should go to the people on the one project, reducing very materially the construction charges and the charges for operation and maintenance, while upon the other project there would be limited opportunity for power development and consequently a heavier burden. They felt it was hardly fair for one group of settlers to be treated in one way and another group treated in another way.

Again, they felt that since the Government, or the reclamation fund, was advancing the money, and all the people had an interest in watersheds and in the water itself, a plan should be adopted under which the Government would assume power-development costs and receive the benefits.

So, then, the policy was adopted about four or five years ago, beginning with the construction of the Deadwood Reservoir in Idaho and development of power at the Black Canyon Dam on the Payette River, in connection with the Boise-Payette project, of permitting the Government to make the investment in the power factor. There, for the first time, it was written into the law that the Federal Government would make the investment and would apply the profits from the sale of power to the payment back to the Government of the cost of the dam, of the reservoir, and of the power plant, and after that time the investment was to be an investment of the Government and not of the settlers.

In other words, at that time Congress recognized the policy that the Government, by virtue of its owning the watersheds, by virtue of the water itself, and by virtue of its being called upon to underwrite, as one might properly say, all construction work and investment, had something of a right, and that in the development of power as a by-product on great projects it would be a desirable thing for the Government to advance the money for power development and to retain the power itself. The House will be interested in what Doctor Meade told our committee, that there are now 20 hydroelectric-power plants on 11 of our 29 projects, and that these were in operation during the fiscal year 1932. These plants have a total installed generating capacity of 102,550 kilowatts, of which 21 per cent was used for irrigation and drainage pumping purposes, and 65.4 per cent was sold for commercial and industrial uses. The remainder—13.6 per cent—was used for miscellaneous purposes or lost. Eleven of the power plants were operated directly by the water users, and nine, having a total installed capacity of 31,500 kilowatts, were operated by the Government.

The power revenues run about $400,000 annually.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes. There are many of these items I would like to get cleared up.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GOSS. On the Minidoka, Idaho, project, for instance—I just take that as an example—the Government spent the money for the construction of the power development on that project, did it not?

Mr. FRENCH. The money came from the reclamation fund. Here is a project under the earlier phase that I dis-

cussed where the investment was made and became a part of the project owned by the settlers.

Mr. GOSS. There the power revenues ordinarily would be impounded in the Treasury if they were not reappropriated. Is that correct?

Mr. FRENCH. No. Those power revenues are handled to reduce the cost of construction and the cost of operation and maintenance of the Minidoka project.

Mr. GOSS. In this bill there is an item of $125,000 for further construction at the Minidoka project?

Mr. SMITH of Idaho. The power revenue, if the gentleman will excuse me, will go back to the settlers, for they have already taken over its control and management.

Mr. GOSS. But the Government is putting its money into this project, building it up for them, and the revenues therefrom are used to maintain the plant, and none of them are impounded into the Treasury to pay even the interest on the investment. Is that correct?

Mr. FRENCH. That project is under the original policy which I discussed. These revenues go to the reduction of the obligations of the water users to the reclamation fund. This project is paying out and in part is using power profits to help in doing so. Had the more recent policy that I discussed prevailed when this project was begun, the Government itself, or the reclamation fund, would have made the investment and, of course, would have retained all benefits of the power by-product.

Mr. SMITH of Idaho. The settlers have paid all of their obligations which are due, and the Government has been reimbursed for all its expenditures. The profit from the power on these projects goes to the benefit of the district, and the district uses it under the direction of the Secretary of the Interior in building drainage ditches, widening canals, and in making improvements on the project.

Mr. GOSS. Has the gentleman any idea how many of these projects there are? There are many, many of them in this bill. Can he give us an idea how much it costs the Government a year?

Mr. FRENCH. I would not be able to say without taking each particular project.

Mr. GOSS. Can the gentleman from Idaho give us a rough estimate?

Mr. FRENCH. I can give the returns. This last year we had something like $400,000 turned into the reclamation fund from power resources. Take for instance the Yuma project, which happens to be the first one discussed in the bill. It appears from the last report that the power from that project brought gross returns of $63,000 and netted the district something like $25,000 for last year, which amount went to reduce the indebtedness of the district to the reclamation fund. The Minidoka project turned into the fund about $175,000. Each project is a unit in itself. Everything depends upon the project, upon the investment in power development, and the demand in the community for power. This demand makes a project profitable in one section and not in another. Then, again, it will depend upon the conditions from year to year. For instance, as I said, prior to the development of the oil industry in the State of Wyoming power development in the Shoshone project was practically worthless commercially. It was not a profitable thing. After the development of the oil industry in the State, power became a very important part of the returns of the project.

Mr. GOSS. We are appropriating about $3,000,000 from the reclamation fund this year in this bill plus another $8,000,000 for Boulder Canyon Dam, and on these two pages alone, involving four or five of these projects, there is over $1,000,000 of cost to the Government. I do not see why we should continually appropriate all these millions of dollars out there without getting anything back, even in the way of interest.

Mr. FRENCH. But we are getting it back. Up to June 30 of this year the Government had invested $198,000,000 in reclamation. Of this amount, the sum of $44,000,000 had been paid back to the reclamation fund. There was some charge-off, largely on account of changed economic conditions, and the moratorium will probably postpone $3,500,000 beyond the end of the present fiscal year.

Mr. GOSS. And then when we come in here and cancel some of these reclamation obligations, of course the Government does not get the money back. That is the real story, is it not?

Mr. FRENCH. On the contrary, the amount charged off is relatively small. We must bear in mind that the water users have paid back already more than $44,000,000. They owe approximately $150,000,000, which is to be paid over a stretch of years. The arrearages as of June 30 last amounted to $1,270,413.13.

Turning again to power profits, these under the original plan of power development are used to cut down construction charges and for the handling of operation and maintenance charges under projects.

Mr. GOSS. But all that money did not come back, by any means.

Mr. FRENCH. The real money that almost always has come back is the power return. That money is coming back; and where the Government has needed to reduce or modify the charges under different projects, it is because, as I said yesterday, of a change in economic conditions that appealed so strongly to the Congress that the Congress thought we had better rewrite the contracts on many or most of the projects so as to give the farmers an opportunity actually to pay out on a basis that is worth while, instead of attempting to pay out on a basis that is unattainable.

Mr. EATON of Colorado. And let me add here the source from which these funds come. I have a letter in this file from the Bureau of Reclamation of December, 1931, showing that from the State of Colorado there came $14,400,000, and from the State of Wyoming $41,900,000. This is $56,000,000 of the reclamation fund that has been paid into the reclamation fund by these States. This is not the money appropriated by the United States, but money obtained from these States and put into the reclamation fund, and it is then used as a revolving fund to keep these reclamation projects going. I have not the figures with respect to the contributions of some of the other States, but the money comes from the Western States themselves and not from the United States by direct appropriation.

Mr. GOSS. Oh, no.

[Here the gavel fell.]

Mr. KETCHAM. Mr. Chairman, I ask unanimous consent to extend my remarks made to-day on the Fort Hall Indian Reservation project.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

The appropriations for education of natives of Alaska and medical relief in Alaska shall be available for the payment of traveling expenses of new appointees from Seattle, Wash., to their posts of duty in Alaska, and of traveling expenses, packing, crating, and transportation (including drayage) of personal effects of employees upon permanent change of station within Alaska, under regulations to be prescribed by the Secretary of the Interior.

Mr. McKEOWN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: On page 56, in line 18, after the period insert a new paragraph as follows:

"To make a per capita payment of $82.84 to all members of Sac and Fox Indians born on and after October 20, 1923, out of funds in the Treasury of the United States."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. HASTINGS. Mr. Chairman, I reserve a point of order until I can see just what the amendment is.

Mr. McKEOWN. Mr. Chairman, I may say to the gentlemen this is simply to distribute this money that is in the Treasury belonging to the Indians who were born since the date I have named in the amendment. This money has accumulated there, and I think they should have it paid to them now. This is the reason for my offering the amendment.



The CHAIRMAN. Does the gentleman insist on his point of order?

Mr. STAFFORD. Mr. Chairman, I make the point of order it is not germane and, further, is not authorized by existing law.

Mr. McKEOWN. Mr. Chairman, if I may have the matter passed over for the present, I am sure I can get authority to show there is existing law in the way of a treaty whereby the Indians were paid their money, and these are Indians who were born or put on the rolls since the other Indians were paid, and this is the only reason they have not been paid. The attention of the Congress and the Treasury has never been called to this; and if I may have the consent of the gentleman to pass it over, we can see whether there is any authorization for it or not.

Mr. STAFFORD. The gentleman should not appeal to me, but to the gentleman's colleague, who is in charge of the bill.

Mr. HASTINGS. If the gentleman later on can bring any authority showing that this is not subject to a point of order, so far as I am concerned I am willing to return to it, and I hope the gentleman will agree to this. I do not want to pass it over, but I will agree to return to any place in the bill, so far as I am concerned, to permit my colleague to offer the amendment provided he can show that it is not subject to a point of order.

Mr. McKEOWN. I am willing to agree to that.

The CHAIRMAN. Without objection, the amendment will be withdrawn, subject to the agreement entered into by the gentlemen.

Mr. STAFFORD. Mr. Chairman, I have no objection to having it offered at this place, under the conditions stated, but not at any place in the bill. The chairman of the committee said he would not have any objection to returning to any place in the bill provided it could be shown that the amendment was in order.

Mr. HASTINGS. I do not think my colleague can show that it is not subject to a point of order, and therefore I was a little bit liberal about it. As I understand, the amendment is withdrawn.

Mr. GOSS. I shall object to the withdrawal of the amendment. Let it be offered at this place.

The CHAIRMAN. Does the gentleman insist upon his point of order?

Mr. STAFFORD. Yes.

Mr. McKEOWN. Can we not have an agreement about it? I will say to the gentleman that I have been trying for several hours to get the authority for this amendment, but I have not been able to get to the office to get it. I think there is a treaty that will show that this is authorized.

Mr. STAFFORD. Then may we have the understanding that the amendment is pending at this point, to be returned to later, without waiving any rights as to points of order?

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. STAFFORD]?

There was no objection.

The Clerk read as follows:

Administrative provisions and limitations: For all expenditures authorized by the act of June 17, 1902 (32 Stat., p. 388), and acts amendatory thereof or supplementary thereto, known as the reclamation law, and all other acts under which expenditures from said fund are authorized, including not to exceed $156,000 for personal services and $15,000 for other expenses in the office of the chief engineer; $20,000 for telegraph, telephone, and other communication service; $5,000 for photographing and making photographic prints; $41,250 for personal services, and $10,000 for other expenses in the field legal offices; examination of estimates for appropriations in the field; refunds of overcollections and deposits for other purposes; not to exceed $18,000 for lithographing, engraving, printing, and binding; purchase of ice; purchase of rubber boots for official use by employees; maintenance and operation of horse-drawn and motor-propelled passenger-carrying vehicles; not to exceed $35,000 for purchase and exchange of horse-drawn and motor-propelled passenger-carrying vehicles; packing, crating, and transportation (including drayage) of personal effects of employees upon permanent change of station, under regulations to be prescribed by the Secretary of the Interior; payment of damages caused to the owners of land or other private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of irrigation works, and which may be compromised by agreement between the claimant and the Secretary of the Interior, or such officers as he may designate; payment for official telephone service in the field hereafter incurred in case of official telephones installed in private houses when authorized under regulations established by the Secretary of the Interior; not to exceed $1,000 for expenses, except membership fees, of attendance, when authorized by the Secretary, upon meetings of technical and professional societies required in connection with official work of the bureau; payment of rewards, when specifically authorized by the Secretary of the Interior, for information leading to the apprehension and conviction of persons found guilty of the theft, damage, or destruction of public property: *Provided*, That no part of said appropriations may be used for maintenance of headquarters for the Bureau of Reclamation outside the District of Columbia except for an office for the chief engineer and staff and for certain field officers of the division of reclamation economics: *Provided further*, That the Secretary of the Interior in his administration of the Bureau of Reclamation is authorized to contract for medical attention and service for employees and to make necessary pay-roll deductions agreed to by the employees therefor: *Provided further*, That no part of any sum provided for in this act for operation and maintenance of any project or division of a project by the Bureau of Reclamation shall be used for the irrigation of any lands within the boundaries of an irrigation district which has contracted with the Bureau of Reclamation and which is in arrears for more than 12 months in the payment of any charges due the United States, and no part of any sum provided for in this act for such purpose shall be used for the irrigation of any lands which have contracted with the Bureau of Reclamation and which are in arrears for more than 12 months in the payment of any charges due from said lands to the United States;

Mr. COCHRAN of Missouri. Mr. Chairman, I offer the following amendment which I sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Missouri: Page 58, line 7, strike out the semicolon after the word "designate" and add the following: "*Provided*, That each such compromise must be submitted to the Comptroller General for his approval before final settlement is made."

Mr. FRENCH. Mr. Chairman, on that I reserve the point of order.

Mr. COCHRAN of Missouri. Mr. Chairman, this paragraph under the subhead of "Administrative provisions and limitations" provides for all expenditures authorized by the act of June 7, 1902, and acts amendatoy thereof or supplementary thereto, known as the reclamation law, and all other acts under which expenditures from said fund are authorized. Here is a provision that gives to the Secretary of the Interior or such officials as he may designate, the right to compromise by agreement between the claimant and the Government any claim growing out of the operations of the officers or employees of the United States. As far as I know there is no information available as to the amount of money that could be applied in these settlements. We do not know whether it is $5 or a million dollars. There is nothing in the bill to so indicate. It seems to me that where the parties who are responsible for the damages are employees of the Secretary of the Interior, somebody other than the Secretary of the Interior should have the final word before passing on the amount that is to be paid for the damages. I think the amendment is sound. It is a limitation. The entire paragraph is a limitation. There should be a check on the department, and the comptroller is the proper official to say the last word. This statement explains why I offer the amendment.

Mr. FRENCH. Mr. Chairman, I make the point of order against the amendment because it is legislation. It calls for the exercise of certain functions or duties on the part of the Secretary of the Interior and imposes duties upon the Comptroller General. It is clearly language which seeks to impose duties upon administrative officers and is clearly legislation.

Mr. COCHRAN of Missouri. Does not the gentleman want somebody to check up on the claims and agreements?

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. COCHRAN of Missouri. I think it is clearly a limitation.

The CHAIRMAN. The Chair thinks it is a violation of the rule and sustains the point of order.

The Clerk read as follows:

Bitter Root project, Montana: For loaning to the Bitter Root irrigation district for necessary construction, betterment, and repair work, $100,000, as authorized by the act entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana," approved July 3, 1930 (46 Stat. 852, 853).

Mr. WARREN. Mr. Chairman, I move to strike out the last word for the purpose of getting some information. How long has it been the policy of Congress to make direct loans to these irrigation districts such as contained in the Bitter Root project?

Mr. LEAVITT. Mr. Chairman, will the gentleman yield to me?

Mr. HASTINGS of Oklahoma. Yes.

Mr. LEAVITT. This is the only case in which the law allows loans of that kind. A bill was passed which, in effect, created an experimental laboratory in which we might work out a policy and decide as to the advisability of rehabilitating some existing reclamation projects rather than spend as much as in the past of the reclamation fund on new projects. This experiment had to do with an existing community.

Mr. WARREN. Do I understand that this is the only case where a direct loan has been made?

Mr. LEAVITT. Yes. This act applies only to the Bitter Root project.

Mr. WARREN. How much money is this project going to require in the future?

Mr. LEAVITT. The total authorization was $750,000, of which a very considerable portion has already been loaned and expended. This proposed loan is bringing it to a close rather than otherwise.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. STAFFORD. Will the gentleman permit me to inquire whether this is the project where the Government launched on the exceptional policy sponsored by the gentleman from Montana [Mr. LEAVITT] and the former Member from Michigan, Mr. Crampton, where we sought to finance a defunct corporation by appropriating $500,000 to take care of the bondholders' interests?

Mr. LEAVITT. It was not defunct. It had to do with a situation like this. It was really a successful and necessary community, but it was operating under a promotionally financed reclamation project. The people, therefore, found themselves in difficulty. There was a theory advanced here in Congress and elsewhere that at least a part of the reclamation fund ought to be used to rehabilitate and maintain such existing communities that had already proven their possibility of success. Under the purpose of establishing an experimental laboratory to work that problem out, Congress enacted this law, and it applies to this one project. It is being applied successfully, and we are coming practically to the end of the necessary loans, and it has proven its success.

Mr. STAFFORD. As I recall that law, the Treasury of the United States to the amount of over $500,000——

Mr. LEAVITT. Not the Treasury of the United States, but the reclamation fund.

Mr. STAFFORD. It is almost the same thing. The reclamation fund is in debt now to the United States Treasury to the extent of more than $10,000,000 and is calling on the United States Treasury more and more to come to the aid of these defunct projects.

Mr. LEAVITT. This loan is made from the reclamation fund.

Mr. STAFFORD. It is a mere question of words.

Mr. LEAVITT. There is quite a vital difference.

Mr. WARREN. Does the gentleman think that this loan to this district is ever going to be paid back?

Mr. LEAVITT. Oh, yes; I don't think there is a doubt of that.

Mr. WARREN. In what way?

Mr. LEAVITT. It will be repaid under a contract entered into whereby the water users make repayment over a period of 40 years, and it does not have the hazard that has existed in many of the old reclamation projects, in that settlers are already there, their homes are already established, and transportation already exists. The success of it is assured by experience. It is just like the situation that exists with many individuals who find themselves financially involved because their obligations are in such form that they could not very well meet them. This law allowed a rewriting of the contract. It required that 100 per cent of the outstanding obligation be secured so that there is no obligation except that to the Government. It is one of those cases where, in my judgment, absolute success is assured.

Mr. GOSS. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. GOSS. Is it not a fact that if it were not for either the loan on this project or the appropriating of the power revenues on other projects, these things would be defunct now? The only reason they are not defunct now is because either this money was loaned or the money was appropriated out of the power revenues. Is that not really the fact?

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the pro forma amendment.

I yield to the gentleman from Connecticut.

Mr. GOSS. Will the gentleman from Montana answer my question?

Mr. LEAVITT. This is the only one in which loans of this kind are authorized.

Mr. GOSS. The gentleman has not answered my question.

Mr. LEAVITT. As far as the power income is concerned, that does not apply to this Bitter Root project in Montana, nor the Milk River project, nor the Sun River project, which immediately follow. Those are the ones with which I am more familiar.

Mr. GOSS. But the gentleman is not answering my question. My question was, Is it not a fact that if it were not for either the loan on this project or the appropriating of the power revenues on these other projects, all of the projects would be defunct?

Mr. LEAVITT. The Bitter Root project would be in great difficulty except for this act. This act rehabilitated it and saved it. As far as many others are concerned, there is nothing loaned to them from the power projects at all.

Mr. GOSS. If they did not have this appropriation—in other words, if we struck them out to-day, would they not be defunct?

Mr. LEAVITT. I would not want to say that. Most of them have gone far enough so that they would remain partly active, but they would be in extreme difficulties. The Government would be violating its honor by not carrying out the contracts entered into with the people on these projects.

Mr. GOSS. So that, in the gentleman's opinion, if we did do what we are attempting to do in this part of the bill, we would be subject to another Cramton bill.

Mr. LEAVITT. No. We have contracts on all these projects that were entered into by the water users and the Government and which we are in duty bound to carry out, just as we expect the people there to carry out their part of the contract.

Mr. GOSS. But they are not self-sustaining?

Mr. LEAVITT. Yes; they are self-sustaining.

Mr. GOSS. Then you do not need this money.

Mr. LEAVITT. Of course they need this money. That is the source from which they carry on their operations.

Mr. GOSS. That is what makes them self-sustaining, in other words.

Mr. LEAVITT. They are self-sustaining in that they are paying back the loans.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. SMITH of Idaho. It seems to me the gentleman from Montana could well admit that on account of the low prices the farmers are receiving for their products and the fact that we are thousands of miles from the market makes

all of these projects in the category referred to by the gentleman from Connecticut.

Mr. STAFFORD. That does not apply to Idaho potatoes. We pay good prices in Milwaukee for Idaho potatoes.

Mr. SMITH of Idaho. There are 20,000 bushels of Idaho potatoes in my county that are not even being dug because we have to pay 80 cents a hundred to get them to the Chicago market.

Mr. LEAVITT. But these are not bankrupt projects. They have in them every element of success.

Mr. STAFFORD. I would like to ask the gentleman how much money we have expended since we passed the Cramton-Leavitt bill authorizing the appropriation of $750,000 to take up these bonds?

Mr. LEAVITT. That project is not in my district, and I have not followed that very closely. Perhaps the committee can give those figures.

My understanding is that the first appropriation was $500,000.

Mr. COLLINS. $750,000.

Mr. LEAVITT. The total authorization was $750,000. The first appropriation was $500,000. Now we are appropriating $100,000, which would leave $150,000 possible for the future. I think that is correct.

Mr. STAFFORD. Then I see you have established a laboratory to try to see whether the project is feasible.

Mr. LEAVITT. And it has already gone to the point of proving that it was feasible and that this was a good investment.

Mr. STAFFORD. My attention has not heretofore been called to the establishment of laboratories to determine whether irrigation projects were practicable or not.

Mr. LEAVITT. No. I said that this established, in effect, an experimental laboratory to prove the wisdom of using a part of the reclamation fund to rehabilitate and save existing projects, in addition to the possibility of carrying on existing Federal projects.

Mr. BANKHEAD. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. BANKHEAD. How is that determined by laboratory tests?

Mr. LEAVITT. Simply by making the appropriation and applying it to see whether it succeeded or not.

Mr. BANKHEAD. But what is the method? What methods are they using to make this demonstration and determination in the laboratory?

Mr. LEAVITT. Of course, I am not using the word in the sense of going into a chemical laboratory but in the sense of establishing a place where an experiment in policy can be worked out.

Mr. COLLINS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. COLLINS. As I remember it, this work had been done quite a number of years ago.

Mr. STAFFORD. What work?

Mr. COLLINS. On this Bitter Root project. Then after it was done they found that there was a fault, or it had not been done correctly, and this is a proposal to do it over again, as I understand.

Mr. LEAVITT. Only in part. The ditches and laterals existed. There was some old construction work, like the flumes that had been built of timber and which were ready to fall down, that had to be replaced. No additional storage was required.

Mr. COLLINS. But this is the second bite out of the cherry.

Mr. STAFFORD. That is one reason why I did not think it was good business policy at the time for the Government to launch into this policy, after it was proven under private operation that it could not be operated successfully.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent for three additional minutes.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LEAVITT. No; that was not proven except under the then-existing terms of repayment.

Mr. STAFFORD. It had been private to the extent private investors had invested their money.

Mr. LEAVITT. Carrying out a private enterprise.

Mr. STAFFORD. It had been private to the extent that private investors had invested their money in this project to the amount of $1,000,000, I might say, and they called upon the Government to relieve the private investors.

Mr. LEAVITT. No; to relieve the people on the project.

Mr. STAFFORD. To relieve the private investors by taking over these bonds at 75 per cent of their face value. A more outrageous policy I never knew. I was surprised that the House adopted it. It made the Government carry the bag, and we are still carrying the bag; and now it is proposed to experiment by laboratory methods to the tune of $100,000 to see whether that which was demonstrated as impracticable under private operation can be made practical under Government wet nursing.

Mr. BRIGGS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. BRIGGS. What was the quotation of these bonds the gentleman referred to that were taken over by the Government at 75 per cent of their face value?

Mr. STAFFORD. The report did not show that there was any quotation whatsoever. It was then, at that time, a defunct proposition, and the holders of these bonds used their ingratiating ways with some Members of Congress to have them pass a bill unprecedented in the history of Congress to pay them 75 per cent of the face value of these bonds.

Mr. BRIGGS. Who were the holders of these bonds the gentleman refers to?

Mr. LEAVITT. Some people in the gentleman's own State owned some of these bonds. They had been floated promotionally, and it put the people under a condition that required the people of the community and not the bondholders, to secure this refinancing program.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. SMITH of Idaho. The gentleman from Wisconsin states this is an unprecedented performance. Is it not true that under the Reconstruction Finance Corporation we are loaning money now to water works, to banks, and to railroads that would have gone into the hands of receivers if relief had not been afforded by making them loans?

Mr. STAFFORD. There is not an instance in the operation of the Reconstruction Finance Corporation where money has been given to defunct corporations, not an instance in the history of the Reconstruction Finance Corporation where they are pumping value into concerns that have no value.

I said it was my opinion then, and it is my opinion now, that this policy of the Government is not defensible; it was indefensible then, and it is indefensible now.

Mr. LEAVITT. Mr. Chairman, I move to strike out the last two words.

I want to lay before the House a little of the history of this proposition. It has been spoken of by the gentleman from Wisconsin as having been a defunct proposition. It was not a defunct proposition. It was a going concern. It had a large number of successful farmers on it. There were schools, churches, a railroad, and highways on it. It was in a position to go ahead, just as many businesses are in a position to go ahead except that they are financed in such a way that they can not meet the obligation for which they are contracted under the terms of the existing contract. The water users had proven the feasibility of the project and had shown every element of success. It was one of the most successful irrigation projects in the State of Montana in every way but one.

This exception, as I have said, was that it was promotionally financed. The works had been constructed years before. Some of them were ready to fall down because of their age, wooden flumes, and so forth, and it was not possible for

the people to meet the contract as it was written and repair these works.

I introduced a bill for the purpose of making available out of the reclamation fund not to exceed $750,000 that could be used in purchasing these outstanding obligations and which would authorize the Secretary of the Interior to enter into a contract with those people under such terms as they would be able to meet. We wrote into that two restrictions. One of them was that these outstanding obligations must be secured to the district 100 per cent; that there could not be any of these left out, and at not to exceed 75 per cent of their face value would be paid for the bonds. These bonds were scattered everywhere over the United States and even abroad. As to the value of the bonds, I call your attention to the difficulty those handling the operation had in securing many of them before they finally reached the point where the law was complied with.

The first loan that was made was $500,000. This was to do two things: It was to take up these outstanding obligations and also to allow the replacement of some of the faulty or over-age construction. Under the authority given to the Secretary of the Interior by this act he entered into a 40-year contract with these people, rewrote their outstanding obligations, and put them in such shape that they are able without question to meet them. They have sugar-beet land, they have orchard land, they have established a successful community and evidenced all the elements of success. All they need is an opportunity to meet their obligations under such terms as are possible in accordance with their income. It is working out successfully.

We have entered into this agreement with those people. This law merely carries out the things that are necessary. My judgment is that it may require the full authorization of $750,000 to meet this entire situation. This appropriation of $100,000 is a part of it.

I spoke of all this as a laboratory. I meant simply it was an experimental step taken by Congress. I used those words in debate when I had this bill before the House, and the House voted on it under a roll call after considerable debate and adopted this law. Under this authority we entered into an agreement, a contract with those people, which we are in duty bound now to carry out to the extent and purposes of the act.

I spoke of it as a laboratory with this in mind: That it furnished the opportunity of seeing whether a portion of the reclamation fund instead of being used to establish new projects, as was being proposed in many places, might not better be used to salvage and make certain of success existing projects where people were already on the land, where they have learned the necessary methods of agriculture and are practically certain of success. It is a constructive proposal in every sense.

Mr. BRIGGS. As I understand it, this is a reimbursable proposition.

Mr. LEAVITT. This is a reimbursable proposition under the contract which is being made with these people.

Mr. BRIGGS. It constitutes a lien upon the land as security for the fund.

Mr. LEAVITT. Yes, indeed.

Mr. BRIGGS. And is what may be called a self-liquidating proposition, is it not?

Mr. LEAVITT. In my judgment, this is one irrigation project which will repay under the terms of its contract.

Mr. BRIGGS. It is what the gentleman would refer to as a self-liquidating project.

Mr. LEAVITT. Yes.

Mr. WARREN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WARREN: Strike out all of lines 11 to 16, on page 61.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. WARREN) there were—ayes 11, noes 14.

Mr. WARREN. Mr. Chairman, I demand tellers.

Tellers were refused.

The Clerk read as follows:

Owyhee project, Oregon: For continuation of construction, $1,577,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

This is a project that a year ago I took occasion to criticize because the committee was appropriating for the project when only 10 per cent of it had then been undertaken. I thought it was bad policy at that time to proceed with a project that was just in its beginning.

As I recall, we appropriated in the last bill about $1,000,000. Can the gentleman inform me just how much we did appropriate in the current appropriation act?

Mr. HASTINGS. It was $500,000.

Mr. STAFFORD. Yes; I have it before me now. For continuation of construction the appropriation was $500,000.

Mr. FRENCH. But in addition to that, there was an unexpended balance reappropriated of approximately $1,000,000.

Mr. STAFFORD. I was under the impression we had launched upon a continuation of this project by providing more than $1,000,000. We are now appropriating an additional $1,000,000, making in all two and a half million dollars. Can the gentleman inform the committee just how near completion this will carry the project?

Mr. FRENCH. When the gentleman referred to the appropriation of last year I thought he was referring merely to the amount carried in the bill last year and not to the amounts that had been appropriated all together. As a matter of fact, this is a project that will cost, when completed, approximately $17,000,000. When the Congress made the appropriation of $500,000 last year, together with the unexpended balance, making a total of $1,500,000, approximately $7,500,000 had already been expended. So the committee last year was face to face with the proposition that we had an investment there at that time of approximately seven and a half million dollars.

Mr. STAFFORD. Of course, my memory may be faulty, but as I recall reading the hearings of a year ago when I was examining specifically the appropriation for this project, the hearings stated that the work had only been constructed up to 10 per cent, and I made that representation on the floor of the House, and it was because of the small amount of work that had been undertaken that I did not believe we were warranted in going ahead with the appropriation of millions and millions of dollars in these special times when it was the policy of the committee not to spend money on new reclamation projects.

Mr. FRENCH. The gentleman is usually so accurate in his statements that I hesitate to challenge even one of them, but, as a matter of fact, I have before me the hearings of a year ago. At that time it was indicated to the committee that as of June 30, 1931, which was six or seven months prior to the hearings, we had expended $6,468,636. Following the date to which I have referred, we expended approximately another $1,000,000. So at the time the bill was brought before the House a year ago we had already invested in this project approximately $7,500,000. The members of the subcommittee recognize the force of the position that the gentleman has taken as applied to new projects. With that thought we did not provide money to carry on the Vale project, which is a sister project to the Owyhee project in the same State and in the same general locality, because we felt that the new lands there would not justify it; but we did feel that this project that had so much to do with old lands, and in which the Government had already made so substantial an investment, must be carried forward in order that the rights of the settlers and the interests of the Government might be protected.

Mr. STAFFORD. When is it estimated the project will be completed to the full capacity of the irrigation project? We have been dumping a lot of money of the Government into these projects.

Mr. FRENCH. The project at this time is approximately 60 per cent completed. Upon June 30, 1932, with a project to cost slightly more than $17,000,000, we had expended

$9,872,527. At the time of our hearing a few days ago, we had expended upwards of $10,000,000. So we must regard the project as under way to the extent of approximately 60 per cent.

Mr. STAFFORD. As constructed at present, are the settlers getting any benefit whatsoever from this project?

Mr. FRENCH. No; not at present, and practically all the money that has gone into this project has been invested in building the dam and the tunnels. The hearings that were had by our committee indicated the breakup showing just how this money had been expended.

Mr. STAFFORD. From the statement of the gentleman it is apparent this is one of the most expensive projects the Government has launched.

Mr. FRENCH. It certainly is.

Mr. STAFFORD. I do not recall another individual project where the Government proposes to spend so much money, unless there may be two or three exceptions.

Mr. FRENCH. Yes; there are several major projects where as much money has been expended, but it must be remembered that this project was authorized in 1926. Construction under the project began in October, 1927, and those were days when it was regarded as not only feasible but desirable on account of the economic conditions that existed in the country that the project be undertaken. This was a congressional project and not one that had been recommended by the Department of the Interior or the Reclamation Service.

Mr. STAFFORD. The Government was just going haywire, like everybody else, in spending money.

Mr. FRENCH. That is true.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

I would like to query the gentleman from Idaho. The gentleman stated a moment ago that there were no new projects in this bill.

Mr. FRENCH. No new projects.

Mr. CULKIN. Did I understand the gentleman to say that?

Mr. FRENCH. I did not say it, but that is correct.

Mr. CULKIN. In other words, there are no new projects initiated in this present bill?

Mr. FRENCH. No.

Mr. CULKIN. Will the gentleman tell me what is the total acreage that will be produced by these projects? I want merely an approximation of it.

Mr. FRENCH. What projects does the gentleman mean?

Mr. CULKIN. Projects that are now in work or are either fully or partially completed.

Mr. FRENCH. Approximately 3,000,000 acres throughout the West, I should say.

Mr. CULKIN. The aggregate of that acreage is 3,000,000?

Mr. FRENCH. Yes.

Mr. CULKIN. Does that include the Boulder Dam?

Mr. FRENCH. Oh, no.

Mr. CULKIN. With reference to the Boulder Dam, is there anything in the pending bill for reclamation at that place?

Mr. FRENCH. The amount carried in the bill, $8,000,000, is for continuation of work on the dam itself.

Mr. CULKIN. That is for construction, is it not?

Mr. FRENCH. Yes.

Mr. CULKIN. That is not specifically for reclamation, is it?

Mr. FRENCH. No; but of course the construction of the Hoover Dam will mean ultimately that some reclamation will be had.

Mr. SWING. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. SWING. In answer to the gentleman's question, there is not anything in the Boulder Dam item in this bill about reclamation.

Mr. CULKIN. It is the foundation for it.

Mr. SWING. Yes.

Mr. FRENCH. It will carry forward the completing of the dam and the impounding of water that ultimately to some extent will be used for reclamation.

Mr. CULKIN. Last year the gentleman from Idaho stated, and it was so stated by others of the committee, that, for the present, disbursements for reclamation had ceased, except on some projects then in work. Is that the present attitude of the committee?

Mr. FRENCH. That is the present attitude of the committee.

Mr. CULKIN. The distinguished gentleman knows that a good part of the country believes that the troubles that agriculture is suffering from are in part due to this reclamation policy, does he not?

Mr. FRENCH. The country doubtless thinks so. In my judgment, generally speaking, reclamation could have but small influence upon agriculture generally. The sum total of all reclamation projects is something like 1 per cent of our total agricultural output. But, on the other hand, reclamation has created demand for other products. Doubtless in some special lines reclamation has offered a means of production that has been severe on similar lines in the older States.

Mr. CULKIN. Then let me inform the gentleman that the farmers of my State believe that they are being put out of business, more particularly in the lettuce and onion field, by lettuce and onions grown on land reclaimed with Government money, which come into competition with the lettuce and onions that they grow. That is the attitude of the farmers of my State, and they have studied the situation closely.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. MICHENER. I think it is a little unfair to ask the gentleman from Idaho that question, because so far as the reclamation projects are concerned, I think the two gentlemen from Idaho [Mr. FRENCH and Mr. SMITH], and several other of these gentlemen from the West, have done more for reclamation in their sections than anything else in the country, and they are largely responsible for this thing.

Mr. CULKIN. I yielded to the gentleman for a question, and I also join him in admiration for these two gentlemen from Idaho, but what I am saying is true, that our people in the East believe that this reclamation policy is what is destroying the market for them.

Mr. SMITH of Idaho. The gentleman's constituents are in error.

Mr. CULKIN. They are a very intelligent people.

Mr. SMITH of Idaho. Less than 1 per cent of the products of the farms in this country are produced on reclamation projects.

Mr. CULKIN. That is the trite argument, and I have heard it before. I follow the view of my people. They are intelligent on this subject.

Mr. ARENTZ. Does not the gentleman think there is something wrong with the farmer in New York, who can raise lettuce within 150 miles of the greatest market in the world, when the people in Idaho can ship it 2,000 miles and successfully compete with him?

Mr. CULKIN. They do not compete successfully. Due to overproduction both the eastern and western farmers are bankrupt.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Clerk read as follows:

Secondary and economic investigations: For cooperative and general investigations, including investigations necessary to determine the economic conditions and financial feasibility of new projects and investigations and other activities relating to the reorganization, settlement of lands, and financial adjustments of existing projects, including examination of soils, classification of land, land-settlement activities, including advertising in newspapers and other publications, and obtaining general economic and settlement data, the unexpended balances of the appropriations for these purposes for the fiscal year 1933 shall remain available for the same purposes for the fiscal year 1934: *Provided*, That the expenditures from this appropriation for any reclamation project shall be considered as supplementary to the appropriation

for that project and shall be accounted for and returned to the reclamation fund as other expenditures under the reclamation act: *Provided further*, That the expenditure of any sums from this appropriation for investigations of any nature requested by States, municipalities, or other interests shall be upon the basis of the State, municipality, or other interest advancing at least 50 per cent of the estimated cost of such investigation.

Mr. GOSS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 64, line 14, strike out the word "new."

Mr. GOSS. Mr. Chairman, the gentleman from Idaho [Mr. FRENCH] has just said that there are no new projects contemplated, as I understood him, and if that is the case I can see no objection to the committee's accepting this amendment, because that would limit the investigation to the projects now in existence or under construction. Would the chairman of the committee be willing to accept this amendment?

Mr. HASTINGS. I do not know of any investigations pending and, so far as I am concerned, I do not see any objection to the amendment.

Mr. FRENCH. Mr. Chairman, what I said on that is my sound judgment. I think we ought not now to undertake the development of new projects.

Mr. HASTINGS. We could leave it out this year, and if any come up in the future we could put it back in. I do not see any objection to accepting the amendment.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. GOSS. Yes.

Mr. COLTON. I feel sure this may handicap some necessary investigation work. The States now cooperate with the Federal Government, and very often it is necessary to acquire data regarding the water supply.

Mr. GOSS. I call the attention of the gentleman to the proviso at the top of page 65:

Provided further, That the expenditure of any sums from this appropriation for investigations of any nature requested by States, municipalities, or other interests shall be upon the basis of the State, municipality, or other interest advancing at least 50 per cent of the estimated cost of such investigation.

So that in my judgment it would, and this amendment, if agreed to, would simply limit it to new projects which are not necessary at this time, I take it.

Mr. FRENCH. I think the language to which the gentleman has just referred would refer to the State's share in moneys that would be available under the language to which the gentleman's amendment pertains. I say in working out the present projects it is very necessary many times in order to know the height to build a dam——

Mr. GOSS. The gentleman means on new projects?

Mr. FRENCH. No; but in working out existing projects.

Mr. GOSS. The gentleman understands I am asking to strike out nothing except the word "new."

Mr. FRENCH. The point is that it is quite necessary sometimes in working out the plans for an old project, an existing project, to study new areas that in 10 years or 25 years from now may be called upon to share in present necessary work. Members of our committee do not want to undertake new work, but we do not want to do that which, through lack of information, might add to the cost of projects that will be desirable 25 years from now.

Mr. GOSS. If the gentleman presses me too much, I might ask, in the perfecting of this amendment, to strike out "financial feasibility" also, but I thought I would let that go if the gentleman would be willing to accept the amendment with regard to "new."

Mr. STAFFORD. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. STAFFORD. Does not the gentleman think the amendment is entirely harmless? If the word "new" is stricken out, the word "project" is all pervasive. What is the use harping on this little amendment? It is harmless. It does no harm whatever.

Mr. FRENCH. My concern is for the future, but I shall not object. If we have gone too far, another Congress can correct the matter.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

The Clerk read as follows:

Interchange of appropriations: Ten per cent of the foregoing amounts shall be available interchangeably for expenditures on the reclamation projects named; but not more than 10 per cent shall be added to the amount appropriated for any one of said projects, except that should existing works or the water supply for lands under cultivation be endangered by floods or other unusual conditions an amount sufficient to make necessary emergency repairs shall become available for expenditure by further transfer of appropriation from any of said projects upon approval of the Secretary of the Interior.

Mr. HASTINGS. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: On page 66, beginning in line 5, strike out the paragraph ending in line 15.

The amendment was agreed to.

The Clerk read as follows:

Boulder Canyon project: For the continuation of construction of the Hoover Dam and incidental works in the main stream of the Colorado River at Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain or otherwise all lands, rights of way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. V, title 43, ch. 12A); $8,000,000, to be immediately available and to remain available until advanced to the Colorado River dam fund, which amount shall be available for personal services in the District of Columbia and for all other objects of expenditure that are specified for projects included in this act under the caption "Bureau of Reclamation" without regard to the limitations of amounts therein set forth: *Provided*, That of this fund not to exceed $18,000 shall be available for the erection, operation, and maintenance of necessary school buildings and appurtenances on the Boulder Canyon project Federal reservation, and for the purchase and repair of required desks, furnishings, and other suitable facilities: *Provided further*, That of this fund not to exceed $50,000, reimbursable, shall be available for investigation and reports as authorized by section 15 of the Boulder Canyon project act.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph just read.

Mr. HASTINGS. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. I understand the gentleman from Wisconsin reserves a point of order on the paragraph.

Mr. STAFFORD. Yes, Mr. Chairman.

The CHAIRMAN. The question is on the motion of the gentleman from Oklahoma that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. KNUTSON (at the request of Mr. PITTENGER) on account of illness;

To Mr. RAGON (at the request of Mr. DRIVER) on account of illness.

DOMESTIC-ALLOTMENT LEGISLATION

Mr. BANKHEAD. Mr. Speaker, I desire to submit a unanimous-consent request. I think it might be proper for me to say that this is the first time in a great number of years that I have requested that any extraneous matter other than my own remarks be inserted in the RECORD, because usually I think it is bad practice. However, there is tremendous interest upon the part of all Members of the House

to know something about the essential features of the so-called allotment plan proposed in the new agricultural relief bill. I have been furnished with a copy of the statement in brief made by the counsel for all of the farm leaders, giving a synopsis of the general principles of that allotment plan, and I think it would afford all Members a convenient form for having an opportunity to examine those provisions. Therefore, I ask unanimous consent, Mr. Speaker, that it may be incorporated in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

TESTIMONY OF FREDERICK P. LEE, ATTORNEY AT LAW, WASHINGTON, D. C., BEFORE THE AGRICULTURAL COMMITTEE

Mr. LEE. Organization farm leaders make these several recommendations, Mr. Chairman:

First. That the legislation in question should be administered by the Department of Agriculture.

Second. It should cover the four basic commodities: Wheat, cotton, tobacco, and hogs.

Third. It is believed and recommended that the committee, in attempting to solve the problem of the disparity between agricultural prices and prices for other commodities, should frame its legislation to the end of giving to agricultural commodities their pre-war parity. By that, it is meant they should attempt to restore to those commodities the same purchasing power as was had during the period from 1909 to 1914, based upon the principle that present prices should bear the prices of those commodities that the farmer has to purchase for his farm and household use the same ratio that they bore during the pre-war period.

There is only one minor modification of that, Mr. Chairman. Owing to the boll-weevil situation, it may be that such a parity is not entirely suitable for cotton, and on that we may have some more definite recommendation at a later time; but, in general, the fundamental principle that the group desires to present for your consideration is that agricultural commodities should be restored to their pre-war parity as against industrial commodities. That there should be a principle of equity for agriculture, and not merely the effective enforcement of tariff protection.

To accomplish that and to achieve that principle, Mr. Chairman, the farm leaders propose and recommend certain principles as to the machinery, the details of which will of course have to be carefully worked out when the committee comes to go into the problem in detail.

Considering first the three commodities—wheat, cotton, and tobacco. As to these, Mr. Chairman, it is recommended that there be paid to the producer, upon his marketing those commodities, the parity price—that is, the difference between the world price at the time, the ordinary market price, and the price that would be obtainable were the principle of the full parity for the agricultural commodities, as against industrial commodities, in full operation.

Mr. CLARKE. Just state that again.

Mr. LEE. Mr. Clarke, I said that there should be paid to the producer, upon his marketing of agricultural commodities, such amounts as will afford to him for that commodity a purchasing power equivalent to the pre-war parity.

Now, that is subject to certain limitations:

First, that that payment should be made only with respect to the domestic percentage of consumption, based upon the producer's production of the commodity for a preceding period, which may be two years or such other period as is found equitable.

In other words, after that portion of the production that can fairly be attributable to exportable surplus rather than to domestic consumption, the benefits shall not be paid; but they shall be paid upon the domestic percentage of consumption, as applied to that individual producer's production, based on an average over some preceding equitable period.

The second limitation, Mr. Chairman, is that no payment shall be made unless there has been a 20 per cent reduction in acreage.

Now, the principles I have just discussed are applicable to the crop year 1933.

In order to ascertain whether there has been an appropriate reduction in acreage, and in order to ascertain what is the domestic percentage of consumption, the proof is placed on the farmer, and he must prove to the satisfaction of the Government's officials making the payment that he has complied with these conditions. There is, therefore, no contract, no signer, as has been considered or has been placed before your committee, in connection with some of the proposed legislation.

The proposition is a simple method of payment upon delivery, subject to these limitations, and upon proof by the farmer that he has complied with those limitations.

For the crop year 1934, Mr. Chairman, the organization of farm leaders propose that the Secretary of Agriculture be given the alternative, if he finds it necessary for the better administration of these principles, to require, as a condition of the payment of the benefits, the signing of a contract with respect to the acreage, production, and such other matters as are found necessary for inclusion in the contract, while, for the first year, the 1933 crop, there is a mandatory requirement of a 20 per cent reduction in acreage. For the subsequent crop that reduction would be left to administrative discretion, depending upon the economic situation at the time.

Now, Mr. Chairman, in using the principle of parity of agricultural prices, it follows that there is no necessity for a definite limitation upon the period of operation of the bill. The legislation would automatically cease to confer any benefits during such a period as agricultural prices were at a parity; it would automatically resume whenever agricultural prices were below parity for these commodities in question.

It is, therefore, recommended that there be no attempt to specify any particular period for this legislation; that to leave it to its workings in accordance with the fundamental principle of parity for agricultural prices, as against those for industrial commodities always, reserving to the Congress, as it must have the power, that if the machinery seems ineffective it has the right to supersede it by some other and better system.

Now, in making the payments it is recommended that there be issued at the time of marketing a certificate equal to the face amount that the parity principle would require; that that certificate be in two parts, one of which would be payable 30 days after delivery and the other 6 months thereafter.

The provision, Mr. Chairman, is to the end that there be no undue burden, even temporarily, upon the Treasury of the United States.

I stated, Mr. Chairman, that it is proposed that the payments, and it is recommended that the payments be made in the form of a certificate for the requisite amount, 50 per cent of which would be redeemable at such fiscal agencies as the Secretary of the Treasury might select 30 days after delivery, the remaining 50 per cent 6 months thereafter.

Mr. CLARKE. Let me get that again; 50 per cent when?

Mr. LEE. Thirty days after delivery, the remainder six months later.

This recommendation is in pursuance of the fundamental policies that there shall be no drain upon the Treasury through these principles, even temporay in character.

The amount, of course, would be reduced, Mr. Chairman, by administrative expenses, as to which it is recommended that there be 2½ per cent—that they not exceed 2½ per cent of the revenues under the legislation.

Now, as to the revenues, it is recommended, Mr. Chairman, that there be a tax upon processing in the equivalent amount of the benefits paid including, of course, the administrative expenses; that that be levied upon the processing of the wheat, cotton, or tobacco.

In general, the further fiscal features would follow those in the committee print, which we understand your committee now has under consideration. There should, for instance, be a competitive adjustment charge or processing charge upon silk and rayon; that there should, in order to prevent unfair competition, be a tax on floor stocks, at the time that the processing charge went into effect, and a refund at such time as the processing charge went out of effect. But as to the quantity of the commodity processed for exportation, there should either be a refund of the processing charge, or, in accordance with the usual custom and practices, processing under bond. That provision should be made to care for existing contracts, in those situations in which the processor has, prior to the time the adjustment or processing charge had gone into effect, made his contract with the vendee for future delivery at a fixed price, that did not take into consideration the processing charge. In those situations the tax would be upon the vendee, unless the contract provided to the contrary. A similar provision to that is in all or practically all of the excise taxes passed by the Congress.

Inasmuch as the measure covers short staple as well as long staple cotton, it is recommended that there should be, on short staple cotton, a moderate duty of five cents per pound, and that articles the products of short staple value, wholly or in chief value, should pay a similar duty.

In addition, also, processed articles of wheat, cotton, or tobacco, that were imported, there should obviously be, in the judgment of the farm leaders, a duty equivalent to the processing charge, so that if the article of import—wheat, cotton, or tobacco—is imported in processed form, it would have no unfair advantage over wheat, cotton, or tobacco, either imported in raw form or produced domestically in raw form, which would be subjected to the processing charge, upon its processing domestically.

There are other minor details of the fiscal features, Mr. Chairman, but in general I may say they are similar to those in the committee print referred to.

Mr. CLARKE. That is the confidential committee print, do you mean?

Mr. LEE. Yes; the print that we now understand is before your committee for its own consideration.

Now, as to hogs, in general the provisions heretofore discussed would be applicable. There are necessary, it is believed, certain modifications, while the benefits payable and the processing charge proposed would be applicable on wheat, cotton, and tobacco, as determined by the Secretary of Agriculture, as to hogs, in part, because their marketing is more continual, and for other considerations which can be gone into more fully when those who are economists rather than lawyers are on the stand.

It is proposed and recommended that the application of the principles discussed as applying to hogs, should take effect as soon as the bill can become effective, probably 30 days, after its enactment.

Now, in making this immediate application as to hogs, it is proposed that instead of proposing the full tax, the full processing charge immediately, that it should be imposed by degrees—gradually. The precise gradation would, of course, depend upon considerations that the committee might go into more fully later, but it is recommended for your preliminary consideration that there should be an imposition of 50 cents per 100 pounds processed at the start and that that should increase 50 per cent per 100 pounds every 60 days until a $2 rate is reached, and thereafter it should be at the parity rate the same as other commodities, subject to such modifications or at such less rate as the purchasing power of consumers as indicated by official governmental statistics would require in order that the plan might still work.

During this interim period on hogs it is proposed that the benefits payable to producers should also not be the full amount but should be 1 cent a pound, $1 a hundred, during this interim period, subject to certain restrictions upon production, equivalent to the acreage restriction heretofore discussed. In the case of hogs, they would be that no benefit should be paid with respect to hogs over 200 pounds in order to aid in the large surplus situation.

Second, that no payment should be made unless the producer could prove at the time that he is entitled to his payment, that there had been a 20 per cent reduction in tonnage over his hog tonnage for a corresponding period preceding.

It is further proposed and recommended to your committee that during this interim period, in order to preserve the basic price for hogs and not unduly depress it, that the Secretary of Agriculture should be authorized to make such purchases as were necessary to preserve the basic price and to place those purchases in a noncompetitive use, as, for instance, distribution through relief agencies to the unemployed.

Second, that in order to discourage hog production and maintain the basic price during this interim period, there be paid a benefit of $4 per acre to those producers who reduce their corn acreage for 1933 by 15 per cent.

Now, these provisions as to hogs, Mr. Chairman, are, as I pointed out, temporary provisions for the interim period, and all aimed to the end of getting the primary principles under way as to hogs, with a minimum disturbance to both producers and consumers, because it is thought that there are certain fundamental economic considerations in the case of hogs that are not applicable in the case of the other three commodities—wheat, cotton, and tobacco—and that therefore, while the major scheme or the major plan that is recommended is relatively simple and direct, it is necessary to induce and to provide temporarily for these modifications in the hog situation, in order that the major principles may go into effect with a minimum of disturbance.

Now, that is the essential outlook, in some detail, Mr. Chairman, and I am, of course, available for any inquiry that the committee may care to make.

The CHAIRMAN. Mr. Lee, we will desire to ask you some questions; we will endeavor to keep from going too much into detail, and we will go around the table with the question, and we will have no limitation at first, but I will ask the members to make their questions as pointed and direct and concise as is possible. There are a few questions the Chair would like to ask.

You make the ratio price the basis of this processing fee?

Mr. LEE. That is right, sir.

The CHAIRMAN. Do you provide for adjustments of that fee at stated intervals, or how do you handle that to meet the fluctuating price level?

Mr. LEE. Of course there would have to be adjustments for simplicity of administration. The precise adjustments, I take it, are not essential, or are not matters as to which there can be any fixed opinion. Roughly, it is recommended that those adjustments be made at six months' intervals, fixed with due regard to the marketing methods prevailing, and marketing times prevailing, with regard to a particular commodity. Presumably, there would be a proclamation by the Secretary of Agriculture as to the parity price, ratio price, whatever you choose to call it, that would prevail during, we will say, a six months' period, until the next adjustment.

The CHAIRMAN. Did you say they recommended that for the first year these premiums be paid only to those producers who reduce their acreage 20 per cent?

Mr. LEE. That is right, sir.

The CHAIRMAN. Did the committee discuss the question of the winter-wheat acreage?

Mr. LEE. As to those commodities as to which the planting or the breeding had already occurred before the act went into effect, there might, in the judgment of the committee, have to be some minor modifications. Our understanding is that the winter-wheat crop will be short, but it may be necessary to give specific consideration to that particular situation.

The CHAIRMAN. Did they discuss, on the question of floor tax, the question whether that would be payable at once, on the enactment of the bill, or upon the sale of the stocks on the floor?

Mr. LEE. I think, Mr. Chairman, that the floor tax would be payable at such time as your processing charge, your adjustment charge, went into effect; that would be as to wheat, cotton, and tobacco, for instance, at the commencement of the marketing season for those commodities, as determined by the Secretary; it should be paid, it should be imposed, at that time, rather than at the time of sale.

The CHAIRMAN. Is that the general recommendation as to all of the commodities—the tax to be paid at the time of processing?

Mr. LEE. Yes, sir.

The CHAIRMAN. You spoke of hogs, of a graduated tax, and in connection with that you spoke of paying $4 an acre to the corn growers as an inducement to the curtailment of acreage?

Mr. LEE. Yes, sir.

The CHAIRMAN. Is the committee of the opinion that there would be sufficient funds in the hog collections to do both of those; if not, where did they contemplate getting the money for that double program?

Mr. LEE. The farm organizations adhere to the fundamental principles that there should be no drain upon the Treasury; that the revenue should equal the benefits paid.

Now, in working out the method of graduating the tax upon hogs, during the initial period that principle must be given consideration, and it may be the gradation should in general perhaps be sufficient, so that it would produce enough revenue to pay the benefits on hogs which are, of course, less during the initial period than the corn-acreage-reduction payment.

As to that portion of the funds that would be used for the purchase of processed products from hogs for relief purposes, it would seem that in accordance with the policy of the Congress heretofore, that those purchases might well be made outside the revenue features that are recommended, from such sources of funds that are available, either existing or may be levied, that would properly be used for relief purposes.

Our understanding is that the policy of the Congress has been to provide funds, Reconstruction Finance Corporation funds, and others for relief purposes, some of which have been used for the purchase of agricultural commodities for relief purposes.

The CHAIRMAN. If I understand the philosophy of the tax, generally speaking, or of the processing fees, that would be gradually reduced as the price level of the agricultural commodity indicated approached the ratio price, the pre-war-period price.

Mr. LEE. That is right.

The CHAIRMAN. And when it was reached it would be entirely eliminated.

Mr. LEE. When it was reached it would be entirely eliminated, and the operation of the bill would be suspended during that period during which the agricultural prices had reached their parity.

The CHAIRMAN. And if the price of any commodity sank, automatically the processing fee would be increased to make up the difference?

Mr. LEE. That is right, sir.

The CHAIRMAN. One further question: Does this general program have the unanimous indorsement of the farm representatives?

Mr. LEE. It has the unanimous indorsement of all of the farm representatives present. The list that I referred to, Mr. Chairman, has not yet arrived, but before the conclusion of this hearing it will arrive and will be incorporated in your record, with the names of the organizations represented, and those individuals who represented and spoke for those organizations, but I may say definitely and without any qualification, that it is the unanimous recommendation of all of the farm organizations that were present.

I might add as to one feature, that as to dairy products, the dairy interests want to consider the matter at the time of their meeting in Washington at the end of this week, and may have some particular recommendation as to the application or nonapplication of these principles to the dairy end of it. Is that correct, Mr. Holman?

Mr. HOLMAN. I assume that the other matters will be brought out in going around the table, and the Chair does not want to take up all of the time. Mr. FULMER, have you any questions?

Mr. FULMER. Mr. Lee, some time during the last days of the last session of Congress I introduced what is known as the Wilson domestic allotment plan, and in that legislation I provide for a 20 per cent cut in production.

Mr. LEE. A 40 per cent cut.

Mr. FULMER. No; a 20 per cent cut. I notice that you provide for a 20 per cent cut, but that would have to be proven by the farmer when he would go to draw his allowance under his certificate.

Mr. LEE. That is correct, for simplicity of administration, and in order to avoid what many feel are some of the many complications of arriving at allotments, both as to benefits received and as to acreage reductions, passing them on down to the States, counties, and local committees, to the farmers. It was felt that during the first year, a fair trial should be given to the simpler method of having the farmer prove his percentage of benefits, to which he is entitled, on the basis of domestic consumption, and his acreage reduction, based upon his prior acreage, for an equitable period. Those facts are within his possession, and can be shown, it is believed, to the satisfaction of the Government authorities, before the 1934 crop and subsequent crops, and alternative is given to use the full, or what would be substantially, I will not say in every respect, but substantially the plan that you referred to. That would be an optional arrangement, available to the Secretary, in case he felt that the administration of the act demanded its use, but only under such circumstances.

Mr. FULMER. Under that arrangement regulated by the Secretary, if we happened to have overproduction during the year under operation the Secretary could put in a much larger cut the next year, or a smaller cut with a short crop, or no cut at all.

Mr. LEE. The cut in acreage for 1934 and subsequent crops would be an administrative matter to be determined by the Secretary to the end of bringing into effect, or to keeping in effect, the primary principle of parity in prices of agricultural commodities.

Mr. FULMER. It is generally understood, under the operations of the Farm Board, that they have tried to fix and maintain a fair price, without any control over production, and it has proven an absolute failure and a waste of money. Is it not a fact, unless you put into this legislation a mandatory cut, either under contract or to be proven by the farmer, that on account of believing that they would get an advance in price that their production would bring about the same thing that we have had under the Farm Board, which would mean the wasting of millions of consumers' money and, therefore, absolutely defeat the plan?

Mr. LEE. That is correct, sir.

Mr. FULMER. In other words, it would be taxing the consumer to a great extent, and, if we have an overproduction, it would naturally bring down the world price. If you propose to maintain the parity based on pre-war prices, naturally the tax would be much larger between the lower world price and the pre-war parity prices, which would be an increased tax on the consumers. To my mind this is one of the most important sections in the bill; that is, production control, either mandatory or by proof furnished by farmers.

Mr. LEE. That is correct, sir; the reduction of acreage and the parity price are provisions that are in the interest of the consumer and of the general public as well as in the interest, we believe, of the farmers.

Mr. FULMER. In other words, there is no possible chance of maintaining a fair price unless you have some control over production. I notice that I stated that 30 per cent of the allotment to the farmers would be made after delivery. Do you mean after they have sold their whole crop?

Mr. LEE. Fifty per cent.

Mr. FULMER. Fifty per cent.

Mr. LEE. Fifty per cent would be payable 30 days after delivery.

Mr. FULMER. After they have sold the crops?

Mr. LEE. Yes; on the domestic-consumption percentage, of course, and subject to fulfillment of the acreage requirement.

Mr. FULMER. This tax would go into effect immediately on the passage of the bill?

Mr. LEE. The tax as to wheat, cotton, and tobacco would go into effect at the commencement of the marketing season for those crops, as determined by the Secretary of Agriculture, and would not go into effect immediately upon passage of the act. Of course, it would as to hogs, under the provisions covering the initial period, but not as to the other three commodities.

Mr. FULMER. Under the bill all stocks in the hands of millers and manufacturers would go to the consumer with the added tax, which would begin to create a fund that would provide for the payment to farmers without any drain whatsoever on the Treasury?

Mr. LEE. That is right, sir.

Mr. FULMER. Now, you stated, for instance, if this act is repealed that certain tax would be refunded.

Mr. LEE. The floor tax; yes.

Mr. FULMER. The floor tax; as I understand, there would not be any tax at all on manufactured products until passed on to the jobber or wholesaler. If this is true, there could not be any refund to manufacturers. Now, the question that I have in my mind is what would happen after these manufactured goods have been passed on to the retailers. He would not really have any redress under this bill.

Mr. LEE. I stated, Mr. Chairman and Mr. FULMER, that the details of the financial feature would be substantially those in the committee print, which we understand is before the committee. The print provides that there would be no floor tax on stocks in the hands of consumers or of those engaged solely in retail trade; there would be only floor stocks in the hands of processers, wholesale distributors, and the like.

Mr. FULMER. It is your idea, in the graduation of the tax on hogs, it would be necessary, in order to make it easier on the part of business and consumers at this time, because of the serious condition of business and the small purchasing power of the consumer.

Mr. LEE. That is correct, sir; the hog production, as you know, is the largest agricultural commodity in point of value in this country.

Mr. FULMER. Now, Mr. Lee, is it not a fact, as far as this legislation is concerned, as far as the consumer is concerned, that there is no burden being added on the consumer, that it is not now being added to him under our tariff policy; in other words, it would be passed on to the consumer, just like all tariffs are passed on to the consumer?

Mr. LEE. It would be passed on just as tariff protection would be passed on, if the tariff were working as to agricultural commodities.

Mr. FULMER. I mean protected industrial products.

Mr. LEE. That is correct, sir; but you must remember that we premised the whole policy upon not affording the producer the benefits of tariff protection, that is, not making the tariff effective, but rather affording him a parity of price, but the workings of it would be substantially what you have in mind.

Mr. FULMER. It is passed on to the consumer as in every other instance where the special interests have special benefits.

Mr. LEE. The consumer would be under no burden different from that that he was under at the time when agricultural prices were on a parity with industrial prices.

Mr. FULMER. It is your belief, and that of the farm leaders of the various organizations, if we could rehabilitate agriculture and put it on an equality with protected industry, that it would be a very happy situation for the consumers and unemployed people at this time and would solve their problems.

Mr. LEE. I think that this legislation which is recommended may well be regarded as being necessary not only for the producer but as being in the interests of all industry, and to the consumer, if you are going to get out of the present depression. Agriculture is fundamental to the economy of this country, and we believe that the relief that this affords agriculture will be in nowise greater than that which it will afford all industry, and all consumers and all labor as well.

Mr. FULMER. I agree with you; and I contend until this is done normal prosperity is going to remain around the corner.

SENATE JOINT RESOLUTION

A joint resolution of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. J. Res. 217. Joint resolution authorizing the President to invite the International Congress of Military Medicine and Pharmacy to hold its eighth Congress in the United States; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. HASTINGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 1 minute p. m.) the House adjourned until Monday, December 19, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, December 19, 1932, as reported to the floor leader:

AGRICULTURE

(10 a. m.)

Continue hearings on farm program.

SHANNON SPECIAL COMMITTEE

(9.30 a. m.)

Continue hearings on Government competition with private enterprise.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

819. A letter from the Federal Trade Commission, transmitting a letter, pursuant to the statute, the annual report of the Federal Trade Commission for the fiscal year ending June 30, 1932; to the Committee on Interstate and Foreign Commerce.

820. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, dated December 15, 1932, on preliminary examination and survey of Conneaut Harbor, Ohio, authorized by the river and harbor act, approved July 3, 1930, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

821. A letter from the Secretary of the Interior, transmitting a report for the disposition of useless papers in the executive departments, under the provision of an act, approved February 16, 1889 (25 Stat. 672), as amended by the act approved March 2, 1895 (28 Stat. 933); to the Committee on Disposition of Useless Papers.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. S. 1738. An act for the relief of Catterina Pellino; without amendment (Rept. No. 1801). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 2990. An act for the relief of C. O. Meyer; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOUSER: A bill (H. R. 13768) to forbid the use of appropriations for clerical or secretarial hire to Senators and Representatives from being used for the purpose of placing those related either by consanguinity or affinity

upon the Government pay roll; to the Committee on Accounts.

By Mr. MITCHELL: A bill (H. R. 13769) to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to $5,000 per annum; to the Committee on Expenditures in the Executive Departments.

By Mr. HOWARD: A bill (H. R. 13770) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

By Mr. PATTERSON: A bill (H. R. 13771) to provide for pensions to dependent step-parents of deceased members of the Regular Establishment; to the Committee on Pensions.

By Mr. BRITTEN: Resolution (H. Res. 327) to place a tax on private and governmental securities of nations in default of their debts to the United States; to the Committee on Rules.

By Mr. BRUNNER: Joint resolution (H. J. Res. 514) making June 14, commonly known as Flag Day, a legal national holiday; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H. R. 13772) granting a pension to Edward F. Lynch; to the Committee on Pensions.

By Mr. DOWELL: A bill (H. R. 13773) granting an increase of pension to Mary J. Walton; to the Committee on Invalid Pensions.

By Mr. GILLEN: A bill (H. R. 13774) granting a pension to Elmer G. Runyan; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 13775) granting a pension to Mary A. Hoover; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 13776) granting a pension to Fannie L. Rhodes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13777) granting an increase of pension to Elizabeth R. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13778) for the relief of Clara Mitchell Kutcher; to the Committee on Indian Affairs.

By Mr. HOPKINS: A bill (H. R. 13779) granting a pension to Therese Smith; to the Committee on Invalid Pensions.

By Mr. LARRABEE: A bill (H. R. 13780) granting a pension to John L. Richman; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 13781) granting a pension to Lou C. Witt; to the Committee on Invalid Pensions.

By Mr. NORTON: A bill (H. R. 13782) granting an increase of pension to Julia A. Jones; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 13783) granting a pension to Elizabeth M. Brassington; to the Committee on Pensions.

By Mr. PATTERSON: A bill (H. R. 13784) granting a pension to Mrs. Willie L. Reavis; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 13785) granting a pension to Hester A. Bradford; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 13786) granting a pension to Anna O. Van Auken; to the Committee on Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 13787) for the relief of Samuel W. Dillon; to the Committee on Military Affairs.

By Mr. SWICK: A bill (H. R. 13788) granting an increase of pension to Mary A. Purvis; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 13789) for the relief of Daniel W. Perkins; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9044. By Mr. BACON: Petition of sundry citizens of Lynbrook, N. Y., urging the adoption of the constitutional amendment eliminating the count of aliens for apportionment purposes; to the Committee on the Judiciary.

9045. Also, petition of sundry residents of Port Jefferson, N. Y., urging the adoption of the stop-alien representation constitutional amendment; to the Committee on the Judiciary.

9046. Also, petition of the Women's Home Missionary Society of Amityville, N. Y., favoring the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

9047. By Mr. BOHN: Petition of citizens of Alpena, Mich., urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9048. By Mr. BUCKBEE: Petition of Mrs. E. L. Brown, 1316 National Avenue, Rockford, Ill., and 39 others, asking that Congress establish a Federal motion-picture commission to regulate the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

9049. By Mr. BURDICK: Petition of Arthur G. Albee, of Jamestown; Spirito Monticone, of Newport; William P. Paine, of Bristol; and 239 other citizens of Rhode Island, petitioning against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on the Judiciary.

9050. Also, petition of William McKenna, of Woonsocket and 57 other residents of Rhode Island, petitioning against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on the Judiciary.

9051. By Mr. CARTER of California: Petition of the members of the Shattuck Avenue Mens' Bible Class of Oakland, Calif., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

9052. Also, petition of members of the Kum-Join-Us Bible Class, of Oakland, Calif., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

9053. Also, petition of the members of Ladies' Loyalty Bible Class, of Oakland, Calif., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

9054. Also, petition of the Woman's Home Missionary Society of the Taylor Memorial Methodist Episcopal Church, of Oakland, Calif., urging the passage of Senate Resolution 170, regulating the moving-picture industry; to the Committee on the Judiciary.

9055. By Mr. CONDON: Petition of Laura A. Goodrich and 133 other citizens of Rhode Island, protesting against the repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9056. Also, petition of Timothy McQueeney and 59 other citizens of Rhode Island, protesting against the repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9057. By Mr. GARBER: Petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

9058. Also, petition of the farmers of Texas County, Okla., indorsing the domestic-allotment plan and urging the enactment of legislation to reduce the interest on farm mortgages; to the Committee on Agriculture.

9059. By Mr. MEAD: Petition of the Maritime Association of the Port of New York, opposing the abolishment of the United States Employees Compensation Commission, and consequent transfer of administration of the longshoremen's and harbor workers' compensation act to the Department of Labor; to the Committee on Expenditures in the Executive Departments.

9060. Also, petition of Civil Service Forum, protesting against the unfair and unjust results of the payless-furlough plan of the economy act; to the Committee on Ways and Means.

9061. Also, petition of Branch 691, National Association of Letter Carriers, Indiana, Pa., requesting that service post-

masters be allowed to retain their civil-service status when involuntarily separated from the service because of changes in administration, and be retained in the service in positions subordinate to the postmaster, and that they be eligible for retirement after 30 years' service; to the Committee on the Civil Service.

9062. Also, petition of the Associated Cooperage Industries of America, urging the legalization of beer in a fair manner; to the Committee on the Judiciary.

9063. Also, petition of the Linnæan Society of New York, urging the establishment of Admiralty Island as a wild-life sanctuary; to the Committee on Agriculture.

9064. By Mr. MOORE of Ohio: Petition of Joseph W. Ensley, of Trinway; Mayme Boyd, of Woodsfield; Susanna Bruen, of Beallsville; B. H. Lewis, of New Matamoras; and others, all of the State of Ohio, favoring the stop-alien representation amendment to the Constitution of the United States; to the Committee on the Judiciary.

9065. By Mr. MURPHY: Petition of 42 citizens of Bergholz, Ohio, urging support of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9066. By Mr. PARTRIDGE: Petition signed by Rev. C. H. B. Seliger, Dr. M. C. Stephenson, L. A. Haskell, and W. E. Haskell, of Union, Me., urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens of this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9067. By Mr. RUDD: Petition of Hon. Frances E. Fronczak, M. D., health commissioner, Buffalo, N. Y., favoring a joint resolution whereby the President of the United States be authorized to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States in 1935; to the Committee on Foreign Affairs.

9068. Also, petition of the Merchants Association of New York, favoring the passage of House bill 324 with amendment; to the Committee on the Judiciary.

9069. By Mr. STEWART: Petition of 31 residents of the Fifth New Jersey congressional district, favoring passage of House Joint Resolution 97, proposing to amend the Constitution to exclude aliens in counting the whole number of persons in each State for apportionment of Representatives; to the Committee on the Judiciary.

9070. By Mr. SWICK: Petition of J. R. Mohr and 22 others of the Freedom Presbyterian Church, Freedom, Beaver County, Pa., urging the adoption of the stop-alien amendment to the United States Constitution for reapportionment purposes; to the Committee on the Judiciary.

9071. Also, petition of the Conway United Presbyterian Church, Conway, Beaver County, Pa., urging the adoption of the stop-alien amendment to the United States Constitution for reapportionment purposes; to the Committee on the Judiciary.

9072. By Mr. TAYLOR of Colorado: Petitions of the citizens of Durango, Colo., and vicinity, urging legislation for the remonetization of silver at a reasonable ratio with gold; to the Committee on Coinage, Weights, and Measures.

SENATE

MONDAY, DECEMBER 19, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

JOHN THOMAS, a Senator from the State of Idaho, appeared in his seat to-day.

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Friday, December 16, and Saturday, December 17, 1932.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kendrick	Schuyler
Austin	Davis	King	Sheppard
Bailey	Dickinson	La Follette	Shipstead
Bankhead	Dill	Lewis	Shortridge
Barbour	Fess	Logan	Smith
Barkley	Frazier	McGill	Smoot
Bingham	George	McKellar	Steiwer
Black	Glass	McNary	Swanson
Blaine	Goldsborough	Metcalf	Thomas, Idaho
Borah	Gore	Moses	Thomas, Okla.
Bulkley	Grammer	Neely	Townsend
Bulow	Hale	Norbeck	Trammell
Byrnes	Harrison	Norris	Tydings
Capper	Hastings	Nye	Vandenberg
Caraway	Hatfield	Oddie	Wagner
Carey	Hawes	Patterson	Walsh, Mass.
Cohen	Hayden	Pittman	Walsh, Mont.
Coolidge	Hebert	Reed	Watson
Copeland	Howell	Reynolds	White
Costigan	Hull	Robinson, Ark.	
Couzens	Johnson	Robinson, Ind.	
Cutting	Kean	Schall	

Mr. HARRISON. I desire to announce that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

Mr. SHEPPARD. I desire to announce that my colleague [Mr. CONNALLY] is necessarily detained by attendance upon the funeral of the late Representative Garrett, of Texas.

I desire further to announce the necessary absence from the Senate of the senior Senator from Maryland [Mr. TYDINGS] and the junior Senator from Louisiana [Mr. LONG].

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Vermont [Mr. AUSTIN] that the Senate proceed to the consideration of a joint resolution which will be read by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

Mr. AUSTIN. Mr. President, I understand the Senator from New York [Mr. WAGNER] has a speech which he desires to make at this time, and in order that he may secure recognition for that purpose I yield the floor.

RELIEF OF UNEMPLOYMENT

Mr. WAGNER. Mr. President, the most immediate danger confronting the American people is the spread of the notion in some responsible quarters that the relief problem has been solved and that the scarcity of employment is on the way to its automatic correction. Already there is in evidence a disposition to sit back and cheerfully watch the alleged processes of recovery; and I say without hesitation that should that policy prevail we shall witness in these United States suffering so intense that all the misery of the past three years will seem negligible in comparison.

Let me cite a few sample facts which throw light upon present conditions. The largest single group of American wage earners is attached to the manufacturing industries. In 1929 about 8,900,000 bread-winners derived their income from employment in American factories. Their total pay roll at that time amounted to approximately $12,000,000,000 a year. In 1932 the total of factory pay rolls will not exceed four and a half billion dollars.

Do you suppose that that seven and a half billion dollars loss of income can be absorbed by the factory wage earners

without causing widespread destitution? I ask you to consider particularly that this is not their first loss; that it has been heaped right on top of the losses of 1930 and 1931. That is a fact which calls for emphasis. Unemployment, like undernourishment, is cumulative in its destructive effects. It is therefore essential that in judging the size of our problem we know not only the number of the unemployed but give due consideration to the long duration of the depression.

True enough, the months of September and October have shown a little improvement. But the immediate problem of the idle, the hungry, and the destitute is not solved thereby. On the contrary, despite the improvement the total amount paid out in factory wages in October, 1932, was still 27.8 per cent lower than in October, 1931, and the plight of the wage earners is, therefore, correspondingly worse.

Factory employment is by no means the most severely affected area. Much more serious are conditions in construction and in its related industries. In this branch of activity employment has shrunk to such low proportions that for every dollar paid out in wages in 1929 only 25 cents is paid out to-day. And this is a group of industries to which in normal times about 4,000,000 bread-winners were accustomed to look for a livelihood. Here again the comparison between 1932 and even the severely depressed year 1931 offers no encouragement to those who believe that no further action is necessary.

In September, 1931, when we thought we were in the very pit of the valley of depression the value of building contracts awarded—according to the F. W. Dodge reports—amounted to $251,000,000, a decline from $445,000,000 in September, 1929. But we have since discovered new and lower depths, and by September, 1932, the value of such contracts had declined to but $127,500,000. Even public and quasi-public construction, which was supposed to have been stimulated, has shown a decided drop in the value of contracts awarded from $86,500,000 in September, 1931, to $68,700,000 in September, 1932, as compared to $117,200,000 in September, 1929.

Even more chaotic are the conditions which prevail in our foreign trade. What was once a $10,000,000,000 a year enterprise has in three years been well-nigh destroyed. Here, again, I desire particularly to underscore the immediate situation. In September, 1931, our merchandise exports were $180,000,000. By September, 1932, they had declined to $132,000,000, as compared to $437,000,000 in September, 1929.

These figures concerning factory employment, construction, and foreign trade are indicative of the entire situation. The fact that emerges from every statistical analysis is that since a year ago we have slipped still further down toward new and hitherto untouched depths of depression.

Granted that the fall witnessed a slight improvement over the summer in a few business indices, but the human situation has, nevertheless, of necessity, become more grave and more desperate. Unemployment, after all, has more than a statistical existence. It is an intensely individual tragedy and its agonies become fiercer the longer it is endured. To-day about 12,000,000 are reported to be without jobs. And millions of these have been out of work so long that their resources are completely exhausted. There is no relief for them in the knowledge that some few others have found employment. What shall they do until they, too, are restored to jobs? Shall they draw upon depleted savings-bank accounts? The fact is that during the fiscal year ended last June 30 there was a net loss of 6,273,000 in the number of savings accounts, both in the banks and the postal savings.

The people of the United States as a whole have during the year used up 14 per cent of all they had accumulated and laid aside in savings to care for them in old age and in illness. To express the same fact in dollars: Deposits in savings banks and postal-savings accounts have been depleted in a single year to the extent of three and a half billion dollars. Mr. President, I ask leave to insert a small table setting forth these facts in greater detail.

The VICE PRESIDENT. Without objection, that order will be made.

The table referred to is as follows:

Date	Number of accounts	Total on deposit
Savings banks: [1]		
June 30, 1931	51, 399, 446	$28, 207, 244, 000
June 30, 1932	44, 352, 106	24, 281, 346, 000
Total	−7, 047, 340	−3, 925, 898, 000
Postal savings:		
June 30, 1931	770, 859	347, 416, 749
June 30, 1932	1, 545, 190	784, 819, 402
Total	+774, 331	+437, 402, 653
Net loss		3, 488, 495, 347

[1] See American Bankers' Association Journal, December, 1932, p. 33.

Mr. WAGNER. These figures, Mr. President, represent a fairly early stage in the history of prolonged unemployment. The final tragedy is unfolded by the startling report of the Red Cross. That organization supplies a fact so telling that it pierces all the statistical generalizations and reveals the underlying cruel suffering. Down to September 3 of this year the Red Cross alone had already given flour relief to 3,583,831 separate families. We have no way of knowing how many additional families received charitable aid from sources other than the Red Cross.

We do know, however, that more than three and a half million families have already been swept from their moorings of self-support, from the refuge of their savings, from the haven of family and friendly assistance, from the restraints of pride and are to-day eating the bitter bread of public charity.

These are the conditions which confront us to-day. And I believe we serve the Nation's interest best by not attempting to minimize them. It will take more than self-induced cheerfulness to start or to continue the processes of recovery. The safer and saner course, in my judgment, is to face the facts as they are. And these facts, I am satisfied, afford no warrant for complacency, no excuse for relaxation of effort, but, on the contrary, command with undeniable authority the taking of more heroic and more far-reaching measures.

We made the first real effort to deal with this all important problem last July when we enacted the relief and construction act and provided more than $2,000,000,000 to carry it into effect. No one, in my judgment, can dispute the proposition that the job which Congress wanted to see done with the relief and construction act has not yet been done. This, however, is no time to exhaust ourselves with expressions of disappointment, or to frustrate constructive action with mere criticisms. It is more necessary to-day to accomplish the objectives of the relief and construction act than it was last July. The need for relief is more intense, the necessity to provide employment more crucial.

In that act we voted $322,000,000 for a program of Federal construction; and we authorized an increase of $1,800,000,000 in the resources of the Reconstruction Finance Corporation, partly for relief and largely to finance local construction. But obviously the mere writing of the act upon the statute books could not be expected to create employment. To translate the statutory words into opportunities for employment, to utilize the statute as an engine of reconstruction, it was, of course, necessary that the legislation be put into active and vigorous operation. And thus far hardly a beginning has been made in that direction.

It is a matter of record that the administration did not desire the $322,000,000 emergency-construction program before it was enacted into law. It is a matter of record that the administration was still opposed to the law after it was enacted. It is a matter of record that for two months the Treasury refused to permit the executive departments to proceed with the execution of the law.

Under these circumstances could it be expected that the Government's officers would enter upon this construction

with the necessary zeal, enthusiasm, and speed? Such a result would have been most surprising. The extent to which the effort to undo the law was carried on became apparent when the Treasury Department rendered the incomprehensible and indefinite decision that the appropriation of $100,000,000 for public buildings, really meant only $90,000,000. It was a straw which showed the way the wind was blowing.

Frankly, Mr. President, I am not at all surprised by the Treasury report that not a single one of the buildings directed to be constructed under the emergency program is yet under construction. In view of the executive hindrance and discouragement I am rather surprised that some of the bureaus such as the Bureau of Public Roads succeeded as well as they did in placing many thousands of men to work.

I ask leave, Mr. President, to have inserted in the RECORD at this point a number of letters and accompanying tables and a chart from the several departments reporting the status of the work authorized by the emergency relief and construction act.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF PUBLIC ROADS,
Washington, D. C., December 2, 1932.

Hon. ROBERT F. WAGNER,
United States Senate.

DEAR SENATOR WAGNER: In compliance with your telephone request for information relative to the emergency road program, I am sending you herewith two tables, one of which shows the distribution, by States, of the road funds appropriated by the act of July 21, 1932; the other of which shows the status of the approved program as of October 31, 1932, covering projects being financed from the $120,000,000 appropriation of the emergency act, together with regular Federal aid and State funds.

The regular forest-road funds authorized for 1933 have been combined with the emergency funds in order to enlarge the emergency forest-road program, and up to November 30, 1932, new work had been put under contract, the estimated total cost of which is $8,792,839, and a further allotment of funds to specific projects had been approved for contract at an estimated total cost of $3,174,473. This program utilizes practically all of the $5,000,000 emergency forest-highway appropriation and about $7,000,000 of the regular funds.

A more detailed report of the emergency program is being prepared and will be available some time next week.

Very truly yours,

THOS. H. MACDONALD,
Chief of Bureau.

Distribution by States of emergency road construction funds appropriated by the act of July 21, 1932

State	Federal-aid highway system ($120,000,000)	Forest roads ($5,000,000)	Public-land highways ($2,000,000)	Park roads ($3,000,000)	Indian reservation roads ($1,000,000)	Total road funds
Alabama	$2,558,229	$4,811				$2,563,040
Arizona	1,760,771	347,798	$291,841	$323,600	$191,000	2,915,010
Arkansas	2,101,182	54,315		4,500		2,159,997
California	4,667,188	829,566	185,539	548,010	25,000	6,255,303
Colorado	2,258,613	397,542	68,933	244,600	10,000	2,979,688
Connecticut	778,806					778,806
Delaware	600,000					600,000
Florida	1,624,752	20,403				1,645,155
Georgia	3,123,298	11,739				3,135,037
Idaho	1,505,912	614,336	103,580		24,000	2,247,828
Illinois	5,082,847	478				5,083,325
Indiana	3,058,980					3,058,980
Iowa	3,171,504				2,000	3,173,504
Kansas	3,265,048					3,265,048
Kentucky	2,264,637			10,000		2,274,637
Louisiana	1,745,559	2,390				1,747,949
Maine	1,067,079	1,672		9,500		1,078,251
Maryland	1,019,570					1,019,570
Massachusetts	1,716,612					1,716,612
Michigan	3,779,706	12,842				3,792,548
Minnesota	3,368,559	37,932			14,000	3,420,491
Mississippi	2,160,164	1,967				2,162,131
Missouri	3,753,453					3,753,453
Montana	2,525,071	480,381	102,660	462,000	79,000	3,649,112
Nebraska	2,544,773	5,771			3,000	2,553,544
Nevada	1,575,756	111,170	440,683		17,000	2,144,609
New Hampshire	600,000	26,571				626,571
New Jersey	1,657,733					1,657,733
New Mexico	1,965,473	244,450	154,519	5,200	97,500	2,467,142
New York	6,059,228					6,059,238
North Carolina	2,888,251	17,435		279,500	6,000	3,191,186
North Dakota	1,933,901		24,858		40,000	1,998,759
Ohio	4,490,175					4,490,175
Oklahoma	2,888,723	3,844	17,752		13,000	2,923,319
Oregon	2,001,740	773,121	130,705	51,800	26,000	2,983,366
Pennsylvania	5,267,060	11,323				5,278,383
Rhode Island	600,000					600,009
South Carolina	1,666,755	1,976				1,668,731
South Dakota	2,004,573	46,368	37,319	222,500	55,000	2,365,760
Tennessee	2,605,160	15,028		229,500		2,849,688
Texas	7,664,621					7,664,621
Utah	1,395,331	198,583	217,113		8,800	1,819,827
Vermont	600,000	1,910				601,910
Virginia	2,256,178	19,055		1,500		2,276,733
Washington	1,920,470	426,481	25,264	246,400	91,000	2,709,615
West Virginia	1,323,912	9,360				1,333,272
Wisconsin	2,991,076	5,131			8,000	3,004,207
Wyoming	1,541,561	263,602	149,234	240,100	10,000	2,204,497
Hawaii	600,000					600,000
Puerto Rico		649				649
Reserve and administration			50,000	121,290	279,700	450,990
Total	120,000,000	5,000,000	2,000,000	3,000,000	1,000,000	131,000,000

[1] Furnished by the Bureau of Indian Affairs, Interior Department.

Emergency construction highway program approved as of October 31, 1932

State	Estimated total cost	Federal aid allotted	Emergency construction fund allotted	Estimated State funds	Mileage
Alabama	$2,418,598	$1,209,299	$1,209,299		105.3
Arizona	1,714,482	332,553	1,318,479	$63,450	160.8
Arkansas	303,595	151,783	151,812		12.4
California	2,572,779	201,141	1,926,373	445,265	32.5
Colorado	193,632	87,134	106,498		21.2
Connecticut	758,308	343,090	385,864	29,354	21.9

Emergency construction highway program approved as of October 31, 1932—Continued

State	Estimated total cost	Federal aid allotted	Emergency construction fund allotted	Estimated State funds	Mileage
Delaware	$400,057	$78,400	$321,657		21.7
Florida	1,549,201	774,601	774,600		47.6
Georgia	3,645,959	1,379,873	2,266,086		232.1
Idaho	1,241,286	258,428	982,858		110.0
Illinois	5,149,845	848,254	4,141,591	$160,000	213.7
Iowa	3,384,134	62,971	3,091,600	229,563	168.4

Emergency construction highway program approved as of October 31, 1932—Continued

State	Estimated total cost	Federal aid allotted	Emergency construction fund allotted	Estimated State funds	Mileage
Kansas	$2,686,859	$516,819	$2,169,544	$496	338.6
Kentucky	3,163,551	1,051,930	2,111,621		220.7
Louisiana	4,304,126	1,841,948	1,745,559	716,619	45.4
Maine	886,638	177,328	709,310		32.7
Maryland	411,198	3,775	407,423		13.9
Massachusetts	2,039,381	340,273	1,699,105	3	30.1
Michigan	3,489,550	1,220,117	2,265,933	3,500	205.2
Minnesota	3,806,687	41,600	2,671,000	1,094,087	234.7
Mississippi	950,315	475,157	450,158	25,000	48.2
Missouri	2,163,420	341,667	1,821,663	90	110.8
Montana	4,432,199	2,445,256	1,959,856	27,085	653.8
Nebraska	2,232,038	1,024,940	1,203,128	3,970	102.3
Nevada	526,035	15,781	510,254		38.0
New Hampshire	357,476	142,990	214,486		12.1
New Jersey	2,411,810	629,370	1,657,733	124,707	41.2
New Mexico	1,315,701	497,920	763,553	54,228	171.3
New York	10,277,400	1,893,525	6,054,145	2,329,730	271.9
North Carolina	2,506,300	1,257,662	1,248,207	431	374.3
North Dakota	2,582,304	498,722	1,835,885	247,697	725.0
Ohio	3,914,870	610,454	2,792,570	511,846	87.1
Oklahoma	748,504	151,942	596,562		49.7
Oregon	1,139,860	341,958	797,902		80.4
Pennsylvania	3,587,559	374,095	3,088,700	124,764	126.0
Rhode Island	754,928	154,928	600,000		17.4
South Carolina	1,669,036	567,605	1,095,387	6,044	199.0
South Dakota	2,029,667	552,097	1,472,693	4,277	316.7
Tennessee	3,902,716	1,951,358	1,951,358		176.8
Texas	5,465,189	1,393,399	4,061,793	9,997	418.1
Utah	1,173,729	223,368	999,566	150,795	96.5
Vermont	254,836	22,935	231,901		16.9
Virginia	2,346,002	1,003,528	1,342,474		137.8
Washington	1,748,823	510,292	1,058,124	180,407	75.8
West Virginia	2,058,106	684,843	1,179,307	193,756	87.0
Wisconsin	3,406,802	510,753	2,450,090	445,999	209.7
Wyoming	852,196	19,725	829,971	2,500	182.1
Hawaii	874,749	385,887	488,863		21.4
Total	109,802,436	29,704,076	72,912,700	7,185,660	7,156.2

THE SECRETARY OF COMMERCE,
Washington, December 6, 1932.

Hon. ROBERT F. WAGNER,
United States Senator, Washington, D. C.

MY DEAR SENATOR: In response to the request of your office as to the status of the funds appropriated to this department in the emergency relief and construction act, I am pleased to furnish you with the following information.

For the Coast and Geodetic Survey the amount appropriated was $1,250,000. Of this amount the expenditure of $1,099,700 has been authorized. Field parties are organized and are proceeding with the work at a rate of expenditure that will exhaust the entire amount before the close of the fiscal year. The remaining $150,300 has been set up as a reserve to meet contingencies which can not be foreseen.

Five hundred thousand dollars was appropriated for changes in air navigation facilities. About 65 per cent of this amount is contract work. Three hundred and twenty-five thousand dollars has been authorized for expenditure and the remaining $175,000 will be used for improvements on the airways prior to the end of this fiscal year.

Three million eight hundred and ten thousand dollars was appropriated for public works under the Lighthouse Bureau. Of this amount contracts have been placed amounting to $435,925. Plans have been approved and proposals are now out covering projects amounting to $696,685. Projects have been approved and plans are in progress but work has not yet been advanced to the point of actual construction or inviting bids amounting to $714,220. The total amount of these items is $1,846,730. The remainder of the appropriation for the Lighthouse Bureau will be authorized for expenditure in the early spring of next year. Much of this work could not be started this fall owing to the fact that it would have been impossible to have completed it before the winter season. The improvements are in exposed locations where climatic conditions are very bad during the winter months and it would not have been advisable to start work on these items at a time of year when they could not be completed without interruption.

Very sincerely,

ROY D. CHAPIN,
Secretary of Commerce.

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, December 9, 1932.

Hon. ROBERT F. WAGNER,
United States Senate.

MY DEAR SENATOR WAGNER: In response to telephone request from your office of even date, relative to the status of the $10,000,000 appropriated for continuation of construction of the Hoover Dam and incidental work under the emergency relief and construction act of 1932 (Public, No. 302, 72d Cong.), you are advised that no expenditures from this appropriation have been made. However, a request is now in the office of the Treasurer of the United States for an advancement of $908,000 for payment of the November, 1932, contractual obligations.

Very truly yours,

P. W. DENT,
Acting Commissioner.

NAVY DEPARTMENT, BUREAU OF YARDS AND DOCKS,
Washington, D. C., December 9, 1932.

MY DEAR SENATOR: There is given below a statement of the progress on the projects provided for under the $10,000,000 appropriated by the emergency relief and construction act of 1932. Funds under this appropriation were released on September 20, 1932. One million dollars was transferred to "increase of the Navy" to provide funds required in 1933 to commence work on three additional destroyers. The remaining $9,000,000 was allotted on 72 projects in 12 States, Hawaii, and Panama. Projects amounting to $1,819,000 are outside of the United States, leaving $7,181,000 for projects within the continental limits of the United States.

Cash withdrawals from the Treasury for the first two months—that is, for October and November—were $200,000 as compared with the estimate made in August for the expected cash withdrawal for this period of $183,200. The curve indicating the expected cash withdrawals by months is shown on inclosure (A).

While the projects were not released until September 20, work on the plans and specifications for many of them had been in progress for some time previous thereto. The following indicates the present status of the work as a whole:

	Limit of cost of the projects on which—		
	Work has been started at the site	Work is contracted for or advertised, in whole or in part	Plans and specifications are in preparation
Projects which are being undertaken principally by Government labor	$1,697,000		$246,000
Projects which are being undertaken principally by contract		$4,385,000	2,672,000
Total	1,697,000	4,385,000	2,918,000
Grand total			9,000,000

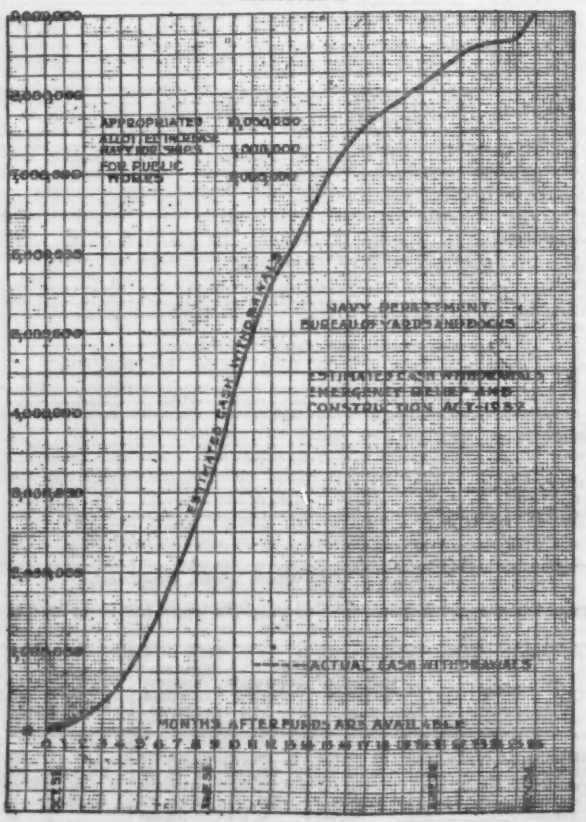
NOTE.—Of the projects which are in the plan and specification stage, approximately $1,500,000 are outside the United States.

Sincerely yours,

A. L. PARSONS, *Chief of Bureau.*

Hon. ROBERT F. WAGNER,
United States Senate.

INCLOSURE A



TREASURY DEPARTMENT,
Washington, December 2, 1932.

Hon. ROBERT F. WAGNER,
United States Senate.

MY DEAR SENATOR: In compliance with telephone request from your office I am transmitting herewith a statement showing the status of the $100,000,000 relief program as of November 22, 1932.

If there is any further information you may require, please advise me and same will be furnished immediately.

Very sincerely yours,

L. C. MARTIN,
Assistant to Assistant Secretary Heath.

Status of $100,000,000 program as of November 22, 1932

Drawing stage, 50 projects, total limit	$24,648,000
Land owned, 21 projects, total limit	9,186,500
Sites accepted, 1 project, total limit	495,000
Condemnation, 1 project, total limit	1,440,000
Sites selected, 1 project, total limit	90,000
Site reports in, 14 projects, total limit	5,947,000
Agents inspecting sites, 107 projects, total limit	22,208,000
Advertised for sites and site bids opened, 215 projects, total limit	20,760,000
Total, 410 projects	84,774,500

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, December 7, 1932.

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In response to your telephone request of November 30, concerning expenditures to November 30 from funds appropriated in the emergency relief and construction act of 1932, for river and harbor and flood control work, the following data are furnished:

	Allotments	Expended to Nov. 30, 1932
Rivers and harbors:		
Work under contract	$16,664,400.00	$757,089.31
Work being done by hired labor	122,460.00	32,831.99
Bids opened and contracts pending	6,066,140.00	22,556.31
Under advertisement	383,000.00	15.71
Plans and specifications in preparation	5,164,000.00	7,180.21
Awaiting local cooperation	1,600,000.00	1,120.14
Total	30,000,000.00	820,793.67
Flood control—Mississippi River and tributaries:		
Memphis, Tenn., district	8,100,000.00	1,080,307.56
Vicksburg, Miss., district	2,858,000.00	437,627.21
Second New Orleans, La., district	4,410,000.00	2,106.00
Total	15,368,000.00	1,520,040.77
Unallotted	132,000.00	
Total	15,500,000.00	

Information for a breakdown of the funds appropriated for flood control, similar to that indicated above for rivers and harbors is not at present available in this office. The information will, however, be available at an early date and supplied at that time.

Very truly yours,

LYTLE BROWN,
Major General, Chief of Engineers.

WAR DEPARTMENT,
OFFICE OF THE QUARTERMASTER GENERAL,
Washington, December 3, 1932.

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.

MY DEAR SENATOR WAGNER: On December 2 your office requested by telephone a general report on the progress made to date on the Army construction authorized and appropriated for in the emergency relief and construction act, 1932. I take pleasure in submitting the following:

Total amount of funds appropriated	$15,164,000
Less 10 per cent in accordance with decision of the Comptroller General on the economy act	1,516,400
Net funds available	13,647,600

These funds were made available to the War Department by the Treasury Department on September 16, 1932.

Prior to the above date there were no funds available for the hire of personnel to make plans and specifications, but after funds were received this office had to be expanded and every effort made to get the work under way in the minimum time.

The following is the status to date:

Under contract and obligated	$4,497,800
Tentative obligation covering utilities, advertisement, personnel, miscellaneous, etc., in connection with contracts	705,729
Estimated value of projects under advertisement, bids to be opened during the next 30 days	2,295,971
Estimated value of projects, for which instructions are yet to be issued to the field	6,148,100
	13,647,600

In regard to the remaining $6,148,100 still to be obligated, it should be understood that many of these buildings, such as those at Fort Snelling, Minn., and Fort Devens, Mass., are in the northern part of the United States, where severe winter weather will prevent construction starting in any appreciable amount until spring. However, plans for all buildings are under way and are being actively prosecuted, so that everything will be under contract by the early spring.

In further explanation of the financial statement above, it should be noted that the emergency relief and construction act, 1932, covers 151 projects distributed among 65 States over the United States. We now have under contract or advertisement 92 projects located at 51 States, so that relief is fairly well distributed geographically.

Sincerely yours,

L. H. BASH,
Brigadier General, Q. M. C.,
Assistant to the Quartermaster General.

Mr. WAGNER. Mr. President, what I say is not dictated by political considerations. The political consequences of the President's policy have already been fully registered. But I do want most emphatically to refute the unwarranted inference that public construction has now been proved unsuited as a device for resisting unemployment. The experience of the past five months establishes only that a construction program which is left unexecuted does not provide jobs; and, of course, that is mere platitude.

By far the greatest share of responsibility in carrying out the provisions of the relief and construction act was entrusted to the Reconstruction Finance Corporation. How has it been discharged? Out of the $300,000,000 relief fund the Reconstruction Finance Corporation has approved loans to States and municipalities aggregating $76,777,305.22 and has advanced the sum of $51,441,257.27. For self-liquidating projects which were supposed to constitute the backbone of the legislation, the Reconstruction Finance Corporation has authorized loans of $139,394,244 and has thus far advanced a mere $360,000. That covers the activities of the Reconstruction Finance Corporation under these two titles of the act, to the end of November.

It is obvious that the Reconstruction Finance Corporation has not violated any speed laws. The billions that Congress provided have remained practically untouched. The jobs which they were to create are still locked up. The men who had hoped that the relief and construction legislation would give them an opportunity once again to earn an honorable living have watched the months go by and their hopes grow faint. And those of us who conceived of the relief and construction measure as a great undertaking to assist in business revival through the provision of employment have seen our expectations frustrated by a mechanical interpretation and bureaucratic application of the law.

In my personal judgment, the administration of the relief and construction act by the Reconstruction Finance Corporation has been too technical, too legalistic, and particularly devoid of the spirit of enterprise in seeking ways of making effective the principal objective of the legislation, namely, to open employment opportunities for those who are clamoring for a chance to earn a living. The character of the Reconstruction Finance Corporation became far too much that of an ultraconservative bank and far too little that of a resourceful relief agency charged with a great responsibility and faced with a great opportunity for national service.

The time lost can, of course, no longer be retrieved, but the problem still remains. The necessity of making relief adequate and the construction program effective is to-day more urgent than ever. If that is not done, you may be sure, Mr. President, that we shall be thrust willy-nilly into less well considered and perhaps dangerous methods of alleviating the distress of the American people.

The most fruitful procedure that we can now follow is to analyze the experience of the Reconstruction Finance Corporation with a view to finding those provisions of the law and those administrative policies which have most frequently been responsible either for excessive delay or for complete rejection of applications for loans. Let us modify those provisions as much as may be necessary to insure a far swifter flow of funds into necessary and economically sound undertakings.

From my preliminary inspection I am of the opinion that the points where friction has caused the relief and construction mechanism to slow down or stop have been as follows:

As to relief—

First. The funds of the Reconstruction Finance Corporation which are made available for relief are limited by the statute to $300,000,000. The inclination to nurse that limited fund over a period of two years has naturally tended to restrict the freedom of the corporation. It seems to me that the provision of relief against cold or hunger ought to constitute the first claim upon the funds of the Reconstruction Finance Corporation, and I therefore propose that the $300,000,000 limitation be removed.

Second. The language of the statute is susceptible of the interpretation that a State is not entitled to a relief loan until it is practically prostrate. That was not the intention of the Congress. In my judgment, it was our purpose that the States and localities which had alone carried the relief burden for three years should be given some assistance from the Federal Government to prevent relief standards from sinking still further and to correct the inadequacy of relief, which was quite generally prevalent. I propose that the language be amended to make it clear that imminent bankruptcy on the part of a State or municipality is by no means a condition precedent to an application for a relief loan.

Third. It has been the practice of the Reconstruction Finance Corporation to make its relief loans to cover the needs of the States or municipalities for exceedingly short periods—in many cases for no more than a month. Such a practice, it seems to me, is not conducive to proper planning of relief. The law should be clarified in this respect so that a State may know for a reasonable period in advance how its relief needs are to be met.

Fourth. The problem of transient relief has become so acute that special consideration must be given to its correction. The very nature of the problem and the fact that the communities affected are in many cases very small and utterly unable to cope with it, make it necessary, it seems to me, to regard it as lying peculiarly within the province of Federal action. It is reported that some 200,000 of these wanderers are immature boys and girls. Their complete separation from home and from every other civic influence can not fail to have a destructive effect upon character. Even in the case of adult transients searching for relief the present policy of simply passing these helpless people along from one community to the next is getting us nowhere.

I therefore propose that a special fund of $10,000,000 be made available, to be dispensed to the States by way of outright grant upon a showing of need in dealing with that special problem and upon submission of a plan of action having for its purpose the steady restoration of these drifters to their homes or to permanent places of habitation.

Fifth. As originally created, the Reconstruction Finance Corporation was essentially a financial institution; and its personnel were chosen by reference to their special fitness in administering that type of agency. The dispensation of relief requires different experience and qualifications. I propose that the responsibility of deciding upon relief loans should be transferred from the board of the Reconstruction Finance Corporation to a small committee of three persons having special qualifications to deal with that question.

As to construction—

Sixth. The chief cause for the rejection of loan applications on construction projects and of delay in approving loans is to be found, I believe, in the so-called self-liquidating clause of the relief and construction act. Whether or not a project is self-liquidating, as that word is defined in the statute, depends upon an estimate of future earnings. Such estimates are difficult to make at all times. They become particularly uncertain under the disturbed conditions which now prevail. Furthermore, there are numerous activities, such as the elimination of dangerous railway and highway grade crossings, reforestation, and similar undertakings, which bring a very direct return and yet do not fit into the statutory definition of self-liquidating projects. I propose that we liberalize the act and permit States, cities, and other public bodies to borrow on adequate security for the construction of such projects as are necessary and economically sound.

Seventh. Closely related is the question of interest. The relief and construction act leaves the rate of interest open for determination by the Reconstruction Finance Corporation. In practice the rate asked has varied from 5 to 6 per cent. That is a rate which in many instances itself renders a project non-self-liquidating. Furthermore, I do not believe that the Reconstruction Finance Corporation should make a profit out of its depression-fighting activities, especially when the borrower is a State or municipality. I propose that we remove this element of dispute and friction and provide in the law that the rate of interest on construction loans where the borrower is a State, municipality, or public body shall be one-half per cent more than the rate paid by the Federal Government for its most recent long-term bonds.

These modifications are, to my mind, designed to make the original purpose of this legislation effective, to open employment opportunities, and to create a demand for materials which would in turn create more employment. It seems to me particularly important that we liberalize the construction loan section of the act so as to render a greater variety of projects eligible for loans in view of the sharp reduction in building appropriations carried in the Federal Budget.

The savings which States and municipalities will achieve by doing their necessary construction at the present low level of prices will actually tend to reduce future taxation; and since the construction is to be prosecuted with borrowed funds, it will not impose any additional burden of present taxation. If we succeed in stimulating private business even to a small degree, we shall find the original cost returned to us manifold in its benefits to the people of the United States.

Mr. Owen D. Young expressed the thought admirably in a recent article in the New Outlook of October, 1932. In that article he set forth his reply to a correspondent who inquired of him whether he thought it advisable for a community to go forward with its school-construction program. Mr. Young said—and I quote from his letter:

> Whether material or labor costs will decline further, of course, no one can tell. Whether the depression will continue and grow deeper or gradually become less no one can say. This, however, I think can be said with reasonable assurance: Material costs *will* decline, labor *will* grow cheaper, and the depression *will* continue if towns like yours, with ample resources, postpone necessary and justifiable construction, hoping to reap the fruits of further demoralization. * * * If every piece of construction in this country which needs to be done, and which inevitably must be done soon, were started promptly wherever the individuals, private concerns, or municipalities have the resources to undertake them, the depression would be over, unemployment would progressively disappear, materials would move, railroad credit would be restored, and the securities of banks and insurance companies would be brought back to that highly margined solvency which they should always have. Therefore, to me it seems quite clear that your town and its citizens will be better off to proceed with this necessary construction promptly, and I should like to see all other communities similarly situated do the same.

There is no question but that the Nation as a whole has the resources to go forward with its necessary construction, both municipal, State, and Federal, and that the Nation can only profit from following the policy of doing that necessary construction now.

Much has been said, of course, about the burden of debt. The comment is frequently made, "Since we suffer from an excessive load of indebtedness, how can we possibly relieve ourselves by further borrowing for construction?"

Undoubtedly, the burden of debt and of fixed charges has become very heavy. The same debt which could be readily



carried in 1929 is unbearable to-day because of the decline in prices. Debts incurred for dollar wheat which have to be paid by 40-cent wheat are a crushing and impossible load. But that has no bearing at all upon the wisdom of borrowing now for necessary construction at the present low level of prices. That is both good business and good government and will prove of direct benefit in helping to lift the depression, raise prices, and reduce future taxation.

To quote Mr. Young again:

> True economy would dictate that so far as possible the taxpayers' money be used not for unemployment but for employment.

The true wisdom of such economy is corroborated by the figures submitted in the President's Budget message. Thus, the President discloses that—

> As a result of the decline in prices of materials * * * it is estimated that of the $470,717,000 specifically authorized for the 817 projects at least $40,000,000 will be saved * * *.

He further states, in reference to river and harbor projects, that—

> Because of a reduction in the cost of labor and materials for work of this character the value of the work of river and harbor improvement which can be accomplished * * * with the funds available would represent an increase of from 15 to 40 per cent * * * at 1929 costs.

The same is true of flood-control work. In other words, we are getting from 15 to 40 per cent more return for every construction dollar spent to-day than we did in 1929. That to my mind is the essence of prudent economy; and it seems to me altogether advisable for the Federal Government, the States, and municipalities to prosecute their construction program now with all possible speed, and thus secure these savings for their taxpayers and at the same time contribute to national recovery.

There is one additional argument which I believe can never be omitted from a discussion of this subject. What alternatives have we? Can we let people starve? Can we permit them to eat their hearts out in idleness and impoverish themselves and, ultimately, the Nation? Can we allow a whole generation to grow up which has never learned to work? Can we afford to see the Nation's morale broken and its faith in our institutions shattered?

I do not pose these as rhetorical questions. In the national reckoning they are very practical questions. We may escape some immediate costs by answering one or more of them in the affirmative. We may avoid some little monetary debt by evading our responsibility. If we do, however, we shall have to carry a far greater burden than that of a reconstruction bond issue. We shall pay the inevitable penalties of an unresisted depression in handicapped workers, in present and future poverty, crime, ill health, and civic discontent.

It is time that as a nation we stopped going round in circles and set our minds to the fact that we must by heroic action restore every breadwinner to self-respecting employment. Making the relief and construction act effective is but one of the necessary methods.

Another important area of correction is that of child labor. Two million children between the ages of 10 and 17 are to-day at work. Their employment not only displaces an almost equal number of family providers but is in every sense a social and economic loss. These children ought to be in school, receiving their training for citizenship and life. Instead, they are denied the opportunities which should be theirs. Without question, the next spell of unemployment will find these untrained, uneducated, and underprivileged workers among the first to feel the shock of the depression.

Undoubtedly, there are individual cases where the denial of work to a child would mean a hardship. Far better that the State provide for that child by scholarship, or otherwise, and permit him to secure his education than that the head of some family should be deprived of a job and be compelled to depend on charity.

I am speaking not only in terms of what is called social justice. Under modern conditions of productivity we simply do not need the services of the children, and the greater contribution to their own and the Nation's prosperity is to equip them to participate effectively in the economic struggle when they grow up.

At the other end of the scale of life are the aged, many of whom are eking out an existence by gainful occupation. It were better for them, cheaper for industry, and more conducive to the prosperity of the entire Nation if the aged were retired from industry at an adequate income earned during their lifetime of toil.

A definite system of retirement insurance which would enable the aged workers to retire in moderate comfort would serve to lessen the pressure of machines upon men.

The shorter work week and the shorter work day, once dictated chiefly by humanitarian considerations, are now demanded by equally cogent and even more pressing economic considerations. Since the beginning of the war technical improvements have achieved so great a pace that productivity has run completely away from distribution and consumption.

We may be ready to admit that in the long run technological improvements do not create any net unemployment; but there is a long lag in the adjustment—a lag which is creating tragedy everywhere and contributes very substantially to the recurrence of periodic depressions. The most immediately effective method of correcting that maladjustment is to introduce the 5-day week and shorten the length of the working day to the point where every willing and able wage earner is restored to gainful employment. Some of the savings of technological improvement must be converted into leisure. That is an inevitable change; and the question is whether American business and industry possess the statesmanship to introduce that change as their major contribution to the processes of national rehabilitation.

To supplement these changes, we must inaugurate systems of unemployment insurance and employment exchanges. I have talked of both of these in and out of season during the past five years and have presented the legislation necessary to put them into effect. Public opinion has gradually learned that these instruments of economic security are the indispensable social tools of the age in which we live—an age characterized by its rapid mechanization and increasing productivity. They are the only known methods for taking off the curse from industrial progress and converting it into a blessing for humanity.

Mr. President, I know very well the legislative handicaps of a short session of Congress; I am aware of the pressure of many problems upon the time and energy of the Members of this body; but two of these problems, I am convinced, take precedence over every other matter before us—the plight of the 6,000,000 farmers and the misfortune of the 12,000,000 unemployed wage earners who have thus far been fighting a losing battle against the demoralizing forces of the depression. We may want to shift the center of responsibility to the States. The unchangeable facts shift it right back to the National Government. Upon the wisdom and the courage with which we discharge that responsibility depend the stability of our institutions and the happiness of the American people.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the central conference of American Rabbis at Cincinnati, Ohio, favoring the passage of measures to abolish such activities as the citizens' military training camps, the national rifle schools, military training in high schools, and compulsory military training in colleges and universities in consonance with a consistent attitude toward world peace and national economy, which were referred to the Committee on Military Affairs.

He also laid before the Senate a memorial of sundry citizens of Kansas City, Mo., remonstrating against the repeal of the eighteenth amendment of the Constitution or the repeal or modification of the national prohibition law, which was referred to the Committee on the Judiciary.

Mr. GRAMMER presented petitions of sundry citizens of Spokane, Wash., being independent retail druggists, praying

for the passage of the so-called Capper-Kelly fair trade bill, which were ordered to lie on the table.

Mr. BARBOUR presented petitions of the Woman's Home Missionary Societies of New Brunswick and Princeton; the Women's Home Missionary Society, Methodist Episcopal Church of Metuchen; the Woman's Home Missionary Society of the Methodist Episcopal Church of Linwood; the Young Women's Auxiliary, Kemble Methodist Episcopal Church, of Woodbury; St. Paul's Auxiliary of the Woman's Home Missionary Society of Ocean Grove, and the Esther Guild and Auxiliary, of Bridgeton, all in the State of New Jersey, praying for the passage of legislation to regulate the motion-picture industry, which were ordered to lie on the table.

He also presented petitions of the Woman's Home Missionary Societies of New Brunswick and Princeton; St. Paul's Auxiliary of the Woman's Home Missionary Society of Ocean Grove; the Young Woman's Auxiliary, Kemble Methodist Episcopal Church, of Woodbury; the Woman's Home Missionary Society of the Methodist Episcopal Church of Metuchen; and the Esther Guild and Auxiliary of Bridgeton, all in the State of New Jersey, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. COPELAND presented memorials of sundry citizens of the State of New York, remonstrating against the passage of legislation to legalize the manufacture and sale of beers and liquors with a stronger alcoholic content than one-half of 1 per cent, which were referred to the Committee on the Judiciary.

He also presented petitions of the Young Women's Home Missionary Society of Binghamton, and the Women's Missionary Society of the Methodist Episcopal Church of Cuba, in the State of New York, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of the Young Women's Home Missionary Society of Binghamton, the Women's Missionary Society of the Methodist Episcopal Church of Cuba, and the Women's Association of the Methodist Episcopal Church of Bay Shore, all in the State of New York, praying for the passage of legislation to regulate the motion-picture industry, which were ordered to lie on the table.

He also presented a petition of sundry citizens, members of the medical profession of New York City, N. Y., praying for the passage of legislation to continue the enrollment of students in the Reserve Officers' Training Corps units in the medical, dental, and veterinary schools of the country, which was referred to the Committee on Appropriations.

TARIFF BARRIERS

Mr. COOLIDGE. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred four telegrams from important business concerns in Massachusetts, stating that the Bermuda Government plans to place absolute prohibitive tariff duties on food products from the United States on January 1, 1933.

If this is a fact, Mr. President, I surmise this is one of the early results of the Ottawa conference last summer of England and her colonies, placing tariff walls everywhere possible to shut out exportation of American products to England and her dependencies.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

BOSTON, MASS., *December 17, 1932.*

Hon. MARCUS COOLIDGE,
United States Senate:

Bermuda planning to increase tariff rate on foods from United States starting January 1. This would be a hard blow to Boston merchants. We believe it important immediate steps be taken to protest this action on part of Bermuda Government. If such a rate is put in effect, it will stop all shipping of foods to Bermuda, which is patronized largely by American tourists. Your cooperation will be appreciated.

CHILDS SLEEPER & CO.

BOSTON, MASS., *December 17, 1932.*

Senator MARCUS COOLIDGE,
United States Senate:

Understand from authentic source that Bermuda Government plans to place absolutely prohibitive tariff on food products from United States, thus throwing business to Canada or foreign countries. Bermuda's tremendous hotel industry has for many years been supported by United States citizens. Canada and other foreign visitors in exceedingly small minority. Think supplies should be purchased from countries from which income is derived. Imperative assistance and quick action essential. Can you help?

CHARLES H. STONE CO.

BOSTON, MASS., *December 17, 1932.*

Hon. MARCUS COOLIDGE,
United States Senate:

Bermuda planning to increase tariff rate on foods from United States starting January 1. This would be a hard blow to Boston merchants. We believe it important immediate steps be taken to protest this action on part of Bermuda Government. If such rate is put in effect it will stop all shipping of foods to Bermuda which is patronized largely by American tourists. Your cooperation will be appreciated.

EDMANDS COFFEE CO.

BOSTON, MASS., *December 17, 1932.*

Hon. MARCUS COOLIDGE,
United States Senate:

Bermuda Government considering greatly increasing tariff rate on United States foods starting January 1. Bermuda depends almost wholly on American tourists. Believe their movement unfair to all citizens of United States. United States merchants have supplied Bermuda hotels with food for years. This new movement will eliminate them entirely from further business there. Immediate action must be taken. Boston merchants will greatly appreciate your cooperation.

ALBERT RICHARDS CO. (INC.).

TRANSFER OF WESTERN LANDS TO DEPARTMENT OF AGRICULTURE

Mr. KENDRICK. Mr. President, I have here a letter from Mr. Joseph C. O'Mahoney, one of the leading attorneys of Wyoming. Mr. O'Mahoney writes in reference to the plan proposed by the President, to transfer the administration of the public domain from the Interior Department to the Department of Agriculture. He points out very clearly a number of difficulties which he insists will arise as a result of such transfer. In order that the Committee on Appropriations, which is now making a study of this question, may have the benefit of the opinions expressed, I ask that the letter be referred to the committee and printed in the RECORD.

There being no objection, the letter was referred to the Committee on Appropriations and was ordered to be printed in the RECORD, as follows:

CHEYENNE, WYO., *December 16, 1932.*

Hon. JOHN B. KENDRICK,
232 Senate Office Building, Washington, D. C.

DEAR SENATOR: I have just read the Executive order of President Hoover dated December 9, 1932, and appearing on pages 242 and 243 of the CONGRESSIONAL RECORD of December 9, whereby the General Land Office is transferred from the Department of the Interior to the Department of Agriculture under the direction of an Assistant Secretary of Agriculture for Land Utilization. In my judgment this transfer can not fail to have a most unfortunate effect upon the administration of the public lands in all the Western States. If I am correct in this conclusion, it is of the utmost importance that representatives of the West shall without delay endeavor to persuade either the Senate or the House to adopt a resolution disapproving this order before February 7.

Authority was granted to the President to transfer any executive agency and its functions from the jurisdiction of one department to that of another for the purpose of carrying out the express policy of Congress as set forth in section 401 of the act of June 30, 1932. The purpose of Congress in extending this authority to the President was, in the language of the act, "to further reduce expenditures and increase efficiency." In view of the fact that in his message transmitting the various Executive orders which accompanied the one I am discussing, the President said: "I have made no estimate of the extent of the economies which will eventually result from this reorganization program," it may be doubted whether the orders actually comply with the law.

Be that as it may, however, I desire to call attention to the fact that in another very serious particular the Executive order affecting the General Land Office does not comply with the provisions of section 401 of the act of June 30, 1932, in which the policy of Congress in authorizing transfers is expressly declared to be:

"(a) To group, coordinate, and consolidate executive * * * agencies * * * according to major purpose * * *; (c) to eliminate overlapping and duplication of effort."

The transfer of the General Land Office to the Department of Agriculture will result in defeating both of these purposes as may be demonstrated by a single instance.

The general leasing act (approved February 25, 1920), in section 13, authorizes the Secretary of the Interior "under such necessary and proper rules and regulations as he may prescribe" to grant to qualified applicants permits to prospect for oil or gas upon the public domain.

Likewise, the authority to issue leases is granted to the Secretary of the Interior (secs. 14 and 17 of the act), and by section 32 the Secretary is authorized to fix and determine the boundaries of any producing structure. Under the power to prescribe rules and regulations thus granted, the Secretary of the Interior made provision for the filing of all applications in the various district land offices addressed to the Commissioner of the General Land Office. It was also provided by regulation that the Geological Survey should define structural boundaries and generally supervise the operation of leases.

It will thus be seen that by the terms of the act itself the Secretary of the Interior has all original jurisdiction respecting the administration of oil and gas lands, and the functions of the land office are purely derivative from the regulations issued by the Secretary.

The President's Executive order provides:

"All power and authority conferred by law, both supervisory and appellate, upon the department from which transfer is made, or the Secretary thereof, in relation to the office, bureau, division, or other branch of the public service or the part thereof so transferred shall immediately when such transfer is effected be fully conferred upon and vested in the Department of Agriculture or the Secretary thereof, as the case may be, as to the whole or part of such office, bureau, division, or other branch of the public service so transferred."

Thus the only power and authority attempted to be transferred from the Secretary of the Interior to the Secretary of Agriculture is that which is supervisory and appellate. The original authority of the Department of the Interior itself is not affected because the language of the Executive order expressly confines the power and authority which is transferred to that which is "in relation to" the General Land Office. There is no attempt to transfer the original authority of the Secretary of the Interior.

The office of the Geological Survey is not mentioned in any of the Executive orders. It remains in the Department of the Interior, and naturally it will continue to function under the regulations heretofore issued by the Secretary of the Interior. We thus have this extraordinary situation: That applications for prospecting permits and applications for leases will be filed through the General Land Office under the "supervisory and appellate" jurisdiction of the Secretary of Agriculture while the Secretary of the Interior will issue the permits and leases and, through the Geological Survey, will supervise the operations and define areas upon which applications for permits or leases may be made.

Instead of simplifying procedure the Executive order can only result in confusion worse confounded.

To whom will an applicant for an oil and gas lease address himself after February 7 if the President's Executive order is not disapproved? Will he send his application to the Secretary of the Interior, who has the authority to issue the lease, or will he file it with the Commissioner of the General Land Office, a subordinate officer of the Secretary of Agriculture, whom the Secretary of the Interior by his regulations of 12 years ago designated as his agent to receive applications? And if two conflicting applicants file applications, one with the Secretary of the Interior and one with the Commissioner of the General Land Office, for the same land, what officer will determine which applicant is entitled to receive a lease? Certainly this is not consolidation but division.

The same situation will exist with respect to other public land laws. Take, for example, the stock-raising homestead law. This act (approved December 29, 1916) authorizes the Secretary of the Interior "to designate as stock-raising lands subject to entry under this division of this chapter lands the surface of which is, in his opinion, chiefly valuable for grazing, etc." (Sec. 292, title 43, U. S. C.) Here again we have an original jurisdiction granted by law to the Secretary of the Interior which, in my opinion, is not affected by the Executive order. Of course, the stock raising act is generally administered by the Land Office, so that again we will have two departments acting upon the same subject matter.

Now, it is perfectly obvious that the functions of the General Land Office, if grouped "according to major purpose," do not belong in the same department with the Bureau of Chemistry and Soils, the Biological Survey, the National Arboretum, and the Forest Service, whereas they do most emphatically belong in the same department with the Geological Survey, the Reclamation Service, and the Indian Office, all of which remain in the Interior Department under the jurisdiction of the Secretary of the Interior. You are aware, of course, that all patents to lands administered by the Reclamation Service and the Indian Office are issued by the General Land Office. Accordingly, under the President's Executive order we would have a constant overlapping of authority between the Interior Department and the Department of Agriculture, with no supervisory officer to whom final appeal could be taken in the event that the Secretary of Agriculture and the Secretary of the Interior should be unable to agree.

Moreover, it may be pointed out that the General Land Office administers a body of law the growth of many years, the vital principle of which is the development of the public domain by the individual in the manner he deems best, while the underlying theory of many of the laws administered by the Department of Agriculture is the establishment of a bureaucracy to govern the public domain in the manner deemed by the bureaucracy to be best. The two points of view are utterly antagonistic, and it will be a sad day for the West if the former should be superseded by the latter.

Sincerely yours,

JOSEPH C. O'MAHONEY.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time and referred as follows:

By Mr. BORAH:

A bill (S. 5222) granting a pension to Edwin F. Guyon (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 5223) for the relief of Henry Frye; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 5224) to regulate the bringing of actions for damages against the District of Columbia, and for other purposes; and

A bill (S. 5225) to authorize the merger of the Georgetown Gas Light Co. with and into Washington Gas Light Co., and for other purposes; to the Committee on the District of Columbia.

By Mr. BINGHAM:

A bill (S. 5226) for the relief of the Dongji Investment Co. (Ltd.); to the Committee on Claims.

(By request.) A bill (S. 5227) to provide a permanent government for the Virgin Islands of the United States, and for other purposes; to the Committee on Territories and Insular Affairs.

By Mr. NEELY:

A bill (S. 5228) for the relief of William Puckett, alias Bill Puck; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 5229) for the relief of Herbert E. Matthews (with accompanying papers); to the Committee on Claims.

By Mr. HAWES:

A bill (S. 5230) for the relief of G. C. Vandover (with an accompanying paper); to the Committee on Claims.

A bill (S. 5231) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; and

A bill (S. 5232) to extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.; to the Committee on Commerce.

By Mr. REED:

A bill (S. 5233) to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department; to the Committee on Military Affairs.

By Mr. FRAZIER:

A bill (S. 5234) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

By Mr. HOWELL:

A bill (S. 5235) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownsville, Nebr.; to the Committee on Commerce.

By Mr. CAREY and Mr. THOMAS of Idaho:

A bill (S. 5236) to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. THOMAS of Oklahoma:

A bill (S. 5237) granting an increase of pension to Thomas M. Stroud (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A joint resolution (S. J. Res. 220) authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy; to the Committee on Naval Affairs.

REPRINTING OF PHILIPPINE INDEPENDENCE BILL

Mr. HAWES. I ask that House bill No. 7233, the Philippine independence bill, passed by the Senate on Saturday last, may be printed with the Senate amendment indicated.

The VICE PRESIDENT. Without objection, that order will be made.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 1863) to authorize and direct the transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge.

PUBLIC UTILITIES

Mr. HULL. Mr. President, I ask permission to insert in the RECORD an address of Gen. Harvey H. Hannah, of Tennessee, former president of the National Association of Public Utility Commissioners, November 17, 1932, at Hot Springs, Ark., on the subject of public utilities.

The VICE PRESIDENT. Without objection it is so ordered.

The address is as follows:

To our friends of the air, I have the distinguished privilege of extending to you the greeting of the National Association of Railroad and Utilities Commissioners of the United States, who are now the guests of the Arkansas Railroad Commission and who are holding their forty-fourth annual convention in the beautiful city of Hot Springs, one of the most famous health resorts in the world. To its healing waters come tottering age and those who suffer physical infirmities that they may find help and relief, and the records, covering a century or more, show that thousands who have bathed in the medicinal waters of this modern pool of Siloam, kept fresh and potent by a beneficent Providence, have rolled back the weight of advancing years, have abandoned the invalid chair, laid aside the crutch and cane, and once more joined the ranks of rejoicing and laughing youth. It is in such a setting, surrounded by generous hospitality on every hand, that the members of all the regulatory bodies of the sovereign States, and the distinguished members of the Interstate Commerce Commission, are probably doing the greatest work in the history of the national association.

In round-table discussions in which every State is participating, covering six to eight hours a day, they are giving the best that is in them in trying to solve the great major problems which come within their jurisdiction and which now are so potential in helping to bring the Nation back to a normal condition, that the economic balances may be adjusted, when business of every class and kind may once again pick up their broken threads and once more weave into the national life a spirit of prosperity and happiness, when credit shall be reestablished, and when the ghost of fear shall flee at the approach of a better day. It is to this end that our great convention is working upon questions over which they have jurisdiction which touch directly or indirectly every business and every home in America.

Our distinguished president, Hon. John J. Murphy, delivered an inspiring address over the radio Tuesday night, giving to the people of the country a historical review of our national association from its very beginning, 44 years ago, and the part that it has played in our Nation's advancement along all lines of State regulation. I would only add, to carry out his thought, the further strengthening by the States of their regulatory laws as the field widens, and new problems appear almost daily by the inventive genius of this modern age in which we are now living, that the people of America may get the best service possible at the lowest cost, and at the same time protecting the investment of legitimate capital in producing this service. That this end may be reached, the legislatures of all of the sovereign States should give the question of the regulation of public utilities their most serious and profound consideration. There is no better field in which lawmakers, either State or Federal, can find to employ the best that is in them to bring real blessing to all the people of this Republic, than in the field of public-utility regulation.

This statement is no idle gesture, but goes to the very heart of the situation as to both the Federal commission and the State commissions who are the creatures or agencies set up and clothed with authority by Congress or by legislatures of the States, and their powers and authority are limited by the statutes creating them, yet they are supposed by the people of the Nation to have authority and jurisdiction, either full or limited, over the entire field of utility operations in the United States. This jurisdiction extends to railroads, electric power companies, gas companies, telephone and telegraph companies, express companies, water companies, pipe lines, street railways, and, in the last few years by the evolution of motor transportation upon the public highways, to both busses and trucks.

New problems of waterway transportation and transportation by air have also been added to this field, and proper State laws should be enacted. By these rapid developments of new methods of transportation of both freight and passengers, either by regulated motor transportation, as common carriers, private cars, the building of public highways and air transportation, all of which have come to stay, the effect of the long, dark night of depression has caused a complete dislocation of all rules and regulations governing former rates and services as especially to our rail carriers, which are so essential to the transportation of our Nation's wealth and the happiness of our people. It is these great problems of transportation by all of these agencies, which now are engaging the thoughtful and patriotic men of America, that form one of the major problems under consideration and discussion by members of this national association, hoping that there may be brought from this great convention, through its legislative committee, such suggestions and recommendations as may help to solve the problems and see that a square deal is given to all forms of transportation, and that under proper regulation the people may have the benefits of all at reasonable rates without destroying or crippling any that are lawful and legally in the field of legalized operation.

A large majority of the States, if not all, have passed laws governing intrastate transportation by busses and trucks that are engaged as common carriers, and this convention, through its legislative committee, has for the last six years or more endeavored to secure congressional legislation covering interstate operation of motor carriers. The first bill pressed by this association looking to that end was the Parker bill, to which all interested parties agreed, and we had every reason to believe that it would pass the Congress and become a law, but our hopes were in vain.

The State commissions again continued the fight to bring about regulation of interstate bus and truck operation in a bill sponsored by Senator COUZENS, of Michigan, and it, too, after having passed all committees and seemed sure of passage, met its end in the last hours of Congress, so to-day, while the States have regulations as to intrastate motor transportation, both as to busses and trucks, there is no Federal legislation, and under the commerce clause of the Federal Constitution, interstate busses are permitted to pass from State to State without any Federal regulation and only such police regulation as the States may apply. Here is why the "fly is in the ointment," and until there can be Federal regulation of interstate bus and truck operations, as there are railroads, it is obvious there can be no uniformity of regulation applying to this particular class of transportation. The most heartening and powerful statements made looking toward Federal regulation of all forms of transportation was in the splendid and learned address and analysis of the subject by the Hon. Claude Porter, chairman of the Interstate Commerce Commission, in his address at this convention. While he did not claim that his analysis or theory was perfect, yet it was the first great appeal to the lawmakers and people of the Nation by this distinguished chairman of the Interstate Commerce Commission, and should attract nation-wide attention and consideration, and from the legislative committees of both the Congress and of this national association, should find tremendous help in preparing such legislation as may meet the national emergency regarding interstate transportation and the coordination of the same.

An entire afternoon in a round-table discussion on holding companies and problems they present and the question as to whether they should be under Federal regulation and especially as to the relationship to operating companies. It was a most illuminating and far-flung discussion, and out of it, no doubt, will come suggestions of legislation that will be of great benefit not only as to sound investments and operating companies but especially to the people who hold their securities.

On Wednesday morning probably one of the greatest round-table discussions of the session so far was the discussion of valuations and the weight to be given to reproduction cost, historical cost, and all other elements that go in to make up by commissions the value of operating companies for fixing the rate base or value upon which they should have a reasonable return for such property used and useful in the public service. This rate discussion was led by the Hon. E. I. Lewis, of the Interstate Commerce Commission, and practically every State present participated with great interest in this all-important problem. The afternoon of the same day a round-table discussion of equal interest was held regarding regulation of motor carriers and legislation necessary therefor and out of this discussion and conclusions reached no doubt suggestions as to National and State regulation will be offered.

To-day the forenoon session was taken up by a round-table discussion, comprising the entire convention, of public-utility rates and the question of railroad rates and what can be done to bring them into relation to present conditions. In this, like all other round-table discussions, every State present, including the members of the Interstate Commerce Commission, participated, discussing these questions from every angle. My only purpose in giving you a glimpse of how these major questions now confronting utility regulations in the United States are being handled by this convention, is that you may know that your public servants here at Hot Springs are giving everything that is in them, both strength of body and of mind, to try and be worthy of the great trust placed in their keeping and in this hour of our Nation's unhappy condition to forget everything except that spirit of patriotism and service that should mark every loyal, liberty-loving, and God-fearing American.

Our convention has elected for its officers and leaders men of great ability and distinction in the regulatory field. We selected unanimously and with great enthusiasm the Hon. Hugh H. Williams, of New Mexico, as president, who has served with this body for twenty odd years, but owing to the fact that he was caught in the political landslide in his State and will leave the New Mexico commission the 1st of January, he, "the noblest Roman of them all," with that same courage and love for service and devotion to this national association, felt that he should resign and the convention elect a constitutional president for the coming year, and with sorrow in our hearts the convention reluctantly accepted his resignation.

We then elected for the presidency that brilliant and gifted young lawyer, the Hon. J. Paul Kuhn, from the State of Illinois, and I doubt if any organization in America will have a more able and active executive to lead us in this most important crisis in the history of our organization.

The convention then selected its first vice president, that splendid commissioner from Arizona, Hon. Amos Betts, whose 16 years of service make him a veteran, a leader in the councils not only of this organization but in the fields of regulation.

For the second vice presidency the convention went to old Virginia and named the chairman of that great State commission, one of the ablest lawyers and foremost citizens in the Old Dominion, the Hon. Lester Hooker.

This is but a disjointed picture of what great work is being done here by the national association, and I wish to take occasion in the name of the convention and in person to express my thanks to the radio station KTHS and to say to my friends in Tennessee all is well and may God bless our common country. Good night.

PROPOSED ECONOMIC CONFERENCE

Mr. LEWIS. Mr. President, I deeply regret that a continuous or intermittent illness which has distressed me greatly has prevented my constant presence in the Senate since we have reassembled upon what the eminent Senator from New York [Mr. WAGNER] has just described as a short session. May I be pardoned if I parenthetically thank the Senators who have shown some solicitude respecting my illness for their kind nature as disclosed by their inquiries, and to confess that for the one or two moments I shall hold the Senate I may have to draw upon their forbearance to indulge something of a physical weakness in my own behalf.

I congratulate the eminent Senator from New York [Mr. WAGNER] upon his presentation, to which we have listened, I am sure, with a sense of inward inspiration, as he has pointed out the great need of the hour, to turn in some form to the remedy of the wrong. I thank the chairman of the subcommittee, the junior Senator from Vermont [Mr. AUSTIN], for yielding a moment, thus allowing me to intrude upon his time touching a measure which is to come at once before the body of a local consideration.

Mr. President, I want to express, in the moment I occupy, what I feel is a founded fear which our citizens seem—as I behold matters—to be rather unconscious of or indifferent to. The morning cables in the New York papers, and expressions of the historians whom we speak of as the gentlemen of the press gallery, who write for the local publications, assert this morning that the economic conference of which we have lately been hearing, and as being promised, is to be called, and is suggested to be held, either at a city in Switzerland, or that a former eminent United States Secretary of the Treasury, Mr. Mellon, is to be authorized to suggest that it be held at London.

Mr. President, if this conference, so-called economic, is really to be called, it is with the object of having the influences of Europe interfere with, if not disturb, the new policy upon which America has embarked in the form of an adequate system of tariffs, which can be described as tariffs adjusted to the commercial needs of our Nation. The fact that the other nations of the world have reared something of a wall prohibitive of quality, quantity, and dimensions of our goods does not seem to appeal to them as a justification for America rightfully and equitably protecting her own.

Second, the movement is for the purpose of dislodging the financial status of the United States as now fixed, thus removing the superiority with which we are at present blessed and profited. By so adjusting to the United States, in some nature, the hybrid system which England and some of the other countries have been forced to adopt touching silver, and the withdrawal of them from their previous positions as distinctively gold standard value lands, they will reduce us to a competitor, instead of the superior we now hold.

The third purpose—and let us be perfectly frank—of this conference is to propose what has always been in the minds of all these nations who are seeking qualification or limitation of their international indebtedness. Sir, let me say that none of the debtor lands expects this country to cancel the debts. None of them is expecting another revision that shall make any one of the debts less than that which we have already given as a favor of our Nation in great generosity.

The real object as to the debts is to press upon the United States that this is the time to compromise, by allowing the indebtedness to be paid by goods. The shipment of those goods into the United States will be made to the specially selected consignees, who will represent certain very large interests in manufacture and commerce. Then, sirs, after having received these materials at the small price at which they may be delivered from Europe, turn them over to great profit by bringing the prices up to the American prices in the sales to the consumers of our own land in the United States.

Lastly, sir, the purpose of this gathering—obscured and ever disguised in its true object, as have been all the seven preceding international conferences since the war in which we participated—is to finally submit a proposition by which the United States shall become something of a partner in a general cooperation of commercial distribution throughout the world; and thus, under the name of friendship and brotherhood, we are to surrender the supremacy we have in the present hour as a great creditor nation, and become merely one of the nations of the world in debt to themselves. In this they take from us the superior advantage we now enjoy, both as a nation in the distribution of finance and in the prospects of a nation of exports in the new awakening trade of the Orient, so soon as that land shall be pacified sufficiently to make its new arrangement respecting supplies for its manufactories, its commerce, and its agriculture.

Mr. President, it is so apparent to me that these devices are again afoot that I have a proposition to make. I sincerely trust that the distinguished President of the United States, if it be now, or one who shall succeed him, shall not consent to any economic conference, or any other form of conference in which we are to participate, to be held in any foreign land. In other words, not to again melt ourselves to insignificance in a conference, economic or whatever they may term it, in that interesting and elliptical phrase having for its object the disguising and complete masking of the real purpose that is behind those who are calling it—the reducing of the United States to an ally in the foreign prejudices against us.

I suggest that only lately the United States have paid these nations the tribute of sending the distinguished leader on the Democratic side, the senior Senator from Arkansas [Mr. ROBINSON], to one of their great gatherings held at London, he representing the United States. We sent the eminent senior Senator from Virginia [Mr. SWANSON] to another held in Geneva. We are now authorizing the able former Secretary of the Treasury, Mr. Mellon, to serve at London with his proposition, such as he may be carrying as envoy. We authorized the able and distinguished senior Senator from Pennsylvania [Mr. REED] only lately to participate in the construction of a commercial treaty at Paris for France.

Having done this, if there is to be a conference called in which we are to participate, I ask for reciprocity; that it shall be called to the United States of America. This I seek in order that this country and its delegates be freed from the sinister influence and what is the evil environment of both the inherited prejudices and the new-formed hatreds of foreign nations who are our debtors, as against us—also, to be free of those who hope to remove us from the supremacy we now occupy, and which, without great care on our part, we will let slip from its place of security to where we will suffer by either being subordinated as a nation or humiliated as a people.

Mr. President, the able Senator from New York [Mr. WAGNER] has adverted to forms of relief through the National Treasury and alluded to the fact that there may be those who will insist upon returning to the old theory of the sovereign privilege of the States to direct their own finances, but that, nevertheless, says he, we will be forced again to call for help from the National Government. Mr. President, I dare go one step farther than my eminent colleague. There is no person now living in the present generation who will ever see the end of the new system that is now put upon the Government, of the call upon the Federal Treasury and its responses, as the source to remedy and to meet the extreme necessities that will follow the present era through all the lifetime of the present generation. There is no reason, if it be the people's money, that the people of the different States should not have the privilege to direct their money to any course where they think it would best serve the demands of the United States and the welfare of its people.

We have passed forever that day of ancient distinctions of our fathers who sought to make mere divisional government of the Republic and at the edge of each of the borderlines to write the Scriptural injunction, "Thus far and no farther." We will spread and separate throughout the whole Republic not any longer as a federation of States of the Union and the Union of States, but as a Nation that is itself the State of the Union.

That being so, as I see it, I, therefore, feel that we could very easily announce that any participation that we shall take in any international matter now shall be with the view of having preserved, in every way that we can, the new line upon which we have embarked. We must protect and preserve the new theory which we are compelled to advance as the security of those who in necessity or those under pressed conditions compel the departure. We must treat innovation not as a mere temporary thing in which we are experimenting but as one upon which we have embarked as a permanent policy of the new Republic in behalf of that new justice which the human heart of America has at last begun to express.

Therefore, sir, I protest, to the feeble extent, of course, that a single voice can extend, against this Nation's entering into any conference upon the international subject that involves our welfare, economic or political, or that of the international indebtedness to be held in any foreign country, but I would invite those who desire the gathering to assemble here in our home, the United States, at whatever place may be convenient—the Capital naturally suggests itself—where all of the Nations to enter may be free from the environment of prejudice, the late inherited hatred, the present dominant afflictions of accusations which are going forth against us and all. We would thus assemble where we may protect the supremacy of our own country, but in no wise injure or detract from the justice that may be due another.

The indebtedness of which we speak occasionally and of which we hear much is the real thing which is behind the call, either to pay it or to have us agree to accept as payment goods to be sent to this land which would wholly upset and overturn the whole system of our present manufacturing commerce, or to have some arrangement by which this United States would lose the present superiority of position in connection with her as being a creditor. Once lost it will never be regained, for let us state to the world in complete frankness that the spirit of mankind everywhere under civilization will protest and revolt against a suggestion of a war for the mere collection of money without regard to those who may be demanding as a creditor or those who may be owing as debtor. The spirit of the times has changed. We recall Tennyson in his splendid observation:

> How time and man change because of the era which changes and forces upon them the conversion within through which they speak their sentiments to the without.

Mr. President, I do not ask that any country shall limit herself to the narrow phase of assuming a superiority over all mankind of other nations, nor do I demand that we shall as a maxim inscribe over every portal through which nations may enter or depart, the expression and the vow of "America for Americans," but I do demand that the hour has arrived when we contemplate the situation of the world with its hatred toward us and confront the solemn truth that we have not one friend nation in all the world. Sirs, the time has come when we shall instill into the hearts of our countrymen, if not the maxim "America for Americans," then the conviction and in their sense of fealty that obligation "Americans for America."

I thank the Senate for its indulgence.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on the motion of the Senator from Vermont to proceed to the consideration of House Joint Resolution 154.

Mr. AUSTIN. Mr. President, in support of my motion that the Senate proceed to the consideration of the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, it seems appropriate to make a brief explanation of the proposed merger.

The joint resolution passed the House of Representatives as the result probably of some 25 years' effort on the part of the people of the District of Columbia to improve transportation conditions here for the benefit of the people. It has become an emergency measure. It involves the welfare of a great number of wage earners. There is no other industry in the District of Columbia that employs more labor—men and women—than do the transportation systems which are proposed by the joint resolution to be merged together. Their career has been rapidly downward, until one of them is "in the red" to-day and the other one is barely earning its interest charges. Of course, this is reflected in the service which these transportation companies render to the public. This is reflected also in the number of employees who are employed by the corporation. Unless remedial legislation is enacted promptly the bad conditions from which the public, the wage earners, and the car riders are suffering will continue to grow worse.

The resolution amounts only to the approval of Congress as one step in the bringing of these transportation systems together in the elimination of wasteful practices on account of duplication of overhead of all kinds and in the direct removal from the traveling public of the cost of paying fares on two competing street railways and one competing bus line.

The scheme is to have created a new corporation to which shall be conveyed all the property of the Capital Traction Co. and all of that part of the property of the Washington Railway & Electric Co. which is devoted to the transportation of passengers. The unification of the bus line is dependent upon the approval of the Public Utilities Commission and is to be joined up only when and if the Public Utilities Commission rules that it may be done.

In the scheme there is no inflation. There is no water in the proposition. The plan has come through the fire of very close examination by all interests affected by it and as a result of it I am persuaded that there never was a merger or consolidation of corporations which was so free from any possible criticism from the point of view of the public as is this proposed merger. In order not to talk against the motion to proceed to its consideration I am going to yield the floor upon merely calling attention to the interest shown by the public in the progress and in the passage of merger legislation at this session of Congress.

This plan has been considered and hearings have been held regarding it by the District Commissioners, the Bureau of Efficiency, the director and staff of the bureau of accounts of the Interstate Commerce Commission, the National Park and Planning Commission, the Public Utilities Commission, experts specially employed by the Committee on the District of Columbia of the Senate, the House Committee on the District of Columbia, and the House of Representatives itself, which has already acted favorably upon it. The following business associations have interested themselves in and recommended its passage:

Washington Chamber of Commerce, Washington Board of Trade, Merchants and Manufacturers' Association, Washington Central Labor Union, Washington Society of Engineers, Progressive Citizens' Association of Georgetown, Central Business Men's Association, Northeastern Washington Citizen's Association.

The record shows all these that I have referred to, but since this measure came into the Senate for consideration other action showing the urgency of procedure upon the joint resolution has been taken by various other associations which represent the public of the District of Columbia. Some of these associations are the same that took action before the joint resolution was reported to the Senate, as will be noted from the following list: Washington Chamber of Commerce, Federation of Civic Associations, Merchants & Manufacturers' Association, Washington Federation of Churches, Washington Board of Trade, Typothetæ of Washington, Cosmopolitan Club, Quota Club, Optimist Club, Kiwanis Club, United States Chamber of Commerce, Zonta Club, Reciprocity Club, and the Civitan Club.

I call the attention of the Senate, in closing, to the following resolution adopted by these civic associations:

Resolution on the transportation crisis in the District

Whereas recent depression years, focusing the limelight upon business maladjustments, have clearly revealed the dilemma in which American cities have been placed due to the absence of coordinated transportation planning, which has brought many of our transit agencies to the verge of bankruptcy.

The public transportation system of the District of Columbia, caught in the whirlwind of nation-wide tendencies, to-day is bordering upon a condition of chaos, and lack of proper coordination of our several transportation mediums is threatening the continued existence of this vital part of our city's essential utility services.

Street car, motor bus, taxicab—the three principal public transportation utilities—operate to-day frequently in direct, unregulated competition with no adequate definition of, or allocation to, the respective fields of operation best fitted to each, while neither the systems themselves nor the Public Utilities Commission has sufficient powers at the present time to enforce the needed coordination.

The cost per passenger of rendering transportation service to the public is increasing while transit agencies are losing money and the future prospect is for still higher costs with the ever-present threat of economic breakdown.

Most important of all is the protection of life and property from accidents which can not help but increase with the inevitable growth of population and street-traffic congestion if transit disorganization is permitted to continue in future as in the past.

Faced by threatening conditions such as these, affecting the public safety, public investments, transportation costs, and the wages of a large group of our fellow citizens, it is our conviction, and accordingly, we hereby formally resolve, that the time has come when Washington citizens should banish all minor differences and unite their efforts in a concerted drive to solve the present transportation muddle in the District by developing a coordinated transportation plan and fighting for its adoption by the Congress, and that this plan should provide:

1. That legislation authorizing the merger of mass transportation agencies in Washington, now pending before the United States Senate be approved by that body in order that at the earliest practicable date Washington may have the benefits which will accrue from coordinated mass transportation facilities in the District of Columbia.

2. That the powers of the Public Utilities Commission be so extended as to specifically include full supervision of that body over taxicab operation to the same extent that regulation is now exercised by them over mass transportation agencies: And be it further

Resolved, That the guiding principles of Washington's coordinated transportation plan must be protection of the public welfare through regulation to prevent accidents; through improved service at reasonable cost, and through compulsory financial responsibility for indemnification, and that the Congress of the United States is hereby urgently petitioned to enact appropriate legislation to insure these benefits for the people of Washington and for the hundreds of thousands of Americans who come each year to visit their National Capital.

Thomas P. Littlepage, chairman, Joseph D. Ashby, Col. A. B. Barber, George W. Beasley, Robert J. Cottrell, Edwin F. Hill, Mrs. Harriet Howe, George E. Keneipp, Mark Lansburgh, W. H. McCarty, Miss Alma McCrum, J. A. McKeever, R. W. Prince, Dr. Maurice L. Townsend, Col. William O. Tufts, Ben T. Webster, and Henry A. Willard, Joint Transportation Committee of the District.

So, Mr. President, I ask that the Senate proceed to the consideration of this joint resolution which has the favorable recommendation of a large majority of the Committee on the District of Columbia of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Vermont.

Mr. BLAINE. Mr. President, it has been my obligation, as a member of the Committee on the District of Columbia, to consider street-car-merger proposals for the last five years. During that time there have been a number of such proposals. I may, during the course of my discussion of this motion, review those proposals. When the motion was made on last Saturday afternoon, I announced that I would resist its adoption, and I made the suggestion that I would resist the motion for the convenience of the Senate. I am, therefore, obliged to advise that the consideration of the street-car-merger joint resolution will necessarily involve a great deal of discussion and protracted debate, no doubt extending throughout the week and perhaps into the next week.

Mr. President, this proposal is not a simple one. It can not be discussed in the course of a few hours' debate. Practically every feature and principle of public-utility regulation is involved. That will necessitate bringing to the attention of the Senate those principles which ought to be incorporated into the joint resolution, the consideration of which has been moved, so that when we have a street-car merger in the District of Columbia we will have a merger that is in line with the best thought on regulation as reflected by the laws of the several States of the Union.

If this merger actually proposed to consolidate all the companies engaged in transportation in the District of Columbia—that is, street-car transportation and bus transportation analogous to street-car transportation—that would present a much simpler problem; but that is exactly what is not proposed by this measure. If the joint resolution proposed to unscramble the transportation problem of the District of Columbia that would present a simpler problem, but that is exactly what the joint resolution does not do. The fact is that it proposes that a scrambled system of transportation be further scrambled, with the result that we are facing the continuance of an unscrambled transportation system for the District. That is the situation which confronts the Congress of the United States.

During my service in the Senate I have been a member on the Committee on the District of Columbia, which has jurisdiction of all measures proposing street-car mergers within the District. During these years this matter has been thoroughly and carefully analyzed and discussed, and we always confront this situation that the primary concern of the private interests involved is not to benefit the traveling public but to have a set-up for the protection of their stocks and bonds at the expense of the public. By this proposed merger the public will gain nothing, except a possible saving of from fifty to sixty thousand dollars respecting transfers, while the street-car companies, from the financial standpoint, will be relieved of an immediate responsibility and continuing expenditures all the way from $250,000 a year up to a possible half million dollars a year. So in the consideration of the street-railway merger I have endeavored to look at the proposition from the standpoint of the public who use the street-railway systems, and also from the standpoint of the taxpayers of the District who may or may not use the street-railway systems.

Mr. President, I appreciate the parliamentary difficulties in connection with the motion that is pending. I appreciate that no Member may speak more than twice upon the same question under the rules. I appreciate that the point of order of lack of a quorum can be made only once. It therefore must be obvious to everyone that no Member of the Senate wants to subject himself to all the physical hazards that may attend him if he is forced to discuss the pending motion strictly within the rules.

In view of that which is perfectly obvious to every Member of the Senate, I want to be perfectly frank and serve notice now that if this motion is carried that does not mean the termination of the debate respecting this question. If I felt for one moment that the public interests of this District and of the people of this District were to be served in any appreciable degree by the adoption of the joint resolution provid-

ing for the merger I would not endeavor to carry on an extended debate beyond a statement of my objections to the proposed joint resolution. But after the years during which I have undertaken to give the subject my consideration and study fairly and, I believe, sincerely, I fail to find but small benefit that will flow to the people of this District, so far as the public is concerned, from the adoption of the proposed merger as reported by the committee.

This is not a people's joint resolution. This is a street-railway joint resolution, designed by those who are promoting the measure outside of the Senate to write into the laws of the District of Columbia a system of public-utility regulation unknown to any State in the Union.

That is rather a broad statement. I may not be wholly correct. I have not at hand a list of all the States of the Union which have public utility regulatory laws, but, as I recall, there are 43 States of the Union which have set up complete systems for the regulation of public utilities. My examination of the laws of 40 of those States leads me to the conclusion which I reached, that the proposed system of regulation that is to a large extent involved in this joint resolution is not in hármony with the systems set up by the laws of 40 of the States of the Union; and my examination of the laws of the other three States convinces me that this joint resolution proposes to perpetuate an existing system of regulation of public utilities quite unlike that prevailing in the other jurisdictions in this country. In fact, this joint resolution nails down, and then clinches those nails, a system of regulation which has made it almost impossible for the utility commissioners of this District to function as they ought to have a right to function.

I am going to discuss that question at some length during the course of the debate. The question is directly at issue in the proposal which will be made by the senior Senator from Kansas [Mr. CAPPER], the chairman of the Committee on the District of Columbia, and myself by way of specific amendments.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. BLAINE. I yield.

Mr. VANDENBERG. The Senator will recall that several years ago, when I was a member of the District Committee with him, we were both engaged in the study of this problem; and I think at that time I was largely responsible for the employment of Prof. Milo R. Maltbie as the committee's adviser in respect to this merger problem. I was deeply impressed with Professor Maltbie's recommendations. Can the Senator indicate to me for my information whether the pending program substantially follows the Maltbie program or is different, and, if so, in what general aspect?

Mr. BLAINE. The question is rather a broad one. I will answer it in detail during the course of the debate.

Mr. VANDENBERG. In a general way, Mr. President?

Mr. BLAINE. I will answer it directly now with this explanation:

I do not take the Maltbie proposal as a whole, because the joint resolution that was then under consideration by the District Committee, which had for its author Doctor Maltbie, embodied many proposals that had been incorporated in a prior joint resolution on the same subject, and in many respects were not controversial. In that respect there are many things in this joint resolution that follow the Maltbie proposal; but I do not regard those noncontroversial propositions which have been considered prior to Doctor Maltbie's study of the matter as part of the Maltbie plan.

I can find only one proposition of great consequence in the present joint resolution that corresponds to Doctor Maltbie's suggestion; and that is with respect to how the Potomac Electric Power Co. should divide its power and the rates to be charged therefor. Most of the other provisions of Doctor Maltbie's plan are not in this joint resolution.

I think possibly there is one other suggestion in this joint resolution that is in accord with Doctor Maltbie's suggestion, and that is respecting transfers between street cars and busses. I am not quite certain as to the exact language that is used in the present joint resolution, but I shall take the privilege of examining that during the course of the debate.

In view of the situation as I have outlined it, it would seem to me to be a waste of the time and attention of the Senate to take up consideration of this joint resolution at this time.

America and the world are confronted with an economic cataclysm for which history furnishes no parallel. This crisis through which we are going has received some consideration by the Congress. We are about to pass from one administration to another. We are just entering what apparently seems to be a most rigorous winter. I shall not engage now in a discussion of what the present crisis and cataclysm may mean to the United States or endeavor to outline measures of relief. This morning we listened to a very earnest debate, a most sincere exposition, of some of the important problems which confront us at this session of the Congress.

It seems to me, therefore, that Congress should not be called upon, under the circumstances, to devote a week or more to the consideration of this joint resolution, which does not, as I pointed out, mean any substantial benefit to the people but is wholly in the interest of those who have their investment in stocks and bonds in the street-railway transportation system. I want the Senate to have full and fair notice of exactly what we are very apt to encounter.

The senior Senator from Kansas [Mr. CAPPER] and myself have prepared certain amendments. Those amendments have been prepared with the sole object in view of improving the proposed merger for the protection of the public's interest.

Those amendments have not been proposed hastily or without a great deal of consideration. Some of those amendments represent a composite judgment of public authority in this district which has been charged to a certain extent with the administration of the public-utility laws. Those amendments have received the consideration of some of the best legal talent in the United States, talent outside of the Congress, men who are experts in the field of public-utility regulation. Some of those amendments were offered during the second session of the Seventieth Congress.

I mention this to emphasize the fact that it is not my purpose—and I think I can speak for the Senator from Kansas that it is not his purpose—merely to filbuster this joint resolution. I trust the Senate will believe me when I state that it is our purpose to use every parliamentary procedure that affords some promise in promoting the adoption of the amendments which we shall offer.

In view of that situation, in all probability an intelligent and orderly procedure may be had by reserving debate upon those amendments and the general joint resolution until the Senate shall have determined whether or not it proposes to take up the consideration of this joint resolution to the detriment of the more important questions which are confronting the Congress and which affect all of the people of the United States, particularly in these times.

That, of course, is the responsibility of the Senate. I can have no complaint, and will have no complaint, if the Senate chooses to take under consideration the pending joint resolution, a local measure, which, of course, must mean that no other legislation affecting the general welfare can be considered until there has been a decision upon the proposed joint resolution.

Having frankly advised the Senate, and having discharged my responsibility to the Senate, it is my opinion that there should be a quorum called, and that if there are others who choose to discuss the pending question, an opportunity may be had for that purpose. If the motion shall be defeated, we then can proceed to the consideration of other important legislation. If the motion shall prevail, then of course it will be my duty and my responsibility to proceed to more detailed and thorough discussion of all the problems and all the questions which are involved in this joint resolution.

I want to say, Mr. President, that I make that statement without intending in the least any threat. This mat-

ter does not concern me personally or politically. But I have great concern and interest in what Congress may do, as I conceive that if it passes the joint resolution, it will affect the rights and interests and happiness of the people of this District. I conceive it will be my duty to present to the Senate fully and completely what I believe to be in the public's interest.

Therefore, Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Johnson	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bailey	Davis	Kendrick	Schall
Bankhead	Dickinson	King	Schuyler
Barbour	Dill	La Follette	Sheppard
Barkley	Fess	Lewis	Shipstead
Bingham	Frazier	Logan	Shortridge
Black	George	McGill	Smith
Blaine	Glass	McKellar	Smoot
Borah	Goldsborough	McNary	Steiwer
Bulkley	Gore	Metcalf	Swanson
Bulow	Grammer	Moses	Thomas, Idaho
Byrnes	Hale	Neely	Thomas, Okla.
Capper	Harrison	Norbeck	Townsend
Caraway	Hastings	Norris	Trammell
Carey	Hatfield	Nye	Vandenberg
Cohen	Hawes	Oddie	Wagner
Coolidge	Hayden	Patterson	Walsh, Mass.
Copeland	Hebert	Pittman	Walsh, Mont.
Costigan	Howell	Reed	Watson
Couzens	Hull	Reynolds	White

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Vermont [Mr. AUSTIN] that the Senate proceed to the consideration of House Joint Resolution 154, the street-railway merger measure.

Mr. BLAINE. Mr. President, I understand that within a short time a very important message may be delivered to the Senate and that it may be desirable to continue debate upon the pending motion for a time. I dislike to engage in debate unless I can talk upon the pending question.

The Senator from Vermont [Mr. AUSTIN] has referred to the very desperate situation in which the street-railway companies find themselves and has said that it is very necessary to pass the joint resolution immediately. Mr. President, I have heard that same general statement for the last five years. When the Senate adjourned last July, as I recall, we were told that unless we passed the merger resolution there would be either bankruptcy or an increase in fares, neither of which predictions has come true.

In passing, however, I want to compliment the distinguished Senator from Vermont. He has been persistent in his efforts to bring the merger resolution before the Senate, I am sure greatly to his inconvenience as it has necessitated his presence in his seat daily and almost hourly so that when the opportunity presented itself he could then make his motion. But I think his anxiety is without any substantial ground.

I have on my desk a report submitted by W. B. Hibbs & Co., of Washington, D. C., on sales occurring on the Washington Stock Exchange for 1932 up to and including Friday, December 16. There is a list of bonds and stocks of public utilities. I find from an examination of this report that the stock and bond market for the securities of Washington public utilities is quite favorable as compared with the stock and bond market for the securities of utilities generally throughout the country and particularly as to industrial stocks and bonds.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on the 15th instant the President approved and signed the act (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes.

INTERGOVERNMENTAL DEBTS (H. DOC. NO. 511)

Mr. VANDENBERG. Mr. President, will the Senator from Wisconsin yield to me to make a point of no quorum so that a President's message may be laid down?

The VICE PRESIDENT. Does the Senator from Maine yield for that purpose?

Mr. BLAINE. I assume that the Chair will protect me in my rights to the floor if I yield.

The VICE PRESIDENT. The Chair will undertake to do so.

Mr. VANDENBERG. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kendrick	Schuyler
Austin	Davis	King	Sheppard
Bailey	Dickinson	La Follette	Shipstead
Bankhead	Dill	Lewis	Shortridge
Barbour	Fess	Logan	Smith
Barkley	Frazier	McGill	Smoot
Bingham	George	McKellar	Steiwer
Black	Glass	McNary	Swanson
Blaine	Goldsborough	Metcalf	Thomas, Idaho
Borah	Gore	Moses	Thomas, Okla.
Bulkley	Grammer	Neely	Townsend
Bulow	Hale	Norbeck	Trammell
Byrnes	Harrison	Norris	Tydings
Capper	Hastings	Nye	Vandenberg
Caraway	Hatfield	Oddie	Wagner
Carey	Hawes	Patterson	Walsh, Mass.
Cohen	Hayden	Pittman	Walsh, Mont.
Coolidge	Hebert	Reed	Watson
Copeland	Howell	Reynolds	White
Costigan	Hull	Robinson, Ark.	
Couzens	Johnson	Robinson, Ind.	
Cutting	Kean	Schall	

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present. The Chair understands the Senator from Wisconsin yielded in order that the message might be read.

Mr. BLAINE. Yes.

Mr. ROBINSON of Arkansas. Mr. President, pending the reading of the President's message, I inquire if copies are available for the use of Senators?

The VICE PRESIDENT. The Chair is sorry to inform the Senator that no extra copies have been received.

Mr. ROBINSON of Arkansas. Well, Mr. President, I merely wish to say that it would greatly conserve the convenience of the Senate if copies of important messages, such as this is presumed to be, should be supplied, so that Senators may have the opportunity of following the reading. In all probability copies have been made available to the press. I suggest that it would be helpful if the same courtesy were extended to the Senate.

The VICE PRESIDENT. Let the Secretary read the message from the President of the United States.

The Chief Clerk read the message, as follows:

To the Senate and House of Representatives:

I indicated in my message on the state of the Union of December 6 that I should communicate further information to the Congress. Accordingly, I wish now to communicate certain questions which have arisen during the past few days in connection with the war debts. These questions, however, can not be considered apart from the grave world economic situation as it affects the United States and the broader policies we should pursue in dealing with them. While it is difficult in any analysis of world economic forces to separate the cause from the effect or the symptom from the disease, or to separate one segment of a vicious cycle from another, we must begin somewhere by determination of our objectives.

It is certain that the most urgent economic effort still before the world is the restoration of price levels. The undue and continued fall in prices and trade obviously has many origins. One dangerous consequence, however, is visible enough in the increased difficulties which are arising between many debtors and creditors. The values behind a multitude of securities are lessened, the income of debtors is insufficient to meet their obligations, creditors are unable to undertake new commitments for fear of the safety of present undertakings.

It is not enough to say that the fall in prices is due to decreased consumption and thus the sole remedy is the adjustment by reduced production. That is in part true but decreased consumption is brought about by certain economic forces which, if overcome, would result in a great measure of recovery of consumption and thus recovery from the depression. Any competent study of the causes of continued abnormal levels of prices would at once establish the fact that the general price movement is world-wide in character and international influences therefore have a part in them. Further exploration in this field brings us at once to the fact that price levels have been seriously affected by abandonment of the gold standard by many countries and the consequent instability and depreciation of foreign currencies. These fluctuations in themselves, through the uncertainties they create, stifle trade, cause invasions of unnatural marketing territory, result in arbitrary trade restrictions and ultimate diminished consumption of goods, followed by a further fall in prices.

The origins of currency instability and depreciation reach back again to economic weaknesses rooted in the World War which have culminated in many countries in anxieties in regard to their financial institutions, the flight of capital, denudation of gold reserves with its consequent jeopardy to currencies. These events have been followed by restrictions on the movement of gold and exchange in frantic attempts to protect their currencies and credit structures. Restrictions have not alone been put upon the movement of gold and exchange but they have been imposed upon imports of goods in endeavor to prevent the spending of undue sums abroad by their nationals as a further precaution to prevent the outflow of gold reserves and thus undermining of currency. These steps have again reduced consumption and diminished prices and are but parts of the vicious cycles which must be broken at some point if we are to assure economic recovery.

We have abundant proof of the effect of these forces within our own borders. The depreciation of foreign currencies lowers the cost of production abroad, compared to our costs of production, thus undermining the effect of our protective tariffs. Prices of agricultural and other commodities in the United States are being seriously affected, and thousands of our workers are to-day being thrown out of employment through the invasion of such goods.

I concur in the conclusions of many thoughtful persons that one of the first and most fundamental points of attack is to reestablish stability of currencies and foreign exchange and thereby release an infinite number of barriers against the movement of commodities, the general effect of which would be to raise the price of commodities throughout the world. It must be realized, however, that many countries have been forced to permit their currencies to depreciate. It has not been a matter of choice.

I am well aware that many factors which bear upon the problem are purely domestic in many countries, but the time has come when concerted action between nations should be taken in an endeavor to meet these primary questions. While the gold standard has worked badly since the war, due to the huge economic dislocations of the war, yet it is still the only practicable basis of international settlements and monetary stability so far as the more advanced industrial nations are concerned. The larger use of silver as a supplementary currency would aid to stability in many quarters of the world. In any event it is a certainty that trade and prices must be disorganized until some method of monetary and exchange stability is attained. It seems impossible to secure such result by the individual and separate action of different countries each striving for separate defense.

It is for the purpose of discussing these and other matters most vital to us and the rest of the world that we have joined in the world economic conference, where the means and measures for the turning of the tide of business and price levels through remedy to some of these destructive forces can be fully and effectively considered and, if possible, undertaken simultaneously between nations.

The reduction of world armament also has a bearing upon these questions. The stupendous increase in military expenditures since before the war is a large factor in world-wide unbalanced national budgets, with that consequent contribution to instable credit and currencies and to the loss of world confidence in political stability. While these questions are not a part of the work proposed for the economic conference, cognizance of its progress and possibilities must be ever in the minds of those dealing with the other questions.

The problem of the war debts to the United States has entered into this world situation. It is my belief that their importance, relative to the other world economic forces in action, is exaggerated. Nevertheless, in times of deep depression some nations are unable to pay, and in some cases payments do weigh heavily upon foreign exchange and currency stability. In dealing with an economically sick world many factors become distorted in their relative importance and the emotions of peoples must be taken into account.

As Congress is aware, the principal debtor nations recently requested that the December payments on these debts should be postponed and that we should undertake an exchange of views upon possible revision in the light of altered world conditions.

We have declined to postpone this payment as we considered that such action (a) would amount to practical breakdown of the integrity of these agreements, (b) would impose an abandonment of the national policies of dealing with these obligations separately with each nation, (c) would create a situation where debts would have been regarded as being a counterpart of German reparations and indemnities and thus not only destroy their individual character and obligation but become an effective transfer of German reparations to the American taxpayer, (d) would be no real relief to the world situation without consideration of the destructive forces militating against economic recovery, (e) would not be a proper call upon the American people to further sacrifices unless there were definite compensations. It is essential in our national interest that we accept none of these implications and undertake no commitments before these economic and other problems are canvassed and so far as possible are solved.

Of the total of about $125,500,000 due, Czechoslovakia, Finland, Great Britain, Italy, Latvia, and Lithuania have met payments amounting to $98,685,910, despite the difficulties inherent in the times. Austria, Belgium, Estonia, France, Greece, Hungary, and Poland have not made their payments. In the case of some of these countries such failure was unquestionably due to inability in the present situation to make the payments contemplated by the agreements.

Certain nations have specifically stated that they do not see their way clear to make payments under these agreements for the future. Thus our Government and our people are confronted with the realities of a situation in connection with the debts not heretofore contemplated.

It is not necessary for me at this time to enter upon the subject of the origins of these debts, the sacrifices already made by the American people, the respective capacities of other governments to pay, or to answer the arguments put forward which look toward cancellation of these obligations. I may, however, point out that except in one country the taxation required for the payments upon the debts owing to our Government does not exceed one-quarter of the amounts now being imposed to support their military establishments. As their maintained armaments call for a large increase in expenditures on our defensive forces beyond those before the war, the American people naturally feel that cancellation of these debts would give us no relief from arms, but only free large sums for further military preparations abroad. Further, it is not amiss to note that the contention that payment of these debts is confined to direct shipment of goods or payment in gold is not a proper representation since in normal times triangular trade is a very large factor in world exchanges, nor is any presentation of the trade balance situation complete without taking into account services as for instance American tourist expenditure and emigrant

remittances alone to most of the debtor countries exceed the amount of payments. I may also mention that our country made double the total sacrifice of any other nation in bringing about the moratorium which served to prevent the collapse of many nations of Europe with its reactions upon the world. This act of good will on our part must not now be made either the excuse or opportunity for demanding still larger sacrifices.

My views are well known; I will not entertain the thought of cancellation. I believe that whatever further sacrifices the American people might make by way of adjustment of cash payments must be compensated by definite benefits in markets and otherwise.

In any event in protection to our own vital interests, as good neighbors and in accord with our traditional duty as wise and fair creditors whether to individuals or nations, we must honor the request for discussion of these questions by nations who have sought to maintain their obligations to us.

The decision heretofore reached to exclude debt questions from the coming world economic conference or from any collective conference with our debtors is wise as these are obligations subject only to discussion with individual nations and should not form part of a collective discussion or of discussion among many nations not affected, yet it seems clear that the successful outcome of the economic conference would be greatly furthered if the debt problem were explored in advance, even though final agreement might well be contingent on the satisfactory solution of economic and armament questions in which our country has direct interest.

Thus from this present complex situation certain definite conclusions are unavoidable:

First. A number of the most serious problems have now arisen and we are bound to recognize and deal with them.

Second. It is of great importance that preparatory action should be taken at once otherwise time will be lost while destructive forces are continuing against our agriculture, employment, and business.

Third. Adequate and proper machinery for dealing with them must be created. It is clear that ordinary diplomatic agencies and facilities are not suitable for the conduct of negotiations which can best be carried on across the table by specially qualified representatives.

Fourth. As I have pointed out, the discussion of debts is necessarily connected with the solution of major problems at the world economic conference and the arms conference. The ideal way would, therefore, seem to be that some of our representatives in these matters should be selected at once who can perform both these functions of preparing for the world economic conference, and should exchange views upon the debt questions with certain nations at once and to advise upon the course to be pursued as to others. It would be an advantage for some of them to be associated with the arms conference. Some part of the delegates appointed for this purpose could well be selected from the Members of the Congress. On the side of the Executive this is no derogation of either Executive authority or independence; on the side of the Congress it is no commitment but provides for the subsequent presentation to the Congress of the deliberations, intricacies, reasoning, and facts upon which recommendations have been based and is of first importance in enabling the Congress to give adequate consideration to such conclusions.

Fifth. Discussions in respect to both debt questions and the world economic conference can not be concluded during my administration, yet the economic situation in the world necessitates the preliminary work essential to its success. The undertaking of these preliminary questions should not be delayed until after March 4.

I propose, therefore, to seek the cooperation of President-elect Roosevelt in the organization of machinery for advancement of consideration of these problems.

A year ago I requested that the Congress should authorize the creation of a debt commission to deal with situations which were bound to arise. The Congress did not consider this wise. In the situation as it has developed it appears necessary for the Executive to proceed. Obviously any conclusions would be subject to approval by the Congress.

On the other hand, should the Congress prefer to authorize by legislative enactment a commission set up along the lines above indicated it would meet my hearty approval.

I had occasion recently in connection with these grave problems to lay down certain basic principles:

> If our civilization is to be perpetuated, the great causes of world peace, world disarmament, and world recovery must prevail. They can not prevail until a path to their attainment is built upon honest friendship, mutual confidence, and proper cooperation among the nations.
>
> Those immense objectives upon which the future and welfare of all mankind depend must be ever in our thought in dealing with immediate and difficult problems. The solution of each of these, upon the basis of an understanding reached after frank and fair discussion, in and of itself strengthens the foundation of the edifice of world progress we seek to erect; whereas our failure to approach difficulties and differences among nations in such a spirit serves but to undermine constructive effort.
>
> Peace and honest friendship with all nations have been the cardinal principles by which we have ever guided our foreign relations. They are the stars by which the world must to-day guide its course—a world in which our country must assume its share of leadership and responsibility.

The situation is one of such urgency that we require national solidarity and national cooperation if we are to serve the welfare of the American people and, indeed, if we are to conquer the forces which to-day threaten the very foundations of civilization.

HERBERT HOOVER.

THE WHITE HOUSE, *December 19, 1932.*

The PRESIDENT pro tempore. The President's message will be referred to the Committee on Finance and printed.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

The Senate resumed the consideration of the motion of Mr. AUSTIN that the Senate proceed to the consideration of the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

Mr. BLAINE. Mr. President, I have made reference to the financial condition of the street railways in the District of Columbia. I find that the Potomac Electric Power Co. consolidated 5 per cent bonds, due date 1936, sold for as high as $103.75 with an approximate yield at maturity of 4.15 per cent, and at no time during the year 1932 did those bonds sell for less than $100.

The general and refunding 6 per cent bonds of the Potomac Electric Power Co., maturing in 1953, sold for as high as $108.50, with an approximate yield at maturity of 5.3 per cent, and never during the year did those bonds sell for less than $103.25.

The Capital Traction Co. first 5's, maturing in 1947, sold for as high as $63, never lower than $38, with an approximate yield at maturity of 12.4 per cent, representing a very high yield, thus indicating to that extent the value of those bonds.

I find about the same situation respecting the Potomac Electric Power Co. stock, it always selling for above $100, and yielding as high as 5.4 per cent, and never less than 5.1 per cent during the year.

Of course, all of these public utilities are in a manner tied together, having as their fountainhead the North American Co.

As I recall the report of Doctor Maltbie, contained in Senate Document 184, he points out the history of the merger negotiations from an early time. At this point perhaps it is advisable to give a brief history of the merger negotiations.

I find from the report of Doctor Maltbie, part 1, under his analysis of the provisions of the unification agreement, the following:

> There are three companies involved in the present plan for a merger of the transportation facilities in the District of Columbia. These companies are as follows: The Capital Traction Co., the Washington Railway & Electric Co., and the Washington Rapid Transit Co.

The Washington Rapid Transit Co. is popularly known as the bus company.

The two railway companies received their charters from Congress, but the bus company was incorporated in Delaware.

I quote from Doctor Maltbie's report, which is pertinent to the joint resolution that is to be brought before the Senate, because the joint resolution deals with these three companies.

The new company—

So characterized in the joint resolution—

to which it is proposed to transfer the railway and bus properties of these three companies, will be called the Capital Transit Co.

The Capital Traction Co. resulted from a merger in 1895 of the Washington & Georgetown Railroad Co. and the Rock Creek Railway Co. It now operates 73 miles of electric railway single track and 88 equivalent single-track miles of motor-bus routes. The territory served by this company lies for the most part within the congested area of the District between Florida Avenue and the Potomac and Anacostia Rivers. It also has lines on Fourteenth Street and Connecticut Avenue, serving rapidly growing suburban areas. Ownership of the 120,000 shares of common stock of the Capital Co. is widely scattered among 2,382 stockholders, none of whom owns over 3.3 per cent of the total number. The North American Co., according to last reports, is the beneficial holder of 3,612 shares of this stock.

How much additional stock it has acquired since this report I do not know.

The Washington Co.—

That is, the Washington Railway & Electric Co., popularly known as the "Wreco"—

represents a combination through consolidation and stock ownership of 38 different companies, 30 of which are street railway companies and 8 electric power companies. It is the successor of the Washington & Great Falls Electric Co., which acquired the stocks of the eight companies held by the Washington Traction & Electric Co. when that company went into the hands of a receiver in 1901. After the stocks of the several companies making up this original merger were acquired in 1902 by the Washington & Great Falls Electric Co. its name was changed to the Washington Railway & Electric Co. While some of the companies have continued their corporate existence, they are operated under a single management as one system.

Mr. President, as I said at the outset, this is not a merger which is proposed, in the true sense. There will still be a lot of unscrambled street-car eggs, and there will also be this situation, as Doctor Maltbie points out:

Therefore, the Washington Co. is both an operating and a holding company. It operates the street railways under its own name and owns all the common stock of the Potomac Electric Power Co.

If my memory serves me well, I recall that during the last presidential campaign—and I should now address myself to the Democratic side—there was discussed the question of holding companies and subsidiaries; and, as I recall, Governor Roosevelt was insistent that there should be set up a system whereby this whole scheme of pyramiding utility companies through subsidiaries and holding companies should not only be regulated but that the system as such should be entirely eliminated. Yet by this merger we would do neither. Here in the District of Columbia it is proposed to violate the very policies and principles advocated by Governor Roosevelt. If I understand the public mind, that was one of the paramount issues in the campaign and brought such distinguished citizens of our country as the senior Senator from Nebraska [Mr. NORRIS] to the support of Governor Roosevelt in the presidential contest, and I think had some influence in bringing to his support the distinguished senior Senator from California [Mr. JOHNSON].

I make these references for no other purpose than to emphasize that one of the questions in a proper merger was perhaps one of the outstanding issues in the presidential campaign of 1932. I would therefore assume, and I think properly so, that the merger program or proposal, with this situation continuing as I have described it, is such that the Democratic membership of the Senate can not give its support to a merger diametrically opposed to their platform or the policies of the Democratic President elect.

Doctor Maltbie, as I said, sets forth that the Washington Railway & Electric Co. is both an operating and a holding company. It operates the street railway company under its own name and owns all the common stock of the Potomac Electric Power Co. That has become a conventional system of monopolistic control of utilities and power, and it was against that system that the people of the country rebelled at the ballot box last November.

The railway system of the Washington Railway & Electric Co. consists of 161 miles of electric railway single track and 115 equivalent single-track miles of motor-bus routes. It serves a widely scattered area spread out from the center of the District and including most of the suburban territory to the east, west, and north. According to the last report, the North American Co. owns 55,650 of the 65,000 shares of the common stock of the Washington Railway & Electric Co. and 20,267 shares of the 85,000 shares of preferred stock, so that it has a clear majority of all the outstanding stock. The common stock is the stock that represents the voting strength, of course, and, subject to whatever articles of agreement were entered into at the time of the issuance of the preferred stock, the common stock directs the policy of the company.

The North American Co., therefore, in effect, owns the Washington Railway & Electric Co., and the Washington Railway & Electric Co. owns the Potomac Electric Power Co. through stock ownership. There we have the pyramiding system, the power company being owned by the Washington Railway & Electric Co., which in turn is owned by the North American Co.; in other words, the Washington Railway & Electric Co. is a subsidiary of the North American Co., and the power company is a subsidiary of the Washington Railway & Electric Co. These facts, as it will develop during the debate, become pertinent when we come to a consideration of the power clause and the division of the power and the rates to be charged for that power as contained in the proposed merger.

There we have a typical set-up which the Governor of New York has repeatedly discussed and the principle of which he has repeatedly opposed, and which principle he made a paramount issue in the last presidential campaign—that is, the entire system of holding companies and subsidiary companies pyramiding until the cost of electric current has become exorbitant. So I rightfully and sincerely appeal to the Democratic Membership of the Senate to support their President elect and my President elect, because he will be the President of the whole country beginning at noon on the 4th of March next, and to support the principle which he advocated, and which principle was so potent in the presidential campaign and, no doubt, to a very large extent accounts for his unprecedented popular vote and electoral vote.

But I do not base my objection to this set-up upon any party grounds nor even upon the verdict that was rendered by the electors last November. I base my opposition to the system upon principle, identically the same motive, no doubt, which persuaded the people of the country in the recent election, or at least was one of the persuasive elements in electing Governor Roosevelt President of the United States. The senior Senator from Nebraska [Mr. NORRIS], during the closing days of the first session of this Congress, as I recall, for two or three days outlined ably this whole question of power, traced the ramification of holding companies over subsidiaries, and pointed out very clearly the burdens that are placed upon the consumer of electric current through this system of pyramiding one subsidiary upon another.

In addition to the two street-railway companies there is a bus company. Doctor Maltbie gives the history of the bus company. I quote him because he went into the record and very carefully set down the historical sequence relating to these companies in most accurate language and in detail. He said:

The bus company operates only motor busses. It began its operation in March, 1921, with a route on Sixteenth Street. Its routes have been expanded from time to time until there has been developed a system covering 23 miles of streets or 39 equivalent single-track miles of motor-bus routes. The controlling stock of this company (21,227 shares out of 21,612) is owned by Harley P. Wilson under pledge to turn it into a proper consolidation within a reasonable time without personal profit.

My attention has just been called to an error I made in giving reference to the source of the report. I have been

quoting from Senate Document No. 184 of the Seventieth Congress, second session, which contains certain information and a letter from Dr. Herbert D. Brown, Chief of the Bureau of Efficiency, to Senator ARTHUR CAPPER, chairman of the Committee on the District of Columbia of the United States Senate, transmitting a report of a study of the proposed merger of street railways in the District of Columbia, together with a report submitted to the committee by Milo R. Maltbie. That which I have quoted is from that part of the report taken from the letter of the Chief of the Bureau of Efficiency. I am merely using the information because I believe it to be historically accurate, so it is quite immaterial that I made the error as to the source from which it came. I merely wanted to point out the history of the merger proposal.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. BLAINE. I yield.

Mr. COUZENS. At the beginning of the consideration of the merger question the Committee on the District of Columbia employed Doctor Maltbie. Has the Senator during his discussion—I have been out of the Chamber a portion of the time—pointed out the differences between the pending measure and the recommendations of Doctor Maltbie?

Mr. BLAINE. The Senator's colleague the junior Senator from Michigan [Mr. VANDENBERG] asked a question an answer to which would involve the same facts, and I stated that during the course of debate I would be able to point out the essential differences. The junior Senator from Michigan wanted them only in a general way. I said that in 1928 there was under consideration a merger proposal, of which Doctor Maltbie was not the author, but in respect of which he made certain recommendations. The joint resolution now proposed to be brought before the Senate contains many provisions which antedate Doctor Maltbie's draft but that were subsequently contained in his draft; and this joint resolution now contains those provisions, about which there is very little controversy but which I do not characterize as Doctor Maltbie's production. The pending joint resolution, however, has, in my opinion, only two provisions that had the approval of Doctor Maltbie; one respecting the division of power and as to the rate each portion of that division should bear and the other respecting universal transfers between busses and street cars. I think those are the only two exceptions.

The essential portions of Doctor Maltbie's proposed measure are not contained in this joint resolution. Doctor Maltbie took the whole capital structure of the two companies and undertook to build out of that capital structure a new company, which, of course, in effect, would produce a result entirely different from that which the present joint resolution would bring about.

Mr. COUZENS. Does the Senator substantially agree with the recommendations made by Doctor Maltbie?

Mr. BLAINE. I proposed two essential additions. I do not disagree with Doctor Maltbie's general proposal, and at that time submitted a report suggesting two amendments which I thought should be added to it. One had to do with the question of the irrevocability of the contract, once approved by the Congress, and the other respecting the desirability of having the franchise to the streets—that is, the use of the streets—made either definite or indeterminate, and I suggested that it be indeterminate.

Mr. COUZENS. Experience growing out of such franchises indicates that that is the wiser plan to follow, rather than to fix a definite time.

Mr. BLAINE. Yes; I think that is correct.

I think I have correctly stated, without going into the detail, the difference between Doctor Maltbie's provisions and those of the pending measure.

Without going into too great detail respecting this proposed merger I might suggest that the Bureau of Efficiency points out that—

During the last 25 years—

And this report was made in 1928, four years ago—

there have been many attempts to effect some sort of a consolidation between the Washington Co. and the Capital Co. All attempts prior to the present one proved abortive, largely because of differences of opinion as to the relative values of the companies.

The companies had also contested valuations before the courts, and there has, as a matter of fact, grown up a very confused condition in the District of Columbia respecting utility regulation on account of the peculiar language of the regulatory laws of the District. I am going to cover that during the course of the debate, and hope to make myself plain. I think therein lies a great opportunity for the Congress, without any general revision of the utility laws, to adopt a provision that will bring the utility laws of the District of Columbia in substantial harmony with the utility laws of about 40 States of the Union respecting the power of the courts to review the orders of the utility commission.

Here in the District of Columbia, let me say in passing, the courts are set up as the administrative body, when in at least 40 States whose utilities laws I have examined, the public-utility commission is the body that passes upon the administrative features, leaving to the courts only questions of construction with reference to the statutory law and constitutional questions.

In March, 1925, Congress passed an act granting permission to the street-railway companies to merge and consolidate under certain conditions and provisions. It was after the passage of that act that the president of the Washington Co. was directed by his executive committee to interview the president of the Capital Co. on the subject of the merger. Out of this interview there came no tangible result. I especially emphasize that this act was passed on March 4, 1925.

In April, 1925, the North American Co., by which time, according to the historical recital made by the Bureau of Efficiency, it had acquired a substantial investment in the local transit systems—

negotiated an agreement with the Public Utilities Commission for a survey of the transportation situation in the District of Columbia. The purpose of the survey, of course, was to develop facts on which judgment could be based as to what advantage would result from a merger.

Following that survey the North American Co. opened negotiations in November, 1925, with the Capital Co. It should be remembered that the North American Co. owned practically all the stock of the Washington Co. It opened these negotiations after the passage of the enabling act of March 4, 1925, looking to the unification of the local transportation systems.

There is considerable detail of history following the attempt of the North American Co. to bring about this unification. I do not recall the testimony and I may be mistaken in some respects, but I do recall that the North American Co. was acquiring the stock of the Capital Traction Co., so that in time no doubt the Capital Traction Co. would become a subsidiary of the North American Co., the same as is, and has been, the Washington Railway & Electric Co.

Then another situation to cause more confusion was brought about by the bus company. Mr. Harley P. Wilson in the early part of 1927, he then being a director of the North American Co. and the Washington Co. and the owner of the bus company, no doubt holding that ownership in trust for the North American Co. or the Washington Railway & Electric Co., so as to get around the anti-merger law, undertook to outline a plan for a merger. I need not go into the details of the history of that negotiation, but the intercompany negotiations and company negotiations with the Public Utilities Commission were continued until there was a tentative agreement presented. On page 11 of the report to which I have referred it is said:

The agreement was immediately submitted to the Public Utilities Commission for its approval in accordance with the provi-

sions of the act of March 4, 1925. Hearings on the agreement were opened by the commission on February 29, 1928, and they continued for 10 days.

This effort has been going on for five years, and so it is difficult to remember every detail, but I recall that at the session of Congress in 1928—I do not remember whether it was early or late in the session—there was proposed a joint resolution to which I made reference when I answered in part the question of the junior Senator from Michigan, known, if I am not mistaken, as the Childress-Craig resolution. I may be mistaken as to the second name.

Evidently the agreement that was submitted to the Utilities Commission in 1925, upon which hearings were begun in 1928, became the basis of an agreement upon which Congress has proposed from time to time to base congressional action by way of a joint resolution.

In order to keep the record clear on that proposition, for I think it is important, the senior Senator and the junior Senator from Michigan, having raised the question as to the difference between the Maltbie proposal and the present proposal, keep in mind this original proposition, upon which the Bureau of Efficiency reports as follows—and I can do no better than to quote from their report:

After several conferences between the commissioners and the representatives of the companies, the suggested modifications—

Referring to the proposal before the commission—

together with certain other modifications to which the commission had no objection, were accepted by all parties to the agreement. The amended agreement was then submitted to the stockholders of the company and ratified under date of April 7, 1928, by a majority of each of them as required by the act of March 4, 1925. The Public Utilities Commission finally approved the terms and conditions of the agreement on April 13, 1928, and on the same day transmitted it to the Speaker of the House, together with the draft of a joint resolution designed to approve and give effect to the agreement. This draft was prepared by a committee, consisting of an attorney for each of the parties to the agreement, one of the members of the Public Utilities Commission, and the general counsel and the people's counsel of the commission.

The House Committee on the District of Columbia held hearings on the joint resolution, House Joint Resolution 276, for 14 days, starting April 20, 1928. In these hearings not only the resolution but also the agreement were examined into carefully and thoroughly.

I will omit the details as to immaterial data.

On May 17, 1928, the committee reported the joint resolution back to the House and recommended that it pass with one amendment, namely, that the Public Utilities Commission be authorized to establish reduced rates of fare for school children on street-railway lines, bus lines, and other forms of transportation operating in the District of Columbia. Congress adjourned before the House had an opportunity to act upon the report.

Without going further into that matter now, probably the memory of the senior Senator from Kansas [Mr. CAPPER] will serve him better than mine does that it was that joint resolution that was used as the basis of the joint resolution before the Congress at the next session of the Congress—that is, at the second session of the Seventieth Congress—and it was then, as I recall, that the District Committee was authorized to engage Doctor Maltbie to assist it in preparing legislation on the merger question, and Doctor Maltbie proceeded.

I do not recall how long he worked on the matter. I do not recall whether or not he was employed before the House adjourned in April, 1928; but that is wholly immaterial. Anyway, whatever that fact may be, a joint resolution was reported out of the Senate Committee on the District of Columbia in February, 1929. I am not certain as to the date of that report. As I recall, the report was made by the junior Senator from Michigan [Mr. VANDENBERG].

That report, as I also recall, never was called up in the Senate. I do not believe there was any disposition at that time to delay consideration of the report. I do not remember that there was any such disposition, unless that disposition came from the representatives of the street-railway companies. That I do not know. I recall the report that I made, suggesting the amendments to which I called the attention of the junior Senator from Michigan.

That is a part of the history in connection with the proposed merger of the street-railway companies in the District of Columbia; and I believe it fairly and accurately states the main history respecting the advancement that this question of a merger has made.

Mr. President, in view of the facts to which I have called attention, and which I have not argued in detail, it is an unfortunate situation that it is proposed that we proceed to the consideration of this joint resolution to the detriment of general legislation. I am quite convinced that the joint resolution ought not to pass in the form in which it has been proposed. I should be disposed to let the joint resolution take its course, however, if consideration of it were delayed for some reasonable time with a view of the possibility of harmonizing the differences of opinion upon the main, essential features.

That difference of opinion does not exist simply between the senior Senator from Kansas and the majority of the committee, nor between myself and the majority of the committee. It is a difference of opinion that exists between the counsel for the commission and the street-railway companies—and I say that without the abuse of any confidence. It is a difference of opinion that exists between the people's counsel and the street-railway companies. It is a difference of opinion that exists between the committee on merger of the largest citizens' organization in this District, the representative organization, headed by a very able citizen of this District, and the street-railway companies; and, of course, it is a difference of opinion between the members of the committee who joined in the minority report and the majority of the committee.

The difference of opinion, however, does not arise through any desire on the part of any one of these men to postpone a merger. There is no reason why they should desire to postpone a merger. In fact, I have worked on this proposition too long and have devoted more time to it than probably the proposition deserves; but I felt that the people of the District of Columbia were regarded somewhat in the light of stepchildren, and I, therefore, undertook to give my time and my best thought to the consideration of this proposition. The joint resolution as it is before us, however, without the amendments that have been proposed by the minority of the committee, is not, in my opinion, in the interest of the people of this District.

I say I should be disposed to have this matter taken up in earnest except for the fact that the street-railway companies have served notice upon me that they have the votes of Senators in their vest pockets; that they can put this bill across. That is the thing that I now and here challenge. That is the sort of thing that causes me to make the express declaration that this joint resolution shall not pass so long as I have the strength to retain the floor in this Chamber; and I make this challenge not to the Senate but in defense of the Senate of the United States.

So, Mr. President, those who are concerned about the passage of this joint resolution might just as well dig themselves in for the winter so far as I am concerned.

Mr. President, I do not know what is the disposition of those who may daily control the comings and goings of the Senate; but I observe that the very genial Senator from Oregon is now present in the Chamber, and I might inquire, if I do not lose the floor, under the rules, as to what his disposition may be respecting the taking of a recess or an adjournment.

Mr. McNARY. Mr. President, it is my complete desire to take a recess this evening until to-morrow at 12 o'clock, and I think around 5 o'clock would be an acceptable hour.

Mr. BLAINE. I accept the suggestion. The Senator could not make it as late as a little later? [Laughter.]

Mr. McNARY. If the Senator from Wisconsin shall have the floor at 5 o'clock and decides that he desires to proceed until 6 o'clock, I shall be glad to wait here and listen.

Mr. BLAINE. I shall be generous in yielding. I am convinced that the people of Washington and the street-railway companies are in favor of a transportation merger. I can also state that that desire is quite unanimous, and I know of no objection in the Congress of the United States against

a merger. But the joint resolution under consideration is not merely an authority for a merger.

The VICE PRESIDENT. The Senator from Wisconsin will suspend that the Senate may receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARE, Mr. WILLIAMS of Texas, and Mr. KNUTSON were appointed managers on the part of the House at the conference.

PHILIPPINE INDEPENDENCE

Mr. PITTMAN. Mr. President, I ask the Chair to lay before the Senate the message received from the House of Representatives.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. PITTMAN. Mr. President, in the absence of the chairman of the Committee on Territories and Insular Affairs, at his suggestion, I move that the Senate insist upon its amendment to the Philippine independence bill, agree to the request of the House for a conference, and that the Chair appoint the conferees.

The motion was agreed to, and the Vice President appointed Mr. BINGHAM, Mr. JOHNSON, Mr. CUTTING, Mr. PITTMAN, and Mr. HAWES conferees on the part of the Senate.

Mr. VANDENBERG. Mr. President, will the Senator from Wisconsin yield to me for an observation in connection with this conference?

Mr. BLAINE. If the Chair will protect me in my right to the floor. I am very anxious to retain the floor.

The VICE PRESIDENT. If the Senator yields for a remark on the part of the Senator, the Chair will recognize the Senator from Wisconsin again if he desires.

Mr. VANDENBERG. Mr. President, I wanted to observe that while I am irrevocably out of sympathy with certain fundamentals of the Philippine independence bill as passed by the Senate and, therefore, oppose it, I am in sympathy with some sections of the bill as passed by the Senate; and I should confidently hope that if we are to have this bill at all, it is not true, as indicated in the Associated Press dispatch of December 18, that some prospective Senate conferees already are committed against certain of the Senate amendments to the House bill. I quote from the Associated Press:

> Manuel Roxas, speaker of the insular house and joint chairman of the independence mission here, said he was informed the Senate conferees would strive for acceptance of the House immigration and sugar quota provisions in conference.

I am sure this must be in error.

Mr. PITTMAN. Mr. President, I have not read what the Associated Press dispatch states in regard to this matter; but I may state, as one of the conferees, that I have never expressed any opinion as to what the conferees on the part of the Senate will agree to, nor have I heard any of the conferees state anything that would be a justification for the dispatch just quoted.

MERGER OF STREET-RAILWAY CORPORATIONS

The Senate resumed the consideration of Mr. AUSTIN's motion to proceed to the consideration of the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

Mr. BLAINE. Mr. President, when interrupted by the message from the House of Representatives announcing its nonconcurrence in the Senate's amendments to the bill looking to independence for the Philippine Islands, I had made the observation that the joint resolution under consideration is not merely an authorization for a merger; it goes far beyond that.

This joint resolution contains provisions which are grossly unfair to the people of this District. The minority members of the committee, in presenting the minority report, have undertaken, in my opinion, to express the matured and deliberate judgment of the people of this district who are interested primarily in a unified system of transportation which will give adequate service at a reasonable rate; and our purpose in urging the adoption of the amendments to which I have referred, if we come to the parliamentary stage where those amendments may be offered, will be to carry out that viewpoint.

I have heard it said that the signers of the minority report stand alone. It has been indicated that only two members of the Committee on the District of Columbia stand out against the merger report of the committee, against the Public Utilities Commission, and against several trade and civic organizations of Washington. But, as I have pointed out, the minority report has the approval and support of the most representative citizens' group in Washington. That citizens' group has had a committee upon the question of utilities and this merger. That group represents a federation of the several citizens' associations in this District. It is the centralized voice of the people of this District.

The committee of that federation has had the backing and support of this federated organization of citizens. If there is any citizens' association in the District which has disagreed with that committee, their disagreement has not had the support of the representatives of the federated association.

That association is known as the Federation of Citizens' Associations. Not only has the committee of that federation been active in presenting the merger question to the Congress, but the committee has been most aggressive. That committee is represented by one of the able citizens of this District. The conduct of that committee has not been questioned by any representative of any other citizens' organization holding membership in the federation.

I have not the communication with me, but I have in my office a letter in which the committee which has had charge of this question reaffirms and especially emphasizes its position in approval of amendments which will be offered by the minority of the Committee on the District of Columbia. In other words, since there has been a specific resolution before the Congress, beginning early in 1928, as I have pointed out in reciting the steps that have been taken by the Congress, that committee has been the representative of this federation in relation to this proposal. That committee understands that the people of the District will not have protection if there is a set-up by way of unification agreement approved by the Congress unless there are certain reservations of power or reservations providing for modification of the resolution and the unification agreement. That committee appreciates that the regulation of utilities within the District has not been efficient.

By that I do not imply any criticism of the Public Utilities Commission. The fact is that the Public Utilities Commission of the District is not given the usual ordinary administrative powers that are possessed by public-utility commissions in 40 States of the Union. The situation is a ridiculous one. Here is an attempt made to regulate utilities within the District. The whole theory of regulation, of course, is destroyed by reason of the express provisions of the District laws. Instead of the Public Utilities Commission having its hands free to pursue its investigations and to apply certain well-regulated rules respecting valuation and respecting reasonable return, it has no such power. The source of that power is in the local court. To that court the commission must go for a rule of valuation, and in my opinion, for that matter, for a rule as to the method by

which to arrive at a reasonable return. That is administrative power placed in the judicial arm of the Government. That is inconsistent with our form of government.

Of course, as we all understand, the courts are set up to try issues of fact in respect of matters that affect private and public interests under the statutory law or under the common law, and the court under that general jurisdiction is a fact-finding organization for the purpose of determining a controversy. In the general organization of our Government it was never desired that the court should become an administrative body or should have administrative functions. Yet that is exactly what has been done here in the District of Columbia, and it is proposed to perpetuate that system, further aggravated by asking the Congress to approve of an agreement written into the law and which agreement must remain inviolate notwithstanding any change in times and circumstances and conditions.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. BLAINE. I yield.

Mr. McKELLAR. Is there any provision for reduced fares in the proposed consolidation?

Mr. BLAINE. None whatever.

Mr. McKELLAR. Did the committee have any proof as to whether any street-car fares in the United States were higher or lower than the fares charged in the District of Columbia?

Mr. BLAINE. It is my opinion that the committee did not pursue the investigation in that angle of the matter.

Mr. McKELLAR. In other words, so far as the users of street cars are concerned and the price they pay for the use of the cars, no information was obtained?

Mr. BLAINE. I think it is an accurate statement to say that the committee did not pursue an inquiry to determine that question.

Mr. McKELLAR. Was it the committee's idea that the street-car users of the city of Washington had no rights at all and were not entitled to express an opinion about the question of fares?

Mr. BLAINE. Of course, there were different viewpoints held by different members of the committee. I think the people have certain rights. I would not say that other members of the committee did not hold that viewpoint.

Mr. McKELLAR. Let me ask the Senator if he knows of any other city the size of Washington in the United States where the street-car fare is 10 cents?

Mr. BLAINE. I do not call to mind a single city, and I doubt if there is one of the size of Washington where a 10-cent fare is charged.

Mr. McKELLAR. Did the committee call attention to the contract now existing between the two companies and the Congress to carry passengers in the city of Washington for 5 cents per ride and to sell 6 tickets for a quarter?

Mr. BLAINE. I have no recollection of that question being raised.

Mr. McKELLAR. Did the Senator himself know that under contracts existing between the companies and the Congress of the United States, the companies when they got their charters from Washington received them on the consideration that they would carry passengers in the city of Washington at 5 cents apiece and sell 6 tickets for a quarter?

Mr. BLAINE. I had heard something about that.

Mr. McKELLAR. Some years ago I had occasion to go into that question and examine it rather carefully. It has been a long time ago. At that time there was such a contract existing. The two street-car companies got very valuable franchises and rights from the Congress, and the principal consideration paid for the franchise rights and privileges and contracts was an agreement that the fares to be charged the citizens of Washington and others using the street cars should be 5 cents each or six tickets for a quarter. In some way, since the Public Utilities Commission was established, that body being established for the purpose at the time of reducing fares rather than increasing them, the fares have steadily gone upward until now one can ride in a taxicab for almost the same fare that he must pay on a street car, in my judgment not only to the great injury and detriment of the car users of the city of Washington but to the great detriment of the street-car companies themselves.

Mr. BLAINE. I can give the Senator some information respecting the charge that is made by street railways in other cities. The testimony which I have in my hand was taken before the Committee on the District of Columbia in connection with another matter.

Mr. McKELLAR. I would be glad to hear it. Of course, the Senator knows that costs of transportation have come down throughout the country like the cost of everything else. Everything is cheaper. Labor is cheaper. The services which the street-car companies have to keep up are all cheaper. While the price for materials and labor has been constantly going down, it seems that fares in the city of Washington have been constantly going up. From what the Senator has said, the committee gave no attention whatsoever to the rights and privileges of the car users of the District in relation to the matter of consolidation. My own judgment is that no consolidation ought to be permitted or even thought of until the fares are reduced. So far as I am concerned, I shall not vote for any bill that provides for a merger without providing a lower car fare to the users of street cars in the District.

Mr. BLAINE. I have in my hand a report made by the senior Senator from Kansas [Mr. CAPPER], chairman of the Committee on the District of Columbia, respecting reduced fares for school children on the street railways and busses in the District. I find, for instance, that in Birmingham, Ala., with a population of 257,000, adult fares are 7 cents cash, and that fare is reduced by the purchase of tokens. They give children and students a 50-ride ticket for $1.25, presumably during the hours that correspond to school hours; that is, the time to go to school and return from school. That is at the rate of 2½ cents per ride.

Congress enacted a law in 1930 giving the school children of the District of Columbia, as I recall, a fare of 3 cents, but the street-railway companies have challenged that rate and the matter is now in the courts. For all we know, the act of Congress may be defeated.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. BLAINE. I am glad to yield.

Mr. McKELLAR. Has the 3-cent fare for school children ever been put into effect at all by the street-car companies?

Mr. BLAINE. Yes; it is in effect.

Mr. McKELLAR. But it is being challenged in the courts?

Mr. BLAINE. Yes; that is true.

I find that in Little Rock, Ark., with a population of 81,000, there is a 6-cent cash fare and a 3-cent fare for school children.

Mr. McKELLAR. Has the Senator the data as to the city of New York? I think that city has a 5-cent fare. As I said to the Senator a while ago, my recollection is—it has been some time since I looked it up—that in the State of New Jersey, after a fare of 10 cents had been put into effect by the traction companies, they themselves voluntarily asked that it be changed, and they went back, if I recollect aright, to a 5-cent fare. I may be mistaken as to the exact rate, but I know they reduced the fare, because they said they had lost their business by charging an increased fare. I think the street-car companies of Washington are complaining of losing their business. How can they expect not to lose business when the taxicabs virtually are furnishing the same transportation at the same fare? It seems to me they are doing everything they can to injure their business. The principal duty of the street-car officials for a number of years has been——

Mr. AUSTIN. Mr. President——

Mr. McKELLAR. Just a moment. Their principal duty for the last——



Mr. AUSTIN. Mr. President——

Mr. McKELLAR. I decline to yield now.

Mr. AUSTIN. Mr. President, a parliamentary question.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. Has the Senator from Wisconsin lost the floor?

The PRESIDING OFFICER. The Senator from Wisconsin has not lost the floor. Does the Senator from Wisconsin yield further?

Mr. McKELLAR. I merely want to say in conclusion that I think if the street-car officials would pay more attention to the handling of the business they already have instead of frequenting the galleries of the Senate so much they would get along a great deal better. I see them here very frequently.

Mr. BLAINE. Mr. President, I thank the Senator from Tennessee for his suggestion.

Reading further from the report, the city of Little Rock, a city of only 85,000 people, has a 6-cent cash fare and free transfers.

Los Angeles, with a population of 1,233,000, has a 7-cent cash fare, 4 tokens for 30 cents, and school tickets 40 for $1.40, which is about 3 cents.

Another city—and all these cities are smaller than Washington—Oakland, Calif., with a population of 241,000, has a 7-cent cash fare, 5 tokens for 35 cents.

Mr. McKELLAR. I did not understand whether the Senator said the fare in Oakland was 11 cents or 7 cents.

Mr. BLAINE. The fare in Oakland, Calif., is 7 cents, and students' and children's tickets are 3½ cents.

San Diego, Calif., with a population of 147,000, has a 5-cent cash fare; weekly pass, a dollar; free transfers; and a monthly student pass for a dollar, good on school days between certain hours.

In San Francisco, a city comparable in size with Washington, with a population of 637,000, there is a 5-cent cash fare, with students' tickets 2½ cents.

In Denver, a smaller city than Washington, located out in a sparsely settled section of the country, the fare is only 10 cents.

It must be realized that in the city of Washington there is one great industry, namely, the Government, and most of the departments are located centrally, where the Government employees must go to their work daily, and this industry in Washington never closes down; the depression has not caused its furnaces to cool.

I also find that in Connecticut the smaller cities of Bridgeport, Hartford, New Britain, New Haven, and Waterbury, almost all of which are industrial cities, none of which have a third of the population of Washington, the fare is 10 cents, or 3 tokens for 25 cents.

In Miami, with only 110,000 population, the fare is 7 cents straight, with free transfers, and 5 cents for school children under 18.

In Tampa, Fla., with 100,000 population, the fare is 5 cents straight, with free transfers.

In cities in Georgia the fares run higher, 10 cents cash, with usually 4 tokens for 30 cents, and free transfers.

In Chicago, with a population of three and a half million, under the Insull domination, on the Chicago Rapid Transit lines the fare is 10 cents.

The fare in Illinois generally is 10 cents, except that the city of Chicago, on the surface lines, it is 7 cents cash, 3 tickets for 20 cents; free transfers, and children 3 cents. So even on the surface lines in the city of Chicago the fare is 3 cents less than here.

In Gary, Ind., and Hammond, Ind., smaller cities, 8 cents cash fares are charged.

In Covington, Ky., the fare is 5 cents straight and 2½ cents for students' tickets.

In Shreveport, La., a small city, the fare is 8 cents cash, eight tickets for 60 cents, free transfers, and for school children 10 tickets for 35 cents.

In Portland, Me., a small city, the fare is 5 cents per zone, and the highest fare runs up to 10 cents.

Boston has a variety of rates on account of its elevated lines and surface lines, but tokens are 5 cents on certain local routes; tickets, seven for 50 cents, and then daily passes for so much, with a maximum of 10 cents cash fare.

In the city of Duluth there is a very difficult topographical situation, and there are other handicaps, and yet in that city of only 101,000 population the fare is 10 cents cash, tokens six for 45 cents, and free transfers.

Mr. President, I might call attention to some of the cities in the State of the present Presiding Officer (Mr. FESS in the chair). In Canton, Ohio, a small city, the fare is 7 cents cash, eight tokens for a half dollar, and free transfers.

In Columbus the fare is 6 cents cash, five tickets for a quarter, and free transfers.

In Dayton, which has five street-railway companies, the fare is 5 cents straight, transfers 1 cent.

In Springfield, Ohio, the fare is 7 cents cash.

In Toledo, Ohio, the fare is 10 cents cash, with 3 tokens for a quarter. Children 8 years of age and under are carried for 1 cent.

I find that in Pennsylvania, Rhode Island, South Carolina, Tennessee, and Texas almost all of the cities are enjoying a street-railway fare of 8 cents or under.

Mr. President, by this joint resolution the people are not to be benefited. There is no proposal that there shall be reduced fares—not even a suggestion that that is going to be brought about. The only benefit, as I have pointed out earlier in the discussion, is the possible saving of about fifty or sixty thousand dollars in transfers, while there are to be taken out of the pockets of the people expenditures that are now made by the street-railway company for traffic officers at certain intersections, and the street-railway companies are to be relieved of certain pavement costs. No one knows how much that saving will be; but it will range all the way from $125,000, according to the testimony, up to possibly four or five hundred thousand dollars.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. BLAINE. I yield.

Mr. McKELLAR. If I recall aright, it was represented that the compensation of street-crossing policemen that the car companies are now required to pay constituted a tax of about $25,000 a year, I think, on each company. It may have been both companies, but my recollection is that it was that much alone for each company. If they are relieved from that, that would almost take up the benefit that the Senator spoke of a moment ago. In addition to that there would be the cost of paving between car tracks, which I imagine would amount to several times as much as the benefit. So that, as I understand the Senator, in any event the city and the people of Washington are getting no benefits whatsoever from this merger, while the companies are getting the right to consolidate. Is that correct?

Mr. BLAINE. The Senator has stated the proposition very well. Later on in the discussion I shall give what purports to be the exact amount of money that the street railways will save by reason of being released from the payment of certain traffic officers. I have not in mind the exact figures now, but I have the information somewhere in the reports upon my desk.

So, Mr. President, as I have reviewed this subject up to the present time, this street-car merger is not a new thing to me. I have been with it since its birth. I have lived with it for days and nights, through hearings and the reading of reports. The fight of these many years for a merger fair to the people of Washington has taken a considerable proportion of my time and my energy and my thought.

As I said earlier in the afternoon, I have no personal interest in the matter. I have had no political interest in the matter. No political dividends can flow to anyone back home because of the fight that he may make in behalf of the people of this District. I repeat, however, that the people of the District are without any direct representation

in Congress. They must look to the Members of the Congress for their protection.

I want to repeat, by way of emphasis, that it is not my intention to block this merger; but I shall resist to the last the passage of this joint resolution without the adoption of the essential amendments that will grant to the people of the District of Columbia that to which they are entitled.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin further yield to the Senator from Tennessee?

Mr. BLAINE. I do.

Mr. McKELLAR. Can the Senator state whether or not the two companies are owned by Washington people? Are they locally owned companies?

Mr. BLAINE. No. The Washington Railway & Electric Co. is owned by the North American Co., which, of course, is a foreign company with very few stockholders in the city of Washington, I assume. The Potomac Electric Power Co. is owned by the Washington Railway & Electric Co., which is owned by the North American Co.

Mr. McKELLAR. So that whatever the Congress does in the way of consolidation for these companies it is doing primarily, in the case of one of the companies, for a concern that is owned by foreign people and capital?

Mr. BLAINE. Exactly—for the holding company.

Mr. McKELLAR. What is the situation as to the other company? Is it owned locally?

Mr. BLAINE. I am not certain as to the stock ownership. I may be able to inform the Senator more definitely; but the hearings have been very voluminous, and the Senator will appreciate that I could scarcely carry all this information with me all the time. Other important matters have engaged my attention, so I have had to pick up these facts as best I could.

Mr. McKELLAR. I can understand the Senator's situation in reference to that. While I am on my feet, however, I want to say to the Senator that for a number of years—in fact, ever since I have been in the Senate, I think—the street-car companies and their local representatives have been in one way or another endeavoring to secure release from the considerations that were given or promised for their charters.

For instance, when they got their charters they agreed to pay the crossing policemen at street-car intersections; and ever since I have been in the Senate, I think, there have been bills on the calendar containing provisions relieving the company from that $25,000 expenditure. Sometimes they would come up in appropriation bills in order to be certain that they would get through. I again say that I do not remember whether the amount was $25,000 a year for the one company or for the two; but time and again the matter came up here, and I recall distinctly one appropriation bill where the provision was so deftly put in the bill that it was only by accident that it was found out and defeated in time. Apparently this effort at consolidation is another effort to get away from that consideration, which the companies agreed to give when they got their charter rights in the city of Washington, which charter rights are, or ought to be, extraordinarily valuable.

Mr. BLAINE. Mr. President, further answering the Senator, earlier in the afternoon I gave the information concerning the stock ownership of the Capital Traction Co. The North American Co. had been purchasing some of the stock of the Capital Traction Co. but did not have a controlling interest in that stock. However, the treasurer of the North American Co. was the largest stockholder, as I recall, of the Capital Traction Co.

The saving to the Capital Traction Co. and the Washington Railway & Electric Co. through relieving them of the crossing-police tax for the year 1927 would have been $127,500, and the same saving would have occurred every subsequent year had this joint resolution been the law; so that that saving as to traffic policemen is an annual and continuous saving.

Mr. McKELLAR. It is the charter compensation. It is the compensation that the companies agreed to give when they secured their charter rights from the Congress.

Mr. BLAINE. In consideration of certain benefits granted to them by the Congress; that is true.

Mr. McKELLAR. What was the amount stated by the Senator?

Mr. BLAINE. One hundred and twenty-seven thousand five hundred dollars for 1927.

Mr. McKELLAR. Evidently the amount has grown considerably as the street-car companies have grown, because it was not estimated to be so large a sum a number of years ago, when the street-car companies were so active in trying to be relieved from it.

Mr. BLAINE. Of course, that sum is growing annually.

Mr. McKELLAR. Yes.

Mr. BLAINE. Then there is the paving relief, which in 1927, if this joint resolution had been in effect, would have constituted a saving of $90,000. Of course, how much saving the street railway companies will have respecting paving will depend entirely upon the amount of paving that may be done.

At this point, and while the question is fresh in our minds, let me refer to the testimony of Mr. Lundvall before the Federal Trade Commission (S. Doc. 92, pts. 33, 34). On page 61, Mr. Healy, examining, said:

Mr. Lundvall has testified before. He is an accountant and examiner attached to the economics division of the Federal Trade Commission. His training and experience has been told heretofore.

Then on page 112 he gives testimony respecting the North American Co.'s ownership of the street railways in Washington. His testimony is rather extensive, but I think very material.

Mr. Lundvall gives testimony not only respecting the Capital Traction Co. but also respecting the North American Co.'s ownership of stock in the Washington Railway & Electric Co. I will not take the time now to read all of the testimony, but only that portion which refers to the North American Co.'s ownership in the Capital Traction Co.

I read from page 112:

Q. You have told us also that the North American Co. has an interest in the Capital Traction Co. What is that company?—A. The Capital Traction Co. is a street-railway company operating in Washington, D. C., in which the North American Co. acquired a small interest when it was buying up the stock of the Washington Railway & Electric Co. At December 31, 1929, the North American Co. owned 3,012 shares of the capital stock of the traction company at a cost of $274,093.92. These holdings represent 2.5 per cent of the 120,000 shares outstanding on that date.

Q. Does the North American Co. have an interest in Washington Rapid Transit Co.?—A. It does.

It will be recalled that I have already pointed out that the Washington Rapid Transit Co. is a bus line.

Q. What is the Washington Rapid Transit Co.?—A. The Washington Rapid Transit Co. operates a bus line in and around Washington, D. C.

Q. I think it should also be noted that the Capital Traction Co. operates in near-by Maryland as well as in the District.

Now, returning to the Washington Rapid Transit Co. When did the North American Co. acquire an interest in Washington Rapid Transit Co.?

Mr. President, I want to emphasize that it was on March 4, 1925, the last day of the Congress, that an act was passed permitting merger of the transportation companies in this District, and immediately following the passage of that measure it will be observed that the North American Co. proceeded to obtain control of the traction facilities of this District.

A. In 1925 the North American Co. acquired control of Washington Rapid Transit Co., a bus line operating in and around Washington, D. C. By 1927 the North American Co. owned 21,227 out of 21,612 shares of that company's capital stock outstanding at a cost of $515,966.96.

Q. Why did the North American Co. acquire an interest in Washington Rapid Transit Co.?—A. The North American Co. acquired stock of Washington Rapid Transit Co. as it did of Washington Railway & Electric Co. and of Capital Traction Co., apparently with the object of getting control of the transit properties in Washington and, when possible, merging the same in a new corporation to be organized under a special act of Congress.

That is exactly the purpose of this joint resolution, and when we are all done with this, if the joint resolution is passed, then the North American Co. will become the holding company, not only of the power companies here in the District, but also of the three traction companies. The ownership of the power company, however, will rest only in the North American Co. by reason of the North American Co.'s ownership of the Washington Railway & Electric Co. That is exactly what Candidate Roosevelt was warring against, not only while Governor of the great State of New York, but it was also one of the paramount principles enunciated by him during the recent campaign, as I have already stated.

Q. Did the North American Co. continue to hold the stock of Washington Rapid Transit Co.?—A. The company claims that it was doubtful whether it could legally own the stock of Washington Rapid Transit Co., and therefore proceeded to divest itself of such ownership. However, in doing so it desired that it be done in such a way that the corporation to be formed to acquire the transit properties in the District of Columbia should be in a position to acquire the stock of the transit company at cost to the North American Co. including interest charges. It was, therefore, necessary to find a purchaser who would undertake to join in a plan for unifications should that plan become operative.

Q. Under these circumstances, was a purchaser found by the North American Co. for the stock of the transit company?—A. Under these circumstances an agreement dated May 27, 1927, was entered into between the North American Co. and Mr. H. P. Wilson, a director of the North American Co. and formerly president of Western Power Corporation which had been acquired by the North American Co. in 1925, which provided for the purchase of the stock of the transit company by Mr. Wilson and the deposit by him of such stock on or before May 1, 1929, under a plan for unification of the transit properties.

Accordingly the stock was sold to Mr. Wilson for a part payment of $100,000 in cash to be applied against the purchase price to be determined at a later date as provided in paragraph 3 of the agreement.

Q. And that paragraph is quoted at page 81 of your report, is it not?—A. Yes, sir.

Q. Mr. Wilson paid $100,000 in cash, did he?—A. He made that down payment of $100,000 in cash.

Q. The total purchase price was to be determined later?—A. Yes, sir.

Q. Was the balance of the purchase price ever paid by Mr. Wilson?—A. No, sir.

Q. Why?—A. The agreement entered into between the North American Co. and H. P. Wilson on May 27, 1927, provided for the purchase of the transit-company stock by Mr. Wilson and the deposit by him of such stock on or before May 1, 1929, under a plan of unification of the transit properties. Since no merger of Washington transportation facilities has yet taken place, it is assumed that the agreement with Mr. Wilson is still in force, despite the fact that the agreement provided that the final determination of the purchase price to Mr. Wilson for the transit-company stock was to take place on or before May 1, 1929. So far as I know, no new agreement has supplanted the agreement of May 27, 1927.

Under this agreement Mr. Wilson was to purchase the stock of the bus company and the deposit by him of such stock on or before May 1, 1929, under a plan of unification. But that plan was modified, as I point out, in a resolution which was introduced in the House of Representatives. I reviewed that somewhat in detail. That resolution, as I recollect, was the framework on which Doctor Maltbie was endeavoring to build the resolution which was later reported from the Committee on the District of Columbia by the junior Senator from Michigan.

Mr. President, we have this situation which has been outlined by the testimony, and we now have this new resolution from the Committee on the District of Columbia.

In this matter it would be much easier for me to throw up my hands, ditch the rights and the interests of the people of this District, surrender this right, and turn the public utilities of the District over to the North American Co. So why worry about this local matter? Most of the people of the District of Columbia do not vote anywhere. The newspapers in our home States will not carry great headlines as to the fight we are making down here in Washington in behalf of the people of the District of Columbia, because the people back home perhaps are not particularly interested. It would not be news to them. So how easy it would be to let this matter go, ditch the whole affair, and enjoy one's life in Washington.

But, as I have pointed out, somebody owes a duty to the people of the District. That duty is higher than any obligation the public owes to the North American Co., and if for no other reason than as a matter of principle I would oppose consideration of the joint resolution.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Wisconsin yield to his colleague?

Mr. BLAINE. I yield.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

Mr. McNARY. Mr. President, I had previously stated to the Senate that I would ask for a recess at 5 o'clock, and I was just rising to make the motion. I shall do so now if agreeable to the Senator.

The PRESIDING OFFICER. Does the senior Senator from Wisconsin withdraw his suggestion of the absence of a quorum?

Mr. LA FOLLETTE. No; I insist on my point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Copeland	Howell	Robinson, Ark.
Barbour	Dickinson	Kean	Sheppard
Bingham	Fess	Kendrick	Steiwer
Blaine	Frazier	La Follette	Townsend
Byrnes	Grammer	McNary	Vandenberg
Capper	Hale	Norbeck	Watson
Carey	Harrison	Reed	White
Cohen	Hastings	Reynolds	

The PRESIDING OFFICER. Thirty-one Senators having answered to their names, a quorum is not present. The clerk will call the names of the absentees.

The Chief Clerk called the names of the absent Senators, and Mr. BARKLEY, Mr. PITTMAN, Mr. ROBINSON of Indiana, Mr. SCHALL, and Mr. SHIPSTEAD answered to their names when called.

The PRESIDING OFFICER. Thirty-six Senators having answered to their names, a quorum is not present.

Mr. McNARY. Mr. President, unless the Senator from Wisconsin [Mr. LA FOLLETTE] is willing to recess, I shall move that the Sergeant at Arms be directed to develop a quorum. Will the Senator withdraw his suggestion of the absence of a quorum?

Mr. LA FOLLETTE. No, Mr. President. We have not had a morning hour for some time, and I think we ought to have one.

Mr. McNARY. I had intended to ask for a morning hour on Wednesday, if that would be satisfactory.

Mr. LA FOLLETTE. I think we ought to have one tomorrow.

Mr. McNARY. In view of the situation, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. ROBINSON of Arkansas. Mr. President, I presume it is out of order to make any suggestion, but in view of the weather and the lateness of the hour I think it would be difficult if not impossible to secure the attendance of a sufficient number of Senators to make a quorum. Following the precedent that has heretofore prevailed under such conditions, we would probably either recess or take an adjournment immediately after we succeeded in getting a quorum. I do not wish to throw any obstacles in the way of the Senator from Oregon, but I make that suggestion.

Mr. McNARY. I appreciate the inclemency of the weather and also the necessity for a quorum. I think we can develop a quorum in a very short time, and I shall have to persist in my attitude.

Mr. McGILL, Mr. BANKHEAD, Mr. HEBERT, Mr. SMITH, Mr. McKELLAR, and Mr. MOSES entered the Chamber and answered to their names.

After a little delay, the following Senators entered the Chamber and answered to their names:

Oddie	Gore	Bailey	Hull
Davis	King	Bulow	Wagner
Dale	Smoot	Caraway	Thomas, Okla.
Bulkley	Shortridge	Hayden	

The PRESIDING OFFICER. Fifty-seven Senators having answered to their names, a quorum is present.

Mr. McNARY. I move that proceedings under the call be vacated.

The motion was agreed to.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 22 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, December 20, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 19, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we are grateful to Thee that we are the children of a most bountiful Heavenly Father. That name never loses its love and serene care which forever bends over us. It has long since been hallowed in the sufferings and sacrifice of Mary's Holy Child. We thank Thee for this blessed assurance, which equally embraces the tear and the star. As men, as citizens, as friends, and as neighbors may we meet every emergency with a radiant temper and with a fine intellectual strength. Oh, bless our country with whatever it needs of comfort, of security, of augmented wealth, and of expanding knowledge. Wherever poverty is leaving its stinging curse, oh, redeem and send relief. Amen.

The Journal of the proceedings of Saturday, December 17, 1932, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7233. An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

STATEMENT BY THE SPEAKER

The SPEAKER. This is Consent Calendar and suspension day.

The Chair wishes to make a statement regarding suspensions, so the House will have an opportunity to examine the bills that will be called up under suspension. Unless some urgent reason is offered for not doing so, the Chair, about 2.30 or 3 o'clock, will recognize the gentleman from Texas [Mr. JONES] to call up the Red Cross bill, providing additional cotton for the Red Cross; and if we are through with that in time, the Chair will recognize the gentleman from Tennessee [Mr. McREYNOLDS] to call up the bill authorizing payment to the Mexican Government for the families of Emilio Rubio and Manuel Gomez.

The Chair understands these bills have been unanimously reported from the Committee on Agriculture and the Committee on Foreign Affairs, respectively, and those committees have asked their chairmen to request such recognition.

The Clerk will call the first bill on the calendar.

CONSERVATION OF WILD LIFE, FISH, AND GAME

The first business on the Consent Calendar was the bill (S. 263) to promote the conservation of wild life, fish, and game, and for other purposes.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, when this bill was before the House I asked concerning the provisions of section 1, which I believe is very far-reaching. At that time I suggested that I would move to strike out section 1. In the meantime I received a communication from the clerk, I assume, of the subcommittee on the conservation of wild-life resources, of the Senate, in which he states that the striking out of section 1 would be satisfactory.

Now, I simply want to serve notice that if the bill is called up I shall make that a condition, because otherwise I fear section 1 is too broad and far-reaching to leave in this manner.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. PATTERSON. I do not see the gentleman from Texas [Mr. JONES] on the floor. I wish the gentleman would withhold his objection until the gentleman from Texas is here.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

TO SUPPLEMENT THE NATURALIZATION LAWS

The next business on the Consent Calendar was the bill (H. R. 10274) to amend the act approved March 2, 1929, entitled "An act to supplement the naturalization laws, and for other purposes" (45 Stat. 1512).

Mr. JENKINS. Mr. Speaker, reserving the right to object, I would ask unanimous consent that this bill pass over.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman to state the reason for his request so we can consider his objections in the meantime?

Mr. DICKSTEIN. This bill has been passed over several times. I hope the gentleman will withhold his request. I should like to know if there is any amendment he wants. We would be glad to consider it. This bill has been on the calendar several times.

Mr. JENKINS. The bill ought to be objected to. The reason I ask that it be passed over without prejudice was out of consideration for my chairman. Otherwise, I shall have to object to it.

I called up the Secretary of Labor, Naturalization Department, this morning, and Mr. Crist tells me there is a similar bill pending in the Senate which is much preferable, and he indicated that our chairman, the distinguished gentleman from New York, would probably prefer that the matter go over for a little while.

Mr. DICKSTEIN. That is agreeable.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MODIFICATION OF TERMS OF CERTAIN INDIAN CONTRACTS

The next business on the Consent Calendar was the bill (H. R. 6684) to amend the act of June 25, 1910, entitled "An act to provide for determining the heirs of deceased Indians, for the disposal and sale of allotments of deceased Indians, for the lease of allotments, and for other purposes," so as to authorize the Secretary of the Interior to modify the terms of certain contracts, when in his judgment it is in the interest of the Indians so to do.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, I studied this bill when it was first on the calendar and have thought about it a great deal since.

It seems to me it is not to the best interests of the Indians to modify existing contracts, particularly if it is simply a matter of the price. I believe the price of lumber has gone up since the enactment of the last revenue bill. If it has not, it is because there is no market for lumber. It would be manifestly unfair to modify a contract in a period when there is no market for lumber, to the detriment of the Indians when the market picks up.

Mr. LEAVITT. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. LEAVITT. Of course, the price of lumber has not gone up materially.

Mr. LAGUARDIA. That is on account of market conditions.

Mr. LEAVITT. And the Indians now unquestionably support this. During the summer they held a council on the Klamath Reservation, where most of these cases exist, and passed a very definite resolution.

I have talked with the chairman of their board, Wade Crawford, who is in Washington at this time. It is a very definite resolution asking for the enactment of this bill. They have one or two amendments which would provide for further conference with the Indians before certain changes could be made in timber-sale contracts by the Secretary.

Mr. LAGUARDIA. Does not the gentleman think it had better go over.

Mr. LEAVITT. Of course, if the gentleman insists we will have to let it go over.

Mr. LAGUARDIA. And in the meantime we can study the proposed amendments.

Mr. STAFFORD. In that connection, Mr. Speaker, I ask unanimous consent that the gentleman may have unanimous consent to insert the proposed amendments in the RECORD so the Members of the House may have the benefit of them.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The amendment referred to is as follows:

Page —, line 4, after the word "purchasers," insert the words "and Indians," so that the section would read:

"That the Secretary of the Interior, with the consent of the Indians involved, expressed through a regularly called tribal council, and of the purchasers, may modify the terms of any now existing and uncompleted contract of sale of Indian tribal timber, if in his judgment it is in the interests of the Indians to do so: *Provided*, That the prices are not reduced below the basic sale prices: *Provided further*, That any such modifications shall be upon the express condition that said purchaser shall forthwith proceed to operate under all the terms of said contract as modified or suffer forfeiture of such contract and collection upon his bond: *And provided further*, That in the event of sufficiently improved economic conditions the Secretary of the Interior is authorized, after consultation with the purchasers and Indians and after 90 days' notice to them, to increase stumpage prices of timber reduced in any such modified contract, but in no event to a point higher than it was stipulated in the contract as it existed before such modification."

Another amendment asked by lumbermen not holders of contracts reads as follows:

At the end of the bill add:

"SEC. 4. The Secretary of the Interior is further authorized in his discretion to modify any of said existing contracts with respect to the amount of timber to be removed and paid for by the purchaser under the terms of the respective contracts, during a period of three years after the enactment of this act."

The SPEAKER. Is there objection to passing the bill over without prejudice?

There was no objection.

RETIRED STATUS OF CERTAIN ARMY OFFICERS

The next business on the Consent Calendar was the bill (H. R. 11174) to restore to their former retired status in the Regular Army of the United States persons who resigned such status to accept the benefits of the act of May 24, 1928 (45 Stat. 735), and for other purposes.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, when this bill was before the House previously, I then stated the matter was pending in the courts. As the bill is drawn, there is a possibility of these commissioned officers or warrant officers receiving two compensations. I have drafted an amendment, after consultation with the Office of the Comptroller General; and I would state that if the bill is coming up, I shall offer this amendment. I will be glad to read it into the RECORD for the information of the Members and then ask to have the bill passed over.

Mr. JENKINS. Will the gentleman yield?

Mr. LAGUARDIA. May I first read my proposed amendment?

Mr. STAFFORD. If the gentleman will yield in that particular, this bill was drafted by the War Department after a bill of similar import was under consideration by the Committee on Military Affairs. Of course, the Comptroller General may have some suggestions to make, and I think it would be agreeable to have them.

Mr. LAGUARDIA. Mr. Speaker, may I be permitted to read the proposed amendment, and then I shall ask to have the bill go over without prejudice?

The amendment would be on page 2, line 15, as follows:

Strike out the period, insert a colon, and add the following: "*Provided further*, That nothing in this act shall be construed to entitle any former emergency officer, retired under the act of May 24, 1928, to retired pay from the Veterans' Administration in a greater amount than, when added to the retired or retainer pay received from the Army, Navy, or Marine Corps, shall equal 75 per cent of the pay the former emergency officer was entitled to receive (except pay under the act of May 18, 1920) when discharged from his commissioned service as a World War emergency officer."

The SPEAKER. Is there objection to the bill's going over without prejudice?

There was no objection.

TAX LAWS OF NEVADA AND ARIZONA TO APPLY TO BOULDER DAM

The next business on the Consent Calendar was the bill (H. R. 11945) to provide that tax laws of Nevada and Arizona shall apply to construction and reserved areas at Boulder Dam.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, and I expect to object, on this bill I inserted in the RECORD of June 6, 1932, a letter from the Secretary of the Interior to our colleague the gentleman from North Dakota [Mr. HALL], which is self-explanatory. I, therefore, think the bill should go off the calendar, and I object.

Mr. STAFFORD, Mr. UNDERHILL, Mr. BLANTON, and Mr. JENKINS also objected.

CONSTRUCTION CHARGES ON INDIAN IRRIGATION PROJECTS

The next business on the Consent Calendar was the bill (S. 3675) relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill was referred to in debate on Friday when an amendment was under consideration to the Interior Department appropriation bill. Would the gentleman have any objection to having this bill go over without prejudice? I gave it some careful consideration on yesterday.

Mr. LEAVITT. Of course, I would prefer to have it passed; but if the gentleman wants to study it further, I can not object.

Mr. STAFFORD. I want to take it up privately with the gentleman with respect to some of its provisions.

I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CLAIMS OF WISCONSIN INDIANS

The next business on the Consent Calendar was the joint resolution (S. J. Res. 125) authorizing the attorney general of Wisconsin to examine Government records in relation to claims of Wisconsin Indians.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, this joint resolution has been the subject of a great deal of discussion; and taking the suggestion of the gentleman from Wisconsin [Mr. STAFFORD], I have prepared an amendment which puts the discretion in the Secretary of the Interior instead of giving the absolute right to the attorney general.

Mr. STAFFORD. Perhaps it is of the same import as the amendment I suggested when the joint resolution was last under consideration, and may I read my amendment to see whether it covers the same ground as the proposed amendment of the gentleman from New York?

Mr. BLANTON. Will the gentleman yield? Does the gentleman think it is a wise policy to consider any bill of this character?

Mr. LAGUARDIA. This only gives access to the records.

Mr. BLANTON. Have they not reasonable access now?

Mr. STAFFORD. They have not.

Mr. BLANTON. I doubt whether it is wise to give any attorney general of any State the authority to snoop around Washington.

Mr. JENKINS. Is it not true that you are giving the attorney general here a special permit. If it is not a special permit, why this joint resolution?

Mr. BLANTON. I object to the joint resolution.

Mr. UNDERHILL and Mr. JENKINS also objected.

CHELAN NATIONAL FOREST

The next business on the Consent Calendar was the bill (S. 3711) to authorize the adjustment of the boundaries of the Chelan National Forest in the State of Washington, and for other purposes.

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection?

Mr. BLANTON. I object.

Mr. STAFFORD and Mr. COCHRAN of Missouri also objected.

CRATER LAKE NATIONAL PARK

The next business on the Consent Calendar was the bill (S. 4070) to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. I objected to the bill before, and I object now.

Mr. DYER. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice, as the gentleman from Oregon [Mr. BUTLER] is ill.

The SPEAKER pro tempore. Is there objection to its going over without prejudice?

There was no objection.

TRANSFER OF WIDOW'S ISLAND, ME.

The next business on the Consent Calendar was the bill (H. R. 5642) to authorize and direct the transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. There is no report here from the Navy Department on this bill. Why not?

Mr. NELSON of Maine. The Navy has marked this for abandonment. It is a little, small island and the buildings on it are tumbling down. The Department of Agriculture now asks for it as a bird refuge.

Mr. BLANTON. But there should be a report from the Navy Department.

Mr. NELSON of Maine. The report of the Secretary of Agriculture shows that the Navy has marked it for abandonment.

Mr. BLANTON. The Department of Agriculture can not speak for the Navy Department.

Mr. JENKINS. I have a notation here that the Navy Department has marked it for abandonment.

Mr. BLANTON. Until there is a report from the Navy Department, I object.

The SPEAKER pro tempore. It takes three objections. The Clerk will report the Senate bill.

The Clerk read the bill, as follows:

S. 1863

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to transfer to the Secretary of Agriculture all of Widow's Island, located in latitude 44° 7′ 46″ N., and longitude 68° 49′ 54″ W., about 2¾ miles east of North Haven, Me., in Fox Island Thoroughfare, and about one-fourth mile south of Goose Rocks Light in the State of Maine, containing 12 acres more or less, together with all improvements thereon, to be maintained and administered as a migratory-bird refuge; and the Secretary of Agriculture is authorized to remove or dispose of as surplus property any buildings thereon, which in his opinion are not necessary for said refuge uses.

Section 10 of the act of June 27, 1926 (Public, No. 345, 69th Cong.; 44 Stat. 700), is hereby repealed.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word for the purpose of ascertaining whether the Senate bill is identical in phraseology with the House bill. I find there is an added paragraph in the Senate bill. In the Senate bill there is a paragraph repealing certain provisions of law. Perhaps the gentleman from Maine [Mr. NELSON] can inform the House what those provisions are. They are not referred to in the report. It says:

Section 10 of the act of June 27, 1926, is hereby repealed.

Can the gentleman inform the House what that section refers to?

Mr. NELSON of Maine. This is not a matter in my district, but at the last of the last session, as I remember it, an act was passed allowing this to be turned over to the State of Maine, with some idea that it might be used as a summer resort for the insane of the State insane asylum. The State does not care to take it over. I am pretty sure that that sets aside the law whereby it might be transferred to the State.

Mr. STAFFORD. The law sought to be repealed confirms my former position that this property should be transferred outright to the State, to allow the State to use it for such purpose as it saw fit. Then Congress previously granted authority to the State of Maine for that purpose?

Mr. NELSON of Maine. Yes; but now the Department of Agriculture wants it, and the State is ready to surrender any of its rights. This bill deprives Maine of its former right.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman from Wisconsin yield to me for a moment——

Mr. STAFFORD. Yes.

Mr. LaGUARDIA. In order to ask the gentleman from Maine [Mr. NELSON] if there are any shooting clubs in the immediate vicinity of this island? We have had that sad experience in one instance, though not in the gentleman's vicinity.

Mr. NELSON of Maine. This island just now is shot over by hunters, but this bill makes of the island a bird refuge.

Mr. LaGUARDIA. Are there any shooting preserves immediately adjoining or near by?

Mr. NELSON of Maine. I know of none. This is away out at sea, out beyond North Haven.

The pro forma objection was withdrawn, and the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

COLVILLE NATIONAL FOREST, WASH.

The next business on the Consent Calendar was the bill (H. R. 9440) to authorize the adjustment of the boundaries of the Colville National Forest, in the State of Washington, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. This bill involves 560,000 acres in the State of Washington. I have this notation that I have received at my office respecting public lands in the State of Washington and in the State of Oregon, and this comes from a Member of Congress, whose name I shall not mention. He says:

The Commissioner of the General Land Office advises me that public land in the State of Oregon and the State of Washington is being assessed as high as $100 per acre for the purpose of causing the Treasury to pay money direct to counties where the land is located. I don't believe half a dozen Members of Congress know the purport of the bill that was quietly maneuvered through Congress that made this possible.

Mr. COCHRAN of Missouri. Oh, we have been discussing that for the last two or three days on the Interior Department appropriation bill which has been under consideration. The money is appropriated there to pay the State of Oregon and the State of Washington certain taxes for Government land. The gentleman from Oklahoma [Mr. MCCLINTIC] made half a dozen speeches in the last five years on the floor of the House about the appropriation.

Mr. BLANTON. Are we going to continue to pass these bills by unanimous consent involving as many as 500,000 acres of public lands?

Mr. HILL of Washington. This land in this bill is not within the purview of the letter the gentleman has read.

Mr. BLANTON. No; but it might become so.

Mr. HILL of Washington. This is public land.

Mr. BLANTON. This particular bill now before the House, which is to be passed by unanimous consent, would permit 560,000 acres of public land to be exchanged with individuals for their private holdings within 4 miles of our forest reserve.

Mr. HILL of Washington. It permits the exchange on a valued basis of timber for land outside of the forest.

Mr. BLANTON. Does the gentleman believe that in all of these exchanges the Government side of it is always protected?

Mr. HILL of Washington. Absolutely, and the history will bear that out.

Mr. BLANTON. It would be surprising if it were. The Government usually gets the worst of it in all exchanges.

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. Mr. Speaker, I reserve the right to object.

Mr. BLANTON. I object.

Mr. COLLINS. I object.

Mr. STAFFORD. I object. The reason for my objection is that the lands, as the report shows, are largely suitable for grazing purposes.

The SPEAKER pro tempore. The Clerk will report the next bill.

NATIONAL GUARD CAMP SITE, SOUTH DAKOTA

The next business on the Consent Calendar was the bill (H. R. 487) to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State.

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS. Mr. Speaker, I reserve the right to object. My notations indicate that suitable property can be secured at a rental of $640 a year. It would take 21 years at that rental to equal the purchase price of this property.

Mr. WILLIAMSON. The point about this bill is that every State in the Union was given an allocation out of the $2,000,000 first appropriated in 1909 for the purpose of buying rifle ranges, camp sites, and so forth, for their National Guard units. From the standpoint of economy an investment of $14,000, which already rightfully belongs to South Dakota, certainly can not be complained of. At any rate the camp site will only cost $8,000, which at 4 per cent amounts to only $320. The balance of the money would be used for improvements. We are now paying $640 for the site.

The South Dakota camp site was found to be not suitable for the purpose. You will recall that under the national defense act of 1916, Congress authorized camp sites to be sold when found "unavailable," and provided that the funds received should be placed to the credit of the State, Territory, or District where the camp site was located. Through an error in the Treasury Department, instead of crediting the proceeds to the State of South Dakota, they were credited to the general fund, and for that reason never became available for the purpose intended.

Mr. COLLINS. Mr. Speaker, I did not understand what the gentleman said.

Mr. WILLIAMSON. Every other State in the Union got an allocation from this fund, has drawn its money out and retains it. The State of South Dakota drew out its money and put it into this camp site. It was found to be unsuitable, and for that reason was sold for approximately $14,000. Under the law that money should have been placed to the credit of the State. Instead of doing that, the department, through an error, placed it to the credit of the general fund. It now requires an authorization to get it out so that it can be placed to the credit of the State where it belongs.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

Mr. COLLINS, Mr. McCLINTIC of Oklahoma, and Mr. HAINES objected.

BRIDGE ACROSS MISSISSIPPI RIVER BETWEEN CHEROKEE AND OSAGE STREETS, ST. LOUIS, MO.

The next business on the Consent Calendar was the bill (H. R. 9265) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA. Mr. Speaker, I object.

The SPEAKER pro tempore. Three objections are required. The Chair hears no further objection. The Clerk will report the bill.

Mr. PATTERSON. Mr. Speaker, is this a bridge bill?

The SPEAKER pro tempore. It is.

Mr. PATTERSON. Mr. Speaker, I object.

The SPEAKER pro tempore. Only two objections are heard. The Clerk will report the bill.

Mr. JENKINS. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman is too late. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo., and a point opposite thereto in St. Clair County, Ill., authorized to be built by H. C. Brenner Realty & Finance Corporation, by an act of Congress approved February 13, 1931, are hereby extended one and three years, respectively, from February 13, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. LaGUARDIA. Mr. Speaker, I move to strike out the enacting clause.

I want to call the attention of the House, Mr. Speaker, to this bill. If the House wants to pass the bill after hearing the facts, at least it has the information before it.

This is a bill for an extension of time to construct a bridge, and the Secretary of Agriculture, acting upon a report from the Bureau of Roads, states:

When the original bill to authorize the construction of this bridge by the H. C. Brenner Realty & Finance Corporation was pending this department submitted an adverse report thereon, stating that if an additional bridge across the Mississippi River at this point is needed a publicly owned bridge could be constructed and financed from the tolls and be made free in a much shorter time than will be possible under any plan for a private toll bridge.

Now, gentlemen, the permittees, the H. C. Brenner Realty & Finance Corporation, in a letter dated December 6, 1932, made this astounding admission:

In St. Louis, nor for 150 miles to the south, we have no vehicular traffic plus railroad bridges. However, this very point has four United States highways brought to its very door, while the entire northern section of the city has but one.

In other words, there are four United States highways that converge at this point, and here is a real-estate company and a finance company coming to Congress asking for permission to build a bridge at this point and exact tolls from traffic on Federal highways. It could not finance the bridge in the time given by Congress, and here is a request for another extension, thereby monopolizing any public construction of a bridge at this point during the period of extension.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. COCHRAN of Missouri. This bill was originally passed over my objection. Mr. Brenner came to see me while I was home. That was the first time I ever met him. I told him I would not assist him in getting any extension of time. The bridge is not needed. We have a city bridge there, and it is a free bridge, but due to the situation in St. Louis, with 125,000 people out of employment, we are now charging a toll of 10 cents and using that for relief purposes. These men can not finance this bridge, and the time should not be extended. If a bridge was needed, it would have been constructed years ago. I can show the merchants in this vicinity that a bridge will not bring them any additional business.

Mr. DYER. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. DYER. Of course, on the question of financing, conditions have not been such as to enable anybody to finance anything like this in recent times.

Mr. LAGUARDIA. That is why we should not extend the time and give anyone a monopoly or complete control of the situation. I hope the gentleman will prevail upon his colleagues to get enough votes to defeat this bill.

Mr. COCHRAN of Missouri. My colleague [Mr. NIEDRINGHAUS] introduced this bill because this is in his district and because he was requested to do so by hundreds of citizens in that locality. He is unable to be here this morning. I can not stand here and object to bridge bills in various parts of the country and let one pass without objection from my own city when I know the bridge is not needed and would not pay.

Mr. LAGUARDIA. There is no criticism of him.

Mr. DYER. But if the gentleman will permit, a bill was passed and evidently no serious objection was raised to it at the time.

Mr. LAGUARDIA. Oh, yes, there was.

Mr. DYER. This is a peculiar way to repeal an act of Congress, when an extension is granted.

Mr. LAGUARDIA. No extension has been granted. Well, let the RECORD show there was an adverse report from the Bureau of Roads. The gentleman from Missouri [Mr. COCHRAN] objected to it, and we objected to it. It got by the objection stage, and, if I remember correctly, in one of the last days of the session the bill was passed. Now, this is the time to knock it, and we ought to do so.

The SPEAKER pro tempore. The question is on the motion of the gentleman from New York to strike out the enacting clause.

The motion was agreed to. So the enacting clause was stricken.

BRIDGE ACROSS MISSISSIPPI RIVER NEAR HELENA, ARK.

The next business on the Consent Calendar was the bill (H. R. 12316) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Helena, Ark.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA, Mr. PATTERSON, and Mr. COCHRAN of Missouri objected.

ESTABLISHMENT OF RESEARCH LABORATORY FOR UTILIZING COTTON, COTTON HULLS, SEEDS, LINTERS, AND WASTE FARM PRODUCTS

The next business on the Consent Calendar was the joint resolution (H. J. Res. 352) authorizing and directing the Secretary of Agriculture to request allocation of funds; also to establish a research laboratory for utilizing cotton, cotton hulls, seeds, linters, and waste farm products.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the House joint resolution?

Mr. JENKINS. Mr. Speaker, I object.

ADVANCES TO PRODUCERS OF LIVESTOCK AND TO DAIRY FARMERS UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

The next business on the Consent Calendar was the bill (H. R. 10673) to provide that advances under the Reconstruction Finance Corporation act may be made to producers of livestock and to dairy farmers.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, was not a similar bill passed and vetoed by the President?

Mr. STAFFORD. A bill of similar import has already passed Congress. The provisions of this bill were incorporated, if my memory serves me right, in that general bill amending the Reconstruction Finance Corporation act.

Mr. Speaker, I ask unanimous consent to have this bill passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LIGHTER SERVICE

The next business on the Consent Calendar was the bill (S. 2883) prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation.

Mr. BLACK, Mr. FITZPATRICK, and Mr. CONDON objected.

FINAL ENROLLMENT KLAMATH INDIANS

The next business on the Consent Calendar was the bill (S. 2671) providing for the final enrollment of the Indians of the Klamath Indian Reservation, in the State of Oregon.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

TRIBAL AGREEMENTS, ENROLLED INDIANS

The next business on the Consent Calendar was the joint resolution (H. J. Res. 409) to carry out certain obligations to certain enrolled Indians under tribal agreements.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I labored on this bill yesterday quite a while. I wish to offer an amendment which I would suggest, although, of course, I will abide by the better judgment of the gentleman from Oklahoma on these questions, because I know he has the real interest of the Indians at heart.

I drew an amendment something like this to put at the end of the bill:

Provided further, That it shall be unlawful for any person acting as attorney or agent for any claimant to receive more than a total of 3 per cent of the amount collected under the provisions of this act; and any person collecting a total amount from such claimant in excess of said 3 per cent shall be guilty of a misdemeanor and punished by a fine of not exceeding $1,000, or imprisonment not exceeding six months, or both.

Now, I may say to the gentleman from Oklahoma that if these Indians are entitled to their interest—and I think they are—we do not want it to be all eaten up by counsel fees.

Mr. HASTINGS. If the gentleman will permit, I have no objection to a limitation, but does not the gentleman think 3 per cent of the interest rather small?

Mr. LAGUARDIA. Does the gentleman wish to make it 5 per cent?

Mr. HASTINGS. I would suggest 5 per cent.

Mr. STAFFORD. Mr. Speaker, I would like to have this bill go over without prejudice. I have not had an opportunity to examine the various decisions affecting it.

Mr. HASTINGS. Will the gentleman withhold his request while I make a brief explanation?

Mr. STAFFORD. It is referred to in the letter of the commissioner. I have read the letter, but I have not had time to examine the many decisions referred to. I understand these Indians have heretofore been granted the right to have their income taxes deducted by the amount of the refunds, and having that privilege now they want to have interest besides, an exceptional occurrence, indeed.

Mr. HASTINGS. Let me explain the matter to the gentleman from Wisconsin. These are restricted Indians, and in most of these cases the Government itself, through its agents, erroneously deducted the income tax from funds held by the Government and paid it. That was at a time when there was a doubt in the minds of the officials as to whether or not the income tax was payable. Later on, and after the time expired within which claims could be filed, it was determined by the courts in the cases cited that they were not subject to income tax.

Finally, Congress allowed them to file claims for the refund of the taxes, but they did not allow them, like they would a white man, to file a claim for interest on the amounts refunded. That is all this resolution does. It places the

restricted Indians exactly upon the same footing with white men.

Mr. STAFFORD. It is with the idea of examining the matter more closely that I ask that it go over without prejudice.

Mr. LaGUARDIA. The gentleman must add that if they had the right to obtain this interest some of them did not know about it, and this is for the purpose of enabling them to assert their rights.

Mr. HASTINGS. Of course, these are restricted Indians. A great many of them are non-English-speaking Indians.

Mr. JENKINS. In other words, this just relieves them of the operation of the statute of limitations?

Mr. HASTINGS. That is all.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

WAR-RISK INSURANCE

The next business on the Consent Calendar was the bill (H. R. 11676) providing for the appointment of a commissioner to hear cases arising under contracts of war-risk insurance in the District Courts for the Eastern and Western Districts of South Carolina.

Mr. LaGUARDIA. Mr. Speaker, I reserve the right to object in order that I may ask the author of the bill a question. This bill, as the gentleman knows, has attracted a great deal of discussion.

Mr. STAFFORD. Favorable or unfavorable?

Mr. LaGUARDIA. Unfavorable. The distinguished gentleman from South Carolina has given this matter a great deal of thought and study. I want to say that if the bill gets beyond the objection stage I shall take the floor in opposition to it and shall move to strike out the enacting clause so that we can get the decision of the House, because I fear that there may be a great deal of misapprehension if this bill is stopped by objection. I believe it ought to receive a vote of this House, because it is so far-reaching, so dangerous, and so unusual. I believe it ought to be discussed and then the House should decide the matter.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. DYER. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. JENKINS, Mr. STAFFORD, and Mr. LAMNECK objected.

CONSERVATION OF OIL AND GAS

The next business on the Consent Calendar was the bill (H. R. 12076) for the conservation of oil and gas and protection of American sources thereof from injury, correlation of domestic and foreign production, and consenting to an interstate compact for such purposes.

Mr. MONTAGUE, Mr. MILLIGAN, Mr. BLANTON, and Mr. CLARKE of New York objected.

BOISE NATIONAL FOREST

The next business on the Consent Calendar was the bill (H. R. 413) to add certain lands to the Boise National Forest.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, is this bill similar to the ones objected to a few minutes ago?

Mr. BLANTON. Yes.

Mr. COCHRAN of Missouri. Then I object.

Mr. BLANTON, Mr. STAFFORD, and Mr. COCHRAN of Missouri objected.

GUNNISON NATIONAL FOREST

The next business on the Consent Calendar was the bill (H. R. 12126) to add certain lands to the Gunnison National Forest, Colo.

Mr. COCHRAN of Missouri, Mr. BLANTON, and Mr. BALDRIDGE objected.

NATIONAL FORESTS IN OREGON

The next business on the Consent Calendar was the bill S. 763, an act to extend the provisions of the forest exchange act to lands adjacent to the national forests in the State of Oregon.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OF JUDICIAL CODE

The next business on the Consent Calendar was the bill (H. R. 4624) to amend the Judicial Code by adding a new section to be numbered 274D.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Judicial Code, approved March 3, 1911, is hereby amended by adding after section 274C thereof a new section to be numbered 274D, as follows:

"SEC. 274D. (1) In cases of actual controversy the courts of the United States shall have power upon petition, declaration, complaint, or other appropriate pleadings to declare rights and other legal relations of any interested party petitioning for such declaration, whether or not further relief is or could be prayed, and such declaration shall have the force and effect of a final judgment or decree and be reviewable as such.

"(2) Further relief based on a declaratory judgment or decree may be granted whenever necessary or proper. The application shall be by petition to a court having jurisdiction to grant the relief. If the application be deemed sufficient, the court shall, on reasonable notice, require any adverse party, whose rights have been adjudicated by the declaration, to show cause why further relief should not be granted forthwith.

"(3) When a declaration of right or the granting of further relief based thereon shall involve the determination of issues of fact triable by a jury, such issues may be submitted to a jury in the form of interrogatories, with proper instructions by the court, whether a general verdict be required or not."

Mr. DYER. Mr. Speaker, I move to strike out the last word.

I do not think a bill of this kind should be passed without some explanation of what it contains. I would like to yield to the gentleman from Virginia [Mr. MONTAGUE] or to the chairman of the Judiciary Committee [Mr. SUMNERS] to make a statement as to what is the purpose and object of the bill.

Mr. LaGUARDIA. I will be pleased to give the gentleman an outline of it.

Mr. DYER. I thought the author of the bill ought to make some statement, but if he does not want to do so, I shall not insist. I am satisfied with the legislation, myself.

Mr. STAFFORD. Mr. Speaker, I think it is due the House on a measure of this importance, to have a brief statement as to the purpose of the bill.

Mr. BLACK. Regular order, Mr. Speaker.

Mr. STAFFORD. I rise in opposition to the pro forma amendment, which is the regular order, I may say to the gentleman from New York.

Mr. SUMNERS of Texas rose.

Mr. STAFFORD. I yield to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, complying with the request of the gentleman from Missouri, very briefly, the purpose of this bill is to permit persons who hold contrary positions with regard to contracts, and so forth, who see that they are approaching the possibilities of litigation if they proceed with the contract, to submit in advance the issue and have it determined.

I will give you briefly an illustration. Suppose there is a contract to erect a building and there is a difference of opinion between the contractor and the party who lets the contract. Instead of waiting until the building is constructed to determine the construction of the contract this bill, if enacted into law, makes it possible for these persons to state the differences between them and have that difference adjudicated before the building is erected.

The bill was carefully examined by the Judiciary Committee, and so far as I recall it is a unanimous report.

Mr. JENKINS. What does the American Bar Association say about it?

Mr. SUMNERS of Texas. I do not know. Sometimes the Judiciary Committee reports bills without consulting the American Bar Association.

Mr. JENKINS. This strikes me as an extraordinary departure.

Mr. SUMNERS of Texas. It is not; in many States this practice is pursued with beneficial results.

Mr. JENKINS. Did the testimony before the committee show how frequently a jury would be called in in these cases?

Mr. SUMNERS of Texas. I do not recall that fact.

Mr. LAGUARDIA. It would be an exceptional case. The purpose is that where two prospective litigants are at variance as to their legal obligations under an existing contract there is no question of fact, and it is submitted to the court to construe the legal effect of the instrument or agreement.

Mr. JENKINS. I notice that in some reports from the Committee on the Judiciary there are 11 members who signed minority reports. How did they stand in this case?

Mr. LAGUARDIA. I think it was the unanimous report of the committee.

Mr. SUMNERS of Texas. That is my recollection. I think this is good legislation.

Mr. LAGUARDIA. This has been tried in many of the States and it has saved millions of dollars in litigation. It really expedites business and is a preventive of litigation.

Mr. SUMNERS of Texas. It is really a common-sense proposition.

Mr. DYER. Which has been tried out in many States, where it has been successful.

The pro forma amendment was withdrawn.

The bill was ordered to a third reading, was read the third time, and passed.

A motion to reconsider was laid on the table.

GUNNISON NATIONAL FOREST, COLO.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent that the bill H. R. 12126, a bill to add certain lands to the Gunnison National Forest, Colo., for the purpose of asking that it be passed over without prejudice. The author of the bill, the gentleman from Colorado [Mr. TAYLOR], is absent through illness, and he asked me to prefer that request, but I did not do it in the confusion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma to return to Calendar No. 395 and passing over the same without prejudice?

There was no objection.

WAIVER OF PROSECUTION BY INDICTMENT IN CERTAIN CRIMINAL PROCEEDINGS

The next business on the Consent Calendar was the bill S. 2655, an act providing for waiver of prosecution by indictment in certain criminal proceedings.

The SPEAKER pro tempore. Is there objection?

Mr. McKEOWN. Reserving the right to object, Mr. Speaker, this provision will save the Government $250,000 to $300,000 a year.

It does not take away from the defendant a single right that he has under the Constitution. He does what he does voluntarily. He is arrested; he is put in jail; he has to wait until the grand jury is called before he is indicted. He wants to enter a plea of guilty and get his sentence, but you will not permit that; you hold him in jail and let him be indicted, and you go to the expense of the indictment. That is what is done under the present system when the defendant wants to go to jail. He is ready to plead guilty to the offense, but you hold him and hold him three months or more.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. CHIPERFIELD. Instead of the defendant wanting to do this voluntarily, is it not probable that he might be overinduced by officials of the Government to do it?

Mr. McKEOWN. No. We safeguard that by providing that he shall have ample opportunity to secure counsel.

Mr. CHIPERFIELD. And have the judge explain it to him?

Mr. McKEOWN. I just say this: In 14 States in the Union this practice is followed without any necessity for a grand jury. You have an archaic system, an old system, and you go on, and yet ask why it is that the criminal law breaks down. It is because you adhere to this archaic system, when no possible harm can be done this defendant in this way, because if he waives his right, while there may be some judges, some officers who are willing to go in and mislead a defendant, yet it is a very rare instance in which that occurs, and I, for one, would be willing to impeach any judge that would mislead any defendant, however poor or insignificant his position might be.

Mr. JENKINS. Does not the gentleman think that this matter is of such great importance that it ought not to be considered on the Consent Calendar?

Mr. McKEOWN. It might be of great importance, but a more important bill than that just passed here affecting the entire civil procedure, setting aside the procedure, to try out all contracts and agreements, before there is any violation. You have just passed that and I will say this, that the Attorney General has come in and insisted and the Supreme Court has decided the question. This bill passed the Senate. If you want to keep up this $500,000 annual expense, that is not needed or necessary, of course that is your responsibility.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BLACK. We will expect that the gentleman some time this week, as a champion of economy, will vote for a bill that will save the Government a lot of money.

Mr. McKEOWN. I say to the gentleman that I will be ready to vote for it.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to proceed for five minutes to answer the gentleman on this bill.

Mr. CHIPERFIELD. Oh, there is plenty of objection to it. That is sufficient answer.

Mr. LAGUARDIA. I believe the statement of the gentleman from Oklahoma ought to be briefly answered, and I ask unanimous consent to proceed for three minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Speaker, this bill is reported out with 11 members of the Committee on the Judiciary opposing it and submitting a minority report. If gentlemen will look at the names of the 11, he will find members there who have different views on many subjects. The gentleman from Oklahoma [Mr. McKEOWN] talks about economy; but I say that our grand jury is a result of centuries of abuses and oppression before it was ever brought about. It is one of the outstanding protections to individuals of our whole Anglo-Saxon jurisprudence, and it should not be brushed aside on a plea of saving $250,000, to be spread over a whole nation.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CHIPERFIELD. Under this proposed procedure, it would be possible for some defendant not overly well informed as to his rights, not perhaps overly well equipped mentally, to be hanged without a grand jury intervening and with no protection being afforded to him. It is an iniquitous measure and it should not be passed in this way.

Mr. LAGUARDIA. It is contrary to the traditions and customs of Anglo-Saxon jurisprudence.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. I object.

Mr. CHIPERFIELD. I object.

Mr. BLACK. I object.

Mr. CONDON. I object.

Mr. DYER. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DYER. Mr. Speaker, at this point, in view of the great importance of the matter which we have had under consideration, I ask unanimous consent that I be permitted to have inserted in the RECORD the minority views of the 11 members of the Judiciary Committee on this question.

The SPEAKER pro tempore. Is there objection?

Mr. McKEOWN. Mr. Speaker, I object.

ADJUSTMENT OF CLAIMS, OLMSTEAD LANDS, NORTH CAROLINA

The next business on the Consent Calendar was the bill (H. R. 10271) to authorize the Secretary of Agriculture to adjust claims to so-called Olmstead lands in the State of North Carolina.

The SPEAKER pro tempore. Is there objection?

Mr. COCHRAN of Missouri. Mr. Speaker, I reserve the right to object. Will the author of the bill state the amount of money involved here? I see where the Secretary of Agriculture is permitted to convey by quitclaim deed to the applicant the interest of the United States in the lands, or pay to such party such sum as the Secretary of Agriculture shall find to be just compensation.

Mr. WEAVER. This payment will be made under the Weeks law at a price to be fixed by the Secretary of Agriculture.

Mr. COCHRAN of Missouri. Where is the money to come from?

Mr. WEAVER. In some future appropriation.

Mr. COCHRAN of Missouri. From the people of the United States?

Mr. WEAVER. Under the appropriations annually made.

Mr. COCHRAN of Missouri. How much is involved?

Mr. WEAVER. A comparatively small amount.

Mr. COCHRAN of Missouri. There is no indication of the amount involved.

Mr. WEAVER. It is a comparatively small amount.

Mr. COCHRAN of Missouri. These thousands of dollars that we are opening the way to appropriate run up into the millions. The taxpayers are complaining. Can not the gentleman give us some definite statement with reference to the amount of money that might be paid out of the Treasury?

Mr. WEAVER. I should say from the character of the lands as I know them, these lands that would be purchased would approximate from $6 to $10 an acre.

Mr. COCHRAN of Missouri. And how many acres are there?

Mr. WEAVER. About 800 acres.

Mr. COCHRAN of Missouri. Not more than 800 acres involved?

Mr. WEAVER. No. That is contained in the statement by the Secretary of Agriculture.

Mr. COCHRAN of Missouri. In view of the gentleman's statement, I will not object, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized to adjust all claims to the so-called Olmstead lands in the State of North Carolina which were placed under his administrative care by the act of July 6, 1912. (37 Stat. 189.)

SEC. 2. That for the purpose of carrying out the provisions of this act the Secretary of Agriculture is authorized, upon a finding by him, that by reason of long-continued occupancy and use thereof a party is justly entitled to any of said Olmstead lands, to convey by quitclaim deed to such party the interest of the United States therein, or to pay to such party, from any appropriation which hereafter may be made to carry out the purpose of the act of March 1, 1911 (36 Stat. 936), such sum as the Secretary of Agriculture shall find to be just compensation for the release of the claim of such party to said lands.

With the following committee amendment:

On page 2, line 1, after the word "him," insert the words "and approved by the Attorney General."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CLAIMS OF OSAGE NATION OF INDIANS AGAINST THE UNITED STATES

The next business on the Consent Calendar was the bill (S. 2352) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097).

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

AMENDING POST OFFICE DEPARTMENT APPROPRIATION ACT FOR FISCAL YEAR 1913

The next business on the Consent Calendar was the bill (H. R. 11270) to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes."

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman having this bill in charge state briefly the reason why certain editors should be relieved of the obligation of furnishing biannual statements, and in lieu thereof furnish annual statements of their stockholders and subscribers?

Mr. LAMNECK. It causes extra work for the newspapers. Many of the circulations are greater earlier in the year and some are greater later in the year. When made every six months an exact statement is almost impossible, and it takes an average yearly statement to make a real report. It makes much extra work for the Post Office Department. The Postmaster General said it ought to pass, and we think so, too. I hope the gentleman will not have any objection.

Mr. JENKINS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. JENKINS. The gentleman says it will give an average statement. Does the bill provide that it will be an average? Does it provide that it will be an average subscription for the whole 12 months and the report show that?

Mr. LAMNECK. That is the idea. It shows the true circulation over a period of 12 months.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. EATON of Colorado. This bill was passed in the Seventy-first Congress by the Senate and came over and passed the committee in the Seventy-first Congress.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LAGUARDIA. I believe we required reporting once a year. If we can get an accurate report yearly it is far better than getting an inaccurate report twice a year. I hope that, if this bill passes, the Post Office Department will check up and go after some of these editors who are making false reports of their circulation.

Mr. MILLARD. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. MILLARD. There was objection made on July 1. Does the gentleman know what the objection was at that time?

Mr. LAMNECK. I do not know. I think the gentleman from Wisconsin [Mr. STAFFORD] made the objection.

Mr. STAFFORD. The original objection I made was predicated upon the idea that advertisers in our newspapers had the right to know twice a year as to the amount of circulation, and not take the padded word of the publisher. That was my fundamental objection to only having it once a year, but I have receded from that objection stage, and I have no objection to the bill.

Mr. JENKINS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. JENKINS. I notice the language which I inquired about on page 3:

And also, in the case of daily newspapers, there shall be included in such statement the average of the number of copies of each issue of such publication sold or distributed to paid subscribers during the preceding 12 months.

How will they arrive at that average?

Mr. LAMNECK. I imagine they will take the total daily circulation and divide it by 365. If it is a monthly proposition they will divide it by 12 to get the average.

Mr. MANSFIELD. That provision is in the present law, also.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912, is amended to read as follows:

"SEC. 2. No contract for furnishing supplies to the Post Office Department or the Postal Service shall be made with any person who has entered, or proposed to enter, into any combination to prevent the making of any bid for furnishing such supplies, or to fix a price or prices therefor, or who has made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person not to bid for any such contract, or to bid at a specified price or prices thereon; and if any person so offending is a contractor for furnishing such supplies, his contract may be annulled and the person so offending shall be liable to a fine of not less than $100 nor more than $5,000, and may be further punished, in the discretion of the court, by imprisonment for not less than three months nor more than one year.

"That it shall be the duty of the editor, publisher, business manager, or owner of every newspaper, magazine, periodical, or other publication to file with the Postmaster General and the postmaster at the office at which said publication is entered, not later than the 1st day of July of each year, on blanks furnished by the Post Office Department, a sworn statement setting forth the names and post-office addresses of the editor and managing editor, publisher, business managers, and owners, and, in addition, the stockholders, if the publication be owned by a corporation; and also the names of known bondholders, mortgagees, or other security holders; and also, in the case of daily newspapers, there shall be included in such statement the average of the number of copies of each issue of such publication sold or distributed to paid subscribers during the preceding 12 months: *Provided*, That the provisions of this paragraph shall not apply to religious, fraternal, temperance, and scientific, or other similar publications: *Provided further*, That it shall not be necessary to include in such statement the names of persons owning less than 1 per centum of the total amount of stock, bonds, mortgages, or other securities. A copy of such sworn statement shall be published in the second issue of such newspaper, magazine, or other publication printed next after the filing of such statement. Any such publication shall be denied the privileges of the mail if it shall fail to comply with the provisions of this paragraph within 10 days after notice by registered letter of such failure. That all editorial or other reading matter published in any such newspaper, magazine, or periodical for the publication of which money or other valuable consideration is paid, accepted, or promised shall be plainly marked 'advertisement.' Any editor or publisher printing editorial or other reading matter for which compensation is paid, accepted, or promised, without so marking the same, shall upon conviction in any court having jurisdiction be fined not less than $50 nor more than $500."

With the following committee amendments:

Page 1, line 3, after the word "that," insert the words "the second paragraph of"; page 1, line 6, at the end of the line, insert the words "(37 Stat. 553; U. S. C., title 39, secs. 233 and 234)"; page 2, strike out all of lines 1 to 15, inclusive.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

DANGEROUS QUACK REMEDIES

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, the man with a quack legislative remedy is much more dangerous than the man with none. Quack measures in Congress block and prevent the passage of good legislation. Quack legislation for the farmer and the average citizen is always proposed by their enemies or by those who wish well enough but are not familiar with their real problems.

Just as a quack medicine may cause a patient to temporarily feel better only later to die, so a quack legislative remedy, if put into effect, may help the farmer temporarily and later work his destruction.

This has been true of practically every big bill heretofore passed in the name of the farmer. This is true of a flood of bills that are now being proposed in behalf of the farmer and to remedy the present depression. These quack remedies ofttimes appear plausible, sometimes have some merit, and always are most deceptive; they will not, though, stand the acid test of a close analysis.

Always in the end they do the farmer and common people much more harm than good. They are the monkey wrenches thrown into the machinery of good legislation, and never fail to do their deadly work. An example of this kind of legislative proposal for some time, in one form or another, has been going the rounds in the form of a scheme to give every man, woman, and child in the United States a so-called "prosperity certificate" for $10, which it would be proposed to pass in trade as $10 in money, provided a 20-cent postage stamp is pasted on it every time it changes hands in the usual course of trade. When $10 worth of stamps were placed on the certificate it would be redeemable by $10 in real currency.

This is very much like giving a starving man a bowl of soup and then immediately pumping it out of him; the only difference is the money would be given to the rich as well as the poor, with the entire amount to be pumped out of the poorer class of folks. The rich man would only put one stamp on any of this money. That would be when he paid to some poor laboring man his week's pay with one of these certificates and even then he would make the poor man stand the loss of the stamp. The rich would not use these certificates. They would not have to use them. The poor man would have to use them. He and the small merchant and other small business men would be forced to bear all the losses, suffer all the discounts, and pay all the taxes. The entire scheme would provide for helping the rich by taxing the poor. Will some people never learn that real relief for the poor can never be secured by a sales tax or a double sales tax on the poorest of the poor?

It seems that the general sales tax is to be forced on our people over the vote of those of us who oppose it and this $10 certificate quack scheme would then bring about a double sales tax on the food, clothing, and necessaries of the poorest of the poor.

This scheme in the end would help no one, except the richer class; they would get their money without it ever being taxed or "pumped" back out of them. The poor man would be forced to undergo a taxing, squeezing, or pumping process so terrific as to get out of him what he swallowed and what he did not get. He would be forced to pay or return to the Government not only the money he got but also the money the rich man received and enjoyed.

By the time this money was made good by the stamp or pumping process it would all be in the vaults of the rich and the poor people again would have been taxed an enormous amount for the benefit of the rich. Think of the absurdity of solving all the problems of this depression by giving $10 in these certificates to each of the Rockefellers, Vanderbilts, Goulds, Morgans, Mellons, and other multimillionaires of the country. Think of the absurdity of solving all the problems of unemployment by giving one of these $10 certificates to each of the starving, freezing millions of our country, and then immediately beginning to tax it out of them, when more than $10 in food and clothing each must be given them absolutely free, never to be again taxed out of them, if they are to be kept alive until next spring.

How ridiculous and absurd is the suggestion that all the farmer's problems of marketing, tax advertisements, tax sales, loan foreclosures ad infinitum would be forever settled by handing the farmer and each member of his family

one of these certificates, with the Government to immediately begin pumping the entire amount—doubled for the benefit of the big rich—out of the poor farmer.

Will some people never learn that no scheme is good for the farmer and the average man, which bleeds the farmer for the benefit of all the country by some deceptive promise to take out of one pocket in taxes or otherwise more—yes; much more—than is put back in the other. This is the trouble with the "domestic allotment plan" and the "equalization fee" plans of farm relief.

This quack scheme would not help anybody. It will not help the rich; they do not need it. It will not help the extremely poor; they must get much more than this to be kept alive—money absolutely free and never to be taxed out of them. It will not help the farmer and average citizen; the entire cost and all the money furnished by this plan to rich, poor, and all would be in turn pumped, squeezed, and taxed out of the common run of men and women.

This is just another way of putting the whole load on the backs of the average citizen instead of letting each citizen carry his own burden; another way of loaning everybody—rich and poor—$10 each, with the farmer, the laborer, and the small business man to pay the whole debt. This is another way of putting into effect the most vicious sales tax ever conjured up by the mind of man, a tax collectible where these certificates are passed not only in the purchase of food, clothing, medicine, and every other necessary of life, but also in the payment of taxes, interest, and all debts with the enormous sum thus to be raised out of the poor, to be distributed to everybody, regardless of whether they need it or not.

The borrower would be taxed for paying his interest. The taxpayer would be taxed for paying his taxes, taxed for paying for the advertisement of his land for sale, and even taxed for borrowing money with which to pay his taxes. This scheme ought to satisfy the craving of the most enthusiastic tax grabber in the country.

This fantastic scheme should satiate the desire of those who want to relieve the rich of all taxes and put the entire burden on backs already broken.

If the scheme is good, why not quit using any other method of raising money by taxes for the Federal Government? You see, these certificates could be issued to pay all salaries, to pay and meet each and every other Government expenditure, and then every time the certificates are passed put on the stamps and apply the tax lash to the poor. Of course, the average citizen would have to carry the whole load and pay the whole tax, for they would have to do the spending of these certificates. The rich have plenty of the real money in their vaults for all their purposes. Then, again, there would be no need of income taxes, inheritance taxes, estate taxes, or any other tax on wealth. It is a great tax scheme, is it not? And yet there are good men who say this sort of thing in 24 hours will solve every problem of the present depression, solve the farm-relief problem, stop mortgage foreclosures, solve the transportation question, the money problem, and the question of financing our cities, counties, States, and Nation; make everybody prosperous and happy; stop at once the present depression and make other depressions and panics impossible forever.

Wonderful scheme, is it not? If the scheme is good, to raise a billion or two dollars to give to everybody indiscriminately, whether they need it or not, why not let the Federal Government by this method raise all the tax money necessary, for not only the Federal Government, as some now insist, but also for all the cities, counties, and States and simply turn over to the cities, counties, and States the money needed by them as and when needed. You see this much cherished prosperity-certificate idea, if carried to its logical conclusion, could be used to prevent all income taxes, all inheritance taxes, all estate taxes, and all taxes of every nature out of the big rich, not only for Federal purposes but for all purposes. The rich would thus be relieved of all taxes, Federal, State, county, and municipal, and the sponsors of this scheme would have done the poor people more injustice and rendered the malefactors of great wealth a greater service than was ever before attempted. The scheme is divisible into two parts—the raising of money by Federal taxation and the spending of money by the Federal Government. Both parts are wrong. The method of taxation here proposed is unfair and vicious and is the most outrageous tax conglomeration ever suggested. No tax plan has heretofore been suggested which would so effectively put all the burden of government on the poorer class and none on the wealthier. The way in which the money is to be spent constitutes an apparent thin sugar coating to this outrageous tax scheme. The unfairness of this taxing method in thunder tones condemns the whole plot and silences the suggestions of merit contained in the proposal to donate to the poor.

I am willing to go as far as any Member of Congress in the appropriation of public funds for the alleviation of suffering among men, women, and children during this awful time, but I want these funds to be raised by taxing wealth and those most able to pay and not by taxing the poor, and only the poor, by the illogical, unfair, vicious method here proposed. There is no way of waiving a wand and spending Government money without in some way getting that money out of the people. This scheme is like all others in this respect, except it goes much farther than any of the others in taxing the poor and relieving the rich. I am bitterly and unalterably opposed to this tax scheme, opposed to the silly idea of donating any of the money to those who do not need it and favor helping the needy the amount here suggested and as much more as may be necessary, but I insist that the money needed for this and all other governmental purposes be raised by taxing those most able to pay and with as little burden as possible on those who have paid and paid until they have come to the end of the way.

The scheme would bring about an unprecedented orgy of counterfeiting and violations of the law. It would require an extra army of detectives and high-salaried snooping officials to chase all our citizens both day and night to put this new-fangled sales tax into effect and keep it pumping the very life blood out of our people.

Then again just imagine an individual wanting to buy some 5-cent article with one of these $10 certificates and having to pay 20 cents tax in order to make a 5-cent purchase. A more criminally vicious form of sales tax was never suggested.

Better a thousand times put into effect the so-called manufacturers' sales tax—much as I oppose all forms of general sales taxes. Of course, the stamp by legislation could be easily changed from 20 cents on every $10 bill to 50 cents or a dollar or even $5. Of course, this would require the poor people to donate to the Government as much money as they spent for themselves and for their wives and children in the purchase of food, clothing, medicine, and all other commodities, but what difference would this make to the enthusiastic sponsors of this scheme just so the big corporations and multimillionaires of the country were relieved of all income, inheritance, estate, and other taxes on great fortunes. This newly proposed sales tax scheme in its terms is as certain and as fatal as death itself.

The general sales tax, which so many of us oppose, is heavy on some articles and light on others and has many exemptions; not so with this new scheme; it would be heavy on all and cover everything.

There are honest differences and contentions as to who suffers the loss of money raised by tariff, general sales tax, ad valorem taxes, and other form of taxes; there is no question about all the taxes under this new scheme coming out of the poorest of the poor and the common people.

There is debatable ground as to who eventually pays the "equalization fee" or the export debenture charges or the funds raised under the allotment plan of farm relief, as set out in various farm-relief proposals; there is no doubt in the world about who would bear all the cost and taxes under this new scheme—the farmer, the laborer, and the average citizen.

Even the general sales tax is all claimed to be absorbed by the manufacturers; I feel this is not true and that ofttimes doubled and compounded, it will be passed on to the ultimate consumer; but there is no doubt about the tax under this new scheme being paid, absorbed, and forever lost by the ultimate consumer of the necessaries of life, the very people who are most in need of help at this time.

This new sales-tax scheme has concealed in it, lurking like a thief, vicious provisions which overcome ten thousand times the feeble suggestion that small donations be made to the needy. This scheme of taxation is wrong and indefensible.

This so-called painless scheme of extracting taxes from the consuming public has been going the rounds for many months. Every advocate of the vicious scheme seeks to sugar coat its hideous provisions by tying onto and making a part of the scheme some plan whereby the money to be raised by the plan is to be spent in a way which more or less appeals to the public. Some suggest that this plan be used to raise money to pay the balance of the adjusted compensation due veterans of the World War; others desire to use the scheme to raise money to finance a great building program to help unemployment; others say the scheme would be good to raise money to buy up the surplus of farm products and otherwise help the farmers; others would by this scheme raise taxes for all purposes; and still some others say money should be raised by this method and divided equally among all the citizens, rich or poor, without regard to the necessities of any citizen or group of citizens.

I am in favor of some of the purposes for which some of these tax proponents would seek to spend public funds. I am not now arguing the merits or demerits of these proposals. I am saying that stripped of all its deception the sales-tax plan here suggested to tax the poorest of the poor on every sale of food, clothing, or other necessary of life is vicious in the extreme and indefensible from every standpoint, and can only be sponsored by some one ignorant of the real dangers of the plan or who does not have at heart the welfare of the masses of our American people.

There is no danger of a scheme so palpably unfair and dangerous as this ever being enacted into law; the awful tragedy is that men will waste time with quack schemes like this rather than seek to render real service to our people and Nation during this awful time of distress and agony.

The people need to be relieved of tax burdens and given a helping hand in their efforts to stop tax advertisements, tax sales, and loan foreclosures. Their very lives are at stake. Their homes are being sold and they are being ruined. Let us not try to conjure up new methods of taxing poverty and distress. Let us help our people get relieved of their unbearable burden so they can live and face the future with renewed confidence and hope.

HIRING VEHICLES FROM POSTAL EMPLOYEES

The next business on the Consent Calendar was the bill (H. R. 9555) to authorize the Postmaster General to hire vehicles from postal employees.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, the provisions of this bill make it retroactive back to the fiscal year 1923. I object.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. LAGUARDIA. Mr. Speaker, I object.

COEUR D'ALENE AND ST. JOE NATIONAL FORESTS, STATE OF IDAHO

The next business on the Consent Calendar was the bill (H. R. 6659) for the inclusion of certain lands in the Coeur d'Alene and St. Joe National Forests, State of Idaho, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, and I think I am going to object, is it the old fire protection bill?

Mr. BLANTON. Well, Mr. Speaker, there are three objectors. What is the use discussing it?

Mr. FRENCH. It is the same bill that has been considered heretofore.

Mr. LAGUARDIA. Mr. Speaker, I object.

Mr. GOSS. Mr. Speaker, I object.

Mr. FRENCH. Mr. Speaker, may I ask unanimous consent that the bill be passed over without prejudice and hold its place?

The SPEAKER pro tempore. Three gentlemen have objected. Does the gentleman desire to ask unanimous consent?

Mr. FRENCH. May I ask unanimous consent to have the bill passed over without prejudice?

Mr. BLANTON. What is the use of requiring us to do this all over again? I object, Mr. Speaker.

SEMINOLE TRIBE OF INDIANS

The next business on the Consent Calendar was the bill (H. R. 5846) authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians.

Mr. UNDERHILL. Mr. Speaker, I object.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice. Will the gentleman reserve his objection?

Mr. DYER and Mr. STAFFORD objected.

RESTORATION OF HOMESTEAD RIGHTS IN CERTAIN CASES

The next business on the Consent Calendar was the bill (S. 4029) to restore homestead rights in certain cases.

Mr. BLANTON. Mr. Speaker, the author of this bill is not here. I understand he is sick. I, therefore, ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

OTOE AND MISSOURIA TRIBES OF INDIANS

The next business on the Consent Calendar was the bill (H. R. 10927) conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouria Tribes of Indians to compensation on a basis of guardian and ward.

Mr. JENKINS. Mr. Speaker, I object.

Mr. GARBER. Mr. Speaker, will the gentleman withhold his objection?

Mr. JENKINS. Mr. Speaker, I withhold the objection and reserve the right to object.

Mr. GARBER. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. GARBER. I may state that the bill is unanimously reported by the committee. It is drafted along close lines, and if the gentleman has any particular provision of the bill to which he objects it might be remedied.

Mr. JENKINS. My principal objection is that the Department of the Interior recommends against it.

Mr. GARBER. While that is true, since that time the bill has been amended to conform to one of the main objections the department raised.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. WILLIAMSON. I may say to the gentleman that no jurisdictional bill has ever been passed to which the department did not object. They objected to all of them without reference to the merits. This bill has particular merit to it.

Mr. UNDERHILL. Mr. Speaker, I have been objecting to all this class of bills. I see no reason why there should be an exception in this case. Therefore, Mr. Speaker, I object.

BRIDGE ACROSS LAKE CHAMPLAIN

The next business on the Consent Calendar was the bill (S. 1980) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.

Mr. LaGUARDIA, Mr. PATTERSON, and Mr. BLANTON objected.

CLASSIFICATION OF COTTON

The next business on the Consent Calendar was the joint resolution (H. J. Res. 434) to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act, and for the dissemination of market-news information.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. FULMER. Mr. Speaker, will the gentleman reserve his request?

Mr. STAFFORD. I reserve the request to give the gentleman an opportunity to explain the bill.

Mr. FULMER. Under this bill we simply propose to extend to the producers of cotton the same facilities that cotton factors, mills, and exporters now have under the cotton grading act, for the proper grading and stapling of their cotton, with licensed graders and samplers provided without any cost to the Government.

This bill has the favorable support from the Agriculture Department, as shown by its letter in the report. May I state that the cotton grading bill is operating beautifully and helpfully now in all large centers where cotton is centralized, but they have been unable to carry the direct benefits down to thousands of producers, and even so not the full benefits, especially as to length of staple.

I wish to call the gentleman's attention to a letter from ex-Congressman A. Frank Lever—who by the way tried to lick me during the last campaign—as carried in the report, which shows a saving of $7.50 per bale.

I had an expert Government cotton grader located in my State during the fall of 1929 and 1930, to test out this proposition. It not only meant the securing of a better price for the farmers' cotton from $5 to $10 per bale, but it encouraged the growing of a better staple of cotton that farmers of the South will have to grow if they are going to continue in the cotton-producing business. You will note from Mr. Lever's letter that he stated he took advantage of this expert cotton grader by having only three bales properly graded and stapled for which he received a certificate from the grader as to color and staple. He also stated with this certificate he was able to sell three bales on the same market where he usually markets his cotton at a premium of $7.50 per bale. Certainly this should be of interest to the gentlemen in trying to hold up this legislation, especially when cotton farmers, like all other farmers, are practically broke to-day.

I can not understand why the gentleman would not want farmers to be able to receive the benefit under this proposed legislation as to the special length of the staple, which, as stated, will induce cotton farmers to grow that type of staple which they should grow to be able to compete with foreign countries, and bring about these benefits without any expense to the Government.

I hope the gentleman will withdraw his objection.

Mr. STAFFORD. Mr. Speaker, it has been some weeks since I examined this bill. When I last examined it I thought it was rather too general to be taken up on consent day. I may say to the gentleman that if the bill goes over without prejudice I shall examine it anew before it is next considered.

The SPEAKER pro tempore. Without objection, the bill will be passed over without prejudice.

There was no objection.

THE DOMESTIC-ALLOTMENT PLAN

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, the Agricultural Committee of the House, of which I am a member, is holding hearings on the domestic-allotment plan legislation, as introduced by me during the last session of Congress, and in line with the plan as worked out by the various farm groups.

This legislation is sound, practical, and will do more toward placing agriculture on a paying basis and on an equality with industry than any legislation which has been offered since I have been a Member of Congress.

If the Congress will repeal legislation giving special privileges to others in the way of, for instance, the highest tariff rates at this time ever in the history of this country, and the highest freight rates, and put into action the antitrust act, so as to break the monopolistic fixing of prices, all of which has paralyzed agriculture; we will not need the above legislation, which proposes to place agriculture on an equal basis with protected industry, and to restore agricultural prices on a parity basis with the prices of industrial products in line with pre-war prices. In other words, we are attempting to restore to those commodities the same purchasing power as was received during the period from 1909 to 1914. Prior to the war, agricultural commodities were on a parity with industrial commodities; whereas, to-day the purchasing power of farm products is on about a 50 per cent basis in comparison with industrial products.

It is understood and agreed by everyone that the only way to bring about normal prosperity is to restore the purchasing power of the people. To my mind, the only way that this can be done is to see to it that farmers secure a fair price for that which they produce, a price absolutely in line with prices received by protected industry, and on a parity with industrial products.

This plan does not require any additional Government machinery or interfere with the present regularly established rules in doing business.

Is it fair to allow protected interests to sell on the domestic markets at one price, in many cases far above the world basis price, and force farmers to sell their major farm products, for instance, cotton, at a price based on the world price? Cotton which is selling to-day for 6 cents per pound in the United States, is being sold in Europe at the same price plus freight charges. In the meantime, as stated, the purchasing power of agricultural products compared with industrial products, is so much lower that it is impossible for farmers to pay their obligations and purchase what they really need.

As stated, there is nothing in this plan which will interfere with the regular and well-established way of doing business; that is, in buying or selling cotton. Up and until the cotton passes into the hands of cotton mills and exporters, there is no need to discuss the operations of this legislation, except the working out of regulations and perhaps the creating of a small amount of machinery that would be very helpful in the successful operating of the plan. After the cotton reaches the mills and exporters, the operation of the bill is just the same as it is in every case where the tariff has been applied by protected industry.

Manufacturers will continue to buy on the open market, when and from whom they please, on a world basis, which is to-day 6 cents per pound; but after it is manufactured the price of the manufactured products will be figured at 6 cents plus the amount carried in the bill, 5 cents, or under the new plan, whatever difference it may take to bring the world basis price up to and on a parity with industrial products, making the cost price in the first instance 11 cents instead of 6; or, under the new plan, whatever tax or charge that would be necessary to maintain the price on a parity with industrial products. Under either plan, that is a fixed 5-cent tax or the difference between the world-basis price and the price on a parity with industrial products. The manufacturer would add same to the world-basis price or prices paid in the first instance and pass it on to the consuming public through the regular channels, jobbers, or wholesalers.

The only difference between the two plans would be in the first instance a fixed charge of 5 cents regardless of the world-basis price, or that figure which would bring the world-basis price to and on a parity with industrial prices.

Under the last plan, for instance, at this time, perhaps it would take 6 cents per pound on cotton to place the purchasing power of cotton on a parity with industrial products. However, as the world-basis price advances and agricultural products are advanced towards a pre-war basis or on a parity price with industrial prices, the tax or adjustment charge, as you may call it, would vary from time to time, and would be eliminated altogether when farm prices reach a basis or a parity with industrial products.

Any exporter doing only an export business would not have to add this 5 cents per pound, and neither would he have to pay any revenue thereon. The question has been raised that cotton mills in the United States would not be able to compete with foreign countries in exporting manufactured cotton goods to be sold on foreign markets because of this extra 5 cents per pound on cotton. This would not interfere at all. In fact, it would place the manufacturer on the same basis in doing business in foreign countries as he is now on, for the reason under the above plan he would be entitled to a drawback of 5 cents per pound. Cotton manufacturers are also claiming that this advance in price would decrease the consumption of cotton goods. If you will take the pre-war record, or any other period when the purchasing power of the people was normal, you will find that this is absolutely untrue. We hear a great many statements about taxing the consuming public 50 per cent on their purchasing of cotton goods under this bill. It is my understanding that an adjustment charge of 5 cents per pound on cotton would not amount to more than one-fourth of 1 cent per yard on manufactured goods.

The Internal Revenue Bureau, without any additional machinery, would be able to collect this 5 cents per pound from mills and place same in the Treasury of the United States in a special cotton fund.

The allotment would be made to farmers on an average over a period of 5 or 10 years. It would be unfair to have a shorter period than 5 or 10 years to ascertain the average, for the reason that certain cotton States that have been very heavily infested by the boll weevil would be out of line with States that have not had the ravages of the boll weevil and where farmers have increased the acreage and production, as in the State of Texas. Suppose we find over either the 5 or 10 year period that the average will allot South Carolina 1,000,000 bales; and in allotting this million bales to the various counties in the State that the allotment for my home county, Orangeburg, would be 60,000 bales, and to me as an individual farmer, residing in Orangeburg County, 100 bales. We have all of the statistics necessary in the Agricultural Department to work out these allotments, even down to the individual farmer.

If it is found that we will need 50 per cent of this allotment for home consumption, I would be entitled to 5 cents per pound on 50 bales out of my 100, or $750 in cash out of the allotment fund carried in the Treasury in the cotton fund, less administrative expenses, which, I figure, would not exceed 2½ per cent.

To participate in this allotment fund, farmers would have to agree to a certain cut in acreage as planted in 1932; for instance, as carried in my bill, 20 per cent; or under the last plan submitted by the farm group, farmers would have to prove that they had carried out the cut in acreage or production as agreed upon in the beginning of the marketing period before they would be entitled to a certificate for their allotment benefit.

There is nothing in the bill that would force farmers to take advantage of this plan. In other words, any farmer who wanted to continue to operate as an individual unit, as all farmers have been doing in the past, being unable to organize, could farm as usual and plant just as much cotton as he desires, but he would not receive anything above the actual world basis price that he is now receiving.

You remember under the equalization-fee plan it was proposed to penalize farmers indirectly by collecting the equalization fee under some special plan other than direct from the farmers to bring about benefits and the controlling of production. You will also remember under the debenture plan it was proposed to give to farmers the benefit of 2 cents per pound by issuing debentures, with the hope that this 2 cents per pound would trickle back down to the farmers. Under both of these plans there are no specific direct benefits to the individual farmer and would have a very small tendency toward the restricting of production, if any.

The time was when the consuming public and its representatives in Congress, especially from large cities, would fight any move to advance prices of farm products, but not so now. This class of people, along with every line of business, unless it be those who have their own selfish interests at heart, is willing to go the limit in putting farm prices on a paying basis, because it means restoring the purchasing power of 35,000 people, which is necessary to revive business, retail, wholesale, and manufacturing, as well as tonnage for railroads. This will also take care of the unemployed, and in so doing you will restore the purchasing power of an additional 12,000,000 people. May I state that it is my belief that without fair prices for farm products, at or on a parity basis with industrial products, the restoring of the purchasing power of agriculture can not be returned, neither can the unemployed be put to work.

STABILIZATION OF LIVESTOCK INDUSTRY

The next business on the Consent Calendar was the bill (H. R. 11816) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. LaGUARDIA. I think this bill ought to be knocked off the calendar because it reverses our tradition and policy with regard to public lands. There is grave danger in this bill. You may put off of the public lands every small raiser of cattle and sheep and give monopoly to the big companies and permit them to put up buildings and fences that their successors must pay for. I do not see the benefit of this bill.

Mr. LEAVITT. It works in just the opposite way. The purpose is to prevent that sort of thing as well as to prevent the destruction of the range.

Mr. LaGUARDIA. It does not appear to me that way and I spent some time in the consideration of this bill.

Mr. LEAVITT. That is the way it operates in actual practice.

Mr. ARENTZ. Mr. Speaker, this bill is a very important one, but at the same time I think it should be discussed by the entire House, with an opportunity given for the offering of amendments, because it is revolutionary in that it changes the entire policy with respect to control and regulation of the public domain.

Mr. LaGUARDIA. And the gentleman having more public lands in his State than I have in mine, I shall give way to him.

Mr. COLTON. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice. It is a matter of tremendous importance, and I doubt myself that it ought to be taken up in this way.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

MINING OF COAL, PHOSPHATE, OIL, ETC., ON THE PUBLIC DOMAIN

The next business on the Consent Calendar was the bill (S. 4509) to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain."

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, I call the attention of the sponsors of this bill to the fact that the Department of the Interior recommends an amendment, which I do not see included in the bill. The amendment suggested by the Navy Department is included,



but not the one recommended by the Department of the Interior.

Mr. EATON of Colorado. If the gentleman will permit, after discussion in the Public Lands Committee it was decided to report the bill out exactly as it had been passed by the Senate. The amendment suggested by the Department of the Interior was considered by the Committee on Public Lands, and its decision was that it should not be put in this bill.

Mr. LAGUARDIA. If my memory serves me right, one proposition puts in abeyance the payment of rentals, while the recommendation of the Department of the Interior is that the rentals should be paid each year but credited to the lessee, and then credited when he resumes activities and the lease extended, so the permit would not be abandoned, and then when conditions change, allow them to come in or not, as they may decide. I believe the recommendation of the Department of the Interior is certainly a fair one under the conditions.

Mr. EATON of Colorado. I hope the gentleman will reserve his objection until I may explain the matter further. If the recommendation of the Department of the Interior were put in the bill, then existing law would not be changed as to the dates for payments during periods of discontinuance of drilling and there would be practically no necessity for the bill. The very purpose of the bill is to give some equitable consideration to the many leases where the Department of the Interior, by its order, has prohibited production of oil from the leases. There are two classes of leases and the two classes of leases fall into two different groups. Part of them, by order of the Department of the Interior, have been prohibited from producing, while part of them, at the request of the producer, have discontinued production of oil.

The relief that has been asked for here has been so that in all cases they would all be on a par and where production is not made, either by the request of the producer and agreed to by the department or by order of the department, during the suspended period there will be a moving forward of the whole term of the lease and the requirements for nonproduction rental payments, simultaneously, without any rental payment. This is entirely justified by the present condition of the oil industry and the general business distress throughout the country, which has made necessary and proper this general relief bill that would put forward month by month and year by year the exact time for which all these relief measures are applicable, whether by the department's order or at the request of the leaseholder.

Mr. LAGUARDIA. Lest I did not make myself clear, permit me to read at this point the amendment suggested by the Secretary of the Interior.

Mr. EATON of Colorado. Is the gentleman reading from page 5 of the report?

Mr. LAGUARDIA. Yes; I want to get the amendment in the RECORD:

SEC. 39. In the event the Secretary of the Interior, in the interest of conservation, shall direct or shall assent to the suspension of operations and production of coal, oil, and/or gas under any lease granted under the terms of this act, the lessee shall be entitled to a credit of all rental paid under the lease during such suspension, to be applied on royalties due for future production: *Provided, however,* That royalties payable on account of drainage of the leased lands shall be credited against the rental for each lease year in which said royalties shall be payable: *And provided further,* That the term of the lease shall be extended by adding any such suspension period thereto.

Mr. EATON of Colorado. Now, permit me to read at this point the text of the bill which is the amendment approved by the Secretary of the Navy and the Committee on Public Lands.

SEC. 39. In the event the Secretary of the Interior, in the interest of conservation, shall direct or shall assent to the suspension of operations and productions of coal, oil, and/or gas under any lease granted under the terms of this act, any payment of acreage rental prescribed by such lease likewise shall be suspended during such period of suspension of operations and production; and the term of such lease shall be extended by adding any such suspension period thereto: *Provided,* That nothing in this act shall be construed as affecting existing leases within the borders of the naval petroleum reserves and naval oil-shale reserves.

If the bill is adopted as recommended by the committee, administration is simplified and for any period of time for which extension is granted to discontinue operations, the requirement for the payment of royalty is likewise extended. The suggestion in the amendment referred to by the gentleman from New York [Mr. LAGUARDIA] would merely create more and extended bookkeeping, for in the end the Government will receive the same amount of moneys for the amount thereof to be deducted from the royalty payments to come due in the future. I am quite sure that if the gentlemen who are about to object to the passage of this bill will carefully reconsider the two paragraphs that they will come to the same final conclusion as did the members of the committee and support the text of the bill as it was passed in the Senate.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA, Mr. STAFFORD, and Mr. BALDRIGE objected.

RELIEVING DISTRESS DUE TO UNEMPLOYMENT

The next business on the Consent Calendar was the bill (H. R. 12097) for the relief of distress due to unemployment, to create a committee for Federal, State, and local cooperation in placing qualified unemployed persons on unoccupied farms for the purpose of growing subsistence food crops during the continuance of the unemployment emergency.

The SPEAKER pro tempore. Is there objection?

Mr. BALDRIGE. Reserving the right to object, I wish to call attention to the fact that the purpose of this is to open up unused, unoccupied, abandoned farm lands. Now, the whole purpose of farm relief is not to open up new agricultural lands, but to close farm lands. Now, we ought not to pass legislation opening up more agricultural lands.

Mr. BLACK. This is a bill embodying the ideas of many thoughtful people, of enabling people in the cities to get back to the farms. There are many people in the city who are trying to get back to the farms. Some are now going back, and they will be a burden to the farming community.

Mr. LAGUARDIA. I would like to ask the gentleman what happened to this bill when it was up at the last session?

Mr. BLACK. I do not recall that there was any vote taken on it. This bill enables these men to go back, it authorizes a commission without any expense to the Treasury. It aids the citizens in every possible way in their efforts to get back to the farm. The commission is also to see to it that those who come back do not embarrass the farming situation by increasing production. All they are supposed to do when they get back is to grow enough food for their own immediate needs. It is to aid those who honestly want to go back to the farm to produce enough food for their own immediate support. They are now straggling around the country in the bread line, and it is not going to hurt the farmer or the business man.

Mr. BALDRIGE. Has the gentleman tried to get any men now in the bread line to go back on the farm?

Mr. BLACK. The reports of charitable associations show that these men want to go back, and they want help in getting back.

Mr. TABER. Will the gentleman yield?

Mr. BLACK. I yield.

Mr. TABER. They would want help after they got back from the farming community, would they not?

Mr. BLACK. The bill provides that they are not to go to any place unless assured of some help. Surely the community from which they came would welcome them.

Mr. LAGUARDIA. I want to ask the gentleman a question first. Who is going to take care of the local taxes on the farm; second, where are they to get the money to buy equipment and stock and machinery; third, who is going to take care of them until they raise a crop; fourth, what are they going to do with the crop; and fifth, do they know anything about farming? [Laughter.]

Mr. BLACK. Mr. Speaker, I shall answer the fifth question first. Only those will get the benefit of this act who do know something about farming. As to the fourth question, What are they going to do with the crop, we hope that they will eat it, and that if we are sensible people there will be a few drinks made out of it. As to questions 1, 2, and 3, there are provisions in the act itself that by cooperation with local communities all these things will be taken care of.

The SPEAKER pro tempore. Is there objection?

Mr. BALDRIGE. I object.

Mr. TABER. I object.

LEASE OF POST-OFFICE GARAGE, BOSTON, MASS.

The next business on the Consent Calendar was the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PAYMENT TO CHINESE GOVERNMENT ON ACCOUNT OF CERTAIN CHINESE CITIZENS

The next business on the Consent Calendar was the bill (H. R. 12740) authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA. Mr. Speaker, I reserve the right to object, and I am not going to object. I rise to call the attention of the House to the fact that we have several bills on this calendar to pay indemnity for damages sustained by Chinese Nationals by reason of the operation of Marine Corps motor trucks in China—just another illustration of the folly of sending our troops where they have no business to be. I shall not object to this.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of China for the account of Yao Ah-Ken, $1,500; Chiang Ah-erh (Tsiange Ah Erh), $1,500; the family of Ts'ao Jung-k'uan (Dzao Yong Kwer), $1,500, as full indemnity for losses sustained by Yao Ah-Ken, Chiang Ah-erh (Tsiange Ah Erh), and by the family of Ts'ao Jung-k'uan (Dzao Yong Kwer) as the result of a collision between United States Marine Corps truck No. 1130 and tram car B. 168, owned by the Shanghai Electric Construction Co. (Ltd.), in Shanghai, China, on November 29, 1929.

Mr. UNDERHILL. Mr. Speaker, I move to strike out the last word in order to ask the gentleman from Tennessee if his committee has considered any definite policy or has tried to place a definite valuation upon the life of a Chinaman over in China or elsewhere. Fifteen hundred dollars is a fortune over in China, where 10 cents will keep a man for a week. Whether $1,500 is enough or too much I am not prepared to judge.

Mr. McREYNOLDS. We have not been able to place any definite amount upon the value of any human life. The gentleman knows that in this country if a suit were brought for the killing of a person the amount of damages would depend upon various circumstances, one of which, of course, would be his expectancy of life, with many others. As to the value of Chinamen, it has been placed very low in some of these claims. I have known some to come out of our committee for only $300.

Mr. LaGUARDIA. This is a case where both legs are taken off.

Mr. McREYNOLDS. Yes; that is even worse than death, I think.

Mr. UNDERHILL. Congress did establish a valuation some years ago—I will not be definite about it—that the life of a Chinaman was not worth over $1,000.

Mr. McREYNOLDS. I do not remember any such statement, but I do remember that some have been settled for very much less.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider laid on the table.

PAYMENT TO CHINA ON ACCOUNT OF CERTAIN CHINESE CITIZENS

The next business on the Consent Calendar was the bill (H. R. 12741) authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of China for the account of the estate of Li Ying-ting (Li Ing Ding), a citizen of China, the sum of $1,500 as full indemnity for the deaths of Li Yuen Han (Li Yung-hang), Wang Sze (Li Hwang-shih), Chun Wo (Li Chen-Ho), and Foh Ling (Li Fu-lin), the son, daughter-in-law, grandson, and granddaughter, respectively, of Li Ying-ting (Li Ing Ding), resulting from a collision between the junk of Li Ying-ting (Li Ing Ding), and a United States naval vessel on the Yangtze River on July 3, 1925, and for medical and burial expenses incurred by Li Ying-ting (Li Ing Ding), as a result of the collision.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

PAYMENT TO DOMINICAN REPUBLIC ON ACCOUNT OF MERCEDES MARTINEZ VIUDA DE SANCHEZ

The next business on the Consent Calendar was the bill (H. R. 12742) authorizing an appropriation for payment to the Government of the Dominican Republic for the account of Mercedes Martinez Viuda de Sanchez, a Dominican subject.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I reserve the right to object. A somewhat different principle is involved in this case from the two prior ones. Here it is proposed to pay a gratuity to a widow because her husband back 16 years ago performed some valorous service in helping to rescue drowning seamen. I am hesitant about paying out money in these times to a widow whose husband happened to perform a valorous service that was of aid to our seamen in a storm in the Dominican waters.

Mr. McREYNOLDS. I have no objection to the gentleman's objecting to the bill.

Mr. STAFFORD. Mr. Speaker, I object.

JANET HARDCASTLE ROSS

The next business on the Consent Calendar was the bill (H. R. 12743) authorizing an appropriation for payment to the Government of Canada for the account of Janet Hardcastle Ross, a citizen of Canada.

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS. Reserving the right to object, it strikes me that this bill is too high. It is evident there are two items, one for $150 and another for $480, that should be reduced. I wonder if the distinguished chairman of the committee would agree to an amendment reducing those two amounts. That is for the time that this young lady was off duty and what was paid her for the time she was on vacation. Those two items ought to go out, in my opinion. It is a total of $630.

Mr. STAFFORD. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. STAFFORD. Would the chairman be willing to compromise on $500? When I read the report yesterday it stated that this young lady was deprived of her service by reason of a little explosion that only required her to be in the hospital three days. The letter of the Secretary of State shows that she was in California convalescing from some operation or a breakdown, and yet she charged $480 for lost time. The report shows that she was only in the hospital three days on account of this explosion near by.

Mr. McREYNOLDS. The amendment will be satisfactory.

Mr. STAFFORD. If the gentleman from Ohio would make it $500, I think the Canadian Government would think we were very liberal under the circumstances.

Mr. McREYNOLDS. That will be perfectly satisfactory. The gentleman will offer the amendment at the proper time.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of Canada for the account of Janet Hardcastle Ross, a citizen of Canada, in full settlement of all claims for personal injury resulting from the dropping of a dummy bomb by a United States Navy airplane near Coronado, Calif., on March 27, 1929, the sum of $920.45.

Mr. JENKINS. Mr. Speaker, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. Jenkins: Page 1, line 10, strike out "$920.45" and insert in lieu thereof "$500."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

RAIMUNDA VALLADARES DE CALDERON, A CITIZEN OF NICARAGUA

The next business on the Consent Calendar was the bill (H. R. 12744) authorizing an appropriation for payment to the Government of Nicaragua for the account of Raimunda Valladares de Calderon, a citizen of Nicaragua.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I wish to give further consideration to this bill, in view of the fact that our marines were virtually performing police duty at the request of the Nicaraguan Government. Therefore, I ask unanimous consent that this bill be passed over without prejudice.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I want to call the attention of the House and the gentleman from Wisconsin to the fact that if there ever was an unnecessary, cowardly, cold-blooded murder, it was in this case.

Mr. STAFFORD. I agree with the gentleman entirely.

Mr. LAGUARDIA. Here was this unfortunate Nicaraguan, who was taken into custody by a patrol. While in their custody, unarmed, after proceeding several miles, this marine dismounted and shot him down in cold blood, without any reason or provocation. What I want to point out is that his sentence, after trial by court-martial, was only two years.

Mr. STAFFORD. And the sentence was severely criticized by the Navy Department as not in keeping with the heinous offense.

Mr. LAGUARDIA. Yet he was only sentenced to two years. If there ever was a cold-blooded murder it was in this case.

Mr. STAFFORD. I agree with the gentleman from New York, but here are marines in the Republic of Nicaragua, at the request of the Government of Nicaragua. True, the officer was an officer of the United States who went beyond all bounds, yet, why should not the Nicaraguan Government be responsible when our marines were there for the benefit of the Nicaraguan Government at its request.

Mr. LAGUARDIA. I believe, in the first place, this officer was not acting in pursuance of any orders. He was our national. He was wearing our uniform. The gentleman says they were there at the request of the Nicaraguan Government. I think they were there mostly at the request of some of the bankers of my city, but that has nothing to do with the main proposition.

Mr. STAFFORD. There is no question but that the de facto government of Nicaragua requested the marines to be there.

Mr. McREYNOLDS. Why does the gentleman want this passed over?

Mr. STAFFORD. For the reason that I want to cogitate a little further on the question of whether the Nicaraguan Government should bear this expense rather than the United States Government. I therefore ask unanimous consent that this go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

N. J. MOOSA, A BRITISH SUBJECT

The next business on the Consent Calendar was the bill (H. R. 12745) authorizing an appropriation for payment to the Government of Great Britain for the account of N. J. Moosa, a British subject.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, let us hurry and pass this bill. This man has already received $8 as compensation for injury to his property. Now he wants $15.59. He has already occasioned about $1,000 expense to the British Government and perhaps $500 expense to the American Government in insisting on the payment of this paltry amount. Let us give this Scotsman his $15.59 in a hurry.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of Great Britain for the account of N. J. Moosa, a British subject, as full indemnity for the personal injuries received by him as the result of a collision between a broker's trap in which he was riding and a United States Marine Corps truck at Shanghai, China, on September 13, 1928, and for medical and hospital expenses incurred by him in connection with his injuries, the sum of $15.59.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

NORWEGIAN STEAMER "TAMPEN"

The next business on the Consent Calendar was the bill (H. R. 12746) authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

Mr. JENKINS. Mr. Speaker, reserving the right to object, it is my opinion that this is one of the bills that ought to be cut down. The amount of the bill is fixed arbitrarily. It is not an amount that anybody can establish as the actual damage.

If the chairman will agree to cut $3,765 from this bill, making the amount $5,000, I shall withdraw my reservation of objection.

Mr. McREYNOLDS. The facts are set forth in the report, and the report is a fair one. However, if the gentleman is going to object unless $3,000 is cut from the bill I shall agree to it.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of Norway in full and final settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer Tampen by reason of the detention of the vessel by the United States Coast Guard during June, 1925, the sum of $8,765.

Mr. JENKINS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENKINS: Page 1, line 10, strike out "$8,765" and insert in lieu thereof "$5,000."

Mr. LAGUARDIA. Mr. Speaker, I rise in opposition to the amendment. I wish to ask the distinguished new chairman of the Committee on Foreign Affairs if he has changed the form of these bills. It is my recollection, and I call his attention to the cases, that these payments are sometimes made as an "act of grace" when liability is disclaimed. Is

there any reason why the form is changed this time? I am asking for my own information and guidance on the pending amendment.

Mr. McREYNOLDS. These bills were reported out last session. I was merely chairman of the subcommittee that reported them. They were sent up this way from the State Department.

Mr. LaGUARDIA. The State Department sent them up this way?

Mr. McREYNOLDS. Yes.

Mr. STAFFORD. The gentleman will admit that in the language of the bill granting $30,000 to the Mexican Government, which the gentleman reported this past week, "as a matter of grace," because of the facts of the case. The National Government is not obligated for the acts of the officials of a State.

In the case before the House the acts complained of are acts of officials and employees of the Government of the United States. It is not as a matter of grace, but it is a matter of direct obligation on the part of the United States.

Mr. LaGUARDIA. That brings up the very question, then: If it is a matter of liability and our liability has been recognized by the State Department, then I submit the amendment offered by the gentleman from Ohio may only cause further negotiations in this very confusing problem. If it is a question of grace, then the gentleman's amendment is all right. If it is a matter of liability and we were in the wrong, and the United States Government, speaking through its State Department, has acknowledged this liability and the damage has been fixed at $8,765, I submit we are not aiding the case by appropriating $5,000. Such a change would not be in compliance with the settlement and would not end the claim, which would be back for additional appropriations. I will ask the gentleman from Pennsylvania [Mr. TEMPLE] if I am not right on that?

Mr. TEMPLE. Mr. Speaker, the gentleman from New York [Mr. LaGUARDIA] has made the speech I wanted to make. I think he is very right. Without repeating what he has said, I simply say I hope the amendment will be defeated.

The SPEAKER pro tempore: The question is on the amendment of the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. JENKINS), there were—yeas 10, noes 18.

So the amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LING MAU MAU

The next business on the Consent Calendar was the bill (H. R. 12747) authorizing an appropriation for payment to the Government of China for the account of Ling Mau Mau, a citizen of China.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of China for the account of Ling Mau Mau, a citizen of China, as full indemnity for the personal injuries received by him as the result of a collision between the junk of Wong Miao Fah and a United States naval vessel on the Whangpoo River, Shanghai, China, on May 20, 1930, and for medical expenses incurred by Ling Mau Mau in connection with his injuries, the sum of $1,500.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SALVADOR BUITRAGO DIAZ

The next business on the Consent Calendar was the bill (H. R. 12748) authorizing an appropriation for payment to the Government of Nicaragua for the account of Salvador Buitrago Diaz, a citizen of Nicaragua.

Mr. UNDERHILL. Mr. Speaker, I object.

SHANGHAI ELECTRIC CONSTRUCTION CO. (LTD.)

The next business on the Consent Calendar was the bill (H. R. 12749) authorizing an appropriation for payment to the Government of Great Britain for the account of the Shanghai Electric Construction Co. (Ltd.).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of Great Britain for the account of the Shanghai Electric Construction Co. (Ltd.), as full indemnity for losses sustained by the said company as the result of a collision between United States Marine Corps truck No. 1130 and tramcar B 168, owned by the company in Shanghai, China, on November 29, 1929, the sum of (the equivalent of $157.20 Mexican) $78.60.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BENJAMIN GONZALEZ

The next business on the Consent Calendar was the bill (H. R. 12750) authorizing an appropriation for payment to the Government of Nicaragua for the account of Benjamin Gonzalez, a citizen of Nicaragua.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of Nicaragua for the account of Benjamin Gonzalez, of the city of Managua, Nicaragua, as full indemnity for money expended by him because of his being wounded by shooting by Robert C. Lare, a private of the United States Marine Corps, while on police patrol in said city, the sum of $343.55.

Mr. LaGUARDIA. Mr. Speaker, I move to strike out the last word for the purpose of calling the attention of the House to the case of this unfortunate Nicaraguan, one of the inhabitants of the country where we went down to establish law and order. He was shot in the back by a marine when he was running away.

It seems that one morning the marine reported to the patrol that he was evicted from a cantina. A cantina is a place where they dispense liquor. The patrol then attacked a grocery store, and when this unfortunate Nicaraguan was ordered in the grocery store he started to run away, and when he was running he was shot in the back.

Mr. JENKINS. And they broke down the door trying to get in.

Mr. LaGUARDIA. They broke down the door trying to get in, as the gentleman from Ohio reminds me.

The facts are set forth in the report. This case was reported in the newspapers, and the writer who reported them was criticized and abused all over this country. If Mr. Beale were to make a report of this kind, or had he made it at the time, he would have attracted to himself more criticism and more abuse. At least we are giving the facts now that we have to pay for the damages.

Mr. Speaker, I withdraw the pro forma amendment.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

ENRIQUETA KOCH V. DE JEANNERET

The next business on the Consent Calendar was the bill (H. R. 12751) authorizing an appropriation for payment to the Government of Chile for the account of Enriqueta Koch v. de Jeanneret, a citizen of Chile.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the facts in this case are rather exceptional. There is no question but that a dastardly assault was made upon a woman citizen of Chile. If it had not been dastardly and resented by the entire crew of the vessel to which she was attached, I am quite sure the officers and men would not have subscribed the large sum of $2,000 to reimburse this woman for the humiliation and injuries which she suffered. Having received $2,000 of voluntary payment back in 1921, immediately after the occurrence, as an amende for the

assault by one of the crew, she applied through her government to the United States Government for a larger sum in reimbursement.

I merely wish to call these facts to the attention of the House. The officers and members of the crew certainly did their part in raising a fund of $2,000, and I would have thought she would have been satisfied with that rather munificent amount and yet, no, she comes and asks the Government of the United States for an additional allowance. True, she has reduced it from $25,000 down to $2,000. Perhaps, if we keep it pending a little longer, she may be willing to take $1,000 or nothing.

Mr. TAYLOR of Tennessee. What happened to the woman?

Mr. LAGUARDIA. She was attacked, and her collar bone was broken.

Mr. STAFFORD. There was no criminal assault, I am informed.

Mr. LAGUARDIA. It was a brutal attack.

Mr. STAFFORD. I shall not interpose any objection, but I think it comes with rather poor grace after she received $2,000 as a gratuity payment collected from the officers and crew of this vessel.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. UNDERHILL. Mr. Speaker, if the gentleman will withhold his request a moment, this matter has passed the House on at least one occasion, and because of the lateness of the session it failed in the Senate.

This was a most brutal attack upon a young woman by one of the crew of a United States naval vessel. It is true that the only visible injury she sustained was a broken collar bone and some severe cuts and lacerations, but the shock to her system was considerable. The man was drunk to a degree that he did not know what he was doing. The sympathies of the crew of the vessel were aroused to the extent that they voluntarily subscribed $2,000 for the relief of this woman.

Then the old mother, who was dependent upon the daughter for support, made a claim, which was very excessive, for $25,000.

The committee took everything into consideration and reduced the amount to $2,000, and the House, after debate, accepted it; but the Senate failed to pass the bill, not because it was not right, but on account of lack of time, and it seems that after as long a wait as this the claimant ought to be reimbursed a sufficient amount for her suffering.

Mr. SUMNERS of Texas. Under all the circumstances does not the gentleman from Massachusetts believe that when the injured person has received $2,000, she ought not to call upon the Government to be reimbursed just because the injury was done by one of this Government's nationals?

Mr. UNDERHILL. Ordinarily, I would agree with the gentleman, but the serious injury that was done to this claimant was to her nervous system. She was laid up for a long time. This does not appear in the record but is a matter of fact. It is really a very flagrant case of the insane act of a drunken sailor on one of our ships.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HENRY BORDAY

The next business on the Consent Calendar was the bill (H. R. 12752) authorizing an appropriation for payment to the French Government for the account of Henry Borday, a citizen of France.

Mr. SCHAFER and Mr. PARKS objected.

PUBLIC-BUILDINGS CONTRACTORS

The next business on the Consent Calendar was the bill (H. R. 9921) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice. It is pretty far-reaching, and I want to study it further.

Mr. EATON of Colorado. Mr. Speaker, on page 12092 of the CONGRESSIONAL RECORD of June 6 last, it is shown that this bill was objected to by Mr. BLANTON, Mr. TABER, and Mr. UNDERHILL. How can it come back on the calendar and be presented again to-day?

Mr. GOSS. The rule provides that these bills may be put on the calendar at the next session.

Mr. STAFFORD. The rule with respect to the objection status applies to only one session.

Mr. EATON of Colorado. Is that the answer of the Speaker?

The SPEAKER pro tempore (Mr. WOODRUM). Yes; that is the answer of the Chair.

Mr. COCHRAN of Missouri. Will the gentleman from New York [Mr. LAGUARDIA] state his objections so we may try to iron them out later?

Mr. LAGUARDIA. Certainly. I want to study this bill to see just how the proposed law would affect the cost of construction.

If the general contractor has to put in the subcontractor and material men, he is bound by the offer and the prices submitted at the time.

Mr. GOSS. Not the prices. If the gentleman will refer to page 2, line 1, where it says, "The services the bidder intends to utilize."

I will say that I have drafted this bill on account of the flagrant abuses in my own State on account of bid chiseling and bid peddling. It was gotten up for that reason. All I intend to do by the bill is to require the bidder to name the subcontractor he intends to use on the job when he makes his bid. He can substitute, of course, but it will have a tendency to stop these flagrant abuses of bid chiseling and bid peddling. I will say that many local contractors have gone busted in my State and in many other States. I have had many letters in favor of this bill.

Mr. BACON. Let me ask the gentleman is it not true, because of the bid peddling the subcontractors are attempting to force down the wage scale?

Mr. LAGUARDIA. How can that be done under the terms of the Bacon law? They do not in my city, because when I find it out I make them respond.

Mr. UNDERHILL. Mr. Speaker, if this matter is not going over I shall object.

Mr. GOSS. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

CONSTRUCTION OF THE RULES

Mr. LANHAM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LANHAM. One provision of the rules provides that where three objections are made to the second reading of a bill on the Consent Calendar it may be brought up and restored to the calendar at a subsequent session—the next session of Congress. My inquiry is, Does a bill when it is objected to by three Members and comes up at the subsequent session come up de novo, and would one objection suffice?

The SPEAKER pro tempore. It comes up de novo, and one objection stops it.

PAYMENT OF DEATH GRATUITY TO DEPENDENT RELATIVES OF OFFICERS, ENLISTED MEN, ETC.

The next business on the Consent Calendar was the bill (H. R. 6734) to amend an act entitled "An act to authorize payment of six months' death gratuity to dependent relatives of officers, enlisted men, or nurses whose death results from wounds or disease not resulting from their own misconduct," approved May 22, 1928.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. Reserving the right to object, this takes away from the comptroller the right of review. I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NAVAL RESERVE AND MARINE CORPS RESERVE

The next business on the Consent Calendar was the bill (H. R. 5329) to amend section 24 of the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a naval reserve and a marine corps reserve," as amended by the act of March 2, 1929.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

NAVAL ORDNANCE PLANT, SOUTH CHARLESTON, W. VA.

The next business on the Consent Calendar was the bill (H. R. 4657) to authorize the disposition of the naval ordnance plant, South Charleston, W. Va., and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

ADMINISTRATION OF JUSTICE IN THE NAVY

The next business on the Consent Calendar was the bill (H. R. 5352) to provide for the better administration of justice in the Navy.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. This bill really should have the consideration of the Committee on the Judiciary. It involves the right of the Navy Department to take jurisdiction over a marine who has been in prison for punishment, after his term of enlistment, a questionable practice, indeed. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

STEALING FROM PASSENGERS ON INTERSTATE TRAINS

The next business on the Consent Calendar was the bill (S. 4095) to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913, as amended (U. S. C., title 18, secs. 409–411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken.

The SPEAKER. Is there objection?

Mr. COLLINS. Mr. Speaker, I reserve the right to object. What authority has the Government over the subject matter covered in this bill?

Mr. SUMNERS of Texas. Mr. Speaker, the authority sought to be exercised in this bill arises under the interstate commerce clause of the Constitution. This bill is a proposed amendment to existing law covering thefts of commodities moving in interstate commerce.

Mr. COLLINS. Why would not the offense of taking an individual from one State to another for the purpose of murdering that individual be on all fours with the purpose of this particular bill?

Mr. SUMNERS of Texas. I would not like to express an opinion as to how far the courts might go in sustaining legislative liberalizing enactment under the interstate commerce clause; but I say this to the gentleman from Mississippi, that in so far as this proposed enlargement is concerned, it does not seem to be at all in conflict with the decisions of the Supreme Court sustaining legislative enactments, making it a Federal penalty to steal from a box car or from a railroad any commodity that is in interstate transportation. The purpose of this bill is to make it a Federal offense to steal from an individual passenger who is engaged in interstate travel.

Mr. COLLINS. Mr. Speaker, I am in sympathy with the purpose of the bill, but it seems to me that this is an effort to clothe the Federal Government with power over subject matters over which the Congress has no jurisdiction.

Mr. SUMNERS of Texas. If my friend from Mississippi will examine the bill, I direct his attention to the fact that the new legislation proposed begins on page 3, line 14, and runs to line 1 of page 4, and that the rest of the bill is existing law. There is a later proposed amendment, but it is not necessary to consider that.

Mr. COLLINS. I understand that, but the gentleman still has not answered the question that I have propounded to him. The question in substance is whether or not he believes that under the Constitution of the United States Congress has the power to legislate upon this subject matter.

Mr. SUMNERS of Texas. I answer that question in the affirmative. Personally I have no question at all. There is some language there with regard to taking money by a game or scheme or device, but the language to which the gentleman directs my attention in the main is:

> Whoever shall steal or shall unlawfully take by any fraudulent device, scheme, or game, from any passenger car, sleeping car, or dining car, or from any passenger or from the possession of any passenger while on or in such passenger car, sleeping car, or dining car, when such car is a part of a train moving from one State or Territory or the District of Columbia to another State or Territory or the District of Columbia or to a foreign country, or from a foreign country to any State or Territory or the District of Columbia, any money, baggage, goods, or chattels.

I may say to my friend that enactment of Congress making it a penal offense to steal from a transportation company commodities being transported in interstate commerce is fully sustained. I do not suppose that lawyers anywhere question the power of Congress to enact such legislation.

Mr. COLLINS. I am addressing my remarks to the entire bill. I have read the provisions of the bill.

Mr. SUMNERS of Texas. With reference to the entire bill, this particular sort of legislation, this identical law of which this bill is amendatory, has been construed a number of times, and held to be clearly within the legislative power of Congress.

Mr. COLLINS. I think this bill would better be postponed for future consideration.

Mr. SUMNERS of Texas. All right.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

CLAIMS OF CHIPPEWA INDIANS

The next business on the Consent Calendar was the bill (H. R. 127) to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. UNDERHILL. Mr. Speaker, I object.

The SPEAKER. This completes the Consent Calendar. All bills that have been on the calendar the required number of days have been called.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a bill of the House of the following title:

On December 14, 1932:

H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

DISTRIBUTION OF GOVERNMENT-OWNED COTTON TO AMERICAN RED CROSS

Mr. JONES. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress.

The Clerk read as follows:

Be it enacted, etc., That the Federal Farm Board is authorized and directed to take such action as may be necessary to make available, at any time prior to May 1, 1934, on application of the American National Red Cross, or any other organization designated by the Red Cross, the remainder (not in excess of 350,000 bales) of the cotton of the Cotton Stabilization Corporation, for use in providing cloth, wearing apparel, and bedding for the needy and distressed people of the United States and Territories. Such cotton shall be delivered upon any such application only upon the approval of the President of the United States and in such amounts as the President may approve.

SEC. 2. No part of the expenses incident to the delivery, receipt, and distribution of such cotton shall be borne by the United States or the Federal Farm Board. In order to carry out the purposes of this act such cotton may be manufactured into, exchanged for, or disposed of and the proceeds used for acquiring, cloth or wearing apparel or other articles of clothing or bedding made of cotton; but such manufacture, exchange, or sale shall be without profit to any mill, organization, or other person.

SEC. 3. In so far as cotton is delivered to relief agencies by the Cotton Stabilization Corporation under this act the Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the cotton delivered hereunder, less the current market value of the cotton delivered, and to deduct the amount of such loans canceled from the amount of the revolving fund established by the agricultural marketing act. To carry out the provisions of this act such sums as may be necessary are hereby authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for the following purposes: For advancing to such corporation amounts to repay loans held by commercial or intermediate credit banks against cotton which would be released for donations under this act and to retire all storage and carrying charges against cotton, including compression charges, at the time of the approval of this act; and for meeting carrying and handling charges and interest payments on commercial or intermediate credit bank loans on or against cotton which would be released for donations under this act between the date of its approval and the delivery of the cotton to the American National Red Cross or other organization.

SEC. 4. The Federal Farm Board shall execute its functions under this act through its usual administrative staff and such additional clerical assistance as may be found necessary without additional appropriations beyond its usual administrative appropriations.

The SPEAKER. Is a second demanded?

Mr. KETCHAM. Mr. Speaker, I demand a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, the Members of the House will recall that during the last session we enacted a bill which provided for the distribution of wheat and cotton, including 500,000 bales of cotton. The reports of that use have been so satisfactory and the relief has been so far-reaching that I do not believe there will be any considerable opposition to the enactment of this measure. It provides for the distribution of the remaining portion of the cotton now owned by the Cotton Stabilization Corporation.

The testimony of the officers of the National Red Cross shows that these distributions were handled through 3,489 chapters of that organization, including 12,000 branches, in every State of the Union; that more than 4,000,000 families have been furnished with food and with clothing in that distribution; that the mills have handled it without any profit whatever; that the local committees of the American Red Cross and volunteer committees have handled the making of garments in many instances without any expense at all, so that a very great percentage of the raw materials has been translated into actual forms of relief. Not only has distress been relieved, but employment has been furnished to a great many people. The reports are universal from the cities as well as the country districts and the Territories.

Mr. Speaker, I reserve the balance of my time.

Mr. CELLER. Will the gentleman yield for a question?

Mr. JONES. I yield.

Mr. CELLER. Will the gentleman state whether or not the word "bedding," which is obtained in the new bill, would cover blankets and comfortables that are in such need in the larger cities to keep the poor and the distressed warm?

Mr. JONES. In my judgment, it would cover those commodities if made of cotton.

Mr. Speaker, I reserve the balance of my time.

Mr. KETCHAM. Mr. Speaker, I yield three minutes to the lady from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS. Mr. Speaker, I heartily indorse this bill. I introduced a similar bill myself. I found that the previous cotton relief bill, which was passed last summer, has given an enormous amount of aid to those employed in our mills and relief to the poor. The present bill which is under consideration would make available for distribution approximately 329,000 bales of cotton, or the entire amount which the Stabilization Corporation has on hand. This, I understand, if manufactured into clothing, will give employment to between 18,000 and 20,000 people for three or four months. My information is that only 20 per cent of the requests by the local chapters of the Red Cross have been filled. Early in December requests were approved by the Red Cross for 52,021,557 yards of cotton cloth, and in addition purchases of underwear, hosiery, overalls, trousers, and knickers, which total 1,306,508 dozen. The Red Cross estimates that this cloth and clothing is needed by 4,202,267 families.

Col. John Barton Payne, the president of the Red Cross; Mr. Robert E. Bondy, director disaster relief, and Mr. George Harris, the son of the former very distinguished Senator, William Harris, of Georgia, have performed a wonderfully fine service in carrying out the relief measure. They have tried to give relief to the needy and work to the unemployed in every section of the country. They deserve great credit.

The people of my own district are extremely grateful for the employment given to them. One mill was enabled to employ approximately 400 people for a month and an order was given to another mill which provides work for people who would otherwise be idle and in distress. Many families in my district have also been aided greatly by the flour which the Red Cross also has so efficiently distributed under the relief act of last summer.

I am very desirous that the same sort of thing be done, if possible, in connection with wool. The poor and needy require woolen clothing very much, and I believe it would tremendously help the woolgrowers and the woolen manufacturers and labor in those industries. I only wish that there were more cotton in the hands of the Cotton Stabilization Corporation which might be turned into clothing and bedding for those who are distressed. [Applause.]

Mr. STAFFORD. Will the gentlewoman yield?

Mrs. ROGERS. I yield.

Mr. STAFFORD. Is the gentlewoman aware of the fact that there are over 3,000,000 bales in control of the American Cotton Stabilization Corporation?

Mrs. ROGERS. The Stabilization Corporation has only the amount named in this bill at the present time. The Department of Agriculture has some cotton that is held as collateral for seed loans. This takes up the entire amount in the Stabilization Corporation, I am informed by the Federal Farm Board.

Mr. STAFFORD. It is passing strange that the vice president and general manager of the American Cotton Stabilization Corporation testified that of the 1929 crop they have something like 1,300,000 bales and of the 1930–31 crop they have 1,770,000 bales.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. WHITTINGTON. Those figures refer to cotton held by the cooperative associations and not by the Stabilization Corporation.

Mrs. ROGERS. That is the point I wished to make. The Department of Agriculture holds cotton as collateral for the seed loans.

Mr. STAFFORD. The cotton I refer to is not held as collateral for seed loans. I agree that is held by the cooperative association under loans advanced by the Stabilization Corporation.

Mrs. ROGERS. The Department of Agriculture also has cotton as collateral for seed loans. The cooperative associations also held 1,825,202 bales of cotton on July 31, 1932, against which the Farm Board had made loans, according to the third annual report of the Farm Board.

Mr. KETCHAM. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, the appropriation by Congress of the cotton and wheat has demonstrated, first, the necessity of Federal relief, and, secondly, that Federal relief can be properly administered. The cotton which we heretofore appropriated, 500,000 bales, and the remainder which we are now appropriating, demonstrates that, after all, there might not be a surplus if the people in the country had an opportunity of using and consuming a part of that which they actually need. The cotton heretofore appropriated is now being made, in my city, into garments. Something like $174,000 has been set aside by the emergency employment relief committee, of which Mr. Harvey Gibson is chairman, to pay unemployed needleworkers making the material into garments. I was instrumental in bringing the workers and the committee together and a very satisfactory arrangement was agreed upon between the Gibson committee, representing the Red Cross, the A. I. C. P. (Association for Improving the Condition of the Poor), and the workers. This cotton is being manufactured into dresses, underwear, children's garments, overalls, and jumpers. It will employ several thousand needleworkers for a period of 8 or 10 weeks. I am very glad the gentleman from Texas [Mr. JONES] is disposing of his surplus cotton and thereby giving the people of the cities as well as all sections of the country an opportunity to get some of the clothes which they will need this winter. I hope that the people of the country will become cotton minded, because the textiles that can now be made out of cotton can take the place of almost any material. We went into that when the application was made for the allocation for New York. We are not making dresses of a uniform pattern or design. If the people of this country would have the purchasing power to buy the clothes that they need, I do not believe there would be so much surplus of cotton in the gentlemen's States.

So I want to take this opportunity to appeal to the House not to destroy purchasing power of the American people by encouraging this nation-wide movement for the reduction of salaries and lowering of the American standard of living. You have the living example and absolute proof right here in disposing of a cotton surplus, a surplus that would be greatly reduced if the people of this country had the clothes they need and the food they require.

Mr. JONES. Mr. Speaker, I yield three minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Speaker, in my opinion there was not a bill passed by the last Congress more important in relieving the need and distress of our country than the bill to give wheat and cotton to the relief of the suffering of our land.

When I saw the administration of that act under the Red Cross, and the many people it relieved, I was very glad, indeed, I could look back and say that I had some humble part in it. I want to say to you that I have not heard a just criticism against this character of relief.

We had the head of the Red Cross, Mr. Payne, before us the other day, and the question was asked him with reference to how much cotton it would take to relieve the present distress. He stated that perchance it might take 2,000,000 bales of cotton to relieve the present necessity.

It is the duty of the Congress of the United States under our Government to see that nobody starves to death or suffers. I do not care so much about the plan that is adopted to reach the situation, but I do not believe a better plan could be established than the administration of this relief through the Red Cross, because it leads us away from the question of a dole; it reaches the spot; it gives the man in need that which he needs immediately. There is no organization that can reach the needy as quickly as the Red Cross has done and can do under this bill.

This giving of the small amount of cotton now in the hands of the Farm Board, about 329,000 bales, if I remember correctly, will help out a little in the Red Cross relieving the distress that is on us now in this winter. We are right in the midst of the hardest part of the winter.

This bill carries a provision whereby they may have some cotton blankets of some kind or other for comfort. If we could analyze the effect of this bill, and we can not do it fully, in my opinion, it would be found that it has caused the people of these United States to be more obedient to our laws and to have kept us out of possible conditions that would have been embarrassing to this Government. I hope this bill will be passed without a single dissenting vote. [Applause.]

Mr. JONES. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I willingly testify to the splendid work that has been done heretofore by the American Red Cross in pursuance of the two bills we passed during the last session to relieve the poor and distressed by distribution of Government-owned wheat and of cotton. This bill now makes an additional distribution of 350,000 bales of cotton available.

Mr. Bondy, director disaster relief of the American Red Cross, makes the following report regarding wheat and cotton distribution to date. It bespeaks an excellent record of achievement.

To December 3, 56,502,221 bushels, of the total of 85,000,000 bushels, of wheat were required to cover the approved applications for flour. This distribution has served 4,458,204 families in 3,491 of our 3,639 chapters; 6,471,460 barrels of flour are represented in those approvals in addition to the 220,069 tons of stock feed distributed last spring. It is anticipated that there is sufficient wheat to carry the flour distribution through the winter.

As of December 8, requests have been approved for 52,021,557 yards of cloth from the cotton and, in addition, purchases of underwear, hosiery, overalls, trousers, and knickers have been made totaling 1,306,508 dozen. An estimated value of the cloth and garments purchased is $7,441,855.51. This cloth and clothing is needed by 4,202,267 families, as reported by our chapters.

The cloth is forwarded to the chapters for production into garments by volunteer workers and in some communities by unemployed persons engaged in work relief. The ready-made garments are shipped directly from the manufacturers to the Red Cross chapters for distribution through the chapters and local relief organizations.

I am intimately acquainted with some of the relief agencies of New York City. I have been a member and officer of one of the largest family-relief organizations operating in the Borough of Brooklyn—the United Jewish Aid Societies. Our organization might have been in the most embarrassing position of having to close its doors were it not for the aid it received from the emergency unemployment relief committee which, in turn, was greatly helped by the bills that we heretofore passed. Incidentally the Emergency Unemployment Committee of New York is doing a splendid work. It is skillfully guided by Mr. Harvey D. Gibson, a man of splendid vision, whose heart is attuned to the needs of the poor and unemployed. He is ably assisted by Mr. Frank Kidde and other whole-souled gentlemen and ladies.

I call attention to the fact that during this present blizzard, the effects of which are now ineffable suffering in poverty-stricken communities, many families in New York, particularly in my own district, are without not only food and clothing but bedclothing as well. I am happy to note that the chairman of the Committee on Agriculture [Mr. JONES] has seen fit to add to the bill words that would permit some of the cotton to be manufactured into quilts, covers, and blankets. In the previous bill there was a limitation that the cotton could only be used for wearing apparel and for clothes. Now, however, to help assuage the suffering and pain of wintry storms and blizzards, we will have bedcoverings as well as clothes for the halt, the lame, the poor, and the distressed.

Mr. LAGUARDIA. And the unemployed.

Mr. CELLER. And the unemployed, who are in dire need. I shall willingly and gladly indeed vote for this bill, and I hope the other Members will do likewise. [Applause.]

Mr. KETCHAM. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, a point has been brought out in the discussion which interested me very much. That the use of this cotton furnished a good deal of labor and helped to relieve unemployment, and I am wondering if there are any statistics or figures showing to what extent employment was increased in the New England mills in turning this cotton into manufactured goods.

I wish to bring to the attention of the House this situation: We in the New England section would like to have some of this raw cotton transferred from the southern section of the country into the storehouses in New England where the manufacturers can readily, and without payment in advance, get cotton at such times and in such quantities as they may need.

In looking over this situation we find that instead of having 1,300,000 bales of so-called stabilization cotton, only some 329,000 bales are so designated. It seems that the cooperatives have charge of the 1,000,000 bales, and we find it very difficult to get them to part with that cotton for storage in northern warehouses, even though financed entirely by Government money. It would appear that if storage is paid at the rate of $1.80 per bale per year—it was formerly $3 per bale—this benefit should be spread evenly throughout the manufacturing centers.

The present situation is extremely disadvantageous to the mills in New England, and I want the House to understand that a determined effort is now being made to have some of that cotton transferred to the North, so that our mills may have their proportion of this stored cotton and have an even chance not only to furnish some of it to the unemployed but to make use of it in the usual course of business.

We are unwilling longer to be shunted off by having the Farm Board say that it is without authority in the matter. We are told that those who have charge of the cooperatives have the entire decision and they do not see fit to send this cotton to the North unless it is shipped under a bill of lading to definite purchasers to be paid for immediately or on an exact date. We want to have some of that cotton stored there so that we can get it readily and pay for it the same as do the mills in other localities, and I am sure you will realize that this is only a fair request on our part.

Mr. KETCHAM. Mr. Speaker, I did not demand a second upon any theory of opposition to the bill, but simply in order that a few features of it might be emphasized.

I want to bring up one additional thought, which I think has not yet been presented, namely, that John Barton Payne, the head of the American Red Cross, reported to our committee that even if this allotment were made, we would not be in position to care for all the needs that had been developed before the officials of the Red Cross. My recollection is that his statement was that the allotment of cotton thus far made had only been sufficient to care for 20 per cent of the need. Consequently, the action to be taken to-day will certainly be very timely in meeting conditions that have been so ably and interestingly described.

I desire to call attention to one other feature of the bill, already referred to by the gentleman from New York [Mr. CELLER] in that the provisions of this particular bill are broader than in the other bills in that bedding is included among the articles for which the cotton may be used and to that extent, of course, the need for material of this sort will be very much enlarged.

I want to add my personal appreciation, which has also been expressed by several members of the committee, for the very able manner in which this allotment of cotton has been administered by the Red Cross. My recollection is there were less than 150 chapters out of the more than 3,600 chapters of the country that did not make requests for this material, which would indicate that its distribution has been very widespread.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. WHITTINGTON. Is it not true that Judge Payne, chairman of the American Red Cross, stated that really 2,000,000 bales of cotton could be used and would be necessary to provide adequate relief?

Mr. KETCHAM. I have forgotten the exact amount, but my recollection is that the 500,000 bales originally provided had only met about 20 per cent of the needs thus far.

Mr. WHITTINGTON. Is it not also true that the 329,000 bales of cotton is all the cotton that is now owned by the Stabilization Corporation?

Mr. KETCHAM. That is correct.

Mr. WHITTINGTON. One further matter. At the time we passed the bill for the distribution of 500,000 bales of cotton, during the closing days of the last session, the Farm Board, through the Stabilization Corporation, then had 1,300,000 bales, but at that time they had made commitments for the sale of some 400,000 or 500,000 bales of the cotton, and my information is that since the passage of the bill providing for the distribution of 500,000 bales by the Red Cross the Stabilization Corporation has made no sales of their cotton and the 329,000 bales in the pending bill is all they have on hand now in the United States. I understand the Stabilization Corporation has some 40,000 bales in warehouses abroad. The cotton cooperatives probably have 1,000,000 or more bales of cotton, but the Farm Board has only a secondary loan on this cotton, as the cooperatives usually borrow approximately 65 per cent of the value of the cotton through regular commercial channels, which is supplemented by the secondary loan of 15 per cent by the Farm Board. This enables the borrowers to obtain advances of 80 per cent. The only financial interest of the Farm Board in the cotton owned by the cooperatives is the 15 per cent advance.

Mr. KETCHAM. That is my understanding.

I have no further requests for time, Mr. Speaker.

Mr. JONES. Mr. Speaker, I yield one minute to the gentleman from Alabama [Mr. PATTERSON].

Mr. PATTERSON. Mr. Speaker, I am happy to join in supporting this legislation on account of the great good it is doing. I have had some connection with Red Cross work, and I realize that the cotton that has been appropriated has only met a small part of the need, although they are extending great relief.

This also furnishes a great opportunity for work and labor that could not otherwise be had. I hope the bill will pass the House unanimously and will pass the Senate before the Christmas holidays. It will be of great benefit to our people.

If it were not for the relief extended in this way, it would be impossible for the local communities to even alleviate a small amount of the need for clothing which is required to keep the unemployed from cold and a large number of children in school.

In reply to the statement of my colleague, Mr. GIFFORD, from Massachusetts, I wish to say I am sure that it is not the desire of our people in my State that a part of this cotton be withheld from our New England mills and people. This cotton is doing great good in our State, both in relief and by creating work.

Mr. JONES. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

EXTENSION OF REMARKS

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on this subject in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE PHILIPPINE ISLANDS

Mr. HARE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

Mr. MICHENER. Mr. Speaker, reserving the right to object, has the gentleman conferred with the full membership of the committee in the House where the bill originated?

Mr. HARE. I have conferred with every member of the committee except one member who is absent, and they have all agreed for this request to be made.

Mr. MICHENER. It is agreeable to the committee that the bill go to conference?

Mr. HARE. Yes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HARE, WILLIAMS of Texas, and KNUTSON.

PAYMENT OF CERTAIN CLAIMS TO THE MEXICAN GOVERNMENT

Mr. McREYNOLDS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13534) authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated.

The Clerk read the bill, as follows:

Be it enacted, etc., That there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $15,000 for payment to the Government of Mexico for the account of the family of Emilio Cortez Rubio, and a further sum of $15,000 for payment to the Government of Mexico for the account of the family of Manuel Gomez, as an act of grace and without reference to the question of legal liability of the United States, for the killing in or near Ardmore, Okla., on June 7, 1931, of Emilio Cortez Rubio and Manuel Gomez by two deputy sheriffs of the State of Oklahoma.

The SPEAKER. Is a second demanded?

Mr. STAFFORD. Mr. Speaker, I demand a second.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. McREYNOLDS. Mr. Speaker, as you have discovered from the reading of this bill, it is for the purpose of paying to the Republic of Mexico for the death of two Mexican youths who were killed in the State of Oklahoma on June 7, 1931.

In brief, the facts are these: Three Mexican citizens, members of Mexican families of high standing, one of them being a close relative to the then President of the Republic of Mexico, had been attending school in Missouri and Kansas, and at that time were on their way to their homes in Mexico.

They reached Ardmore, Okla., about 11 o'clock at night and stopped there at a stand for the purpose of getting sandwiches and root beer. Two of the Mexicans had alighted, but the third, being sick, stayed in the car.

Two officers came up at that time looking for some one who had committed robberies. They were served with root beer at that place. They were within 10 feet of the Mexican boys, and they concluded that they were not the ones they wanted.

Then they went to a filling station, stopped, and while there the Mexican car passed. A little later they drove on for about a block and found the Mexican boys had stopped in the road for some purpose. The officers came upon them, and one officer reprimanded one of these boys for something which the record does not show. At that time he went over to the car and found one boy sitting in the car with a pistol in his hand, not pointed at him. The officer reached in with his left hand with a pistol in his right hand and disarmed him. The other officer had backed the car up in the rear, and he heard the boys tell the officers that they were Mexican students on their way home. One of the boys had alighted, and the officer says that he held a pistol in his hand, and without a word he fired and the boy fell to the ground. Then he says the other boy sitting in the car was on the point of pulling a pistol and he shot and killed him.

This outrageous conduct on the part of the officer was practically a cold-blooded murder. I want to say that Governor Murray, of Oklahoma, did everything he could to bring the officers to punishment, but they were acquitted.

Mr. McKEOWN. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. McKEOWN. I will say that the people of Oklahoma are of the opinion that Governor Murray did everything he could under the circumstances. But I want to ask the gentleman what is being done about our claims for our citizens who have been killed in Mexico? I have one case of a man by the name of Correll who was killed. The claim has been pending for some time, and I would like to know what has been done with reference to those claims?

Mr. McREYNOLDS. The Mexican Claims Commission had claims under consideration that had arisen up to 1923. Under the treaties between this country and Mexico, all of those claims had to be disposed of before any report was made. The time of that commission has run out, and there is now a treaty between this country and Mexico, which has been approved by the Mexican Government, and when the convention is called this Mexican Claims Commission will be reappointed, and the commission will take up the claims about which the gentleman from Oklahoma speaks.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. McKEOWN. I am in favor of this bill, but I am also in favor of Mexico paying reparations on account of the death of our citizens.

Mr. McREYNOLDS. I am certainly in favor of her making payment for our people.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. McREYNOLDS. Certainly.

Mr. HASTINGS. I do not think the gentleman from Tennessee [Mr. McREYNOLDS] in his enthusiasm is justified in using as strong language as he did when he made the statement that this killing was under circumstances which in effect amounted to cold-blooded murder. I feel certain that on reflection he will eliminate that from the RECORD in this case.

The gentleman has made a very fair statement of the facts as I now remember them. Of course, as he knows, this happened a year ago last summer. I did not know the bill was coming up until I came on the floor. I did not have time to refresh my memory about all the details, but, of course, it was extensively commented upon in the press and we are all more or less familiar with the facts. As the gentleman from Tennessee stated a few moments ago, there had been some bank robberies in that part of the State, and these officers, along about midnight, were on the lookout for suspected people who were reported as coming that way. They came on these Mexican boys. This is a very unfortunate incident. The boys were returning from school, which they had been attending, as I recall, in Kansas and Missouri. However, they were heavily armed. There is much controversy about what was said between the parties. They were regarded by the officers as suspicious characters. One of them had a gun in his hand—I think both had; I think the one sitting in the car and the one out in front both had guns. There is sharp controversy as to what was said. The governor of the State directed that the county attorney be assisted in the prosecution of the defendants. They were tried before an impartial jury, all the facts were developed, and after they were submitted the officers were acquitted. Under the circumstances I do not think I would be justified in permitting the statement that the gentleman made to go unchallenged. I regard it as a very unfortunate incident, as do the people of my State. The governor of my State has done everything that he could under the circumstances, and I think that all the facts and not ex parte

statements ought to be impartially laid before the membership of the House before they come to vote on the bill.

Mr. McREYNOLDS. Mr. Speaker, I shall endeavor to place the facts before you. Perhaps I was too severe in saying cold-blooded murder, but at least I say it was killing without justification. When one of the boys was disarmed by an officer, while sitting in his car, the other officer walked up on the other side and fired the fatal shot that killed him. Had this officer arrested the boy that he had disarmed, there would not have been any death. It was unjustifiable and the people who committed it should have been punished. I say again that the Governor of Oklahoma has used every means to have them punished.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. BANKHEAD. How did the committee arrive at the amount of compensation fixed in this bill?

Mr. McREYNOLDS. Merely from what they thought would be a proper amount under the circumstances, and according to the standing of the people who were killed and at the suggestion of the President and the Secretary of State. One of these boys was a close relative of the President of Mexico. The gentleman knows as a lawyer that amounts in damage suits vary according to the position and standing of the people who are involved.

Mr. BANKHEAD. Was the proposition of punitive or vindictive damages considered in the case?

Mr. McREYNOLDS. No; it was not. We decided it as a matter of grace on account of our close connection with Mexico, with a long boundary line of 2,000 miles, and with troublesome questions to be settled at this time, feeling that this Government should make amends for at least, I might say, the outrage that was perpetrated in one of our States.

Mr. BANKHEAD. Is this settlement made in the absence of any understanding or agreement between the two Governments and just as a matter of grace?

Mr. McREYNOLDS. As a matter of grace.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. SCHAFER. Why should the taxpayers of this country be called upon to pay $15,000 on account of the death of two Mexican boys who were killed by law-enforcement officers, who were subsequently acquitted, as the gentleman from Oklahoma [Mr. HASTINGS] said, while at the same time we are paying only $5,000 in a few of the cases for our own American citizens who have been assassinated by Federal prohibition agents?

Mr. McREYNOLDS. I am speaking only about this case; but let me say to the gentleman that I have before me a record where Mexico paid us, in 1915, $20,000 in gold on account of the death of one of our citizens, and I also have before me another similar case where $20,000 was paid.

Mr. SCHAFER. Has the gentleman any record of how many she has not paid for?

Mr. McREYNOLDS. These matters are now in controversy, and we hope to have them settled.

Mr. SCHAFER. Why not hold this bill in abeyance until they are settled?

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. DICKSTEIN. Were these Federal officers?

Mr. McREYNOLDS. No.

Mr. DICKSTEIN. Why should the United States pay the damages then?

Mr. McREYNOLDS. There is no way of having Oklahoma pay this.

Mr. DICKSTEIN. She is responsible; it was her officers.

Mr. McREYNOLDS. The gentleman knows under our form of Government there is no way of making Oklahoma pay. Governor Murray tried to get some compensation.

Mr. DICKSTEIN. Upon what theory is the United States Government called upon to pay $15,000 or $15,000,000?

Mr. McREYNOLDS. Merely as a matter of grace.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. McCLINTIC of Oklahoma. The gentleman is of opinion that the passage of this bill will settle the claim in such a way that it will produce a better friendship?

Mr. McREYNOLDS. Absolutely; yes, sir.

I reserve the balance of my time, Mr. Speaker.

Mr. STAFFORD. Mr. Speaker, I did not demand a second because I was in opposition to the bill. If there are any Members who wish to speak in opposition to the bill, in fairness, I would not only give them time but yield the floor.

Mr. SCHAFER. I would like five minutes after the gentleman has finished.

Mr. STAFFORD. I yield five minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Speaker, it seems that this House is giving more consideration to the welfare of the nationals of a foreign government than it has been giving to the nationals of our own country. When we go through the records of the various departments and the records of Congress, if you please, we find that where a drunken Federal employee has snuffed out the life of American citizens, perhaps the breadwinner of a family, after many years' consideration by the Committee on Claims, the matter is presented on the floor of the House and there is appropriated to the dependent of the American citizen a maximum of $5,000. We find when we look at the records that American citizens have been deliberately assassinated by fanatical prohibition agents. For instance, take the case of Virkula, assassinated at International Falls by an agent who shot through the rear of the car over two sleeping children and killed the father and bread-winner of that family. Take the case of Hanson, a high officer of the Elks, who was shot by prohibition agents near Niagara Falls, N. Y., absolutely murdered, as the evidence before the Claims Committee indicated. He lingered between life and death for many weeks, and then this same House of Representatives, after dillydallying along, passed a bill to give the dependents of that innocent American citizen but $5,000.

Why is there such great urgency to suspend the rules so that we are prohibited from offering amendments to at least make the amount the same as that given in case of the killing of American citizens? Why this haste, particularly in view of the fact that, as the gentleman from Oklahoma has stated, a jury in Oklahoma weighed the evidence and tried the officers and unanimously found them innocent? Why hasten to spend the taxpayers' money in the case of foreign nationals, under suspension of the rules, when the very government to whom they owed their allegiance has not made restitution in the case of many American citizens whose lives were snuffed out in that country? Can it be that those who are pressing for the enactment of this bill want to send word out to the country that we ought to give $15,000 in the case of the death of a national of a foreign country, although the officers responsible for the death were found innocent by a jury of their peers, and at the same time, when American citizens are assassinated by American law-enforcement agents, when the lives of American citizens are snuffed out by employees of the Post Office Department and other departments of our Government the dependents are to only receive $5,000, and then only by unanimous consent?

Under all these circumstances this House should not suspend the rules and allow the dependents of foreign nationals to receive three times as much from the taxpayers of this country as the dependents of an American citizen. I sincerely hope there are sufficient Members on the floor of this House to defeat the suspension of the rules. The gentleman could then bring up the case later on, when we will have an opportunity to amend and when there will be liberal opportunity for debate and to present all of the facts.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Speaker, the prime question for the consideration of this body is the maintenance of the

friendly relations existing between this Government and the Republic of Mexico. Never before in recent history have those relations been of such cordial character as at the present moment, largely due to the exceptional services of that brilliant diplomat, former ambassador to Mexico and Senator from New Jersey, the late Hon. Dwight Morrow.

If we were dealing with a question of compensation to one of our own nationals, the question might well be raised that we should adhere to the $5,000 appropriation; but something more is at stake than merely the question of reimbursing for the death of these two unfortunate Mexicans, who were in this country as a matter of right, who were doing the institutions of this country a high service by attending its collegiate institutions, and who were returning after the close of the session to their native country.

Time was, and not so far distant, when our National Government would fail to recognize the obligation that it naturally had in reimbursing a foreign government, as a matter of grace, for disturbances arising out of riot and insurrection, and the like. In my schoolboy days I recall an incident of a riot in New Orleans, La., as I recall, where some agitator by the name of Dickinson incited a mob that caused the killing of some nationals of Italy. Secretary of State Blaine took the position that this Government was in no way responsible. Later there came up a case in Omaha where there were similar insurrections, during the administration of the governor of that State, our honored Member, Mr. SHALLENBERGER, when the same question arose.

From an examination of the record in this case there is no question but what these officers of Oklahoma were directly responsible for this unmitigated murder of the two unfortunate Mexicans, if we can believe the statement of the Secretary of State.

The feelings of Mexicans were aroused. They did not understand the nice relationships existing as to the responsibility of the National Government and State governments for the maintenance of order. The reading of the letter of the Secretary of State will bring anyone to the conclusion that the deputy sheriffs took the lives of these Mexicans without warrant. Now, what are we to do in such a case toward a government with which we are maintaining friendly relations? Are we going to refuse to recognize that condition of affairs where our Government, as a national government, having jurisdiction over these foreign affairs, should properly reimburse the nationals of other governments for disorders arising in the individual States?

The question is not whether the American Government is responsible in any way for the protection of the life and liberty of the nationals of other governments while domiciled here; the question is whether the cordial relations existing between our Government and the Mexican Government should be maintained.

Perhaps $10,000 would have been adequate, but in a matter of this character I am not going to criticize that figure when the recommendation of the Secretary of State is that $15,000 would be adequate compensation, because I, for one, do not wish to strain the cordial relations now existing between the American Government and the Mexican Government. [Applause.]

Mr. STAFFORD. Mr. Speaker, I yield four minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Speaker, I think the gentleman from Wisconsin usually wants to be fair. I agree with him in some things. He is usually careful in his statements, but is inaccurate and not fair in the one just made. He fills the RECORD with extravagant criticisms simply and solely after having read the statement of the Secretary of State in presenting this claim to Congress. The Members of the House do not have all the facts.

I have not opposed this bill because I thought it would promote the good relations between our Government and that of Mexico.

I think it was an unfortunate circumstance, but I will not permit anyone on the floor of the House to make the statement and let it go unchallenged that this was a cold-blooded murder. These boys were leaving from Kansas and Missouri, respectively, traveling by motor at a very late hour at night, something like 11 or 12 o'clock. They were heavily armed. The one sitting in the back seat and the one standing in front of the car each had a pistol in his hand. These officers were on the lookout for robbers. They had been advised of robberies that had occurred in that vicinity. They had no ill feeling, no malice against these boys, but they were out there to apprehend suspected criminals. The officers halted them. The gentleman from Wisconsin has only recited in his speech some of the statements made by the Secretary of State, and, of course, is not at all familiar with all the testimony of the witnesses detailed upon the trial of these two officers.

These two officers were prosecuted. They had a fair trial. The governor of our State, I believe, directed a special prosecuting attorney to assist in the prosecution of these two men.

Mr. Speaker, under these circumstances, when these two officers were there to apprehend criminals, when they met these boys there along about midnight, when the boys were heavily armed, when these officers testified they had shown the boys their badges and told them who they were, when there was a fair trial by a jury, I say no man is justified in standing upon the floor of this House and saying the trial was not a fair one.

I repeat that it was unfortunate. These officers under the circumstances had a right to and did believe these boys were dangerous men. They warned them they were officers. The boys, not understanding, perhaps, that they were officers, resisted. In these circumstances two were killed. The officers were tried by a jury of 12 men, who heard all the evidence and acquitted them. No one is justified in condemning them. They had no malice against either. They acted in the belief they were robbers. Everyone regrets the occurrence. They had a right to act upon circumstances as appeared to them at the time. Each of the two killed had a pistol in his hand. It turned out they were students, but the officers believed them robbers and acted upon that belief. If they acted upon an honest belief the jury was justified in acquitting them. These officers may have been mistaken; they were not murderers.

Mr. MCREYNOLDS. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, there is the friendliest of feeling now existing between officials of Mexico and the officials of our country. Especially is this so between the nationals of the two Republics.

It was not against the law for these two young Mexican college students, while traveling through several States, to carry arms. The law of Oklahoma permits one to carry arms when traveling even from one country to another. You are permitted to carry arms in defense of yourself when you are traveling through the State of Texas, and these young men on their way home would have traveled through the State of Texas 900 miles had they not been killed in Oklahoma. It is the law that one thus may carry arms to defend his person from attack. They were within their rights. They were not violating any law, national or State.

If such a thing had happened in Mexico to any of our young college students of Texas, Oklahoma, or Missouri, I do not know what we would not be doing now to get redress. We would not leave a stone unturned.

I think it is only fair and right and just that this bill should be passed.

I had occasion this summer to check up in old Mexico some items of fraud, and I needed the help of some Mexican officials. I never found anyone more courteous, more obliging, or more anxious to help than the officials of old Mexico. You will find them so everywhere over that Republic. Every year many Americans visit Monterey, Mexico City, and other places in old Mexico. Many cross the river at Laredo, and they find the most courteous officials in the world to assist them in getting proper credentials, in having their money changed both when they are entering and leaving Mexico, and in getting travel information. They are courteous from the time you go into the Republic until you leave it, and I

want to see this condition prevail. I want a greater degree of friendliness to exist between the people of the United States and the people of Mexico. They deserve it. They have not had a fair chance. I am heartily in favor of this bill.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. COCHRAN of Missouri. Does not the gentleman think it would be fair and that the House is entitled to know what evidence was brought out at this trial, which resulted in the acquittal of the two men? Now, there is something being hidden here. Nobody has brought out the facts in reference to the acquittal of the men.

Mr. BLANTON. I am not condemning the great State of Oklahoma.

Mr. COCHRAN of Missouri. Neither am I; but I would like to know all the facts. We are only getting one side of the story. If it is simply a case of appropriating money, regardless of who was responsible, we should know it.

Mr. BLANTON. I am not condemning the great State of Oklahoma because some slick, shrewd, criminal lawyers can get culprits out of the clutches of the law. The condemnation should be upon the attorneys who looked after that case. I want to say that if any college student of the United States from Missouri or from Oklahoma had been traveling through Mexico under similar circumstances and had been murdered you would have found this Congress demanding redress from that Republic, and I think it is only fair, meet, and just that this Congress should pass this bill, which comes here from the committee unanimously.

[Here the gavel fell.]

Mr. GARBER. Mr. Speaker, Members of the House, the bill under consideration authorizes an appropriation of $15,000 for payment to the Government of Mexico for the account of the family of Emilio Cortez Rubio and a further sum of $15,000 for payment to the Government of Mexico for the account of the family of Manuel Gomez, the payments to be authorized and made as an act of grace without reference to the question of legal liability of the United States for the killing of the deceased Emilio Cortez Rubio and Manuel Gomez by two deputy sheriffs of the State of Oklahoma, near Ardmore, on June 7, 1931.

I rise simply to reply to the charges made in the discussion, namely, that such deceased persons were murdered in cold blood and that restitution should be made for such criminal acts.

William E. Guess and Cecil Crosby, deputy sheriffs, of Carter County, Okla., immediately preceding the tragedy had been searching for persons guilty of a recent robbery. Emilio Cortez Rubio and Gomez were on their return to Mexico from attending schools in Kansas and Missouri and stopped at Ardmore for refreshments. When accosted by the deputy sheriffs they told them that they were students, returning from their schools to their homes in Mexico, and in the course of the conversation Crosby observed that Rubio, who was seated nearest to him in the car, held an automatic revolver in his hand. Guess stated that Gomez held a revolver in his hand, which was pointed at him, and in self-defense he shot Gomez and then Emilio Cortez Rubio, who was in the act of drawing a revolver from his pocket.

Within due course the two officers, Guess and Crosby, were put on trial in the State courts of Oklahoma. Special counsel appointed by the governor assisted in the prosecution, resulting in unanimous verdicts of acquittal, which should be sufficient answer to the charges made promiscuously upon this floor that the deceased were murdered in cold blood. There was no evidence anywhere to show premeditation or motive other than that of self-defense. The most that can be said is that the officers acted hastily in reaching the conclusion that the boys were other than students, which they represented themselves to be, and were bandits.

It must be conceded that the possession of firearms with their hurried display in position ready to shoot gave color to the contention of the officers that they believed that they were bandits and support the unanimous verdicts of the jury in each case wherein a new trial was overruled. There was no mistrial in either case.

The bill has not a legal leg to stand upon. There is no legal liability whatever upon the part of the United States. Under similar circumstances, foreign countries have been allowing $5,000 as damages for American nationals, only $1,500 in the case of China, and in various amounts not exceeding $5,000 in the average case. In this case, however, we are requested under the suspension of the rules, which simply gags the House and denies the privilege of amendment, to appropriate $15,000 in each case where there is no dependent widow nor minor children. In Mexican money, this is equivalent to $30,000 in each case.

We believe that suitable recognition and reparation should be made to the parents of the deceased in a reasonable amount, because of the carelessness and recklessness of the officers who believed at the time that they were justified in their self-defense in the discharge of their duty; that an allowance of $5,000 in each case would be sufficient and equivalent to the amounts that are allowed by other countries under such circumstances for the death of an American national.

At a time when our Treasury is not only empty but has a deficit of a billion and a quarter, with an equal amount of deficit for the ensuing year, we can not afford to fail to scrutinize even appropriations for such purposes. To appropriate means to tax and to add to the existing taxes already so burdensome to our own citizens, with their inability to pay, is questionable. But it is so easy for the mass to vote in cases like this where the individual, if compelled to pay out of his own money, would reduce the amounts to within reasonable limitations.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Speaker, I yield three minutes to the gentleman from Michigan [Mr. HOOPER].

Mr. HOOPER. Mr. Speaker, I do not ordinarily take part in any discussion where I have not made a thorough study of the question, but on this occasion, from what I have heard and read of this occurrence, I want to state that I most cordially agree with what was said by the able gentleman from Texas [Mr. BLANTON].

This may not be murder, this may not be manslaughter, but I have been wondering, as I have been listening to the discussion, just what would have happened down in Texas before a jury if this had been the son of President Hoover or the son of President-elect Roosevelt, who had gone down there as a student under similar circumstances and had been shot down, as it seems to me, in cold blood, as these young men were. I think that an American jury or an Oklahoma jury would have convicted.

Our relations with Mexico are delicate enough and if I had my way here to-day I would vote for much more than $15,000 in each case if it would assuage the anguish that has come to the parents of these young men or do a single thing to better our relations with Mexico. We call it in here "an act of grace." It may be an act of grace, but no act of grace and no amount of money that is paid will lessen the sorrow of the fathers and mothers of these young men, done to death, cruelly and foully, as it seems to me, from the statement made by the distinguished gentleman from Tennessee.

I am glad to vote for this bill and yield back the balance of my time.

Mr. STAFFORD. Mr. Speaker, I yield two minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Speaker, the gentleman from Oklahoma has said this is a reflection upon Oklahoma.

After over 30 years of legal experience, based upon reports of the killing of these two Mexicans, I am satisfied there was no justification for this killing. It was an outrage. It is a national scandal. It was so looked upon by those familiar with it all over the country, but Oklahoma's good citizenship was not responsible for it and this is no reflection upon the people of that State. Their governor

did all within his power to see that these men were brought to justice. There was a case where two boys who would have been the real witnesses were dead, and the other witness who was in the car did not see much of it. The officers who did the killing related the story to justify their wicked acts. This was a case where two men who were officers of the law, with the influence and power that such officers have in a community where they live, were put upon trial, at home among their friends and men who have had experience in the prosecution and defense of criminals, know how hard it is, anywhere in the United States, to convict men who have the enforcement of the law in their hands.

For years and years, during the history of all nations, it has been the common custom where a citizen is killed unjustly in a foreign country, that nation should compensate his relatives for his death, and in this case we are getting off light. Not only that, but here is a case where one of the boys was the support of a widowed mother, and $15,000 for the life of the boy of this old mother who was sending him to a college in the United States, for which country she had such great respect, is certainly not too great an amount, and $15,000 for the life of a relative of the President of that nation is a mighty small sum, much smaller than any lawyer would think he should recover if he were suing for compensation by way of damages in this country.

This is not a reflection upon Oklahoma, but this is a debt that this Congress owes to the people of the country and to the relatives of these boys and there should not be any hesitancy in paying every dollar that the committee has recommended. We must keep up good and friendly relations with foreign countries and protect their law-abiding citizens while in America. Should we fail in such a case as this, what could we expect from Mexico when our citizens were mistreated or murdered? We make other nations pay for damages suffered and lives taken of American citizens. Certainly we can not fail to do our duty, especially in a case of such merit.

Mr. McREYNOLDS. Mr. Speaker, I yield two minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Speaker, this was a deplorable affair. One of these officers in the past had trouble for the reckless manner in which he shot citizens.

The governor of the State immediately employed special counsel to prosecute this case. In the State of Oklahoma they were confronted with the provision of law that where an officer attempts to arrest a party, if any resistance is made, the presumption is in the officer's favor, that he was not the aggressor, and therefore he no doubt had the benefit of that presumption in this particular case.

The boys were traveling through Oklahoma in the nighttime, and as we all know numerous holdups occur, and perhaps these boys thought that they were accosted by some persons who had evil intentions.

They were foreigners, and perhaps they did not speak our language as fluently or grasp it as quickly as we do. Local influence and lack of eye witnesses is probably the reason there was an acquittal by this jury. Yet this is a case where the Government of the United States ought as a matter of grace to make compensation.

[Here the gavel fell.]

The SPEAKER. All time has expired. The question is on the passage of the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KNUTSON, for one week, on account of illness;

To Mrs. WINGO (at the request of Mr. DRIVER), indefinitely, on account of illness of son; and

To Mr. AYRES (at the request of Mr. HOPE), for Monday and Tuesday, on account of illness.

WAR DEBTS (H. DOC. NO. 511)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with accompanying documents, referred to the Committee on Ways and Means and ordered printed.

(For message see Senate proceedings of to-day.)

ADJOURNMENT

Mr. RAINEY. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 20, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

822. A letter from the Secretary of War, transmitting a draft of a bill to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under control of the War Department; to the Committee on Military Affairs.

823. A letter from the Secretary of the Navy, transmitting a list of cases of relief granted under the naval act approved July 11, 1919; to the Committee on Expenditures in the Executive Departments.

824. A letter from the Comptroller General, transmitting a report and recommendation, pursuant to the act of April 10, 1928 (45 Stat. 413), to the Congress concerning the claim of the Booth Fisheries Co. against the United States with request that you lay the same before the House of Representatives; to the Committee on Claims.

825. A letter from the Secretary of War, transmitting a report dated December 19, 1932, from the Chief of Engineers, pursuant to the river and harbor act of July 3, 1930, on preliminary examination and survey of Ashtabula Harbor, Ohio, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

826. A communication from the President of the United States, transmitting a letter for the consideration of Congress supplemental and deficiency estimates of appropriations for the Department of Justice for the fiscal year 1933, and prior years, amounting to $239,723.11, and draft of a proposed provision pertaining to existing appropriations (H. Doc. No. 512); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HILL of Washington: A bill (H. R. 13790) to provide revenue, to provide employment for American labor, and to encourage the industries and agriculture of the United States by compensating for depreciation in foreign currencies; to the Committee on Ways and Means.

By Mr. McSWAIN (by request): A bill (H. R. 13791) to provide for the erection of a monument in the Crown Hill Cemetery, Indianapolis, Ind., to the memory of Confederate soldiers removed from the Greenlawn Cemetery; to the Committee on Military Affairs.

By Mr. McDUFFIE: A bill (H. R. 13792) to amend the act approved February 25, 1927, entitled "An act granting the consent of Congress to Dauphin Island Railway & Harbor Co., its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island"; to the Committee on Interstate and Foreign Commerce.

My Mr. PARKS: A bill (H. R. 13793) to amend sections 314 and 315 of the Code of Laws of the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. LUDLOW: A bill (H. R. 13794) to restore the 2-cent postage rate on first-class mail; to the Committee on Ways and Means.

By Mr. PARKS: Joint resolution (H. J. Res. 515) authorizing the Federal Farm Loan Bureau to refinance farm loans; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY: A bill (H. R. 13795) granting a pension to Mary Shepard; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 13796) granting an increase of pension to Laura McWilliams; to the Committee on Invalid Pensions.

By Mr. EVANS of California: A bill (H. R. 13797) for the relief of Fred C. Wasserman; to the Committee on Military Affairs.

By Mr. LAMBERTSON: A bill (H. R. 13798) granting a pension to Edith Rhodes Gallion; to the Committee on Pensions.

By Mr. LOVETTE: A bill (H. R. 13799) granting a pension to Jackson McCoury; to the Committee on Pensions.

Also, a bill (H. R. 13800) granting a pension to Minnis Wilson; to the Committee on Pensions.

Also, a bill (H. R. 13801) granting a pension to Mary C. Adams; to the Committee on Pensions.

Also, a bill (H. R. 13802) granting a pension to Minnie Roberts; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 13803) for the relief of George F. Boatright; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 13804) for the relief of William Marion Wilcox; to the Committee on Naval Affairs.

By Mr. MILLIGAN: A bill (H. R. 13805) granting a pension to Mary E. Brewer; to the Committee on Invalid Pensions.

By Mr. STOKES: A bill (H. R. 13806) for the relief of John F. McDonough; to the Committee on Military Affairs.

Also, a bill (H. R. 13807) for the relief of Pete Ernest Simon; to the Committee on Naval Affairs.

By Mr. TARVER: A bill (H. R. 13808) granting a pension to Sidney C. Scoggins; to the Committee on Pensions.

By Mr. WILLIAMS of Missouri: A bill (H. R. 13809) for the relief of Lyman James Alexander; to the Committee on Naval Affairs.

By Mr. KOPP: Resolution (H. Res. 328) to pay to Harry Blaine Myers, husband of Marjorie Gay Myers, late an employee of the House, an amount equal to six months' compensation of the said Marjorie Gay Myers; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9073. By Mr. ANDREW of Massachusetts: Petition of Amelia S. Silva and other residents of Gloucester, Mass., favoring passage of so-called stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9074. By Mr. BACHARACH: Petition of sundry citizens of the second congressional district of New Jersey, favoring the Sparks-Capper amendment to stop alien representation; to the Committee on the Judiciary.

9075. Also, petition of sundry citizens of the second congressional district of New Jersey, protesting the passage of legislation legalizing alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9076. By Mr. BACON: Petition of sundry residents of Riverhead, N. Y., urging the elimination of the count of aliens for apportionment purposes; to the Committee on the Judiciary.

9077. Also, petition of sundry residents of Port Jefferson, Stony Brook, and Setauket, N. Y., urging the elimination of the count of aliens for apportionment purposes; to the Committee on the Judiciary.

9078. By Mr. FISH: Petition of 2,930 citizens of Orange, Dutchess, and Putnam Counties, N. Y., opposing legislative acts that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9079. By Mr. FOSS: Petition of Rev. Ira J. Roberts, pastor of the Methodist Episcopal Church, and the Ladies Aid Society of the Methodist Episcopal Church, Southbridge, Mass., supporting stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9080. Also, petition of Marguerite C. Callahan and 52 other residents of Paxton, Mass., urging the passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9081. By Mr. HOOPER: Petition of residents of Battle Creek, Mich., favoring the maintenance of the eighteenth amendment to the Federal Constitution of the United States; to the Committee on the Judiciary.

9082. By Mr. KELLY of Pennsylvania: Petition of citizens of Unity, Pa., protesting against branch banking; to the Committee on Banking and Currency.

9083. Also, petition of citizens of Tarentum, Pa., protesting against changes in the eighteenth amendment; to the Committee on the Judiciary.

9084. Also, petition of citizens of Brackenridge, Pa., favoring the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9085. By Mr. KERR: Petition of peanut growers of Bertie, Northampton, Washington, and Halifax Counties, N. C.; to the Committee on Banking and Currency.

9086. By Mr. KOPP: Petition of E. S. Hehner and many other citizens of Crawfordsville, Iowa, urging the adoption of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9087. By Mr. LAMBERTSON: Petition of K. Klinger and other citizens of Hanover, Kans., urging the passage of the stop-alien representation amendment to the United States Constitution, and for the counting of only American citizens when making future apportionments for the congressional districts; to the Committee on the Judiciary.

9088. By Mr. LINDSAY: Petition of the Merchants Association of New York, on behalf of the retail merchants of New York City, favoring House bill 324; to the Committee on the Judiciary.

9089. Also, petition of National Council of Business Mail Users, New York City, opposing 3-cent letter rate; to the Committee on the Post Office and Post Roads.

9090. Also, petition of Cullen Transportation Co., agents, New York City, opposing House bill 12656; to the Committee on Merchant Marine, Radio, and Fisheries.

9091. By Mr. MURPHY: Petition of 67 citizens of Deersville, Ohio, urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9092. By Mr. RICH: Petition from citizens of Williamsport, Pa., favoring the so-called stop-alien representation amendment to the Constitution, also petition from citizens of Ulysses, Pa., favoring the passage of such legislation; to the Committee on the Judiciary.

9093. By Mr. ROBINSON: Petition signed by James Reed, of Gifford, Iowa, and other railway employees, urging the passage of the Hatfield-Keller bill, H. R. 9891; to the Committee on Interstate and Foreign Commerce.

9094. Also, petition of Rev. T. M. Nielsen, D. D., pastor of the Methodist Episcopal Church of Belle Plaine, Iowa, and adopted at a meeting of the official board of this church, and signed by the president of the board, F. H. Henry, and the secretary, Mrs. A. R. Nichols, urging the passage of the stop-alien representation legislation; to the Committee on the Judiciary.

9095. By Mr. STRONG of Pennsylvania: Petition of the Ministerial Association of Indiana County and citizens of Indiana and Marion Center, State of Pennsylvania, favoring the proposed amendment to the Constitution of the United States to exclude aliens in the count for the apportionment of Representatives in Congress among the several States; to the Committee on the Judiciary.

9096. By Mr. THOMASON: Petition of the military committee of the Marfa (Tex.) Chamber of Commerce, urging that the War Department furnish transportation for soldier dependents at Fort D. A. Russell, account order of abandonment this post by department, for the reason these dependents, if left at Marfa, will become public charges; to the Committee on Military Affairs.

9097. Also, petition of County Loan Committee of Coke County, Tex., asking crop-production loans for 1933; to the Committee on Agriculture.

9098. Also, petition of business men of Bronte, Tex., asking crop-production loans for 1933; to the Committee on Agriculture.

9099. Also, petition of business men of Robert Lee, Tex., asking that seed loans be made by the Federal Government in 1933; to the Committee on Agriculture.

9100. By Mr. WATSON: Petition of residents of Allentown, Pa., requesting that only Americans shall be counted for future apportionments for congressional districts; to the Committee on the Judiciary.

9101. By Mr. WHITTINGTON: Petition of taxpayers of Yazoo, Mississippi Delta, Miss., favoring Federal loans to farm and home owners for taxes for two years; to the Committee on Banking and Currency.

9102. Also, petition of members of the Methodist, Baptist, and Presbyterian churches of Lone Star community, Covington County, Miss., protesting against the repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

9103. Also, petition of Mrs. S. M. Blanchard, protesting against the repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

9104. By Mr. WYANT: Petition of George A. Jones, box 75, R. F. D. No. 1, Ligonier, Pa., urging that joint-stock land banks receive same Federal relief that is accorded to Federal land banks; to the Committee on Banking and Currency.

9105. Also, petition of J. L. Armitage, New Kensington, Pa., urging stop-alien representation amendment to the United States Constitution to cut out millions of aliens in our country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9106. Also, petition of Amos A. J. Myers Post, No. 28, Veterans of Foreign Wars, of Jeannette, Pa., protesting against organizations such as National Economy Committee and other groups, members of which are receiving special Government grants ranging from $5,000 to $12,000 annually, and urging that war veterans be not made victims of the selfish aims instigated by these special-privilege classes; to the Committee on World War Veterans' Legislation.

9107. Also, petition of Jacob F. Shuster, box 158, R. F. D. No. 1, Jeannette, Pa., urging that joint-stock land banks receive same Federal relief that is accorded to Federal land banks; to the Committee on Banking and Currency.

9108. Also, petition of Michael and Anne Inski, R. F. D. No. 1, Irwin, urging that joint-stock land banks receive same Federal relief that is accorded to Federal land banks; to the Committee on Banking and Currency.

9109. By the SPEAKER: Petition of J. E. Stough, chairman Government Printing Office Legislative Committee; to the Committee on Printing.

SENATE

TUESDAY, DECEMBER 20, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4624. An act to amend the Judicial Code by adding a new section, to be numbered 274D;

H. R. 10271. An act to authorize the Secretary of Agriculture to adjust claims to so-called Olmstead lands in the State of North Carolina;

H. R. 11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes";

H. R. 12740. An act authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens;

H. R. 12741. An act authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens;

H. R. 12743. An act authorizing an appropriation for payment to the Government of Canada for the account of Janet Hardcastle Ross, a citizen of Canada;

H. R. 12745. An act authorizing an appropriation for payment to the Government of Great Britain for the account of N. J. Moosa, a British subject;

H. R. 12746. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen;*

H. R. 12747. An act authorizing an appropriation for payment to the Government of China for the account of Ling Mau Mau, a citizen of China;

H. R. 12749. An act authorizing an appropriation for payment to the Government of Great Britain for the account of the Shanghai Electric Construction Co. (Ltd.);

H. R. 12750. An act authorizing an appropriation for payment to the Government of Nicaragua for the account of Benjamin Gonzalez, a citizen of Nicaragua;

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; and

H. R. 13607. An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Robinson, Ark.
Austin	Couzens	Johnson	Robinson, Ind.
Bailey	Cutting	Kean	Schall
Bankhead	Dale	Kendrick	Schuyler
Barbour	Davis	King	Sheppard
Barkley	Dickinson	La Follette	Shipstead
Bingham	Dill	Lewis	Shortridge
Black	Fess	Logan	Smith
Blaine	Frazier	McGill	Smoot
Borah	George	McKellar	Steiwer
Broussard	Glass	McNary	Swanson
Bulkley	Goldsborough	Metcalf	Thomas, Idaho
Bulow	Gore	Moses	Thomas, Okla.
Byrnes	Grammer	Neely	Townsend
Capper	Hale	Norbeck	Trammell
Caraway	Harrison	Norris	Vandenberg
Carey	Hastings	Nye	Wagner
Cohen	Hawes	Oddie	Walsh, Mass.
Connally	Hayden	Patterson	Walsh, Mont.
Coolidge	Hebert	Reed	Watson
Copeland	Howell	Reynolds	White

Mr. HARRISON. I desire to announce that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

Mr. SHEPPARD. I desire to announce the necessary absence from the Senate of the senior Senator from Maryland [Mr. TYDINGS] and the junior Senator from Louisiana [Mr. LONG].



The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

SENATORS FROM CALIFORNIA AND WASHINGTON

Mr. JOHNSON. Mr. President, I present the credentials of WILLIAM GIBBS MCADOO as Senator elect from the State of California, and ask that they may be read and placed on file.

The credentials were read and ordered to be placed on file, as follows:

EXECUTIVE DEPARTMENT,
STATE OF CALIFORNIA.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, WILLIAM GIBBS MCADOO was duly chosen by the qualified electors of the State of California a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1933.

Witness: His excellency our governor, James Rolph, jr., and our seal hereto affixed at Sacramento, this 14th day of December, A. D. 1932.

JAMES ROLPH, Jr.,
Governor.

By the governor:
[SEAL.]

FRANK C. JORDAN,
Secretary of State.

Mr. DILL. Mr. President, I present the credentials of HOMER T. BONE, Senator elect from the State of Washington, and ask that they be printed in the RECORD and placed on file.

The credentials were ordered to be placed on file and to be printed in the RECORD, as follows:

STATE OF WASHINGTON,
EXECUTIVE DEPARTMENT,
Olympia.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, HOMER T. BONE was duly chosen by the qualified electors of the State of Washington a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

In witness whereof I have hereunto set my hand and caused the seal of the State of Washington to be affixed at Olympia this 8th day of December, A. D. 1932.

ROLAND H. HARTLEY,
Governor of Washington.

By the governor:
[SEAL.]

J. GRANT HINKLE,
Secretary of State.

HEARINGS ON RADIO BILL

Mr. DILL. Mr. President, in order to inform Senators who are receiving telegrams from radio stations asking for hearings on H. R. 7716, the radio bill as reported, I may say that the Senator from Michigan [Mr. COUZENS] has agreed to have hearings on Thursday morning at 10.30 o'clock, and that we have so notified the National Association of Broadcasters that has caused most of the telegrams to be sent. I may say it was not known either to the Senator from Michigan or myself that the broadcasters wanted to be heard or they would have been given an opportunity previously.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. DILL. Certainly.

Mr. ROBINSON of Arkansas. Is the bill on the calendar?

Mr. DILL. It is on the calendar—Calendar 1099—but we want to hold hearings on the points involved without taking it from the calendar.

Mr. ROBINSON of Arkansas. The Senator does not intend to have the bill recommitted?

Mr. DILL. No.

BOOTH FISHERIES CO. V. THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of the Booth Fisheries Co. against the United States, which, with the accompanying papers, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from Amos E. Allen, of Wichita, Kans., inclosing a petition of sundry citizens, being retired teachers of schools of the Philippine Islands, praying, in the event of the withdrawal of American sovereignty from the Philippines, that the independent Philippine government will live up to the obligation voluntarily assumed of paying retirement pensions under the teachers' pension act, which, with the accompanying papers, was ordered to lie on the table.

He also laid before the Senate a letter, in the nature of a petition, from George Wenig, jr., of Chicago, Ill., praying, in the event of the passage of legislation to legalize the manufacture and sale of beers, that an embargo be placed on the importation of foreign-made alcoholic beverages, which was referred to the Committee on Finance.

He also laid before the Senate a letter from E. I. Heywood, of Bennington, Kans., submitting a plan for financial relief of the country through the issuance of $10 legal-tender bonds, which, with the accompanying paper, was referred to the Committee on Finance.

He also laid before the Senate a letter from Mrs. James E. Darr, of Cumberland, Md., submitting a plan for the relief of unemployed persons through an unemployment insurance law, which, with the accompanying paper, was referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a memorial from the Du Page County Woman's Committee for Law Enforcement, in the State of Illinois, remonstrating against the passage of legislation legalizing the manufacture and sale of intoxicating liquors, which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by a mass meeting of citizens at Clearwater, Fla., protesting against the repeal of the eighteenth amendment of the Constitution, or the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also laid before the Senate the memorial of Rev. C. E. Traylor, pastor of the First Church of the United Brethren in Christ, of Louisville, Ky., and on behalf of the congregation, remonstrating against the repeal or modification of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate the petition of Rev. Walter W. Dailey, pastor of Trinity Methodist Episcopal Church and sundry citizens, all of Olean, N. Y., praying for the adoption of the so-called "stop-alien representation amendment" to the Constitution, which was referred to the Committee on the Judiciary.

Mr. KEAN presented memorials, numerously signed, of sundry citizens of the State of New Jersey, remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. CAPPER presented a memorial of sundry citizens of Barclay and Osage City, Kans., remonstrating against the repeal or modification of the national prohibition law, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Calvary Baptist Church, of Kansas City, Kans., protesting against the repeal or modification of the eighteenth amendment of the Constitution or the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. GRAMMER presented the petition of the Woman's Home Missionary Auxiliary, University Methodist Episcopal Church, of Seattle, Wash., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Auxiliary, University Methodist Episcopal Church, of Seattle, Wash., praying for the passage of legislation to regulate the motion-picture industry, which was ordered to lie on the table.

LABOR CONDITIONS ON MISSISSIPPI FLOOD-CONTROL PROJECT

Mr. WAGNER. Mr. President, I ask unanimous consent that there may be printed in the RECORD and appropriately referred a telegram from the National Religion and Labor

Foundation, in which they heartily support a resolution (S. Res. 300) submitted by me for an investigation of labor conditions on the Mississippi flood-control project.

There being no objection, the telegram was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

NEW HAVEN, CONN., *December 20, 1932.*

HON. ROBERT WAGNER,
Senate Building, Washington, D. C.:

The National Religion and Labor Foundation heartily supports the resolution you introduced authorizing an investigation of labor conditions on the Mississippi flood-control project. Urge you read this telegram into CONGRESSIONAL RECORD and utilize it in other ways to secure favorable action on your resolution.

JEROME DAVIS,
STEPHEN WISE,
Bishop FRANCIS J. MCCONNELL,
JOHN HAYNES HOLMES,
WALTER WHITE,
PHILIP RANDOLPH,
EDWARD L. ISRAEL,

And more than 100 other national leaders supporting foundation.

FRANCIS A. HENSON,
GEORGE A. DOUGLAS,
Executive Secretaries.

REPORT OF THE COMMERCE COMMITTEE

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 4972) granting the consent of Congress to the State of Georgia to construct, maintain, and operate a highway bridge across the Savannah River near Lincolnton, Ga., and between Lincolnton, Ga., and McCormick, S. C., reported it without amendment and submitted a report (No. 1008) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BORAH:

A bill (S. 5238) granting a pension to Olive A. Lewis (with accompanying papers); to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 5239) granting a pension to Frank E. Britton; to the Committee on Pensions.

By Mr. WAGNER:

A bill (S. 5240) granting a pension to Amelia A. Bordinghammer; to the Committee on Pensions.

A bill (S. 5241) authorizing the selection of a site in the District of Columbia and the erection thereon of a statue of George Washington; to the Committee on the Library.

A bill (S. 5242) to authorize the presentation of a distinguished-service cross to Abraham Cohen; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 5243) for the relief of Elisha S. Plumley; to the Committee on Finance.

By Mr. SWANSON:

A bill (S. 5244) for the relief of Lieut. Enoch Graf; to the Committee on Claims.

A bill (S. 5245) to amend the act entitled "An act for the relief of contractors and subcontractors for the post office and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920; to the Committee on Public Buildings and Grounds.

By Mr. CUTTING:

A bill (S. 5246) to provide for loans to farmers for crop production during the year 1933; to the Committee on Agriculture and Forestry.

By Mr. CAPPER:

A bill (S. 5247) granting a pension to Massie E. Osborn (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 5248) granting a pension to Earl Lutz (with accompanying papers);

A bill (S. 5249) granting a pension to Ora Owens (with accompanying papers); and

A bill (S. 5250) granting a pension to Roy Smith (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 5251) authorizing the Reconstruction Finance Corporation to make loans to certain hospitals; to the Committee on Banking and Currency.

A bill (S. 5252) providing for payment of $25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. HAYDEN:

A bill (S. 5253) granting an increase of pension to Nellie L. Fickett; to the Committee on Pensions.

CHANGE OF REFERENCE

On motion of Mr. CAREY, the Committee on Claims was discharged from the further consideration of the following bills, and they were referred to the Committee on Public Lands and Surveys:

S. 3831. An act for the relief of William A. Lester; and

S. 3832. An act for the relief of Zetta Lester.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 4624. An act to amend the Judicial Code by adding a new section to be numbered 274D; and

H. R. 10271. An act to authorize the Secretary of Agriculture to adjust claims to so-called Olmstead lands in the State of North Carolina; to the Committee on the Judiciary.

H. R. 11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes"; to the Committee on Post Offices and Post Roads.

H. R. 12740. An act authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens;

H. R. 12741. An act authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens;

H. R. 12743. An act authorizing an appropriation for payment to the Government of Canada for the account of Janet Hardcastle Ross, a citizen of Canada;

H. R. 12745. An act authorizing an appropriation for payment to the Government of Great Britain for the account of N. J. Moosa, a British subject;

H. R. 12746. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen;*

H. R. 12747. An act authorizing an appropriation for payment to the Government of China for the account of Ling Mau Mau, a citizen of China;

H. R. 12749. An act authorizing an appropriation for payment to the Government of Great Britain for the account of the Shanghai Electric Construction Co. (Ltd.);

H. R. 12750. An act authorizing an appropriation for payment to the Government of Nicaragua for the account of Benjamin Gonzalez, a citizen of Nicaragua; and

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; to the Committee on Foreign Relations.

H. R. 13607. An act to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture and Forestry.

PRINTING OF COMPILATION ON REGULATION OF CARRIERS

Mr. HAWES submitted the following resolution (S. Res. 307), which was referred to the Committee on Printing:

Resolved, That the Interstate Commerce Commission is hereby requested to prepare and transmit to the Senate a manuscript in form suitable to be printed, to supplement and bring as closely to date as is practicable Senate Document No. 166, Seventieth Congress, first session, heretofore submitted by the commission in response to Senate Resolution No. 17 of December 6 (calendar day, December 9), 1927, the same being entitled "Compilation of Federal Laws Relating to the Regulation of Carriers Subject to

the Interstate Commerce Act, with Digest of Pertinent Decisions of the Federal Courts and the Interstate Commerce Commission, and Text or References to General Rules and Regulations"; and that such manuscript, when transmitted by the commission to the Secretary of the Senate, be printed as a Senate document.

THE BITUMINOUS-COAL INDUSTRY

Mr. COSTIGAN. Mr. President, on December 12 the energetic and progressive Governor of Pennsylvania, Gifford Pinchot, issued a public statement on industrial conditions in the bituminous-coal fields of Pennsylvania. The situation detailed by Governor Pinchot recalls deplorable labor conditions which were familiar to those who investigated industrial relations, often accompanied by violence, in this country 10 to 20 years ago. Those conditions point to the need of further Federal legislation, such as is now being considered by the Committee on Mines and Mining.

I ask to have inserted in the RECORD, as part of my remarks, and referred to the Senate Committee on Mines and Mining, Governor Pinchot's statement and some accompanying editorials of Pennsylvania newspapers which deal with Governor Pinchot's announcement.

The VICE PRESIDENT. Without objection, that order will be made.

The statement and editorials were referred to the Committee on Mines and Mining and ordered to be printed in the RECORD, as follows:

THE BITUMINOUS-COAL INDUSTRY—IT MUST BE REGULATED AND STABILIZED BY FEDERAL LEGISLATION

(Statement by Governor Pinchot, of Pennsylvania, December 12, 1932)

Recent investigations made at my direction show that conditions are abominable and growing worse at many mines in the bituminous-coal fields of Pennsylvania. Certain operators are taking unfair advantage of miners, helpless to protect themselves.

On the other hand, a few of the producers are doing their level best to treat their men fairly under present deplorable conditions. These concerns have either cut out entirely the charges for rent, fuel, and light, or reduced charges to the level which permits their men to get at least a little ready money on pay day. But they are in a small minority.

Many coal companies are deliberately making matters worse. They continue to cut wages. They practice abuses which grind the miners to a level of poverty and despair never before known in the industry.

In addition these companies are making excessive deductions for rent, light, fuel, and explosives from pay envelopes already dreadfully low. They charge much higher than average prices for food and clothing in their so-called company stores. Employees living in company houses pay as much as 10 cents per kilowatt-hour for electricity that costs the company not more than 1 cent per kilowatt-hour. The miners pay several times as much for house coal as the company is able to sell it for to railroads and other big users.

PAY NOTHING

To make my point clear, here is an actual pay envelope which is not exceptional.

First half of September, 1932 (12 days):

Credits

7 wagons coal, at 77 cents	$5.39
9 wagons coal, at 34 cents	3.06
2 wagons coal, at 47 cents	.94
3 wagons coal cut, at 21 cents	.63
	10.02

Deductions

Amount assigned:	
Rent	5.25
Tool sharpening	.25
Lamps	.60
Coal	-----
Doctor	.75
House lights	.50
Powder	.57
Supplies	-----
Insurance	2.10
	10.02
Balance due	None.

For 12 days' work this man got exactly nothing to help him keep himself or his family, except rent—nothing at all for food or clothing. That tells the story.

The net result of such treatment is that the miner and his family have neither money, purchasing power, nor credit. Whether or not they like their job or the treatment they get, they have little chance for employment elsewhere.

In many cases the workman is so deep in debt to the company or the store that he couldn't move his household goods from the company-owned house even if he found another job.

In certain mines, miners who actually have a cash balance due on pay day are forced to take store scrip or due bills instead of money. Many times the I O U of an already bankrupt coal company is not worth the paper it is written on.

I am also told that at some mines the miners are being either shortweighted or "docked" at the tipple as much as one-third the total weight of coal loaded. That is robbery of the worst type.

At many mines working half time or better not a few miners and their families are unable to pay their own way and are thrown on county and State relief, adding a burden, unfair and unjust, to the already overburdened taxpayer.

It is my intention, if these abuses continue, to make public the names of companies which are maltreating their men, and to ask the legislature for a thorough investigation.

[Editorial in the Pittsburgh Press, December 13, 1932]

Pinchot's statement was aimed at the kind of operator who would use the depression to drive his miners to an even lower level of existence.

The coal industry has been investigated many times. It has had more than one opportunity to set its house in order and has failed to do so. Many of the ills which afflict the industry are the result of the "dog-eat-dog" policy of certain shortsighted operators.

The Davis-Kelly bill, designed to regulate the coal industry and at the same time to permit the operators to form selling pools without fear of the antitrust laws, met with fierce opposition from the great coal operators at the last session of Congress. The Davis-Kelly bill was admittedly strong medicine, but it would have been a long step toward a cure of the ills of the industry. The operators resisted it because it guaranteed to labor equal rights with its employers.

Each investigation has drawn a blacker picture of an industry that seems unable to help itself.

Governor Pinchot should make good his warning. If it is not heeded, he should name the companies he means and ask for legislative inquiry. For the governor to remain silent would be unfair to operators who do treat their men fairly, and whom he classifies as "in a small minority."

If the coal industry can not regulate its own affairs, it must expect the Government to take some action to bring order out of a chaotic situation.

[Editorial in Pittsburgh Post-Gazette, December 13, 1932]

The old charge of cheating the miners in short weight of the coal they dig is repeated. "I am told," the governor states, "that at some mines the miners are being either short weighted or 'docked' at the tipple as much as one-third the total weight of coal loaded."

The executive further charges that virtual peonage is maintained by fixing exorbitant charges for rent, heat, and supplies, so that the miner's pay never exceeds his debt to the company, and as a result no cash is ever paid to him.

That some companies are taking advantage of their men is not difficult to believe. It is an old story, long antedating the depression and only aggravated by it. But it is also known that other producers are spending thousands of dollars a month for the relief of their workers. In this disorganized state of the industry they can not sell their product at a profit but are dipping into reserves to provide bare necessities for the families of their men. The governor should give the names of the offenders; and if lacking in means to force corrective action, refer the report of his investigators to the legislature. But at the same time he should give some attention to the basic ills of the industry. While it is doubtful whether any one State can take effective action by itself, it can at least assume leadership in an effort to secure cooperative action by the chief producing States, and also put the force of the State government back of the attempt to secure constructive handling of the problem by the Federal Government.

[Editorial in Pittsburgh Sun-Telegraph, December 13, 1932]

The companies pay miserably low wages to start with, then force the miners to buy food, clothing, and other necessities at their company stores at unreasonably high prices.

"In many cases," Governor Pinchot says, "the workman is so deep in debt to the company or the store that he couldn't move his household goods from the company-owned house even if he found another job."

Short weighing at the tipple as much as one-third of the total weight of coal loaded is another charge.

There is nothing novel in the charges. Pittsburgh has been hearing them for years. But that does not make it any the less desirable that they shall be investigated and conditions corrected.

The United Mine Workers no longer exercise the power in western Pennsylvania that they once did. The miners have been forced by the economic situation to take such wages and conditions of employment as the operators cared to impose.

Public opinion forced the operators to eliminate the villainous coal and iron police, and so we have been spared such outrageous trampling on human rights as marked their career. Nevertheless, if Governor Pinchot has been correctly informed, oppression of the miners, though not called so prominently to public attention as it formerly was, continues.

POLITICIANS OR STATESMEN

Mr. TRAMMELL. Mr. President, I ask unanimous consent that an editorial entitled "Politicians or Statesmen," appearing in the Herald, of Jacksonville, Fla., be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Herald, of Jacksonville, Fla., issue of Friday, December 16, 1932]

POLITICIANS OR STATESMEN

When the World War ended there had been and were some outstanding statesmen. The war was won by statesmen, by men who were leaders, who thought and acted as statesmen in leading the people en masse. But as soon as victory had crowned the then leaders, thereupon a new order of things arose.

After the victory came a division of the spoils of the war. Statesmen there had been, but many of the statesmen turned into mere politicians. United purposes and unity of action for the common good, to make the world "safe for democracy," were forgotten. The high ideals which inspired patriotism during the war, which united the lives and hearts of men who had sacrificed for the common good, as soon as the cessation of hostilities took place and the statesmen sat around the public peace tables to work out the problems of reconstruction, those high ideals soon began to fade away. There arose in a short time, to supplant the statesman, a motley group of politicians, each group seeking a personal advantage, a selfish end, a financial or other gain, and the world was led by self-seeking politicians, who pandered to the insistent demands of a thousand different interests which were largely antagonistic to one another. Greed, avarice, and lust for money, position, power, and property became the dominant ideals and ends of those who were in authority or who subsequently secured authority.

A division of the spoils of the war, instead of a sharing and balancing of the losses of the war, soon became evident to any real thinkers, as our former statesmen turned into or were supplanted by politicians. To-day the world is suffering from the results produced by cheap politicians. There is no unity of either ideals or purposes for the masses of humanity—it is a case of dog eat dog. Such a spirit permeates our international, our national, State, county, city, and other political, economic, social, and financial departments of life. What is the result?

The world is filled with half shot and baked notions in regard to every problem calling for a sane and sensible solution. The people not only generally but in large measure individually, being half shot, like men who have by drink released all constraint, have each gone their own way, seeking their own ends of pleasure or satisfaction. So-called statesmen, leaders, and others have attempted to please and satisfy men who were half shot, and in so doing have become cheap politicians.

There are remedies, however, for such conditions. When we behold the distress which abounds on every hand—when we see want, starvation, and suffering everywhere in a world filled with an abundance of material necessities of life—when we see bankruptcy and unbalanced budgets, worthless and fraudulently issued obligations and securities, staring us in the face—it is time to do some serious and effective thinking. Let us start at home—each of us with himself.

First, let us study to be quiet. This is a time when people must study. The day of being half shot is over. The day of conscious and controlled restraint of our thoughts and actions has come to all of us. He who fails to realize that he can not do as he just damn pleases, regardless of his fellow man, is over. The shouting, the parading, the fuss making, and the day of showing off are over with. What the people want, what they must have if they are not to lose what is still left to them, is men who study to be quiet—to bring about quiet—to keep down outbursts of various kinds. There are still those who are itching to revolutionize the world for their own selfish ends and purposes, either by fraud, deception, or force, if necessary. Statesmen think—politicians tinker, make a noise, promise everything, and do very little. Politicians think only of what will make a majority vote for themselves—but statesmen study quietly what is for the true interest of the masses of humanity.

There is a lot of thinking and studying taking place among the masses of the people. There is also a lot of want and suffering abroad in the world, here and elsewhere. Restlessness restrained for long produces high-strung nerves, unbalanced minds; and when physical weakness accompanies the same, it is an easy matter to set a spark which may ignite an arsenal of highly explosive and powerful humanity. The need of solemn, serious, and calm study to be quiet was never more urgent than it is to-day. Half-shot and half-baked ideas are rampant with some dangerous politicians, who are itching to become an acclaimed leader. Beware, my friends, of all such loud and senseless ranters, who are half-shot and half-baked notion men.

Second. Study to attend to your own business. Our internationalists have already made a complete failure of trying to control and direct the world to think along a particular line of thought and regardless of the nature, customs, and ideals of separate and distinct national traits, surroundings, and environments. Their internationalism was based upon greed, avarice, power, and lust, with no regard for the higher and nobler things of life. Commerce, industry, markets, money, and wealth of lands and natural resources for exploitation by them were the objects and purposes of such internationalism. The same thing in separate nations, in our own Nation, has been the policy of group politicians seeking special privileges for themselves.

Under false and corrupt motives for broad nationalistic policies, in a spirit of wide cooperation, preached and proclaimed as a noble and high ideal, but in truth selfish, full of greed and avarice, our own people have been urged to think in widespread developments. We have not studied to attend to our own business, but we have joined and advocated large cooperative movements; and, without serious study thousands have gradually become enveloped in associations which have been the cause of their own misfortunes, the destruction of their business, the demoralization of their own character and lives. Why? Because it sounds nice to "join in," to be a part of, to have our names in public print.

When men and women study more to do their own business, and stop relying upon organizations, of which they know little, as a cure-all for their ills, then their business will not be controlled and dominated by others. How we like to cooperate. And, oh how we get burnt with half-baked notions, run and managed by half-shot leaders and politicians, who under the name of a noble and pious cause are selfishly seeking their personal enrichment in both money and power. Be quiet—attend to your own business—study men first before you join the cause which they advocate.

Third, work with your own hands. Half of our troubles are due to our inordinate weakness and laziness. We have heard so much of so-called leaders who have risen in the world by directing and selecting others to work for them, and how such men have been a success, that thousands really abhor working with their own hands. People want to make a living by their wits instead of by work. It is considered rather menial, almost a disgrace, to really work, unless we work by our wits. The gold digger makes by her wits, but not many succeed for any considerable length of time.

When we come to the realization that it is not simply being active, doing this and that, moving here and there, spouting and sputtering, and scheming and shuffling, but that we must work, that what we do must be worth while, real, substantial, productive of a service and benefit—then this depression will come to an end. We are working only when we are producing something which helps to make life better. If I produce that which injures and destroys either the physical or moral fiber of another, which poisons both body and mind, no matter what it is I produce, such activities of mine are in no true sense a work which can be worth while. There are a lot of half-shot and half-baked notions being spread by politicians and others among the people about how to put the people to work. It is time to do some real studying about the kind and character of work which we are to do with our hands.

With all of our study to be quiet, to attend to our own business, and to work with our hands, not just to use our wits, there is a need for what we so often forget. The world's greatest need is a deep consciousness of brotherly love. We are our brother's keeper. We can not live alone but must help and serve others. What we do must be right and righteous; it must be wise and worth while; it must be thoughtful, thorough, and truthful; it must be honest, pure, and prospering in its action, motives, and purposes to accomplish a beneficial result.

It takes men of character to lead a people, and the higher their character in its aims and ends the happier are such people. The cry which is going out to both earth and heaven is for men of character, for not mere politicians but for safe, sane, honest, and true statesmen. When just plain common honesty is practiced, and we realize that we are our brother's keeper to help all others, then will start a "new deal." In the meantime let us study to be quiet, to do our own business, and to work our hands, with brotherly love.

DISPOSAL OF SURPLUS WHEAT AND COTTON

Mr. BANKHEAD. Mr. President, on December 7 I addressed the Senate on the subject of controlling the surplus wheat and cotton by using the commerce clause of the Federal Constitution for that purpose. During that discussion one of the outstanding lawyers of the Senate, the able senior Senator from Arkansas [Mr. ROBINSON] raised the question as to whether or not Congress had power to regulate or restrict or otherwise control the shipment in interstate commerce of ordinary and useful commodities. Since that time other Senators have manifested an interest in that question, and I desire at this time to discuss the subject a little further.

The bill which I was then discussing was one to require a license for the shipment of cotton and wheat in interstate and foreign commerce. After fixing the quantity to be supplied annually in interstate and foreign commerce in the manner set forth in the bill, and the allotment to the States, counties, and land owners, it is then made unlawful by my bill to transport either in interstate or foreign commerce wheat or cotton without a supporting license of the producer.

The legal question presented is, Has Congress the right under its power to regulate commerce to require a license for the transportation of useful commodities in interstate or foreign commerce?

Article I, section 8, of the Constitution reads as follows:

The Congress shall have power * * * to regulate commerce with foreign nations and among the several States and with Indian tribes.

As the bill requires a license to ship in foreign commerce as well as in interstate commerce, it may be well to examine the law in each of these fields of commercial activity.

Exports to foreign countries must be included in the law in order to make the plan fully effective, for the reason that a majority of the cotton States have ports from which all the cotton produced in such States may be shipped to foreign countries without entering interstate commerce. It will be found that there is no difference under the commerce clause between the power of Congress to regulate commerce with foreign nations and its power to regulate commerce among the States.

In the case of Crutcher *v.* Commonwealth of Kentucky, reported in Thirty-fifth Law Edition, 649, the court said:

It has frequently been laid down by this court that the power of Congress over interstate commerce is as absolute as it is over foreign commerce.

The case of Pittsburgh Coal Co. *v.* Bates (156 U. S. 587) holds to the same rule.

I will read an extract from the case of Gibbons *v.* Ogden (9 Wheat. 197), and will list in the RECORD a number of cases in support of the rule. This decision was rendered by Mr. Chief Justice Marshall. In his opinion he said:

The power to regulate commerce, like all others vested in Congress, is complete in itself, may be exercised to the utmost extent, and acknowledges no limitations other than are prescribed in the Constitution. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations and among the several States is vested in Congress as absolutely as it would be in a single government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States.

(See also, McDermott *v.* Wisconsin (Wis. 1917) (228 U. S. 115, 33 S. Ct. 431, 57 L. Ed. 754, Ann. Cas. 1915–A, 39, 47 L. R. A. (N. S.) 984); Hoke *v.* U. S. (Tex. 1913) (227 U. S. 308, 33 S. Ct. 281, 57 L. Ed. 523, Ann. Cas. 1913–E, 905, 43 L. R. A. (N. S.) 906); In re Second Employers' Liability Cases (1912) (223 U. S. 1, 32 S. Ct. 169, 56 L. Ed. 327, 38 L. R. A. (N. S.) 44); Prairie Oil, etc., Co. *v.* U. S. (Com. Ct. 1913) (204 F. 798, reversed on other grounds (1914), 34 S. Ct. 956, 234 U. S. 548, 58 L. Ed. 1459); Smeltzer *v.* St. Louis, etc., R. Co. (C. C. Ark. 1908 (158 F. 649); Sang Lung *v.* Jackson (C. C. Calif. 1898) (85 F. 502, 506); U. S. *v.* Craig (C. C. Mich. 1886) (28 F. 795); Sweatt *v.* Boston, etc., R. Co. (Mass. 1871) (3 Cliff (U. S. 339, 23 Fed. Cas. No. 13, 684).)

In Crutchers case (35 L. Ed. 652), United States Supreme Court, the court said:

It has frequently been laid down by this court that the power of Congress over interstate commerce is as absolute as it is over foreign commerce. Would anyone pretend that a State legislature could prohibit a foreign corporation—an English or a French transportation company, for example—from coming into its borders and landing goods and passengers at its wharves and soliciting goods and passengers for a return voyage without first obtaining a license from some State officer and filing a sworn statement as to the amount of its capital stock paid in? And why not? Evidently because the matter is not within the province of State legislation but within that of national legislation. (Inman Steamship Co. *v.* Tinker, 94 U. S. 238 (24: 118).)

The prerogative, the responsibility, and the duty of providing for the security of the citizens and the people of the United States in relation to foreign corporate bodies or foreign individuals with whom they may have relations of foreign commerce belong to the Government of the United States and not to the governments of the several States, and confidence in that regard may be reposed in the National Legislature without any anxiety or apprehension arising from the fact that the subject matter is not within the province or jurisdiction of the State legislatures. And the same thing is exactly true with regard to interstate commerce as it is with regard to foreign commerce. No difference is perceivable between the two. (Western U. Teleg. Co. *v.* Texas, 105 U. S. 460 (26: 1067); Gloucester Ferry Co. *v.* Pennsylvania, 114 U. S. 196, 205, 211 (29: 158, 162, 164); Philadelphia & S. S. S. Co. *v.* Pennsylvania, 122 U. S. 326, 342 (30: 1200, 1203); McCall *v.* California, 136 U. S. 104, 110 (34: 392, 393); Norfolk & W. R. Co. *v.* Pennsylvania, id. 114, 118 (394, 396).)

Having established, Mr. President, by the decisions of our highest court that the power of Congress over national and international commerce is the same, let us next examine the extent of the power of Congress to regulate commerce with foreign nations.

In the case of Brolan *v.* United States (236 U. S. 216, 59 L. Ed.) the Supreme Court said:

The power to regulate commerce with foreign nations is expressly conferred upon Congress and, being an enumerated power, is complete in itself, acknowledging no limitations other than those prescribed in the Constitution. (Lottery case (Champion *v.* Ames), 188 U. S. 321, 353–356, 47 L. Ed. 492, 500, 501, 23 Sup. Ct. Repts. 321, 13 Am. Crim. Repts. 561; Leisy *v.* Hardin, 135 U. S. 100, 108, 34 L. Ed. 128, 132, 3 I. C. C. Repts. 36, 10 Sup. Ct. Repts. 681.)

Whatever difference of opinion, if any, may have existed or does exist concerning the limitations of the power, resulting from other provisions of the Constitution, so far as interstate commerce is concerned, it is not to be doubted that from the beginning Congress has exercised a plenary power in respect to the exclusion of merchandise brought from foreign countries; not alone directly by the enactment of embargo statutes, (219) but indirectly, as a necessary result of provisions contained in tariff legislation. It has also, in other than tariff legislation, exerted a police power over foreign commerce by provisions which in and of themselves amounted to the assertion of the right to exclude merchandise at discretion. This is illustrated by statutory provisions which have been in force for more than 50 years, regulating the degree of strength of drugs, medicines, and chemicals entitled to admission into the United States and excluding such as did not equal the standards adopted. (9 Stat. L. 237, ch. 70, Rev. Stat. sec. 2933, Comp. Stat. 1913, sec. 5622. And see Oceanic Steam Navigation Co. *v.* Stranaham (214 U. S. 320, 334, 335; 53 L. Ed. 1013, 1020; 29 Sup. Ct. Repts. 671); the *Abby Dodge* (223 U. S. 166, 176; 56 L. Ed. 390, 393; 32 Sup. Ct. Repts. 310).)

Any doubt about the unlimited extent of the power of exclusion from commerce with foreign nations is completely dispelled by the following statement in the decision of United States *v.* Marigold (9 How. 566, 13 L. Ed. 257):

Congress are by the Constitution, vested with the power to regulate commerce with foreign nations; and, however, at periods of high excitement, an application of the terms to "regulate commerce" such as would embrace absolute prohibitions may have been questions, yet since the passage of the embargo and non-intercourse statutes, and the repeated judicial sanction these statutes have received, it can scarcely at this day be open to doubt that every subject falling within the legitimate sphere of commercial regulation may be partially or wholly excluded, when either measure shall be demanded by the safety or by the important interests of the entire Nation. Such exclusion can not be limited to particular classes or descriptions of commercial subjects; it may embrace manufactures, bullion, coin, or any other thing. The power, once conceded, may operate on any and every subject of commerce to which the legislative discretion may apply it.

It is universally recognized that under the commerce clause Congress may fully and completely regulate, even to the point of exclusion, all commerce with foreign nations, and that may be done regardless of the quality of the commodities. The power is not limited to those which may affect the safety, the health, or the morals of the people. It has been declared that the power includes the exclusion from such commerce of the prince of all commodities—gold.

If we ever reach the point in the protection of our important interests when an embargo should be declared on exporting gold from our country, we have the satisfaction of knowing that the Supreme Court has declared that Congress has the power to enact such a law.

It has that power under the clause in the Constitution giving it the power to regulate commerce with foreign nations and among the several States.

The power over national and international commerce being in exactly the same language, there is no well-grounded reason for any differentiation based upon the quality or character of the commodities involved.

In the case of *Abby Dodge* (223 U. S. 166) the court had under consideration the constitutionality of an act of Congress which prohibited sponges from being imported, except those taken or gathered between October 1 and May 1 of each year, and which were taken from a greater depth of water than 50 feet and also prohibited all sponges of a smaller size than 4 inches in diameter. The power of Congress to pass the law was sustained, and Chief Justice White, delivering the opinion, said:

The practices from the beginning, sanctioned by the decisions of this court, establish that Congress, by an exertion of its power

to regulate foreign commerce, has the authority to forbid merchandise carried in such commerce from entering the United States. (Buttfield *v.* Stranahan, 193 U. S. 470, and authorities there collected.)

Indeed, as pointed out in the Buttfield case, so complete is the authority of Congress over the subject that no one can be said to have a vested right to carry on foreign commerce with the United States.

The *Abby Dodge* was an American ship engaged in foreign commerce, and the sponges, perfectly harmless commodities, were taken from the Gulf of Mexico.

The Supreme Court has not passed directly upon any specific case invoking the power of Congress to limit or prohibit transportation in interstate commerce of ordinary and useful commodities. The Child Labor case may be regarded by some lawyers as an authority in point, but I do not so understand it. I will discuss that case before concluding.

In Gibbons *v.* Ogden (6 L. Ed. U. S. 23) the court laid down the rule that—

The power over commerce with foreign nations and among the several States is vested in Congress as absolutely as it would be in a single government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States.

In the Northern Securities Co. case (193 U. S. 342) the court said:

Subject to the limitations imposed by the Constitution, the power of Congress over interstate and international commerce is as full and complete as is the power of any State over its domestic commerce.

In the case of South Carolina *v.* Georgia (93 U. S. 510) the court said:

The power to regulate commerce conferred by the Constitution on Congress is that which previously existed in a State.

What would be the power of Congress under the commerce clause if the United States were a single State?

If there are no restrictions by other sections of the Constitution on the power of Congress to regulate commerce among the several States, then we can look to the police and license-taxing power of the States for an analogy. If there are restrictions we must consider them. I will discuss that question a little later.

From Twenty-fifth Cyclopedia, 599, I quote the following:

In the absence of any inhibition, express or implied, in the State constitution, the legislature may, either in the exercise of the police power or for the purpose of revenue, levy license-taxes on occupations or privileges within the limits of the State.

The power given by the legislature to a municipality to regulate and license any occupation includes the power to refuse a license, even where statutory or preliminary requirements are complied with. (25 Cyc. 603.)

The power to license an occupation, whether useful or not, involves in the exercise of it, the power to prohibit without a license, under a pain or penalty. (25 Cyc. 603.)

I am bringing attention to this line of decisions because of their application to the idea that within the State, and under its police and license taxing power, the State has the right to license any occupation or trade or any avocation, and that under that power it would have the right to regulate the transportation of commodities within the State by the requirement of a license for that purpose.

A license for raising or grazing sheep has been sustained (Ex parte Marande, 73 Cal. 365, 14 Pac. 888; State *v.* Wheeler, 23 Nev. 143, 44 Pac. 430).

Also for vehicles and means of transportation in general. (25 Cyc. 616.)

The extent to which a State, in the exercise of the police power, may prescribe regulations which have the effect of exclusion from or limitation of privileges existing by common right, contract, charter, grant, or statute and enforce uncompensated obedience thereto, is illustrated by the following cases:

Slaughter House cases (16 Wall. 36, 21 L. Ed. 394), in which slaughterhouses were limited in number and location and a regulated monopoly created.

Dent *v.* West Virginia (129 U. S. 114, 32 L. Ed. 623), in which members of a profession were required to take examinations, even though they had been practicing.

Olsen *v.* Smith (195 U. S. 332, 49 L. Ed. 224), in which laws limiting the number of pilots were sustained.

State ex rel. *v.* Securities Co. (145 Minn. 221, 176 N. W. 759), in which banks were limited in number and location.

American Bond case (31 Fed. (2d) 448).

In Webber *v.* Virginia (103 U. S. 344, 26 L. Ed. 565), police power was defined as—

Those powers by which the health, good order, peace, and general welfare of the community are promoted.

In the case of Commonwealth *v.* Alger (7 Cush. (Mass.) 53) Chief Justice Shaw defined "police power" as follows:

The power vested in the legislature by the constitution, to make, ordain, and establish all manner of wholesome and reasonable laws, statutes, and ordinances, either with penalties or without, as they shall judge to be for the good and welfare of the Commonwealth and of the subjects of the same.

In a later case it was said:

No exposition has been given of this power more thorough and satisfactory, or more often quoted with approval, than that of Chief Justice Shaw.

The most comprehensive and up-to-date definition of "police power" is contained in the text of Twenty-fifth Cyclopedia, 863, as follows:

Police power is the name given to that inherent sovereignty which is the right and duty of the Government or its agents to exercise whenever public policy in a broad sense demands, for the benefit of society at large, regulations to guard its morals, safety, health, order—

Now let me call particular attention to this concluding statement—

or to insure in any respect such economic conditions as an advancing civilization of a highly complex character requires.

So if we look to the police power of the State for an understanding of the power granted to Congress to regulate commerce on the declared basis that the United States is as one State in the power over its commerce, we must recognize that Congress, in exercising its power over commerce, has power equal to the police power and the license-taxing power of a State over its domestic commerce.

That a State has the power to require an occupation license for any business or avocation is without question.

A State can—and probably all States do—require a license for operating private automobiles. Requirements for wagon licenses have been enacted and sustained in many States. It seems clear that a State could require a license for transporting cotton to market.

Before proceeding to a discussion of the limitations on the power, the uses and purposes for which Congress may exercise its power to restrict or prohibit transportation in commerce, let us consider the Child Labor case, Hammer *v.* Dagenhart (247 U. S. 273).

That is the only case in the Federal decisions, so far as a painstaking research has disclosed, which tends to create any doubt on the power of Congress to regulate commerce in the manner provided in the plan under consideration.

A careful examination of that 5-to-4 judge decision has satisfied me that it is not in point and did not rule on the question here involved.

As this case is rather a decisive one in the minds of lawyers who have given to this subject their consideration, I think it is worth while to read sufficient extracts from the decision to indicate clearly the point that was decided in that case; and I ask unanimous consent, Mr. President, at this time, to include at this place in my remarks in full the majority and minority decisions in this case.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Mr. Justice Day delivered the opinion of the court.

A bill was filed in the United States District Court for the Western District of North Carolina by a father in his own behalf and as next friend of his two minor sons, one under the age of 14 years and the other between the ages of 14 and 16 years, employees

in a cotton mill at Charlotte, N. C., to enjoin the enforcement of the act of Congress intended to prevent interstate commerce in the products of child labor. (Act of Sept. 1, 1916, c. 432, 39 Stat. 675.)

The district court held the act unconstitutional and entered a decree enjoining its enforcement. This appeal brings the case here. The first section of the act is in the margin.[1]

Other sections of the act contain provisions for its enforcement and prescribe penalties for its violation.

The attack upon the act rests upon three propositions: First, it is not a regulation of interstate and foreign commerce; second, it contravenes the tenth amendment to the Constitution; third, it conflicts with the fifth amendment to the Constitution.

The controlling question for decision is, Is it within the authority of Congress in regulating commerce among the States to prohibit the transportation in interstate commerce of manufactured goods the product of a factory in which, within 30 days prior to their removal therefrom, children under the age of 14 have been employed or permitted to work, or children between the ages of 14 and 16 years have been employed or permitted to work more than eight hours in any day, or more than six days in any week, or after the hour of 7 o'clock p. m. or before the hour of 6 o'clock a. m.?

The power essential to the passage of this act, the Government contends, is found in the commerce clause of the Constitution, which authorizes Congress to regulate commerce with foreign nations and among the States.

In Gibbons *v.* Ogden (9 Wheat 1), Chief Justice Marshall, speaking for this court, and defining the extent and nature of the commerce power, said, "It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed." In other words, the power is one to control the means by which commerce is carried on, which is directly the contrary of the assumed right to forbid commerce from moving and thus destroy it as to particular commodities. But it is insisted that adjudged cases in this court establish the doctrine that the power to regulate given to Congress incidentally includes the authority to prohibit the movement of ordinary commodities and therefore that the subject is not open for discussion. The cases demonstrate the contrary. They rest upon the character of the particular subjects dealt with and the fact that the scope of governmental authority, State or National, possessed over them is such that the authority to prohibit is as to them but the exertion of the power to regulate.

The first of these cases is Champion *v.* Ames (188 U. S. 321), the so-called Lottery case, in which it was held that Congress might pass a law having the effect to keep the channels of commerce free from use in the transportation of tickets used in the promotion of lottery schemes. In Hipolite Egg Co. *v.* United States (220 U. S. 45), this court sustained the power of Congress to pass the pure food and drug act which prohibited the introduction into the States by means of interstate commerce of impure foods and drugs. In Hoke *v.* United States (227 U. S. 308), this court sustained the constitutionality of the so-called white slave traffic act whereby the transportation of a woman in interstate commerce for the purpose of prostitution was forbidden. In that case we said, having reference to the authority of Congress, under the regulatory power, to protect the channels of interstate commerce:

"If the facility of interstate transportation can be taken away from the demoralization of lotteries, the debasement of obscene literature, the contagion of diseased cattle or persons, the impurity of food and drugs, the like facility can be taken away from the systematic enticement to and the enslavement in prostitution and debauchery of women, and, more insistently, of girls."

In Caminetti *v.* United States (242 U. S. 470), we held that Congress might prohibit the transportation of women in interstate commerce for the purposes of debauchery and kindred purposes. In Clark Distilling Co. *v.* Western Maryland Ry. Co. (242 U. S. 311), the power of Congress over the transportation of intoxicating liquors was sustained. In the course of the opinion it was said:

"The power conferred is to regulate, and the very terms of the grant would seem to repel the contention that only prohibition of movement in interstate commerce was embraced. And the cogency of this is manifest since if the doctrine were applied to those manifold and important subjects of interstate commerce as to which Congress from the beginning has regulated, not prohibited, the existence of government under the Constitution would be no longer possible."

And, concluding the discussion which sustained the authority of the Government to prohibit the transportation of liquor in interstate commerce, the court said:

"* * * the exceptional nature of the subject here regulated is the basis upon which the exceptional power exerted must rest and affords no ground for any fear that such power may be constitutionally extended to things which it may not, consistently with the guarantees of the Constitution, embrace."

In each of these instances the use of interstate transportation was necessary to the accomplishment of harmful results. In other words, although the power over interstate transportation was to regulate, that could only be accomplished by prohibiting the use of the facilities of interstate commerce to effect the evil intended.

This element is wanting in the present case. The thing intended to be accomplished by this statute is the denial of the facilities of interstate commerce to those manufacturers in the States who employ children within the prohibited ages. The act in its effect does not regulate transportation among the States, but aims to standardize the ages at which children may be employed in mining and manufacturing within the States. The goods shipped are of themselves harmless. The act permits them to be freely shipped after 30 days from the time of their removal from the factory. When offered for shipment, and before transportation begins, the labor of their production is over, and the mere fact that they were intended for interstate commerce transportation does not make their production subject to Federal control under the commerce power.

Commerce "consists of intercourse and traffic * * * and includes the transportation of persons and property, as well as the purchase, sale, and exchange of commodities." The making of goods and the mining of coal are not commerce, nor does the fact that these things are to be afterwards shipped or used in interstate commerce make their production a part thereof. (Delaware, Lackawanna & Western R. R. Co. *v.* Yurkonis, 238 U. S. 439.)

Over interstate transportation or its incidents the regulatory power of Congress is ample, but the production of articles intended for interstate commerce is a matter of local regulation.

"When the commerce begins is determined, not by the character of the commodity, nor by the intention of the owner to transfer it to another State for sale, nor by his preparation of it for transportation, but by its actual delivery to a common carrier for transportation, or the actual commencement of its transfer to another State." (Mr. Justice Jackson in In re Green, 52 Fed. Rep. 113.) This principle has been recognized often in this court. (Coe *v.* Errol, 116 U. S. 517; Bacon *v.* Illinois, 227 U. S. 504, and cases cited.) If it were otherwise, all manufacture intended for interstate shipment would be brought under Federal control, to the practical exclusion of the authority of the States, a result certainly not contemplated by the framers of the Constitution when they vested in Congress the authority to regulate commerce among the States. (Kidd *v.* Pearson, 128 U. S. 1, 21.)

It is further contended that the authority of Congress may be exerted to control interstate commerce in the shipment of child-made goods because of the effect of the circulation of such goods in other States where the evil of this class of labor has been recognized by local legislation, and the right to thus employ child labor has been more rigorously restrained than in the State of production. In other words, that the unfair competition thus engendered may be controlled by closing the channels of interstate commerce to manufacturers in those States where the local laws do not meet what Congress deems to be the more just standard of other States.

There is no power vested in Congress to require the States to exercise their police power so as to prevent possible unfair competition. Many causes may cooperate to give one State, by reason of local laws or conditions, an economic advantage over others. The commerce clause was not intended to give to Congress a general authority to equalize such conditions. In some of the States laws have been passed fixing minimum wages for women; in others the local law regulates the hours of labor of women in various employments. Business done in such States may be at an economic disadvantage when compared with States which have no such regulations; surely, this fact does not give Congress the power to deny transportation in interstate commerce to those who carry on business where the hours of labor and the rate of compensation for women have not been fixed by a standard in use in other States and approved by Congress.

The grant of power to Congress over the subject of interstate commerce was to enable it to regulate such commerce, and not to give it authority to control the States in their exercise of the police power over local trade and manufacture.

The grant of authority over a purely Federal matter was not intended to destroy the local power always existing and carefully reserved to the States in the tenth amendment to the Constitution.

Police regulations relating to the internal trade and affairs of the States have been uniformly recognized as within such control. "This," said this court in United States *v.* Dewitt (9 Wall. 41, 45), "has been so frequently declared by this court, results so obviously from the terms of the Constitution, and has been so fully explained and supported on former occasions, that we think it unnecessary to enter again upon the discussion." (See Keller *v.* United States, 213 U. S. 138, 144, 145, 146; Cooley's Constitutional Limitations, seventh edition, p. 11.)

In the judgment which established the broad power of Congress over interstate commerce, Chief Justice Marshall said (9 Wheat. 203): "They (inspection laws) act upon the subject before it becomes an article of foreign commerce, or of commerce among the States, and prepare it for that purpose. They form a portion of that immense mass of legislation, which embraces

[1] That no producer, manufacturer, or dealer shall ship or deliver for shipment in interstate or foreign commerce any article or commodity the product of any mine or quarry, situated in the United States, in which within 30 days prior to the time of the removal of such product therefrom children under the age of 16 years have been employed or permitted to work, or any article or commodity the product of any mill, cannery, workshop, factory, or manufacturing establishment, situated in the United States, in which within 30 days prior to the removal of such product therefrom children under the age of 14 years have been employed or permitted to work, or children between the ages of 14 years and 16 years have been employed or permitted to work more than eight hours in any day, or more than six days in any week, or after the hour of 7 o'clock p. m. or before the hour of 6 o'clock a. m.

everything within the territory of a State, not surrendered to the general Government; all which can be most advantageously exercised by the States themselves. Inspection laws, quarantine laws, health laws of every description, as well as laws for regulating the internal commerce of a State, and those which respect turnpike roads, ferries, etc., are component parts of this mass."

And in Dartmouth College *v.* Woodward (4 Wheat. 518, 629), the same great judge said:

"That the framers of the Constitution did not intend to restrain the States in the regulation of their civil institutions, adopted for internal government, and that the instrument they have given us is not to be so construed may be admitted."

That there should be limitations upon the right to employ children in mines and factories in the interest of their own and the public welfare all will admit. That such employment is generally deemed to require regulation is shown by the fact that the brief of counsel states that every State in the Union has a law upon the subject, limiting the right to thus employ children. In North Carolina, the State wherein is located the factory in which the employment was had in the present case, no child under 12 years of age is permitted to work.

It may be desirable that such laws be uniform, but our Federal Government is one of enumerated powers; "this principle," declared Chief Justice Marshall in McCulloch *v.* Maryland (4 Wheat. 316), "is universally admitted."

A statute must be judged by its natural and reasonable effect (Collins *v.* New Hampshire, 171 U. S. 30, 33, 34). The control by Congress over interstate commerce can not authorize the exercise of authority not intrusted to it by the Constitution. (Pipe Line Cases, 234 U. S. 548, 560). The maintenance of the authority of the States over matters purely local is as essential to the preservation of our institutions as is the conservation of the supremacy of the Federal power in all matters intrusted to the Nation by the Federal Constitution.

In interpreting the Constitution it must never be forgotten that the Nation is made up of States to which are intrusted the powers of local government. And to them and to the people the powers not expressly delegated to the National Government are reserved. (Lane County *v.* Oregon, 7 Wall. 71, 76.) The power of the States to regulate their purely internal affairs by such laws as seem wise to the local authority is inherent and has never been surrendered to the General Government. (New York *v.* Miln, 11 Pet. 102, 139; Slaughter House Cases, 16 Wall. 36, 63; Kidd *v.* Pearson, supra.) To sustain this statute would not be in our judgment a recognition of the lawful exertion of congressional authority over interstate commerce, but would sanction an invasion by the Federal power of the control of a matter purely local in its character, and over which no authority has been delegated to Congress in conferring the power to regulate commerce among the States.

We have neither authority nor disposition to question the motives of Congress in enacting this legislation. The purposes intended must be attained consistently with constitutional limitations and not by an invasion of the powers of the States. This court has no more important function than that which devolves upon it the obligation to preserve inviolate the constitutional limitations upon the exercise of authority, Federal and State, to the end that each may continue to discharge, harmoniously with the other, the duties intrusted to it by the Constitution.

In our view the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities, to regulate the hours of labor of children in factories and mines within the States, a purely State authority. Thus the act in a twofold sense is repugnant to the Constitution. It not only transcends the authority delegated to Congress over commerce but also exerts a power as to a purely local matter to which the Federal authority does not extend. The far-reaching result of upholding the act can not be more plainly indicated than by pointing out that if Congress can thus regulate matters intrusted to local authority by prohibition of the movement of commodities in interstate commerce, all freedom of commerce will be at an end, and the power of the States over local matters may be eliminated, and thus our system of government be practically destroyed.

For these reasons we hold that this law exceeds the constitutional authority of Congress. It follows that the decree of the district court must be

Affirmed.

Mr. Justice Holmes, dissenting.

The single question in this case is whether Congress has power to prohibit the shipment in interstate or foreign commerce of any product of a cotton mill situated in the United States, in which within 30 days before the removal of the product children under 14 have been employed, or children between 14 and 16 have been employed more than 8 hours in a day, or more than 6 days in any week, or between 7 in the evening and 6 in the morning. The objection urged against the power is that the States have exclusive control over their methods of production and that Congress can not meddle with them, and taking the proposition in the sense of direct intermeddling I agree to it and suppose that no one denies it. But if an act is within the power specifically conferred upon Congress, it seems to me that it is not made any less constitutional because of the indirect effects that it may have, however obvious it may be that it will have those effects, and that we are not at liberty upon such grounds to hold it void.

The first step in my argument is to make plain what no one is likely to dispute—that the statute in question is within the power expressly given to Congress if considered only as to its immediate effects and that if invalid it is so only upon some collateral ground. The statute confines itself to prohibiting the carriage of certain goods in interstate or foreign commerce. Congress is given power to regulate such commerce in unqualified terms. It would not be argued to-day that the power to regulate does not include the power to prohibit. Regulation means the prohibition of something, and when interstate commerce is the matter to be regulated I can not doubt that the regulation may prohibit any part of such commerce that Congress sees fit to forbid. At all events it is established by the Lottery case and others that have followed it that a law is not beyond the regulative power of Congress merely because it prohibits certain transportation out and out. (Champion *v.* Ames, 188 U. S. 321, 355, 359, et seq.) So I repeat that this statute in its immediate operation is clearly within the Congress's constitutional power.

The question then is narrowed to whether the exercise of its otherwise constitutional power by Congress can be pronounced unconstitutional because of its possible reaction upon the conduct of the States in a matter upon which I have admitted that they are free from direct control. I should have thought that that matter had been disposed of so fully as to leave no room for doubt. I should have thought that the most conspicuous decisions of this court had made it clear that the power to regulate commerce and other constitutional powers could not be cut down or qualified by the fact that it might interfere with the carrying out of the domestic policy of any State.

The manufacture of oleomargarine is as much a matter of State regulation as the manufacture of cotton cloth. Congress levied a tax upon the compound when colored so as to resemble butter that was so great as obviously to prohibit the manufacture and sale. In a very elaborate discussion the present Chief Justice excluded any inquiry into the purpose of an act which apart from that purpose was within the power of Congress. (McCray *v.* United States, 195 U. S. 27.) As to foreign commerce see Weber *v.* Freed (239 U. S. 325, 329); Brolan *v.* United States (236 U. S. 216, 217); Buttfield *v.* Stranahan (192 U. S. 470). Fifty years ago a tax on State banks, the obvious purpose and actual effect of which was to drive them, or at least their circulation, out of existence, was sustained, although the result was one that Congress had no constitutional power to require. The court made short work of the argument as to the purpose of the act. "The judicial can not prescribe to the legislative department of the Government limitations upon the exercise of its acknowledged powers." (Veazie Bank *v.* Fenno, 8 Wall. 533.) So it well might have been argued that the corporation tax was intended under the guise of a revenue measure to secure a control not otherwise belonging to Congress, but the tax was sustained and the objection so far as noticed was disposed of by citing McCray *v.* United States. (Flint *v.* Stone Tracy Co., 220 U. S. 107.) And to come to cases upon interstate commerce, notwithstanding United States *v.* E. C. Knight Co. (156 U. S. 1), the Sherman Act has been made an instrument for the breaking up of combinations in restraint of trade and monopolies, using the power to regulate commerce as a foothold, but not proceeding because that commerce was the end actually in mind. The objection that the control of the States over production was interferred with was urged again and again but always in vain. (Standard Oil Co. *v.* United States, 221 U. S. 1, 68, 69; United States *v.* American Tobacco Co., 221 U. S. 106, 184; Hoke *v.* United States, 227 U. S. 308, 321, 322.) See finally and especially Seven Cases of Eckman's Alterative *v.* United States (239 U. S. 510, 514, 515).

The pure food and drugs act which was sustained in Hipolite Egg Co. *v.* United States (220 U. S. 45), with the intimation that "no trade can be carried on between the States to which it [the power of Congress to regulate commerce] does not extend," 57, applies not merely to articles that the changing opinions of the time condemn as intrinsically harmful but to others innocent in themselves, simply on the ground that the order for them was induced by a preliminary fraud. (Weeks *v.* United States, 245 U. S. 618). It does not matter whether the supposed evil precedes or follows the transportation. It is enough that in the opinion of Congress the transportation encourages the evil. I may add that in the cases on the so-called white slave act it was established that the means adopted by Congress as convenient to the exercise of its power might have the character of police regulations. (Hoke *v.* United States, 227 U. S. 308, 323; Caminetti *v.* United States, 242 U. S. 470, 492.) In Clark Distilling Co. *v.* Western Maryland Ry. Co. (242 U. S. 311, 328), Leisy *v.* Hardin (135 U. S. 100, 108) is quoted with seeming approval to the effect that "a subject matter which has been confided exclusively to Congress by the Constitution is not within the jurisdiction of the police power of the State, unless placed there by congressional action." I see no reason for that proposition not applying here.

The notion that prohibition is any less prohibition when applied to things now thought evil I do not understand. But if there is any matter upon which civilized countries have agreed—far more unanimously than they have with regard to intoxicants and some other matters over which this country is now emotionally aroused—it is the evil of premature and excessive child labor. I should have thought that if we were to introduce our own moral conceptions where in my opinion they do not belong, this was preeminently a case for upholding the exercise of all its powers by the United States.

But I had thought that the propriety of the exercise of a power admitted to exist in some cases was for the consideration of Congress alone and that this court always had disavowed the right to intrude its judgment upon questions of policy or morals. It is not for this court to pronounce when prohibition is necessary to

regulation if it ever may be necessary—to say that it is permissible as against strong drink but not as against the product of ruined lives.

The act does not meddle with anything belonging to the States. They may regulate their internal affairs and their domestic commerce as they like. But when they seek to send their products across the State line they are no longer within their rights. If there were no Constitution and no Congress, their power to cross the line would depend upon their neighbors. Under the Constitution such commerce belongs not to the States but to Congress to regulate. It may carry out its views of public policy whatever indirect effect they may have upon the activities of the States. Instead of being encountered by a prohibitive tariff at her boundaries the State encounters the public policy of the United States which it is for Congress to express. The public policy of the United States is shaped with a view to the benefit of the Nation as a whole. If, as has been the case within the memory of men still living, a State should take a different view of the propriety of sustaining a lottery from that which generally prevails, I can not believe that the fact would require a different decision from that reached in Champion v. Ames. Yet in that case it would be said with quite as much force as in this that Congress was attempting to intermeddle with the State's domestic affairs. The national welfare as understood by Congress may require a different attitude within its sphere from that of some self-seeking State. It seems to me entirely constitutional for Congress to enforce its understanding by all the means at its command.

Mr. Justice McKenna, Mr. Justice Brandeis, and Mr. Justice Clarke concur in this opinion.

Mr. BANKHEAD. As is well known, this case was based upon an act of Congress which made it unlawful to transport in interstate commerce the products of child labor within less than 30 days after the labor had been completed. The majority opinion was delivered by Justice Day. It says:

The attack upon the act rests upon three propositions: First, it is not a regulation of interstate and foreign commerce; second, it contravenes the tenth amendment to the Constitution.

The reservation, as we know, of rights not granted to the States included the reservation of the police power.

Third: It conflicts with the fifth amendment to the Constitution.

The controlling question for decision is: Is it within the authority of Congress in regulating commerce among the States to prohibit the transportation in interstate commerce of manufactured goods, the product of a factory in which, within 30 days prior to their removal therefrom, children under the age of 14 have been employed or permitted to work, or children between the ages of 14 and 16 years have been employed or permitted to work more than eight hours in any day, or more than six days in any week, or after the hour of 7 o'clock p. m., or before the hour of 6 o'clock a. m.?

It will be noted that in stating the question presented for consideration, no reference whatever is made to whether or not Congress has the power under the commerce clause to control or restrict or limit articles of ordinary use; but the statement confines it to the question whether or not Congress has the power to investigate and to control the manner and method of production as a part of its power under the commerce clause.

The power essential to the passage of this act, the Government contends, is found in the commerce clause of the Constitution, which authorizes Congress to regulate commerce with foreign nations and among the States.

In Gibbons v. Ogden (9 Wheat. 1), Chief Justice Marshall, speaking for this court and defining the extent and nature of the commerce power, said, "It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed." In other words, the power is one to control the means by which commerce is carried on, which is directly the contrary of the assumed right to forbid commerce from moving and thus destroy it as to particular commodities.

But it is insisted that adjudged cases in this court establish the doctrine that the power to regulate given to Congress incidentally includes the authority to prohibit the movement of ordinary commodities and, therefore, that the subject is not open for discussion. The cases demonstrate the contrary. They rest upon the character of the particular subjects dealt with and the fact that the scope of governmental authority, State or national, possessed over them, is such that the authority to prohibit is as to them but the exertion of the power to regulate.

Then he discusses the Lottery case, and the pure food and drugs act, and the white slave act, and the Caminetti Act.

In the Caminetti case—

The power conferred is to regulate, and the very terms of the grant would seem to repel the contention that only prohibition of movement in interstate commerce was embraced. And the cogency of this is manifest since if the doctrine were applied to those manifold and important subjects of interstate commerce as to which Congress from the beginning has regulated, not prohibited, the existence of government under the Constitution would be no longer possible.

And, concluding the discussion which sustained the authority of the Government to prohibit the transportation of liquor in interstate commerce, the court said: "* * * the exceptional nature of the subject here regulated is the basis upon which the exceptional power exerted must rest and affords no ground for any fear that such power may be constitutionally extended to things which it may not, consistently with the guarantees of the Constitution, embrace."

In each of these instances the use of interstate transportation was necessary to the accomplishment of harmful results. In other words, although the power over interstate transportation was to regulate, that could only be accomplished by prohibiting the use of the facilities of interstate commerce to effect the evil intended.

This element is wanting in the present case. The thing intended to be accomplished by this statute is the denial of the facilities of interstate commerce to those manufacturers in the States who employ children within the prohibited ages. The act in its effect does not regulate transportation among the States, but aims to standardize the ages at which children may be employed in mining and manufacturing within the States. The goods shipped are of themselves harmless. The act permits them to be freely shipped after 30 days from the time of their removal from the factory.

When offered for shipment, and before transportation begins, the labor of their production is over, and the mere fact that they were intended for interstate-commerce transportation does not make their production subject to Federal control under the commerce power.

Commerce "consists of intercourse and traffic * * * and includes the transportation of persons and property as well as the purchase, sale, and exchange of commodities." The making of goods and the mining of coal are not commerce, nor does the fact that these things are to be afterwards shipped or used in interstate commerce make their production a part thereof.

Over interstate transportation or its incidents the regulatory power of Congress is ample, but the production of articles intended for interstate commerce is a matter of local regulation.

A statute must be judged by its natural and reasonable effect. The control by Congress over interstate commerce can not authorize the exercise of authority not intrusted to it by the Constitution. The maintenance of the authority of the States over matters purely local is as essential to the preservation of our institutions as is the conservation of the supremacy of the Federal power in all matters intrusted to the Nation by the Federal Constitution.

In interpreting the Constitution it must never be forgotten that the Nation is made up of States to which are intrusted the powers of local government. And to them and to the people the powers not expressly delegated to the National Government are reserved.

To sustain this statute would not be, in our judgment, a recognition of the lawful exertion of congressional authority over interstate commerce but would sanction an invasion by the Federal power of the control of a matter purely local in its character, and over which no authority has been delegated to Congress in conferring the power to regulate commerce among the States.

We have neither authority nor disposition to question the motives of Congress in enacting this legislation. The purposes intended must be attained consistently with constitutional limitations and not by an invasion of the powers of the States. This court has no more important function than that which devolves upon it the obligation to preserve inviolate the constitutional limitations upon the exercise of authority, Federal and State, to the end that each may continue to discharge, harmoniously with the other, the duties intrusted to it by the Constitution.

In our view the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities, to regulate the hours of labor of children in factories and mines within the States, a purely State authority. Thus the act in a twofold sense is repugnant to the Constitution. It not only transcends the authority delegated to Congress over commerce but also exerts a power as to a purely local matter to which the Federal authority does not extend.

That is the substance of the majority opinion. The minority opinion points out that the controversy between the majority and the minority was whether or not the court had the right to look to the purpose of the act, rather than to its direct application to interstate commerce.

There was evidently no controversy between the majority and the minority, in the protracted discussion of that case, involving the proposition here at issue. The minority makes no mention of the fifth amendment, or of the power to regulate commerce, or any limitations upon its regulation, but shows clearly throughout everything that is stated in the minority opinion that the controversy is whether or not the court had the right to look beyond the act, and declare that its object and its effect and its real prohibition was upon production, and not upon commerce.

I take it, Mr. President, that any careful review of that decision must lead the legal mind to the inevitable conclu-

sion that the question there involved and the question there settled was that where an act of Congress merely in appearance claimed to regulate commerce, but in fact did not have the regulation of commerce in mind, had in mind the exercise of a matter entrusted solely and exclusively to police power, such police power could not be regulated under the guise of a statute which called it merely the regulation of interstate commerce.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. ROBINSON of Arkansas. The able argument of the Senator from Alabama is interesting and informative. It has not yet been made clear to my consciousness how he distinguishes the issue involved in the proposal offered by the Senator from Alabama himself as a regulation of commerce and that involved in the child labor act. I do not raise the question, as the Senator well knows, with any view of embarrassing him.

Mr. BANKHEAD. I am delighted to have the Senator raise it.

Mr. ROBINSON of Arkansas. I am sympathetic with this proposal. Nevertheless it seems to me that one of the effects of the decision in the Child Labor case which he has just discussed is to commit the Supreme Court to the doctrine that Congress has no power to exclude from interstate commerce an article which in itself is not detrimental to the public health, morals, or safety merely for the purpose of controlling production, the manner of production, and, I take it, it would follow, for the purpose of controlling the price of a commodity.

I call the Senator's attention to one paragraph in the syllabus which no doubt he has frequently read:

> The court has never sustained a right to exclude save in cases where the character of the particular things excluded was such as to bring them peculiarly within the governmental authority of the State or Nation and render their exclusion, in effect, but a regulation of interstate transportation, necessary to prevent the accomplishment through that means of the evils inherent in them.

It would seem to me that the doctrine of the Hammer case, the Child Labor case, imposes a limitation on the power of Congress to regulate commerce for the purpose of controlling production, the manner and means of production, and I think the same principle would apply to the attempt to regulate prices; I see no distinction in principle. It seems to me that the Senator has not convincingly led to the conclusion that the Child Labor case is not an impediment in the way of the proposal he submits.

Mr. BANKHEAD. I am very glad to have the suggestion of the Senator. That phase of it would probably have been reached a little later, but it would be well to discuss it now.

Mr. ROBINSON of Arkansas. I do not wish to interrupt the course of the Senator's argument.

Mr. BANKHEAD. Please be assured that I am delighted to have any suggestions which occur to the Senator's mind, because I recognize his ability as a lawyer and his bona fide, genuine effort to reach a satisfactory conclusion in this matter.

In his statement two propositions are advanced. First, he cites the syllabus of the court, in which they state that the court had never sustained the right to exclude in certain cases.

That is freely admitted. Nor on the other side has it declined to sustain such a law. In fact, so far as I have been able to ascertain, the sole, bare question as to whether or not under the commerce clause Congress has the power to regulate, restrain, control, or prohibit harmless commodities has never been presented to the lower courts or to the upper courts, and, in fact, so far as interstate commerce is concerned, I think this is the first proposal that has ever been presented to Congress to invoke the commerce clause on that subject. So that the statement in the syllabus means nothing except a declaration of the fact that the question has never been before the court in that light.

As I have pointed out, and have read numerous decisions in support of it, Congress does have that power in the regulation of foreign commerce. I call upon anyone to present any reason for a difference or distinction in the power of Congress in the regulation of foreign commerce and in the regulation of interstate commerce. The power is granted in the same clause and in exactly the same language. It gives the Congress the power to regulate commerce among the States, with foreign nations, and with the Indian tribes. Whatever power there is to regulate commerce with one of that classification, of necessity applies to all of them. It is an unrestrained, unrestricted power, as has been expressed in many decisions of the Supreme Court; and if there are limitations in the constitutional power, they are not, as I will show later, in the original Constitution. If there are limitations, they grow out of the fifth amendment to the Constitution, known as the due process clause; and, of course, whatever limitations on interstate commerce flow from the fifth amendment apply with equal force to citizens of this country or to residents of this country, or to anyone in this country who has the right to invoke the protection of the Federal Constitution.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. BANKHEAD. I yield.

Mr. ROBINSON of Arkansas. Granting, for the sake of the argument, that it is competent for the Congress to forbid the transportation of a commodity which in itself is not detrimental to the public health, morals, or safety, a harmless and useful article, such as cotton is presumed to be, is it competent for the Congress, in the exercise of the power to regulate commerce, to provide that one bale of cotton grown in a field by the same one who produces another bale shall be admitted to commerce, and the other denied admission to commerce?

In other words, is it a regulation of commerce to say that some cotton may be carried, while other cotton, in no sense materially different from that admitted, shall be denied commerce?

In my mind that is the real legal question raised by the Senator's proposal. If Congress has the power to prevent commerce in a useful article in no sense harmful, has it the power to permit commerce as to some quantity of that article and deny it to another quantity of the article?

Mr. BANKHEAD. I understand the Senator's proposition, but before I come to that, the Senator proposed another inquiry or made another suggestion, when he took the floor before, relating to the child labor act. The difference that is running through the Senator's mind, or, at least, his search on the difference between the bill which I have proposed and the child labor act, is fundamental. The child labor act, as declared by the majority in its opinion, had for its object the prohibition of production, or at least the regulation and probably the prohibition of production.

Mr. ROBINSON of Arkansas. Is not the purpose of the Senator's proposal to raise the price of these commodities?

Mr. BANKHEAD. I am coming to that in a moment. That is not involved in this proposition, and I shall take it up next. I want to get it clear in the mind of the Senator and in the minds of other Senators who may be interested that my bill does not seek in any way to control production. I concede Congress has no constitutional power to limit production. My bill deals in no way at all directly with the quantity of production or, I may say broadly, with the subject of production. It deals solely with the question of the right to transport in interstate or foreign commerce a limited amount—transportation solely, limited, as I said.

The Senator inquired if it is not intended to increase the price or will not have that effect. I assume that that inquiry is made because of the Sherman antitrust law and the decisions under that law which have outlawed contracts made in restraint of trade and because of their tendency to increase prices.

Mr. ROBINSON of Arkansas. No; I have not raised any objection to the purpose. My suggestion as to what was the real intent and purpose of the proposal was a reflection on the issue as to whether it was in fact a regulation of commerce or an attempt to employ the power to regulate commerce for another purpose, whether it would come

within the meaning of the Child Labor Tax case, with which the Senator is familiar.

Mr. BANKHEAD. I understand the Senator's proposition, and it deserves careful consideration.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. BANKHEAD. Certainly.

Mr. GEORGE. Before the Senator leaves the other point, the object of the suggestion made by the bill, or intended by him in the bill, I express sympathy with it, and hope very much I may be able to support it. But is it not true that the effect of the regulation suggested is to control production in that the Senator would deprive the grower of cotton, for instance, of one of his substantial property rights in any excess of cotton he may produce over and above a specified amount?

Mr. BANKHEAD. That may be an incidental thing, but it is not a necessary thing.

Mr. GEORGE. Is it not more than incidental? If he is not permitted to ship it in interstate commerce, if he can not ship it outside of the limits of his State, has not the Senator deprived him of an essential property right in an excess of his production?

Mr. BANKHEAD. I will say to the Senator that I have authorities on that question which I shall submit a little later in my discussion.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. Certainly.

Mr. ROBINSON of Arkansas. Let me make clear that I did not raise any question of the validity of the proposal relative to the antitrust act. I hope the Senator did not make that interpretation of my language, because I do not think it has; I have said nothing to indicate that. But I am unable to see how a valid legal distinction is made between the principle of the Child Labor case and the bill to which the Senator refers. The Senator has discussed that case. In that case the transportation of the commodity produced by child labor was forbidden. In the same sense it was a denial of the right of transportation and an attempt to employ the power to regulate commerce, it seems to me, as is invoked by the Senator in his proposal.

The Senator proposes to exclude from commerce an article that is useful. The child labor act did exclude from commerce an article that was useful. The reason in the latter case was that it was produced by a class of labor upon which Congress did not look with favor and wished to penalize. The reason in the Senator's case is that if there is too much production of cotton the price will be too low to render it remunerative to the producer, and therefore he denies to a part of the cotton produced the right of admission to commerce; he limits and excludes a portion of the commodity within the same class that has that privilege.

I think the suggestion of the Senator from Georgia is quite applicable. It does seem to me that it is an attempt to regulate production, and I think, also, it is an attempt to regulate prices. I am wondering whether the court would say that that was not a regulation of commerce but an attempt to regulate production and prices, which power, if the power exists, is within the States.

Mr. BANKHEAD. In the first place, as I have stated, the bill does not limit production. The bill does not limit the disposition.

Mr. ROBINSON of Arkansas. Neither did the child labor act limit production. That is the very point. The child labor act never attempted to limit production any more than the Senator's proposal would limit production. It said, "If you produce goods by child labor of a certain class, we would not permit those goods to be carried in interstate commerce." The Senator's statement is, "If you produce a large amount of cotton, we will admit only a part of it to interstate commerce."

Mr. BANKHEAD. I will state it another way. Instead of saying it does not limit production, I will say that it does not deal with production. That is the sole basis of the decision. That was the object and purpose and direct effect of the child labor act—to prevent production in a certain manner with child labor.

May I answer now the Senator from Georgia? What was his question?

Mr. GEORGE. I asked if it is not the real purpose of the suggestion made by the Senator from Alabama to control production in that any excess over and above a specified number of bales of cotton or bushels of wheat would be denied the right to interstate commerce.

Mr. BANKHEAD. It does not really have that effect, because there are three outlets, at least, for a surplus. One is a delayed outlet, carrying it over under license until a time comes when by reason of weather conditions or purposely he has produced a smaller quantity of cotton, and then he may ship it in interstate commerce under his license.

In the next place, there is nothing to prevent him selling his cotton to a man who has a license to transport it in interstate commerce. In the third place, there is an opportunity for him to sell it, as pointed out by the Senator from Arkansas [Mr. ROBINSON] when we discussed the subject before, to a cotton mill in his own State for the manufacture of goods to be sold in that State.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BANKHEAD. Certainly.

Mr. LOGAN. How does the Senator get away from the question of discrimination? We all recognize the power to classify for purposes of taxation and commerce and other kindred subjects, but what would be the basis of classification to say that a man who raised wheat should not sell parts of it in interstate commerce while a man who raises corn could sell his entire crop in interstate commerce? What would the Senator do with the fourteenth amendment, which prohibits us from denying equal protection of the law to all citizens? If we allow the man who raises wheat or corn to sell in interstate commerce and do not allow the man who raises cotton to do so, is there not a discrimination which would be prohibited by the fourteenth amendment and without any basis whatever for the classification?

Mr. BANKHEAD. I will remind the Senator that the fourteenth amendment has application only to the limitation of power upon the States and controls only the police power within the States.

Mr. LOGAN. That is true.

Mr. BANKHEAD. It has no operation upon Congress.

Mr. LOGAN. I grant that very readily, but what about the question of discrimination?

Mr. BANKHEAD. I will say to the Senator further that the subject of discrimination justly and often arises in matters of taxation, and although the courts have been extremely liberal in reviewing classifications and approving laws on the subject in matters of taxing, the doctrine of discrimination has no application to commerce.

Mr. LOGAN. If the Senator will yield further, how does he get around the decisions under the interstate commerce clause of the Constitution and the old intoxicating liquor cases where the Congress tried for a matter of 20 or 30 years to prohibit the shipment of liquor into dry territory, but the Supreme Court always found some way to say it could not be done, until finally, I believe in an opinion dealing with a case from West Virginia, the court held that West Virginia had the right to keep it out, but that Congress did not have that right.

Mr. BANKHEAD. I will say to the Senator frankly that I know of no such case.

Mr. LOGAN. There is such a case.

Mr. BANKHEAD. The first I ever knew of a Federal law prohibiting the shipment of liquor into dry territory was the old Webb-Kenyon Act.

Mr. LOGAN. The Wilson Act was such an act. There were two or three acts before that. One of the cases arose in Ohio, where the State attempted to stop a shipment at

the State line and make it subject to State laws, and the Supreme Court said it was an article of commerce and could not be done.

Mr. BANKHEAD. That was under the doctrine that the power of Congress over interstate commerce is exclusive and that legislation by the States dealing with the subject, which in any way interfered with the free movement of interstate commerce, was not authorized.

Mr. LOGAN. But the Wilson Act attempted to destroy the interstate character of the intoxicating liquors. However, the Supreme Court held, as I recall, that it could not be done.

Mr. BANKHEAD. I have not found any such case coming under the interstate commerce clause.

Mr. LOGAN. I shall be glad to furnish the Senator a memorandum of the cases.

Mr. BANKHEAD. I want to come to another question propounded by the Senator from Arkansas [Mr. ROBINSON]. That question related to whether or not the bill has for its purpose enhancement in the prices of the commodities involved. I will say, with perfect frankness, that if the bill shall not have that incidental effect, then there will be no reason for its passage; but I say further that Congress has the power to regulate interstate commerce in such manner as it sees fit, so long as it does not violate some other constitutional limitation on its power over commerce, and that considerations of public policy demand and the general welfare of the country authorizes it in the general public interest; and over that subject Congress is the exclusive judge.

We find in the books—and I have in this brief a number of such cases—where the Supreme Court enjoined contracts for the shipment of useful commodities in interstate commerce because they tended to increase the price of those commodities against public interest. Useful commodities were rejected from interstate commerce, and parties were enjoined by the courts from engaging in interstate commerce in the transportation of useful commodities. If the power had existed that is now thought to exist by some, it would have been unnecessary to invoke the doctrine that those shipments were contrary to public policy, but the action was sustained under the Sherman antitrust law on the ground that such commerce was in conflict with public policy. Why? Was it simply because under all circumstances, at all times, it is contrary to public policy and the general welfare of the Nation for prices of any commodities to be high or to be higher than they were at the time the transaction was inaugurated? I say, no; whether prices were to be raised by that transaction was not the primary consideration. The primary consideration is what is for the general welfare of the country. It is not whether the prices are high or low. The real consideration is the public welfare. When the general welfare demands it, certain trade practices in commerce may be prevented to restrain price increases. When the general welfare demands it, similar restrictions of the character now proposed may be invoked to increase prices, or to prevent general economic waste, or to restore purchasing power as an aid to general commerce and to the public interest and general welfare. Congress is the sole judge of what is in the public interest and for the general welfare, so long as no other constitutional right is violated.

So I submit to Senators that at this time when our country is in such terrible distress; when, by reason of conditions abroad, where the prices for wheat and cotton are made, and with depreciated currencies and the dislocated rates of exchange, prices of the very necessities of our country—food and clothing—are dropping to such a point that our producers of stable commodities, absolutely essential, not only for the convenience of the people but for their actual existence, are being brought to the doors of the bankruptcy courts; when prices every day are going down to a point where producers can not pay their taxes and retain their property; when the general welfare of the country is thus involved; when the purchasing power of such a tremendous number of our people is involved; when the ability to get more money for wheat and cotton would cause the wheels of industry again to turn; when enhanced prices of the great basic commodities would give employment in factories all over the country; when they would turn the wheels of the trains and put trainmen back to work, carrying the products of the East and of the North, of the industrial sections, to the South and to the West; when a situation like that develops and an emergency confronts us, I say Congress has the power—and it is its duty, if it can find a proper and satisfactory way of doing so—to assert that the general welfare of the country, the public interest, demands that whatever power, under any clause of the Constitution it may have, should be exercised in order to reestablish and stabilize market conditions and the general business of the country in the interest of the general welfare; I assert that not as a political argument, but I assert it as a legal principle, and I assert it as a rule of law.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BANKHEAD. Certainly.

Mr. ROBINSON of Arkansas. My question was not directed to the merits of the proposition. I think we all realize the necessity for a restoration of price levels generally, and particularly those affecting agricultural products. My thought, however, was directed at the question of power.

Mr. BANKHEAD. That is the question I am discussing. The Senator was diverted and did not hear my predicate. I said I was not dealing with the political phase of it, in any sense, but with the legal phase.

Mr. ROBINSON of Arkansas. But I understood the Senator to be commenting upon the necessity of raising price levels, and I agree to that; I think that is necessary. However, whether it can be done in the way the Senator proposes by excluding from commerce a commodity or a part of a commodity which is wholesome and useful is the question that is in my mind, and is the sole question.

Mr. BANKHEAD. I understand the Senator's position, but I think he did not hear all I said.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. BANKHEAD. I yield.

Mr. GEORGE. I trust the Senator understood my inquiry also. I was conceding the desirability of accomplishing precisely what the Senator has in mind.

Mr. BANKHEAD. I understand that, and I hope my attitude did not convey any different impression.

Mr. GEORGE. It did not; but I direct the Senator's attention to the so-called Clair plan, which is a flat proposal to fix a minimum price for farm products; and the argument made in support of that plan is based on the general welfare doctrine which the Senator is now discussing. Frankly, I have not been able to follow it.

Mr. BANKHEAD. I will say to the Senator that I am not basing my argument upon the general-welfare clause.

Mr. GEORGE. But the Clair plan is based upon it.

Mr. BANKHEAD. But I say I am not basing this argument upon that clause.

Mr. LOGAN. Mr. President——

Mr. BANKHEAD. Let me finish the answer, and then I will yield. I am basing it upon the assertion contained in decisions of the Supreme Court of the United States, that the subject and purpose of interstate and foreign commerce regulation go to the limits of the general welfare of the country. That is the proposition I was making, and I was following it with the conclusion that the general welfare now demands that action be taken. I am one of those lawyers who believe that it is necessary to place one's finger upon some clause of the Constitution in order to justify the exercise of power by Congress; I attach little importance to the general-welfare clause, because I rather think it is a limitation upon taxation more than anything else; but the doctrine of the unlimited and unrestricted power to regulate as provided in the commerce clause has often been declared by the Supreme Court to have no limitation, so long as the action taken is in consideration of public policy and for the public interest and general

welfare, and does not merely strike at some particular individual practice that may have grown up.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BANKHEAD. I now yield to the Senator.

Mr. LOGAN. A moment ago I asked the Senator about the discrimination and at the time I thought that the provision of the Constitution in question was in the fourteenth amendment, since the Supreme Court has found nearly everything else in it; but I find it is in section 2 of Article IV of the Constitution, which reads:

> The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

Cotton is a useful article of commerce and so is corn. If we grant to the citizens of Kentucky the right to sell their corn or tobacco where they please, what right would we have, under that clause of the Constitution, to deny the citizens of Alabama the right to sell their cotton where they please?

Mr. BANKHEAD. I am making no effort to deny them their right to sell their cotton where they please.

Mr. LOGAN. The Senator would deny their right to sell it in interstate commerce, so far as Congress has anything to do with it.

Mr. BANKHEAD. No; I do not propose to do that, as the Senator will see if he will follow me. I propose to limit the supply in interstate commerce on the theory that a greatly excessive surplus tends to break down commerce; on the theory that when we send into the markets of the world, where the world price prevails, as it does in the case of wheat and cotton, a great quantity that the market can not consume, by doing that very act we are impairing and injuring commerce itself, because commerce is not based solely upon the volume of a particular commodity which is transported, but it is affected directly by such basic products and by the purchasing power of the producers of those commodities, and anything which may be done, either by restriction or by limitation, and I say, under the decisions, even by prohibition which will in the judgment of Congress—and Congress is the sole judge—be in the general interest and will tend to bring about in the judgment of Congress, a restoration of better economic conditions, as declared in one of the decisions which I have read here, it is clearly within the power granted to Congress, under the commerce clause, to prohibit such shipments.

Mr. LOGAN. Does the Senator mean that he is invoking the police power in order to regulate the shipment of cotton and other products?

Mr. BANKHEAD. I do not propose to invoke the police power; I propose to invoke such powers as this Government would have under the commerce clause if it were a single State, and numerous decisions of the Supreme Court which I have read show that it has the same power it would have if it were a single State.

Mr. LOGAN. I am going to take this occasion to say that I am not at all out of harmony with the purpose which the Senator is seeking to achieve; it is the constitutional question that is bothering me more than anything else.

Mr. BANKHEAD. That is what I am trying to address myself to.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. BANKHEAD. Yes.

Mr. McKELLAR. I am in entire harmony, of course, with the purpose of the bill of the Senator from Alabama, but I find this provision on page 2:

> The board for each commodity shall meet in December of each year—

And so forth. Then, farther down in section 2, I quote:

> If the board finds that there should be such limitation, it shall also fix the amount of cotton that may be legally transported in interstate or foreign commerce during the succeeding calendar year and shall report its findings to the President.

And over on page 3, in section 3, I find this:

> The President is authorized by proclamation to make public the findings of the board, and the proclamation shall also specify (1) the total amount of cotton or bushels of wheat that may legally be transported in interstate or foreign commerce during the calendar year next succeeding, which shall be equal to the number of pounds of cotton or bushels of wheat determined by the board as herein provided, and (2) the part of such total amount to be so transported from each State during such year, which shall be determined by the ratio of the average number of pounds of cotton or bushels of wheat produced in such State during the five calendar years preceding to the average number of pounds of cotton or bushels of wheat produced in all the States in which cotton or wheat is grown as a commodity for transportation in interstate or foreign commerce during the same period.

Under that, I take it, the board and the President could fix the amount of cotton, say, at 10,000,000 bales. Is that correct?

Mr. BANKHEAD. That is correct.

Mr. McKELLAR. If they could fix it at 10,000,000 bales under facts that seemed to them proper, they could fix it at 9,000,000, too?

Mr. BANKHEAD. I think they could fix it at nothing.

Mr. McKELLAR. And they could fix it at nothing. Would not that be a virtual abrogation of the interstate commerce clause of the Constitution?

In other words, suppose we should delegate to a commodity board, such as is set up in this act, and to the President of the United States the absolute right to do this. I doubt very much whether the Congress, if it had the power to do it, could transfer that legislative power to a board and to the President; but let us assume for the moment that they could do it. Would not that be virtually a denial of the right to transport cotton in interstate commerce?

That is the feature of the bill that distresses me. I have a very hearty sympathy for what the Senator from Alabama desires to do, namely, to raise the price of cotton. I think it would be one of the greatest things that could possibly be done at this time. I do not see, however, how it could be done with those provisions of the Senator's bill; and I should be glad to hear from him about it.

Mr. BANKHEAD. Let me explain that.

There are two answers to the Senator's question.

The first is that, in addition to the finding of the board, the power is given in the bill to the President to increase the quality. He has the same powers that he has under the flexible tariff law, dependent upon any developments that appeal to his judgment.

In the next place, the Senator assumes that the power will not be exercised by the board and the President in the interest of our general welfare.

Mr. McKELLAR. No.

Mr. BANKHEAD. But, having the power to do it, I want to discuss that.

I take it that it is clearly established—I did not bring the authorities with me, because I did not anticipate that phase of the matter being developed, but I think it is thoroughly established—that the authorization for a board or an agent of the Government to find a state of facts, followed with authority of the President to act upon that finding, does not constitute an unauthorized delegation of the power of Congress. I will give to the Senator authority on that. So I take it that that subject is clearly covered by the decisions of the Supreme Court.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WAGNER in the chair). Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. Yes.

Mr. BLACK. Unfortunately, I was not in the Chamber at the beginning of the Senator's remarks; and I am interested to know whether or not he has yet discussed the strong probability that the minority opinion in the child-labor case might become the majority opinion if it went to the Supreme Court again.

Mr. BANKHEAD. No; I did not mention that, but it is possible that it may, and, of course, if it did, that would end this whole controversy. I call the Senator's attention to the fact that the Child Labor case, as I think I have pre-

viously stated, is the only one that has been before the court in any aspect in which the shipment of ordinary commodities was involved. That decision was by a divided court of 5 to 4, and you have heard my views upon the point involved in the decision.

In a later case, United States *v.* Daugherty (70 L. Edition 309), this statement was put into the case without dissent and without comment by any member of the court:

> The constitutionality of the antinarcotic act, touching which this court so sharply divided in United States *v.* Doremus (249 U. S. 86), was not raised below and has not been again considered.

In the Doremus case the question was whether or not Congress invaded the police power of the State, and the case dealt primarily with that subject rather than the taxing power, because that was a taxing question; but the point raised was whether they invaded the police power in fixing certain regulations prescribing that the doctor prescribing narcotics should keep records and the purchaser of narcotics should keep records. The court divided on the matter in the Doremus case just as they did, 5 to 4, in the Child Labor case. The court says:

> The doctrine approved—

This is the statement to which I want to call your attention:

> The doctrine approved in Hammer *v.* Dagenhart (247 U. S. 251)—

The Child Labor case—

> Bailey *v.* Drexel Furniture Co. (259 U. S. 20)—

That is the Child Labor Tax case, where the income of the employer was taxed—

> Hill *v.* Wallace (259 U. S. 44)—

The grain futures act—

> may necessitate a review of that question if hereafter properly presented.

In other words, in a case subsequent to the child-labor case, and as a result of controversies in which the court first decided one way and then decided the other on this subject of the power of the court to look into the objects and purposes that Congress had in mind in regulating interstate commerce, the Supreme Court deliberately, without any necessity for doing it, sent out an invitation to interested parties to bring the question back before them.

So I say if Senators really have any serious doubt about the effect of the Dagenhart case upon the power of Congress to limit the quantity of wheat and corn that may be shipped in interstate or foreign commerce during any one calendar year, it seems to me, in view of all of the other decisions on the unlimited power of regulation both of interstate and national commerce, and in view of the fact that no other court has ever directly ruled upon the question we have involved here, that it would be well at least for those who are anxious and desirous to render some service along this line to resolve that doubt in favor of the country.

It is believed, and I hope Senators will believe, that the proposal is one which may, under economic conditions and economic rules, bring relief not solely to the producers of wheat and cotton, but to all the country and to all the people everywhere who are so severely suffering because of the low price of these two great basic commodities and the destruction of purchasing power of the people everywhere. Therefore, as I say, if there is doubt, since the decision in the child-labor case is not clearly enough against the proposition, I think those who feel that way should at least give the benefit of that doubt to our suffering country, assuming now that they believe that this plan would be helpful; and then with contentment, as we all must do, they can await another invited action by the Supreme Court even upon the facts in the Child Labor case.

I submit, however, that a mere limitation of the quantity to be transported in commerce has never been declared against in any court in this country, because it has never been presented before. We are upon new ground here so far as the actual facts involved in this proposition are concerned. We know, however, that Congress has the power to limit foreign commerce. It limits it both directly and indirectly. It limits it through the tariff. It prohibits, through embargoes, the importation of useful commodities. So I say that it must have the same power under the same clause of the Constitution to regulate, restrict, limit, or prohibit the transportation of any article in commerce when it is to the general interest of the country.

There was a time when no one thought liquor was injurious or harmful to the public. There was a time when many, many people believed that lottery tickets were lawful and that they were not harmful to the morals of the country. There have been States which have proclaimed that principle through their legislatures, that these were not injurious articles, that they were not harmful articles. Would Members of the Senate say, merely because public opinion has changed upon the harmfulness and injuriousness of the use of liquor or the purchase of lottery tickets that that has changed the fundamental law upon the subject? No! It could not have that effect.

Probably, if public opinion had not developed to that point, the courts would not have said it was contrary to public policy to let a lottery ticket go by express; but it did develop, and so they held that in the exercise of the power to regulate commerce for the general welfare, for the safety and morals of the country, lottery tickets could be excluded; and I call your attention to the fact that they did not invoke the fifth amendment. In fact, I have here a number of cases in which the fifth amendment has been discussed; and that is the only possible limitation I can find in the Constitution or in any authorities dealing with the subject of interstate commerce.

On the subject of license requirements, I will say that Congress has often required a license for engaging in interstate commerce.

In 1930 Congress, in dealing with fresh fruits and vegetables, went much further in the matter of requiring licenses than is proposed in the bill to regulate the supply of cotton and wheat in interstate and foreign commerce. In that act Congress made it unlawful for any broker, dealer, or commission merchant to buy, sell, or negotiate sales of perishable agricultural commodities in interstate or foreign commerce without having secured a Federal license to engage in such business. The securing of such a license is not a matter of right. If a previous license had been once revoked, the applicants could thereafter be barred from engaging in such lawful commerce.

I quote from Twenty-fifth Cyclopedia, and License Cases (5 Wall. (U. S.), 462):

> When Congress possesses constitutional power to regulate trade or commerce, it may regulate it by license as well as by other modes.

Are there limitations on the commerce clause?

What limitations, if any, upon the power granted to Congress to regulate national and international commerce are contained in other clauses of the Constitution? I think it may be positively asserted that no limitation or restriction may be found in the original Constitution.

The fifth amendment contains the only clause in all the amendments which has been insisted on in any of the decisions coming to my attention as a limitation on or restriction of the commerce clause. That clause is commonly referred to as the "due-process clause," and reads as follows:

> Nor shall any person * * * be deprived of life, liberty, or property without due process of law.

Whatever restrictions that clause places upon the power of Congress to regulate interstate commerce applies with equal force to the power of Congress to regulate commerce with foreign nations. There is and can be no differentiation so far as it applies to persons who have a right to invoke the protection of our Constitution.

The application of the fifth amendment has been considered in a number of cases under statutes regulating both foreign commerce and interstate commerce. References will be made to a few of them.

In the case of Buttfield *v.* Stranaham (192 U. S. 493, 48 L. Ed. 525) a statute was under consideration which pre-

vented importation of tea below certain specified standards. There was nothing injurious in the tea below the specified standards. The court said:

A statute which restrains the introduction of particular goods into the United States from considerations of public policy does not violate the due-process clause.

It further said:

No individual has such a vested right to trade with foreign nations as precludes Congress, in the exercise of its plenary power to regulate foreign commerce, from prohibiting by the tea inspection act, on considerations of public policy, the importation of teas inferior to the Government standards, on the theory that the importer is thereby deprived of his property without due process of law.

It was further said:

As a result of the complete power of Congress over foreign commerce, it necessarily follows that no individual has a vested right to trade with foreign nations, which is so broad in character as to limit and restrict the power of Congress to determine what articles of merchandise may be imported into this country and the terms upon which a right to import may be exercised. This being true, it results that a statute which restrains the introduction of particular goods into the United States from consideration of public policy does not violate the due process clause.

The liberty of contract secured by the fifth amendment was not unconstitutionally denied by the enactment by Congress, in the exercise of its power under the commerce clause, of the Carmack amendment by which an interstate carrier voluntarily receiving property for transportation from a point in one State to a point in another State is made liable to the holder of the bill of lading for a loss anywhere en route, in spite of any agreement or stipulation to the contrary, with a right of recovery over against the carrier actually causing the loss. (Atlantic Coast Line *v.* Riverside Mills, 55 L. E. U. S. 167.)

A railroad was indicted for hauling hay in violation of the commodities clause of the Hepburn Act (34 Stat. 585), which made it unlawful—

For any railroad company to transport in interstate commerce any article * * * it may own * * * or in which it may have any interest * * * except such * * * as may be necessary * * * for its use in the conduct of its business as a common carrier.

Railroad was chartered as a carrier and had been authorized to operate coal mines.

The hay had been purchased for use of animals employed in and about the mines. (Delaware, Lackawanna & Western R. R. *v.* United States, U. S. 231, 363.)

The court said:

Forbidding a railway company to transport in interstate commerce from market to mine an article purchased by it (hay) for use in its private business of mining, conducted under charter authority, does not deny the due process of law guaranteed by the fifth amendment, but such prohibition is a valid exercise of the power of Congress to regulate commerce.

The commodity clause of the Hepburn Act does not take property, nor does it arbitrarily deprive the company of a right of property.

The scope of the provision regarding the liberty of the citizen can not be so enlarged as to hold that it includes, or was intended to include, right to make a contract which in fact restrained and regulated interstate commerce, notwithstanding, proceeding under the constitutional provision giving to it the power to regulate commerce, Congress had prohibited such contracts. (Addyston Pipe Co. *v.* United States, 175 U. S. 229, 44 L. Ed. 136.)

The power to regulate interstate commerce is, as stated by Chief Justice Marshall, full and complete in Congress, and there is no limitation in the grant of the power which excludes private contracts of the nature in question from the jurisdiction of that body. Nor is any such limitation contained in that other clause of the Constitution which provides that no person shall be deprived of life, liberty, or property without due process of law. It has been held that the word "liberty," as used in the Constitution, was not to be confined to the mere liberty of person, but included, among others, a right to enter into certain classes of contracts for the purpose of enabling the citizen to carry on his business. (Allgeyer *v.* Louisiana, 165 U. S. 578; United States *v.* Joint Traffic Association, 171 U. S. 505, 572.) But it has never been, and in our opinion ought not to be, held that the word included the right of an individual to enter into private contracts upon all subjects, no matter what their nature and wholly irrespective [among other things] of the fact that they would, if performed, result in the regulation of interstate commerce and in the violation of an act of Congress upon that subject. The provision in the Constitution does not, as we believe, exclude Congress from legislating with regard to contracts of the above nature while in the exercise of its constitutional right to regulate commerce among the States. On the contrary, we think the provision regarding the liberty of the citizen is, to some extent, limited by the commerce clause of the Constitution, and that the power of Congress to regulate interstate commerce comprises the right to enact a law prohibiting the citizen from entering into those private contracts which directly and substantially, and not merely indirectly, remotely, incidentally, and collaterally regulate to a greater or less degree commerce among the States. (Addyston Pipe & Steel Co. *v.* U. S., U. S. Repts., 175, 229.)

The power of government extends to the denial of liberty of contract to the extent of forbidding or regulating every contract which is reasonably calculated to injuriously affect the public interests. Undoubtedly the United States is a Government of limited and delegated powers, but in respect of those powers which has been expressly delegated, the power to regulate commerce between the States being one of them, the power is absolute, except as limited by other provisions of the Constitution itself. (Atlantic C. L. R. Co. *v.* Riverside Mills, 55 U. S., L. Ed. 181.)

The taking by the Government of the excess of earnings over reasonable return on the investment, which arises from rates fixed under Government authority, is not an unconstitutional taking of property without due process of law. (Dayton-Goose Creek Ry. Co. *v.* U. S., 68 L. Ed. 383.)

Under the Hepburn Act railroads were excluded from carrying certain commodities owned by them or in which they had an interest. Lumber was excepted.

In an attack on the act based upon the discriminatory effects, the court said:

In the construction of a statute the power of the law-making body to enact it, and not the consequences resulting from the enactment is the criterion of constitutionality. (U. S. *v.* Delaware & Hudson Co., 213 U. S. 336.)

It was held in above case that, excepting lumber, did not make it void. There is no constitutional requirement that it should be applied to all commodities alike.

In the case of Atlantic C. L. R. Co. *v.* Riverside Mills (55 L. Ed., U. S. 181) the Carmack amendment fixing legal liability for damages to interstate shipments on the initial carrier and outlawing all contracts inconsistent therewith, the court, in sustaining the law, said:

The power to regulate commerce between the States is absolute, except as limited by other provisions of the Constitution itself.

Speaking of the Carmack amendment, the court said in Atlantic, supra—

That a situation had come about which demanded regulation in the public interest, was the judgment of Congress.

Thus the power to regulate ordinary and useful articles in commerce regardless of the liberty of contract covered by the fifth amendment was established by the Supreme Court.

The power to regulate commerce includes the power to prohibit. (Champion *v.* Ames, 47 L. Ed., U. S. 492. Lottery case.)

Congress is given power to regulate commerce among the States. There is no word of limitation in it. (Hoke *v.* U. S. 57, L. Ed. 523. White Slave case.)

The provision of the Constitution of the United States which forbids a State to pass any law impairing the obligation of contracts does not apply to acts of Congress, which may pass laws directly or indirectly impairing the obligations of contracts; nor does it protect contracts made after the passage of the hostile law. (Sinking Fund cases, 99 U. S. 700, 25 L. Ed., U. S. 496; Denny *v.* Bennett, 128 U. S. 489, 32 L. Ed., U. S. 491.)

The Radio cases are very illuminating and very closely approach the proposition here involved.

The radio act requires licenses for radiobroadcasting, regulates number of broadcasting stations, limits licenses, and requires renewal thereof.

In the American Bond & Mortgage Co. case (31 Fed. (2d), 448) there is a full discussion and collection of authorities on the power of Congress to thus regulate radio under the commerce clause and the fifth amendment.

It was held that radio transmission and reception among the States constituted interstate commerce. Rulings were made as follows:

Radio act, 1927, requiring licenses for operation of radiobroadcasting stations held not void as outside scope of power of Congress to regulate interstate commerce and not unreasonable in view of duty of Government to protect rights of receiving public.

Radio act which provides that Radio Commission shall grant licenses if public convenience, interest, or necessity will be served held not void as improper delegation of legislative power to Radio Commission on account of prescribing arbitrary standard to govern issuance of licenses.

The fifth amendment imposes in this respect [exercise of police power] no greater limitation upon the national power than does the fourteenth amendment upon State power.

The fifth amendment does not have the effect of overriding the power of Congress when exerting any of the powers conferred upon it by the Constitution to establish all regulations that are reasonably necessary to secure the health, safety, good order, comfort, or general welfare of the public, and that all contracts and property rights are subject to its fair exercise.

The enforcement of uncompensated obedience to such a regulation is not an unconstitutional taking of property without compensation or without due process of law.

It will be noted that all the license restrictions put upon radiobroadcasting are referable to the power of Congress to regulate commerce in any way that is in the public interest or for the general welfare.

Requiring a person engaged in interstate transportation of oil by pipe lines to become a common carrier does not involve a taking of private property, and the provision in the Hepburn Act to that effect is not unconstitutional under the fifth amendment. (The Pipe Line cases, 234 U. S. 548.)

The decisions discussed and quoted from make it manifest that the fifth amendment contains no limitation or restriction on the power granted Congress to regulate commerce with foreign nations and among the several States, so as to prevent Congress from requiring a license for transportation of cotton or wheat in such commerce.

The decisions hold that contracts must give way when in conflict with or in restraint of regulations of interstate commerce adopted from considerations of public policy.

There is no deprivation of property involved. If property rights are conceived to be involved, the decisions hold that such rights are subordinate to regulations of interstate commerce adopted from considerations of public policy or for the general welfare.

PURPOSES OF REGULATION

The power to regulate commerce is not limited to such regulation as will merely advance commerce.

The Federal courts in many cases have recognized the power of Congress to regulate, restrain, control, or prohibit interstate commerce when such legislation is demanded by the important interests of the Nation, public policy, or general welfare.

In determining the character of the regulations to be adopted Congress has a large discretion which is not to be controlled by the courts, simply because, in their opinion, such regulations may not be the best or most effective that could be employed. (Lottery case (Ill. 1903), 188 U. S. 356; 23 S. Ct. 321; 47 L. Ed. 492. See also Buttfield *v.* Stranahan (N. Y. 1904), 192 U. S. 492; 24 S. Ct. 349; 48 L. Ed. 525.)

The power to regulate commerce is not to be confined to the adoption of measures exclusively beneficial to commerce itself or tending to its advancement; but in our national system, as in all modern sovereignties, it is also to be considered as an instrument for other purposes of general policy and interest. The mode of its management is a consideration of great delicacy and importance, but the national right or power, under the Constitution, to adapt regulations of commerce to other purposes than the mere advancement of commerce is unquestionable. (U. S. *v.* The William (D. C., Mass., 1808) (2 Hall L. J. 255, 28 Fed. Cas. No. 16,700), holding that the act of December 22, 1807 (1 Stat. 451), entitled "An act laying an embargo on all ships and vessels in the ports and harbors of the United States," and the first supplementary act of January 9, 1808 (2 Stat. 453), known as the embargo laws, were not invalid as unconstitutional restrictions on commerce.)

Congress passed a bill prohibiting the exercise of interference, influence, or coercion by either railway employers or railway employees over the self-organization or designation of representatives of the other.

The Supreme Court in the case of Texas & New Orleans Railroad Co. *v.* Brotherhood of Railway and Steamship Clerks (74 L. Ed. 1034) sustained the act and said:

The power to regulate commerce is the power to enact all appropriate legislation for its protection and advancement; to adopt measures to promote its growth and insure its safety; to foster, protect, control, and restrain.

In discussing the migratory bird act the Supreme Court said:

Here a national interest of very nearly the first magnitude is involved. It can be protected only by national action in concert with that of another power. * * * We see nothing in the Constitution that compels the Government to sit by while a food supply is cut-off and the protectors of our forests and our crops are destroyed. (Missouri *v.* Holland, 64 L. Ed. 641.)

LICENSE REQUIREMENT

Congress has often required a license for engaging in interstate commerce.

In 1930 Congress, in dealing with fresh fruits and vegetables, went much farther in the matter of requiring licenses than is proposed in the bill to regulate the supply of cotton and wheat in interstate and foreign commerce. In that act Congress made it unlawful for any broker, dealer, or commission merchant to buy, sell, or negotiate sales of perishable agricultural commodities in interstate or foreign commerce without having secured a Federal license to engage in such business. The procuring of such a license is not a matter of right. If a previous license had been once revoked, the applicant could thereafter be barred from engaging in such lawful business.

Where Congress possesses constitutional power to regulate trade or commerce, it may regulate by licenses as well as by other modes. (25 Cyc. 599; License Tax cases, 5 Wall. 462, 18 L. Ed. U. S. 497.)

The above cases involved licenses required by Congress for selling liquor.

Due process of law is not denied when an opportunity is not given to be heard on questions to be settled, not by a judicial proceeding but by the actions of the agents of the Government. (Buttfield *v.* Stranahan, 192 U. S. 497; 48 L. Ed. 525.)

In the Pipe Line cases and other cases under the antitrust law contracts entered into in order to enhance prices were outlawed in interstate commerce because they were against the public interest.

On subjects not involving safety, health, and morals, the real test of the power to regulate the transportation of harmless commodities in commerce is: Is the proposed regulation, by restriction or prohibition, in the public interest and for the general welfare? This includes, as stated in Twenty-fifth Cyclopedia 863, in defining the police power, " regulations to insure in any respect such economic conditions as an advancing civilization of a highly complex character requires."

In conclusion, Mr. President, I very much hope that lawyers who are interested in this question will give it, as best they can, their immediate consideration. I recognize that if outstanding lawyers like the Senator from Arkansas, the Senator from Georgia, and the Senator from Kentucky, lawyers who represent sections which are so vitally interested in this proposition, are seriously in doubt about the constitutionality of this plan, and if their doubts are strengthened or further considered or expressed—and I think they ought to be expressed where they exist—if that situation prevails, I recognize the impossibility of securing any high degree of cooperation by those who are looking for some solution of this economic problem. So I am expressing the wish and the request that Senators whom I have named and others who may be interested in the matter may find time at an early date to pursue this subject to their own satisfaction.

If the men I have mentioned find in their judgment that this bill will not stand the test of the Constitution, I say now that I have so much respect for their judgment and so much confidence in their capacity and ability and sincerity that I will not press this problem any further.

To summarize briefly:

The commerce clause grants the power to regulate national and international commerce.

There is no difference in the words of the grant between interstate and foreign commerce.

It has frequently been held that there is no limitation on the power to regulate and prohibit foreign commerce.



It has never been held, if the child-labor case does not so hold, that there is any limitation on the power to regulate commerce between the States when exercised for considerations of public policy.

No case has ever held that there is any difference in the power to regulate commerce among the States and the power to regulate commerce with foreign countries.

If the fifth amendment limits one it also limits the other.

In cases involving the importation by our citizens of ordinary and harmless commodities the Supreme Court has held the fifth amendment does not constitute a limitation on the power of Congress to regulate or prohibit foreign commerce.

Congress is the sole judge of the public policy, best interests, and general welfare of our Nation when exercising a power specifically granted to Congress.

No case has held that the fifth amendment so limits the power of Congress under the commerce clause as to prevent it in the regulation of commerce from requiring a license to transport across State lines an ordinary commodity, such as cotton or whate. With the Child Labor case eliminated, there is no cloud in any of the decisions on the constitutional power of Congress to enact the pending bill. To me that case seems clearly eliminated.

The Child Labor case does not refer to the fifth amendment. It raises no question of restrictions or limitations upon the commerce clause.

That case ruled that the act was not a regulation of commerce but was an invasion of the police power reserved to the States, because its purpose and effect was to regulate production of articles, a matter of local legislation.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

The Senate resumed the consideration of the motion of Mr. AUSTIN that the Senate proceed to the consideration of the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

Mr. CAPPER obtained the floor.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FESS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Robinson, Ark.
Austin	Couzens	Johnson	Robinson, Ind.
Bailey	Cutting	Kean	Schall
Bankhead	Dale	Kendrick	Schuyler
Barbour	Davis	King	Sheppard
Barkley	Dickinson	La Follette	Shipstead
Bingham	Dill	Lewis	Shortridge
Black	Fess	Logan	Smith
Blaine	Frazier	McGill	Smoot
Borah	George	McKellar	Steiwer
Broussard	Glass	McNary	Swanson
Bulkley	Goldsborough	Metcalf	Thomas, Idaho
Bulow	Gore	Moses	Thomas, Okla.
Byrnes	Grammer	Neely	Townsend
Capper	Hale	Norbeck	Trammell
Caraway	Harrison	Norris	Vandenberg
Carey	Hastings	Nye	Wagner
Cohen	Hawes	Oddie	Walsh, Mass.
Connally	Hayden	Patterson	Walsh, Mont.
Coolidge	Hebert	Reed	Watson
Copeland	Howell	Reynolds	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, there is a quorum present.

Mr. CAPPER. Mr. President, I do not think there is any question that the people of Washington want a merger of the local street railways if it can be brought about on terms that are fair to the public as well as the transportation companies.

Ever since I have been a member of the Senate, the merger movement has been agitated here. Many different proposals for unification have been made. The resolution now before the Senate is a product of evolution.

It is not my intention in any way to obstruct or delay passage of this resolution, but I feel very strongly that the Senate should give careful consideration to the amendments that have been proposed by the Senator from Wisconsin and myself.

In great measure these amendments represent the views of the people's counsel of the District. The people's counsel was appointed by the President with the advice and consent of the Senate. His principal function is to appear for the people of the District before the Public Utilities Commission and in judicial proceedings affecting public utilities.

Mr. Keech, the people's counsel, is a brilliant and public-spirited young man. He has made an impartial and searching study of the merger proposal. He has shown no prejudice against the railway companies. I think that his views ought to be made known to the Senate before we act on a matter which vitally affects the people of Washington.

Upon invitation of the District Committee, Mr. Keech appeared at all the hearings held by the committee on the merger resolution during the last session of Congress.

I think it might be well to mention right here that one of the attorneys for the traction interests took occasion to inform the committee that Mr. Keech had no right to appear before us. This attorney said the people's counsel was supposed to represent the people only before the Public Utilities Commission, and that he could not properly express his views before a committee of Congress. The committee was urged by this attorney to disregard the contentions made by Mr. Keech in presenting amendments to the merger resolution.

Let me say at this point also that the traction interests have been extremely active through their lobbyists here at the Capitol ever since the merger resolution came before us.

I am glad to see that some of the leading organizations of Washington have formed a transportation committee to study the complex question of efficient mass transportation facilities in the District.

A resolution adopted by this transportation committee calls on the people to forget minor differences about the merger legislation and let it be enacted. I am fully in accord with that view. We have given freely of our time to this merger question. We of the District Committee are mighty tired of going over and over the same ground. The people are tired of having this question constantly up in the air with no final, practical solution in sight. The companies need the economies that a merger will bring.

But this does not mean that we can sit by and let the traction interests ride roughshod over the public interest.

The companies are given some pretty liberal concessions in the resolution, in order that under merged operation they may be able to save some money.

The new merged company is relieved, under the terms of the resolution, from many costs which the traction lines now bear. It is given a virtual monopoly over the street-railway and bus operations in the District.

What does the public get out of this merger?

There is not one line in the resolution which guarantees lower street-car fares, better equipment, improved service. Yet we are giving these car companies rights and concessions of almost inestimable value to them.

Now, let us see just what Mr. Keech told the committee. Let us see what recommendations he made regarding amendments.

First, let us take up the question of subsidiaries. On one hand we find that unified operation of the car lines is being urged; on the other hand we find here in the pending resolution provision for the creation of subsidiaries by the new merged company.

Concerning this part of the resolution the people's counsel says:

> Paragraph "Second" of the unification agreement vests the new company with the right to acquire transit properties and operate them through a subsidiary or subsidiaries, which is contrary to the very purpose of the resolution. One of the chief reasons for this merger is to lessen unnecessary overheads and the like, which is certainly not effected by the new company being permitted to function through subsidiaries.

That is what Mr. Keech says about it.

There is no objection to operation of street-car lines running into adjacent States by subsidiary companies. This is a necessary arrangement now in existence. But I know of

no valid argument in favor of operating local street-car lines through a number of subsidiaries.

Next we come to what is known as the power clause. This has been one of the most widely discussed features of the merger. It embraces an unusual scheme for the sale of power to the new merged traction company.

The power company is owned by one of the present street-car concerns, the Washington Railway & Electric Co. These two companies have a contract whereby the power company sells its parent corporation power for its own use and for resale at a price below actual cost.

The merger resolution proposes to continue this contract for 15 years after the two street-car companies are merged, with this difference: The companies are to agree between themselves on the price for 63 per cent of the power furnished; the Public Utilities Commission is to set the price for the remaining 37 per cent. After 15 years the commission would have the power to set the price for all power sold the traction company.

Now, here we have the statement of the people's counsel to the District Committee on the power clause. He says:

The railway company receives power at less than cost. Any profit which inures from this goes to the Washington Railway & Electric Co. instead of to the Potomac Electric Power Co., and as a result of that, rates are affected so far as the public is concerned; in other words, profit primarily and actually coming from the sale of power, instead of going to the power company, is in fact going to the railway company. By this legislation you are perpetuating by legislation a contract along that line, and I do not believe it is proper and I do not believe it is right in principle.

Further on in the hearing Mr. Keech disclosed another objection to the power clause on the ground that it divested the Public Utilities Commission of the function of rate making for a period of 15 years.

At this point I ask permission to have inserted in the RECORD an article appearing in the Washington News, written by Robert M. Buck, entitled "Managing a Merger." He calls attention to a statement made by Milo R. Maltbie and W. A. Roberts criticizing these five proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

[From the Washington News, March 9, 1932]

MANAGING A MERGER

By Robert M. Buck

Of the millions of words spoken or written about merger in the last five years perhaps half have referred to valuation, but surely three-fourths of the other half have been directed to the power clause.

That is the section of the unification agreement which provides for an uninterrupted supply of power, since the combined transit system is to be left without an adequate power house by omission of the Potomac Electric Power Co. from the merger.

It is clear that there must be an unfailing source of available power. It is not admitted by everyone that it must be provided for in the merger agreement and act. In fact, examination of the power clause reveals that to be not the sole or even chief reason for its inclusion.

FIVE PROPOSALS

Using the exact language of paragraph 10 of the merger agreement, which is the power clause, but dividing it into its component proposals, the latter are seen to be five in number, as follows:

"1. The new company shall take over all existing contracts of the Washington Railway & Electric Co. for the sale of power to other railway companies.

"2. The Washington company will cause the Potomac Electric Power Co., subject to the approval of the Public Utilities Commission, to enter into a power contract with the new company, which said power contract shall run for the life of whichever of the franchises of these two companies expires first.

"3. The contract may include a lease by the power company of the power properties which the new company shall have obtained as being appurtenant to the transit properties to be acquired by the new company.

15-YEAR CONTRACT

"4. Said power contract shall provide that the Potomac Electric Power Co. * * * will at all times on request furnish an adequate supply of electric power for * * * operation of the transit properties of the new company and for power furnished to said other transportation companies.

"5. Said power contract shall provide that for a period of 15 years the price to be paid by the new company for 63 per cent of the power used for * * * operation and * * * furnished to other transportation companies shall be determined in accordance with the terms and conditions of the present arrangements between the power company and the Washington company * * *. The price to be paid for 37 per cent of the electric power used for * * * operation of the transit properties of the new company shall be fixed by the Public Utilities Commission."

EXCLUSIVE POWER RIGHT

It will be seen that the contract binds the new company to buy power exclusively from Pepco as long as both companies exist; that the same proportion of current now used by Wreco to operate street cars, plus that resold to outside interurban electric railroads, will be furnished for 15 years at the present price, which is below cost, but will probably be considerably above cost before the 15 years have expired; that a different and higher price, fixed by the Public Utilities Commission, will be charged for that percentage of the current now used by the Capital Traction Co.; that Pepco will lease the Capital Traction power house; and that the new company will succeed to the contracts for resale of current now held by Wreco.

Dr. Milo R. Maltbie and W. A. Roberts, in former years, criticized each of these five proposals severely. They said:

"There should be one price for all power, fixed by the Public Utilities Commission. The new company should not be bound to take its power from Pepco if future conditions should develop whereby it could buy elsewhere for less money, for instance if a hydroelectric plant ever should be built at Great Falls. Pepco should not be permitted to lease and then junk the present Capital Traction power house, paying money for a plant not used which then would be kept in the valuation of the new company instead of being written off the books. That resale of power by Wreco should be discontinued and not transferred to the new company, but all sales of Pepco current should be by the company which produces it.

$300,000 ANNUAL PROFIT

Wreco takes $300,000 a year profit from the resale of current. This profit should be included in net income Pepco, where it would operate to still further reduce rates for current supplied to all consumers.

People's Counsel Richmond B. Keech has this year made the same demands of Congress for amendment of the power clause. But confusion has been added to the situation because Roberts appears to have abandoned his former position.

This may or may not be so. When he opposed the merger bills before, he was acting as a spokesman for the public and was voicing his convictions. Since that time he has been appointed attorney for the Public Utilities Commission, and this year he acted as its spokesman. The commission stands sponsor for the merger bill, power clause and all. Some Senator should ask Roberts for his personal views as to all the provisions of the bill. In that way only can it be discovered whether he has changed his views or whether he is obeying instructions despite them."

Mr. CAPPER. Mr. President, the Senate can afford to proceed carefully in considering this merger resolution. It is an extremely complicated item of legislation and unusual in many respects.

Ever since the traction interests began to work for the merger, we have been told year after year that it is in the nature of emergency legislation. Frequent attempts have been made by the companies to hurry along its consideration by Congress. The merger lobby has always been careful to gloss over the worst features of the resolution.

Some of us have resisted these persistent efforts to force to enactment a resolution reeking with jokers and with provisions unreasonably favoring the companies.

I do not desire to delay consideration of this resolution; but I can tell the Senate, from the years I have spent studying this proposal, that it is by no means a true and honest merger plan.

The amendments proposed by the Senator from Wisconsin [Mr. BLAINE] and myself, with the support of the people's counsel, the Federation of Citizens' Associations, and other public-spirited organizations, merely aim toward a compromise that will give the people of Washington some tangible benefits from this proposed consolidation.

Senators may search diligently through the 27 pages of the House resolution and then not find a single line in which the companies pledge any kind of improved service, lower fares, rerouting of cars, better equipment, or any other evidence of a desire to serve the public interest. But they will find, concealed in this maze of verbiage, a most determined effort to get the sanction of Congress for divorcing street-railway operations from the manufacture of power in the District of Columbia.

As the Senator from Wisconsin has explained, the North American Co., a huge holding company with headquarters in New York, has a pretty strong grip on the transportation

facilities of Washington. It has unquestioned control of the Washington Railway & Electric Co. This is the street railway which owns the Potomac Electric Power Co. The North American Co. holds a substantial block of stock in the other street-railway company—the Capital Traction Co. A director of the North American Co., Mr. Harley P. Wilson, owns the independent bus company here, the Washington Rapid Transit Co.

The Capital Traction Co. until a few years ago was a prosperous enterprise. Then its receipts began to fall off heavily about the same time that cheap taxicab service came to Washington.

The receipts of the Washington Railway & Electric Co. from street-railway operation also have shown a notable decline. But the Washington Railway & Electric Co. is not entirely dependent on its street-railway lines for its profits. Through its ownership of the power company, it participates in the financial gains of that increasingly wealthy concern. Through its sale of power at a good profit to other railway companies, the Washington Railway & Electric Co. makes an additional substantial profit.

Let me show the Senate in the company's own figures just what the ownership of the power company means. I take these figures from the financial report of the Washington Railway & Electric Co. for the calendar year 1931, printed in Senate Document No. 66, Seventy-second Congress, first session, on pages 46 and 47.

The total receipts of the company for the year from passengers, sale of power, rents, interest and dividends on securities owned, and all other sources amounted to $7,138,274.94.

Now, the receipts from interest and dividends on securities owned—and these are largely the securities of the power company—amounted to $1,844,457.68.

Now, without this income from its securities the company's receipts would have been $5,293,817.26.

The total operating expenses for the year, plus taxes and other charges, were $5,114,837.57.

This means the Washington Railway & Electric Co., deprived of its rich revenues from the power company, would have made a net profit of less than $200,000.

In the same year the railway company received almost $300,000 from the resale of power to other companies.

So it is easy to see that without the ownership of the power company the Washington Railway & Electric Co. would have probably suffered a loss last year and in earlier years as well.

The merger plan before us proposes to shut off from the Washington Railway & Electric Co. this rich power reservoir of profit.

When the two street-car companies are merged, the Washington Railway & Electric Co. will pass out of existence as a railway company.

It will continue to exist, however, as a holding company for the power company.

This arrangement does not affect the ownership of the Washington Railway & Electric Co. by the North American Co.

This big holding company will get the profits that heretofore have gone into the street-car operations of the Washington Railway & Electric Co.

Even with the economies of operation that can be brought about by a merger, how will the new, merged company get along? Street-car patronage has been falling off steadily since the 5-cent fare was abolished in 1919.

The street cars of the Washington Railway & Electric system, which would be operated jointly with the Capital Traction lines under this merger plan, would have to stand or fall by their own policies. No profits of the power company would be there to help them.

The power profits will go out of Washington into the pockets of the financiers who manage the great string of North American utility properties throughout the country.

What good this will do the stockholders in the street-car lines I can not see.

The North American Co. will have complete control of the transportation system of Washington. This city's traction facilities will become just one more unit in the far-flung chains of local utilities subsidized by gigantic holding corporations who take from communities the profits of public-utility companies.

The traction interests back of this merger plan know that the people of Washington want a fair, honest merger. By the traction interests I mean the North American Co.

The plain purpose of the North American Co. is to release the power company from the obligation of supporting the street railway operations of the Washington Railway & Electric Co.

With the street-car lines merged, the North American Co. may be able to make some money out of them eventually. Whether they pay or not, their losses would be offset by the stream of gold flowing annually out of Washington into the North American coffers from the power company.

In whatever form this resolution passes, the North American Co. stands to win.

Then why this stubborn opposition to the amendments that the people insist must be made to this resolution?

Another important point to be considered is the transfer provision in the resolution. As it is now written, it allows transfers to be given without charge between all street cars of the merged company. The transfer clause gives the Public Utilities Commission authority to set the terms and conditions on which transfers shall be given between street cars and bus lines and between bus lines.

Let me quote the people's counsel at this point. He says:

> One reason they wanted to bring about the unification of lines in the District of Columbia was to do away with certain nuisances to the car-riding public * * *, and in my opinion, as I gather from persons who have talked to me, street-car companies are losing fares to-day because of the transfer inconveniences and incidental costs. For that reason if the Washington Co. and the Capital Co. merge, and subsequently the Washington Rapid Transit Co. becomes a part, I think that a free transfer should be uniform to all.

The inconveniences to which Mr. Keech refers are best illustrated by the fact that hundreds, perhaps thousands, of Washingtonians must transfer once, twice, or more in going between their homes and places of employment. If they transfer from one company's cars to another, they pay a penny for a transfer.

The merger resolution provides that the local bus company, the Washington Rapid Transit Co., shall be absorbed into the new, merged company under certain conditions.

Should this merger become effective, all street-car and bus operations in the District will be under one ownership and one control. It is quite unlikely that the street railways, if they are merged, will make any more extensions of trackage. During the past few years it has been the general practice to make extensions by means of feeder bus lines.

We do not know what the transportation picture of Washington will be after this merger has gone into effect. We do not know how many car lines may be supplanted by busses. We should make sure that the pay transfer nuisance is abolished once and for all in the District of Columbia.

The people's counsel very aptly says that this transfer provision—

> Is the only section of the resolution which has a direct favorable effect on the public. It has been the continuous demand of the public for free transfers.

Now, let me call the attention of the Senate to the last page of the merger resolution. There we find the final clause of the resolution. On its face it is a harmless and possibly helpful clause such as we find in many bills and resolutions. It says simply that Congress reserves the right to alter, amend, or repeal this resolution.

Under ordinary circumstances that language would suffice.

But this merger resolution is extraordinary legislation.

It is extraordinary for these reasons:

First. It embodies in its preamble a unification agreement which is to be ratified by Congress in the text of the resolution proper.

Second. If Congress approves the merger resolution, the stockholders of the two railway companies are given two years in which to decide whether they will accept or reject the agreement as set forth in the preamble.

Third. On the acceptance of the plan by the stockholders, the agreement would become a contract between the companies. Congress would be in the position of legislating into existence a contract over which it would have little or no control.

The minority report on the Senate merger resolution, which embodies recommendations made by Mr. Keech, states clearly why the present repeal clause is inadequate. It says:

By this resolution Congress, the supreme legislative body, specifically approves a contract arrangement between certain utilities and the Public Utilities Commission which divests Congress of power to adequately meet situations which may subsequently occur, as such approval by Congress renders the arrangement inviolable.

As originally drawn, Congress merely reserved power to alter, amend, or repeal the resolution.

This provision, as amended in committee, recognizes rights are created by the resolution and protects the parties involved so far as their rights are concerned for a period of one year following the repeal of the resolution.

Let me say there that the repeal clause was amended by the District Committee in reporting out the Senate merger resolution. The clause was not amended when the committee reported the House resolution to the Senate. The minority report goes on to say:

During the hearing it developed that the provision of the act with respect to incorporation under the general laws of the District of Columbia would permit the establishment of certain rights in the Capital Transit Co. not specifically covered by this bill which could only be affected by congressional action, by general legislation modifying the general incorporation law. This procedure would be so unwieldy as to be impracticable.

The report further states that—

In any industry subject to as rapid fluctuation and facing complete reorganization such as the mass transportation industry, it is extremely important in the public interest that such rights of modification of franchise should be available.

In other words we should be absolutely certain that it will not be necessary to repeal this entire resolution in order to modify the charter of the new, merged company.

As I said in the beginning of my remarks, I feel very strongly that this city needs a merger of its street-railway lines.

But let us have a real merger that will benefit not only the companies but the people of this city as well.

The companies are being relieved of some pretty heavy expenses by the terms of this resolution. I certainly think that some concessions should be made in the public interest. The points I have mentioned here to-day are all in the public interest. They are covered by amendments which I hope the Senate will accept.

Mr. President, I ask to have printed in the RECORD some statements from civic organizations in the District approving the views of Senator BLAINE and myself on the merger question.

Here is one from George E. Sullivan, chairman of the public utilities committee of the Citizens' Association of Takoma, D. C. His letter transmits copies of resolutions passed by the association at a meeting on the 5th of this month.

He says:

WASHINGTON, D. C., *December 13, 1932.*

Hon. ARTHUR CAPPER,
Chairman Senate District Committee, Washington, D. C.

DEAR SENATOR CAPPER: I am directed by the Citizens' Association of Takoma, D. C. (for which I am acting as chairman of its committee on public utilities) to transmit to you the inclosed copies of resolutions passed by said association on December 5 relating to the pending proposed street-railway merger.

The attitude recently manifested by the street-railway companies toward Congress in reference to reduced fares for school children would seem to emphasize the importance of the utmost caution being exercised against even the possibility of irrevocable grants being made to the railway companies in the pending merger bill which may put the newly created company in a position where it may defy the public interests and the mandates of Congress with impunity and immunity. The gravity of the matter can not be overemphasized.

All public-spirited citizens in this District feel indebted to you and Senator BLAINE for the zealous care shown by both of you in protecting the rights of the citizens in the matter of the proposed street-railway merger. I was particularly elated over the press report of this morning that certain groups approaching you on yesterday were told that very few public-spirited citizens had interested themselves in this matter, but an army of lobbyists had been very busy on the other side.

Very sincerely,

GEO. E. SULLIVAN.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution passed December 5, 1932, by Citizens' Association of Takoma, D. C. (Submitted by George E. Sullivan, chairman public utilities committee of said association)

Whereas the pending street railway merger bill as favorably reported by the House District Committee and by the final report of the majority of the Senate District Committee is deemed to be detrimental to, and not in furtherance of, the public interests, as explained in editorial appearing in the Evening Star of October 10, 1932, in numerous editorials appearing in the Washington Daily News, as also in the Washington Herald, and in the clear and fair minority report of Senators CAPPER and BLAINE, whose disinterested and painstaking efforts should be commended by all thoughtful and public-spirited citizens: Now, therefore, be it

Resolved by the Citizens' Association of Takoma, D. C., That the Federation of Citizens' Associations be, and it is hereby, urgently requested to go on record at the earliest possible moment as being unalterably opposed to the pending street railway merger bill, and further requested to take all appropriate steps to make such opposition known to the Members of the Senate and the House of Representatives.

Resolution passed December 5, 1932, by Citizens' Association of Takoma, D. C. (Submitted by George E. Sullivan, chairman public utilities committee of said association)

Whereas a serious problem is presented as to whether, and how long, the street-railway method of transportation can continue to be utilized in the public interests, because (1) of the unfortunate and seemingly unescapable danger to passengers in having to pass through other traffic between the curb and the street-car tracks located in the center of the street (whereas bus transportation embarks and disembarks at the curb); (2) of the objectionable and disturbing noises necessarily accompanying the operation of street cars with their steel wheels in frictional engagement with steel rails; (3) of the necessary interference with rail traffic generally caused by any stoppage of any single car, due to accident or other causes; and (4) of the unfortunate and unnecessary congestion of traffic generally resulting from the space occupied by car tracks in the center of the street; and

Whereas it is vital that such problem should be carefully and exhaustively studied in connection with, and in advance of the enactment of, any merger bill, both as a matter of fairness to the street-railway companies before they are put to the expense of renewing their present rails and rolling stock, which are at present in badly worn condition to a great extent, and as a matter of fairness to the public, which ought not to have saddled upon it permanently a mode of transportation unsuited to modern conditions and possessing unsafe and objectionable features which may be incapable of elimination; and

Whereas the pending merger bill as favorably reported by the House District Committee and by the final report of the majority of the Senate District Committee embodies no reservation of power in Congress to repeal at any time the new franchise rights proposed to be granted to a new company in the use of the public streets for street-railway transportation purposes, although the present charters and franchises of the street-railway companies operating in the District of Columbia are subject (by their very terms) to repeal by Congress at any time: Now, therefore, be it

Resolved by the Citizens' Association of Takoma, D. C., That the Federation of Citizens' Associations be, and it is hereby, requested to petition Congress to give the fullest study and consideration to the serious problem hereinbefore referred to in advance of the passage of any merger bill, as well as to urge that no merger bill be passed at any time which does not contain an effective and unambiguous reservation to Congress of the full and unrestricted power to amend, alter, or repeal any and all franchise rights conferred. It is the sense of this association that attention to the foregoing ought not to be precluded by the present extraordinary efforts to rush the pending merger bill through, particularly in view of the fact that it is not designed to make anything immediately effective in favor of the public, but undertakes to confer a 2-year option upon the street-railway companies to make the bill effective or otherwise, as they may wish.

(Copies ordered to be sent to Federation of Citizens' Associations, Public Utilities Commission, Senate District Committee, and House District Committee.)

Mr. CAPPER. I have a similar resolution from the Northeast Washington Citizens' Association, over the signature of its secretary, Joseph Notes, which reads:

Resolved by the Northeast Washington Citizens' Association in meeting assembled this 12th day of December, 1932, That it hereby extends to Senators CAPPER and BLAINE its appreciation and earnest commendation for sponsoring the minority report relative to the

merger of the street-railway corporations in the District of Columbia and their sincere efforts to enact legislation that will be of benefit to the public as well as to the corporations; and

Resolved, That a copy of these resolutions be forwarded to Senators CAPPER and BLAINE.

Let me say that the president of the Northeast Washington Citizens' Association, Mr. Evan H. Tucker, appeared before our committee when we were considering the merger resolution and attended nearly all the hearings and recommended practically the same amendments which have been presented by the Senator from Wisconsin and myself. Mr. Tucker has been a keen student of local affairs for more than 40 years and is thoroughly acquainted with the history of the street-car situation in Washington.

Another veteran student of public utilities in the District is William McK. Clayton, who for many years has served the Federation of Citizens' Associations as chairman of its public utilities committee. Mr. Clayton writes to me as follows:

Just a line to say that the Federation of Citizens' Associations stands, as it always has and will, back of the Capper-Blaine amended bill for merger of street and bus lines of the District of Columbia.

I might suggest you ask the Public Utilities Commission what amount the companies have spent to date to lobby their bill through Congress—not one cent for new cars but thousands for the lobby.

I also ask to have printed in the RECORD an editorial from the Washington Herald entitled "Street-Car Merger Plan Fails to Provide for Any Coordinated Program," and also an editorial from the Washington Daily News entitled "A Meaningless Merger."

These editorials reflect the long and serious thought that newspapers of Washington, ever alert to the improvement of public service, have given to the question of the merger.

The VICE PRESIDENT. Without objection, the editorials referred to by the Senator from Kansas will be printed in the RECORD.

The editorials are as follows:

[From the Washington Herald]

STREET-CAR MERGER PLAN FAILS TO PROVIDE FOR ANY COORDINATED PROGRAM

A coordinated mass-transportation plan is needed for the District of Columbia. Such a plan does not exist. The street railway merger resolution, now pending in the United States Senate, does not even provide for a coordinated street-railway program.

Such a plan should be formulated. Until it is defined, it would be a mistake to enact piecemeal legislation which merely adds to the confusion and multiplies the difficulties of solution.

Substantial and determined opposition to the merger resolution exists in the Senate, led by Senators CAPPER, BLAINE, NORRIS, LA FOLLETTE, and others. That opposition reflects a large body of opinion in the District. The taxpayer is in opposition to the merger. The car rider opposes it in its present form.

It is not opposition to a transportation merger as such. On the contrary, for many years there has been a strong demand for such a plan. By means of it the car rider believes he should get the benefit of a lower fare and of better service. The general public expects to benefit through a solution of the serious traffic problem. The taxpayer opposes the merger plan as it stands because it might increase his burden by $500,000 a year.

These are substantial grounds for opposition to the merger resolution. Senator CAPPER, in accepting the recommendations of the citizens joint transportation committee, makes it clear that he favors the merger, but with those qualifications which, as Senate amendments, undoubtedly should be adopted before the merger is permitted to become a law. The objections to the merger in its present form are essentially practical in their nature. In addition to them there are two principles of public policy involved. One arises from the "power clause" in the merger resolution. This raises questions parallel to those involved in Governor Roosevelt's long fight in New York to protect the public interest in the controversy with the power corporations.

The second question of public policy involved arises from the valuation placed upon the street railways. This is excessive from any point of view and has never formally been settled. But upon this excessive valuation the fare structure is built. Criticism of the merger resolution is therefore based upon these considerations:

1. It offers no relief to car riders in the form of a lower fare.
2. It does not necessarily provide for better service.
3. It increases the tax burden by $500,000 a year.
4. It does not solve the traffic problem.
5. It offends enlightened public policy because of the power clause.
6. It does not introduce a coordinated transportation plan.
7. It promises benefits to the corporations concerned at substantial cost to the public.

Handicapped by such considerations, the Senate and parties in interest might therefore begin again to approach the problem.

This new approach should be based upon a survey jointly of the transportation problem, involving street cars, busses, and taxicabs; and of the traffic problem as it is affected by these elements in it.

Competition between the three forms of public transportation is both foolish and wasteful. Great economies could be effected were this competition eliminated. But it can not be eliminated until the public, represented by the car rider and the taxpayer, is guaranteed against exploitation at the hands of a monopoly.

The paradox emerges that to save ourselves from exploitation we have to insist upon foolish policies of useless competition involving waste and needless expense.

Instead of passing the merger resolution the Senate might well create a body qualified to survey the transportation and traffic problems and charge it with the duty of presenting to the next session a real solution.

Such a solution would indicate the specific benefits it would bring to the car rider in the form of better service and of lower fares, subject, of course, to the interest of the companies which are entitled to a fair return upon prudently invested capital.

The solution would show that the coordinated transportation plan would be a substantial contribution toward solving the traffic problem.

It would also remove from the taxpayer the danger of an additional burden of $500,000 a year which faces him under the proposed scheme.

A new approach along these lines is desirable. It should be made without delay. It is preposterous that a local problem of this nature should drag along for 20 years as this has and present to-day a paradox instead of a solution.

[From the Washington Herald]

SENATE WOULD DO WELL TO BLOCK MERGER UNTIL TRACTION LOBBY RELENTS

With 12,000,000 American citizens unemployed and demanding relief legislation from Congress, Senator WARREN R. AUSTIN, of Vermont, will move to-day to have the Senate take up immediately, as its first order of business, the District traction merger.

The merger resolution provides relief only for the North American Co., which is a holding company.

The merger resolution as it stands does not embody the public interest.

Senators CAPPER and BLAINE will oppose the resolution as it now stands and the latter is expected to lead a filibuster against it if the Senate votes to make it the unfinished business.

But there are other Members of the Senate who insist this is no time to be debating a local traction measure when the country is clamoring for legislation to relieve distress in every county, city, and State in the Nation.

This list includes Senators NORRIS, JOHNSON, LA FOLLETTE, SHIPSTEAD, WHEELER, TYDINGS, LONG, MCKELLAR, BORAH, and COSTIGAN.

Had the North American Co., through its lobby, agreed to seek a compromise on the Capper and Blaine amendments there probably would have been no prolonged fight.

But with these friends of the straphanger adamant in their stand on behalf of the public it looks like the Senate will do the wise thing in shelving the merger for this session.

[From Washington Daily News]

A MEANINGLESS MERGER

The transportation committee of the Washington Chamber of Commerce is taking the lead in an effort to line up support and push the street car merger bill through at this session of Congress.

A few months ago People's Counsel Keech petitioned the Public Utilities Commission to order a change of fares and installation of a zone system—5 cents for a short, 10 cents for a long ride.

The commission held a public hearing on the petition. Heads of the car companies voiced their unwillingness to make the change at this time, and one of them invited Keech to support the merger instead.

Keech replied that he was not opposed to consolidation, although disapproving the pending merger bill. He asked the street-car managers what plan they had for reorganizing service if permitted to merge. They replied that they had no program.

That is the main fault of the merger project to-day. The joint resolution the North American Co., of New York, and the local traction companies ask Congress to pass guaranties specific benefits to the corporations and no benefit at all for the public except the abstract one of unification of two systems now competing.

Merger may be a great benefit to the public or none at all. It depends on what the merged company does to improve service and reduce rates. It is no secret that the traction men have no intention of reducing rates either with or without a merger. And they say they have worked out no program for coordinated and improved service.

Until they present guaranties for the public of specific transit benefits in exchange for the valuable considerations bestowed upon themselves the car companies should be denied the right to merge. Such a policy will hasten merger if the companies are in earnest about improving their service.

Mr. BLAINE. Mr. President, on yesterday at the close of the session, I had commented upon how easily we could

dispose of this proposition by simply throwing up our hands and telling the people of the District of Columbia that they can have no representation in the Congress in conformity with what I believe to be the views of those who are interested in the street-railway merger from the standpoint of the public welfare. Without any sense of self-righteousness, I do not feel that we should leave the people of Washington helpless against the assault of a powerful foreign holding company; and for that reason, as I have emphasized, I shall not desert the voteless residents of the Nation's Capital in what I regard to be their hour of need, so far as this vital local question is concerned.

I have undertaken to set down in a more or less formal way some observations upon this matter. Therefore, during the remainder of the afternoon I expect to devote my time to a statement or statements regarding this proposition in a general and formal way.

I know very well that the street-railway companies are not making very much money, or as much as they did some years ago; but the street-railway companies are in no different and in no worse condition than are all other forms of transportation in this country, than are all industry, all agriculture, all business and mercantile undertakings, and all those who are engaged or have been engaged in toil and labor with their hands or with their minds. Industry, railroads, agriculture, business, banking, and every other form of human undertaking, of course, have been set back by reason of the cataclysm that happened in this country in 1929.

DISPOSAL OF SURPLUS NAVY SUPPLIES

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from California?

Mr. BLAINE. May I inquire of the Senator for what purpose he asks me to yield?

Mr. SHORTRIDGE. I wish to make request for the immediate consideration of a certain joint resolution, Senate Joint Resolution 220.

Mr. BLAINE. Mr. President, I have been informed of the nature of the request, and I appreciate that it is one involving the disposition of some supplies held by the Government of the United States, and it might be helpful to some people who are in distress if the measure could receive early consideration. That is just the point that I made on yesterday, that this motion as it stands is a constant Gibraltar against the consideration of very worthy projects, and if I may make a suggestion to the Senator, if the mover of this motion will withdraw his motion, this proposal can be immediately considered by the Senate.

Mr. SHORTRIDGE. Will the Senator, then, permit me to say that yesterday, Mr. President, I introduced Senate Joint Resolution 220, which authorizes the Secretary of the Navy, under such regulations as he may prescribe, to sell, at nominal prices, to recognized charitable organizations, to States and subdivisions thereof, and to municipalities such nonregulation and excess clothing as may be available and required for distribution to the needy?

This joint resolution was immediately referred to the Committee on Naval Affairs. As its chairman I called a meeting of that committee for this morning. The joint resolution was considered by the committee and unanimously approved; and I was requested and, in effect, directed by the committee to report the joint resolution and to request its immediate consideration.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. I do.

Mr. KING. If the joint resolution calls for some affirmative act, or possibly some expenditure, I do not think the Senator should ask for its consideration now with the small number of Senators present. I think it might be unfair to those who are absent.

Mr. SHORTRIDGE. Out of respect for those present and absent, I may reply that the resolution calls for no expenditure whatever. I have in my hand a letter from the department explanatory of the joint resolution. I can conceive of no possible objection to its consideration, nor can I imagine any objection to its early passage.

The VICE PRESIDENT. Does the Senator from Wisconsin yield for the consideration of this measure?

Mr. BLAINE. I yield, if I am not deprived of recognition after the Senators get through.

Mr. SHORTRIDGE. It is understood that the Senator will not lose the floor by this interruption.

I also have in my hand a letter addressed to the chairman of the Naval Affairs Committee, the letter coming from Lake Providence, La., urging the early passage of this joint resolution. In other words, there is an emergency, and this is an emergent joint resolution. The purpose is to be able to distribute to the needy, the houseless, and the unclothed and shoeless these surplus articles which are in the custody and under the control of the Navy Department.

I am appealing here to the Senator who made this motion and to the Senator from Wisconsin, without loss of status of the pending motion or without loss of the floor—without loss either to the mover of the motion or to him who resists it—to consent to the immediate consideration of this joint resolution.

Mr. KING. Mr. President, will the Senator yield for me to ask a question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. I do.

Mr. KING. I see nothing in the statement submitted by the Senator, to which my attention has been called, indicating the value of the property which is to be sold.

Mr. SHORTRIDGE. I intend to lay before the Senate a statement from the department itemizing and giving full information as to the present issue prices and the disposal prices.

Mr. KING. What is the total value?

Mr. SHORTRIDGE. The total issue price, or value, is $1,105,750.

For example, there are 15,000 drawers of heavy cotton and wool, white; issue price, $1; to be disposed of for 10 cents.

Seventy-five thousand jerseys, wool, dark blue; issue price, $2.60; to be disposed of for 25 cents.

Eighty-four thousand five hundred overcoats; issue price, $7.25; to be disposed of for 75 cents.

Forty-seven thousand pairs of shoes; issue price, $3.25; to be disposed of for 25 cents. These articles are to be disposed of to organized charities, to the Red Cross, to municipalities, and to States, under regulations to be prescribed by the Secretary; and those regulations contemplate that these articles shall be then distributed to those sorely in need free of cost. The Secretary of War has power, such as which we seek to give to the Secretary of the Navy, in respect to surplus articles mentioned—nonregulation and excess clothing—and which can not now, under the law, be disposed of by the Secretary of the Navy.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. I yield.

Mr. KING. When were these supplies acquired by the Government?

Mr. SHORTRIDGE. I am unable to advise the Senator as to just when they were purchased by the Government.

Mr. KING. They are not handed down from the war, are they? They were more recently acquired, were they not?

Mr. SHORTRIDGE. I think many of them have been on hand for a long time.

Mr. KING. I shall not object to the consideration of the matter; it is not in my power; but——

Mr. ROBINSON of Arkansas. Mr. President——

Mr. KING. But it seems to me that if we are going to make contributions for charitable purposes we ought to have a direct appropriation from the Treasury, because just as surely as the sun shines, within a short time an appropriation will be asked to purchase overcoats and all of these supplies needed by the Army and the Navy.

Mr. SHORTRIDGE. Let me answer the Senator in this manner, reading from the department's letter to the chairman:

There is on hand at the naval supply depot, Brooklyn, N. Y., a considerable quantity of nonregulation and excess clothing which is not required for the Navy's needs but would be of value in caring for the needy if authority existed for its sale at nominal prices and without competition. At the request of the Navy Department, House Joint Resolution 500, dated December 10, 1932, was introduced by Mr. VINSON of Georgia.

Then he incorporates a copy of the joint resolution.

The War Department disposed of quantities of excess clothing last winter at nominal prices to charitable organizations with the stipulation that the clothing should be given away absolutely free to destitute and needy persons. It was found by experience of the Army that it was advisable to charge a nominal price for the clothing to charitable organizations in order to distribute properly among different organizations the excess clothing. This nominal price is about 10 per cent of the cost, as shown on the attached table.

The attention of the chairman is invited to the fact that the essence of this joint resolution is that the clothing be available for distribution to the destitute and needy as soon as possible.

If the final passage of the joint resolution is not accomplished in the very near future, the winter season will have advanced so far that the benefit to destitute and needy persons will be greatly reduced. For this reason it is respectfully requested that the most expeditious action be taken on this resolution in order that the distribution can be commenced.

Now, by the indulgence of the Senator, let me add this word:

If there ever was an emergency, that emergency is with us. If there ever were those in need, they are round about us. While I do not wish to make an emotional appeal, or enlarge by words upon the situation, I do hope that Senators will have a present and sympathetic regard for the houseless and those so sorely in need, and bear in mind that the Government can wisely give present assistance to many in sore need.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. I do.

Mr. KING. I shall not object to the consideration of this joint resolution, although I desire to say here and now that I think this is a very unwise way of legislating. I think to bring in legislation under circumstances of this kind when another bill is under consideration—legislation which has many emotional and sentimental appeals—and ask for immediate consideration, is not quite fair to the Senate, and certainly not fair to those who are absent.

One makes himself, of course, obnoxious if he offers opposition to the consideration of this measure; but obviously it means an appropriation not of one million dollars plus out of the Treasury of the United States, but it will mean that we shall have to make appropriations sooner or later for the necessary supplies for the Army and the Navy. This means, of course, that the Army and the Navy desire to change their styles, I suppose, as the women change their styles of dresses. This clothing is not up to regulation. It was certainly in accordance with regulation when it was bought; but because it does not now suit, perhaps, the fastidious tastes of the present Secretary of the Navy or those who have to do with the sartorial appearance of the members of the Navy, they want to get rid of it, and so we give it to charity.

I should very much prefer to make an appropriation of money out of the Treasury of the United States instead of legislating in this manner.

The VICE PRESIDENT. Does the Senator from Wisconsin yield for the purpose of the consideration of this joint resolution?

Mr. BLAINE. Mr. President, I made a suggestion to the Senator from California, but so far as I am concerned I will decline to yield unless the Senator can persuade the Senator from Vermont [Mr. AUSTIN] to withdraw his motion, which motion the Senator from Vermont can renew immediately upon the disposition of the joint resolution which the Senator from California has reported.

Mr. SHORTRIDGE. May I then turn to the Senator from Vermont?

The VICE PRESIDENT. Does the Senator from Wisconsin yield for that purpose?

Mr. SHORTRIDGE. I want to make a personal request of the Senator from Vermont. I understand that he may withdraw his motion, and thereafter immediately renew it without any loss, for I am assuming that he would be immediately recognized by the Chair after the disposal one way or the other of this joint resolution, and he could then make or renew his motion. So I want the Senator from Vermont to pity the—

> Poor naked wretches, * * *
> That bide the pelting of this pitiless storm.

And I ask him, how can their "houseless heads and unfed sides," their "looped and windowed raggedness" defend them "from seasons such as these"?

Will not the Senator aid us in this meritorious effort to take up, consider, and pass this joint resolution?

Mr. BLAINE. Mr. President, may I suggest——

Mr. SHORTRIDGE. The Senator from Vermont——

The VICE PRESIDENT. The Senator from Wisconsin has the floor.

Mr. BLAINE. May I suggest that information has come to me which may bring about, a little later on in the afternoon, a situation that will permit the Senator to renew his request.

Mr. SHORTRIDGE. Very well. I thank the Senator for his indulgence.

Mr. BLAINE. While the information is not definite or specific, I shall proceed with the discussion of the pending motion until we have more definite and specific report upon what may be proposed a little later on.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

The Senate resumed the consideration of the motion of Mr. AUSTIN that the Senate proceed to the consideration of the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

Mr. BLAINE. Mr. President, when I was interrupted by the Senator from California I was discussing the proposition that the street-railway companies of Washington were in no different position from that of every other undertaking in the United States, and, for that matter, in a situation no different from that of nearly every individual, except that the street-railway companies in the city of Washington have not suffered in this depression to a degree commensurate with the suffering of other transportation companies, industries, and individuals.

I have before me the annual reports of the public-utility companies for the year ending December 31, 1931. The reports for the year ending December 31, 1932, I understand, have not been filed, and therefore I am using the latest available reports.

Let us take the report of the Capital Traction Co. It transmitted to the Vice President its report for the year ending December 31, 1931. In order to save time, I shall state only a summary of that report.

I find that the total receipts from the railway and bus operations were $3,859,719.55. The total operating expenses and other charges were $3,493,745.63, leaving a net income for the year of $365,973.92.

That report was rendered by the Capital Traction Co., and does not in any way indicate that the Capital Traction Co., at the time it made its last report, was in the red. I have not the information, however, for the year 1932; and, therefore, the statement of the Senator from Vermont on yesterday that one of the companies was in the red I can not verify or dispute. But, taking the last annual report that is available, we find that the Capital Traction Co. still has a net income. I doubt whether there are very many industries or transportation companies in the United States which have net income. I know that there is scarcely a farmer in this country who has a net income. I also know from close observation of agriculture and from the official reports

that practically every farmer who owes a mortgage upon his farm is unable to pay the taxes and the interest upon the mortgage and has no net income; indeed, fortunate is the business or the industry that has a net income. So that as a matter of fact the Capital Traction Co. of this city is, comparatively speaking, in a most happy situation respecting its financial affairs. In fact, it paid dividends during the year of $420,000. It paid those dividends out of its net income for the year, plus certain other receipts, but receipts, in the ordinary course of business, from real estate owned by the company and profits on bonds reacquired through purchases and one or two other adjustments.

That at least indicates that, so far as the Capital Traction Co. is concerned, there is no pending emergency whatever. I repeat, for the sake of emphasis, that it is probably in better financial condition than almost any other transportation system, especially the railroads of the country, and a great majority of the industries of the country; and, of course, in much better condition than agriculture or mercantile business.

In fact, the reduction in the total income of the people of this country since 1929 has been about $50,000,000,000, as I recall, a reduction from $87,000,000,000, in round numbers, to about $37,000,000,000. That represents the condition of the country, as far as income is concerned, and that means gross income of the people at large in the United States.

Let us now turn to the other traction company, a much more profitable undertaking, it is true; that is, the Washington Railway & Electric Co. That company has come to its very advantageous financial status largely by reason of the fact that it owns the Potomac Electric Power Co. As I recall, prior to the World War the Washington Railway & Electric Co., on account of having its lines more or less scattered, and extending into the suburbs of the city, was not as successful financially as was the Capital Traction Co., which had its street-car lines very well centralized respecting the residential parts of the city and the business section of the city, and particularly with reference to the institutions housing the business of the Government. Under those circumstances the Washington Railway & Electric Co. was not a very profitable going concern as a street-railway proposition, while the Capital Traction Co. was a very profitable undertaking by reason of the fact that it had a very large traffic on account of the numerous war activities that were carried on in the city of Washington, requiring a very large and extensive personnel.

The Washington Railway & Electric Co. has attained now a position in the city of Washington as a carrier of passengers and as a holding company which makes it a very profitable business undertaking. I make that statement resting it upon the information contained in its annual report transmitted to the President of the Senate, the honorable Vice President of the United States, on January 30, 1932, which report shows that the total receipts from all sources during the year were $7,138,274.94, while the total operating expenses and other charges were $5,114,877.57, showing a net profit, after making a certain profit-and-loss adjustment, which was a credit, of $2,101,254.04. The company paid 5 per cent dividends on preferred stock, amounting to $425,000, and also paid a 7 per cent dividend on common stock. I emphasize that—it paid a 7 per cent dividend on common stock, amounting to $455,000.

There is scarcely another business in the United States that could make a showing comparable to this. After the payment of that handsome dividend upon the common stock there was left a surplus for the year of $1,221,454.04. That was one of the most profitable businesses in the country. Of course, a considerable portion of the gross income was the amount received in profits from the sale of power. One of the largest items of net income was receipts from interest and dividends on securities owned, amounting to $1,844,457.68. There is a company that was veritably wallowing in wealth. Upon the capital set-up of this company it has a surplus amount in its treasury yielding this very handsome income, and even after taking from the net income for the year those receipts from interest and dividends on securities owned there is still left a profit.

While I am on the subject of the return upon these utilities I think it would be beneficial as information for the Senate to call attention to the Potomac Electric Power Co. It transmitted its report on the same day on which the other reports were transmitted to the United States Senate, showing gross revenues of $11,101,181.35 and net operating expenses of $5,596,341.96.

Mr. McNARY. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. BLAINE. I yield.

Mr. McNARY. I am advised by the able Senator from Vermont [Mr. AUSTIN] that there is a possibility of representatives of various interests involved in the merger question coming to an agreement—at least, there is a desire to have a conference this afternoon—and that representatives of the various interests are now in the District Committee room for that purpose. I think probably if an opportunity to compose their differences were granted, time might be saved; and for that reason I wish to ask for a recess now until 12 o'clock to-morrow.

Mr. BLAINE. Mr. President, will the Senator withhold his request for a moment?

Mr. McNARY. Certainly.

Mr. BLAINE. I assume in case I yield for the purpose of the Senator making a motion for a recess that by unanimous consent, or some other understanding equivalent thereto, I shall not lose my right to the floor to-morrow.

Mr. McNARY. I think it would be well understood among Senators present and those who may be here in the morning that the Senator from Wisconsin is entitled to be recognized on the reconvening of the Senate to-morrow.

Mr. BLAINE. Very well; then I yield for the purpose suggested.

Mr. BARKLEY. Mr. President, may I inquire of the Senator from Oregon the purpose of taking a recess at this early hour?

Mr. McNARY. I have just stated that representatives of those interested in the pending legislation desire an opportunity to have a conference wherein they may compose their differences.

Mr. BARKLEY. Does the Senator believe we shall really save time by this procedure?

Mr. McNARY. That is the opinion of those interested in the legislation, and therefore I insist upon my motion.

Mr. SHORTRIDGE. Mr. President, I was called from the Chamber for a moment. I desire to submit a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHORTRIDGE. What is the matter before the Senate?

Mr. McNARY. We are seeking at this time to take a recess until 12 o'clock noon to-morrow.

Mr. SHORTRIDGE. Will the Senator permit a renewal of my request before that is done?

Mr. McNARY. I withhold my motion for the moment.

Mr. SHORTRIDGE. Will the Senator from Wisconsin yield for that purpose?

Mr. BLAINE. May I say to the Senator from California that we are in the same situation we were in when he submitted his request previously. I had understood we would have an adjournment this afternoon, but inasmuch as a motion for a recess is to be made, we are in the same situation as previously.

Mr. SHORTRIDGE. Very well.

RECESS

Mr. McNARY. Mr. President, I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 3 o'clock and 7 minutes p. m.) took a recess until to-morrow, Wednesday, December 21, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 20, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit Divine, we bow our heads and whisper, "Our Father, forgive our spiritual barrenness." We would follow the gleam that we may achieve the quest of manhood and the strength of a noble life. Heeding our country's call, may we accept the yoke of obedience, even sacrificing self for the contentment and happiness of others. Oh, may we linger long in the path of sacrificial service and complain not. It is real goodness and patriotic devotion that exalt the character of both man and Nation. The remotest citizen of the land has his part to do and bear in the general progress of the Republic. Oh, bring us all under Thy control and in accord with Thy divine purpose. Do not fade from our thoughts, but beckon us to the highest levels of efficiency in the exercise of our duty, and Thou wilt smile on the ground where we walk. In the name of our Savior we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendment to the bill (H. R. 7233) entitled "An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BINGHAM, Mr. JOHNSON, Mr. CUTTING, Mr. PITTMAN, and Mr. HAWES to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. NYE and Mr. PITTMAN members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of the Interior.

KATHERINE M. BOERNSTEIN

Mr. WARREN. Mr. Speaker, I offer the following privileged resolution from the Committee on Accounts, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House, to Katherine M. Boernstein, widow of Sigismond G. Boernstein, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding $238, to defray funeral expenses of the said Sigismond Boernstein.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ORDER OF BUSINESS: DISPENSING WITH CALENDAR WEDNESDAY—THE BEER BILL

Mr. RAINEY. Mr. Speaker, we want to conclude the general debate upon the beer bill (H. R. 13742) to-day. If the House is willing to stay late this afternoon, we will be able to do so. We want to take up the bill under the 5-minute rule to-morrow and complete the bill to-morrow. That will make it possible to take up the Interior Department appropriation bill we are now considering and finish it Thursday. If we can get through with that on Thursday, we will be able to adjourn on Thursday until the following Tuesday. In order to carry out that program I ask unanimous consent that the business in order on Calendar Wednesday, to-morrow, be dispensed with.

The SPEAKER. The Chair calls the attention of the gentleman from Illinois to the fact that the House could adjourn from Thursday afternoon until Friday and then from Friday until Tuesday. The House can not adjourn for more than three days at a time.

Mr. RAINEY. Yes; I understand; but with the understanding that there will be no business transacted on Friday, we could adjourn from Thursday until Friday, and then from Friday until Tuesday, and everyone could leave who wished to leave on Thursday.

Mr. BLANTON. May I ask whether or not there will be any controversial matters taken up during next week?

Mr. RAINEY. The Agricultural appropriation bill will be taken up next week, and probably take all of the week.

Mr. BLANTON. There will be no matters of controversy? There will be no more liquor bills brought up?

Mr. RAINEY. No. This is the only liquor bill.

The SPEAKER. The gentleman from Illinois asks unanimous consent that general debate on the bill be concluded to-day.

Mr. SNELL. Mr. Speaker, I desire to ask the gentleman from Illinois a question. Does the gentleman expect the final vote on the agricultural appropriation bill will come next week?

Mr. RAINEY. I can not tell. That is always a controverted bill; there is always a lot of debate on the subject. Perhaps the gentleman from Texas [Mr. BUCHANAN] could give the gentleman some information in that respect.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the general debate be limited to to-day, one-half to be controlled by the gentleman from Mississippi [Mr. COLLIER] and one-half by the gentleman from Oregon [Mr. HAWLEY]. Is there objection?

Mr. TARVER. Mr. Speaker, reserving the right to object, the membership of the House has been promised ample opportunity would be afforded them for a discussion of this bill. It is manifestly impossible to have that during only one day's session of the House. Therefore, in the absence of some agreement as to the exact length of time which shall be occupied in general debate, I am constrained to object.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the time for general debate be equally divided between the gentleman from Mississippi [Mr. COLLIER] and the gentleman from Oregon [Mr. HAWLEY].

The SPEAKER. The gentleman from Illinois asks unanimous consent that the time for general debate be equally divided between the gentleman from Mississippi and the gentleman from Oregon. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. Such agreement would force Democrats who are against the bill to get their time from the gentleman from Oregon across the aisle. We should be permitted to get our time on our own side of the aisle, from our colleagues, Mr. SANDERS of Texas, or Mr. COOPER of Tennessee, or Mr. RAGON, who have filed minority reports against this bill. I think that the time controlled on each side of the aisle should be divided between those for and against the bill, so that we can get our time from our own side.

The SPEAKER. Is there objection?

Mr. BLANTON. I object.

Mr. HASTINGS. Mr. Speaker, may I inquire of the gentleman from Illinois [Mr. RAINEY] whether, if the Interior Department appropriation bill is not completed on Thursday, it is the understanding that the House will be in session for the consideration of that bill on Friday until it is concluded?

Mr. RAINEY. Yes; that is true.

Mr. Speaker, I ask unanimous consent that Calendar Wednesday business be dispensed with on to-morrow.

The SPEAKER. The gentleman from Illinois asks unanimous consent to dispense with Calendar Wednesday business to-morrow. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, will the gentleman from Illinois yield?

Mr. RAINEY. Yes.

Mr. BANKHEAD. It is apparent, as indicated by the query of the gentleman from Georgia [Mr. TARVER], that in

the absence of some agreement as to the specific time that shall be used to-day in the discussion of this bill, a unanimous-consent agreement can not be obtained. It seems to me that we might be able to reach some agreement on the proposition, particularly in view of the fact that although this is a very important matter and of a highly controversial nature, many Members earnestly desire to get away for the holiday vacation on Thursday.

Is the gentleman from Georgia [Mr. TARVER] willing to make any suggestion about the time we shall sit to-day in general debate that would meet with his approval?

Mr. TARVER. As far as I am concerned, I would be willing to sit here until 12 o'clock to-night, if necessary, to complete the consideration of this matter, but I do not think that the time for general debate should be limited to less than eight hours, four hours to a side.

Mr. RAINEY. We are not trying to limit it to less than eight hours. As long as the House is willing to sit here we are willing to go ahead.

Mr. TARVER. The trouble is the House will get tired about 5 or 6 o'clock; and if the gentleman intends to provide that general debate shall expire with to-day's session, then we are practically assured there will be no fair opportunity for general debate, in the event the gentleman's unanimous-consent request is acceded to.

Mr. RAINEY. There is a general desire on the part of the House to complete it to-day. I do not think there will be any difficulty about continuing the general debate until it is finished.

Mr. TARVER. Would the gentleman be willing to submit a unanimous-consent request that the time for general debate should be limited to eight hours, four hours to the side, and one-half of the time accorded the majority side to be controlled by the gentleman from Texas [Mr. SANDERS], who is the ranking Member submitting a minority report?

Mr. RAINEY. That would be the very proposition to which the gentleman is opposed. We want the debate to continue.

Mr. SNELL. Mr. Speaker, we can not hear the conversation on this side.

The SPEAKER. The suggestion has been made by the gentleman from Georgia that the gentleman from Illinois amend his unanimous-consent request to provide that general debate be limited to eight hours, one-half the time to be controlled by the Democratic side and one-half the time to be controlled by the Republican side, and one-half of the time on the Democratic side to be controlled by the gentleman from Mississippi and the other half by the gentleman from Texas [Mr. SANDERS]. One-half the time on the Republican side to be controlled by the gentleman from Oregon [Mr. HAWLEY], or such other gentleman as may be suggested.

Mr. TARVER. If that suggestion should be accepted, I for one would be willing that the time for general debate be limited to six hours, providing the gentleman from Texas [Mr. SANDERS] is accorded one-half the time on the majority side.

Mr. RAINEY. I make that request, Mr. Speaker.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the time for general debate be limited to six hours, and that one-half of that six hours be controlled by the Democratic side, the other half by the Republican side; that the gentleman from Oregon [Mr. HAWLEY] shall control three hours of the time, and the gentleman from Mississippi [Mr. COLLIER] one and one-half hours, and the gentleman from Texas [Mr. SANDERS] one and one-half hours. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, if the time is going to be divided on the Democratic side between those in favor of the bill and those opposed to the bill, I submit that likewise it should be apportioned on the Republican side.

Mr. SNELL. The gentleman from Oregon [Mr. HAWLEY] is willing to do that.

Mr. HAWLEY. I am willing to give one-half of the time allotted to this side to the gentleman from New Jersey [Mr. BACHARACH].

The SPEAKER. Then the unanimous-consent request, as the Chair understands it, is that general debate be limited to six hours, one and one-half hours to be controlled by the gentleman from Mississippi [Mr. COLLIER], one and one-half hours to be controlled by the gentleman from Texas [Mr. SANDERS], one and one-half hours to be controlled by the gentleman from Oregon [Mr. HAWLEY], and one and one-half hours to be controlled by the gentleman from New Jersey [Mr. BACHARACH]. Is there objection?

Mr. SNELL. Reserving the right to object, do we understand the debate is to be confined to the bill? That was not included in the gentleman's request.

Mr. RAINEY. I amend my unanimous-consent request to include that, Mr. Speaker.

The SPEAKER. The gentleman from Illinois amends his unanimous-consent request to provide that the general debate shall be confined to the bill.

Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COLLIER. Mr. Speaker, I wish to state that I had already made such an agreement with the gentleman from Texas [Mr. SANDERS], before it was requested.

Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquors, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13742, the beer bill, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

Mr. COLLIER. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLIER. Mr. Chairman, I yield one hour to the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Chairman, I shall not require one hour. I will ask the chairman to call it to my attention when I have spoken for 10 minutes. I expect to conclude then. I will ask unanimous consent to extend my remarks in the RECORD, and I will finish in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Chairman, this is the beer bill about which we have heard so much. It is easily understood, and during the brief time I shall address the House I shall simply try to put into the RECORD an explanation of the bill.

Section 1 of the bill fixes the alcoholic content and the tax per barrel. The alcoholic content is fixed at 3.2 per cent by weight, and the tax is fixed at $5 per barrel to contain not more than 31 gallons, and a like rate for fractional parts of a barrel.

While the evidence was conflicting, it showed, in my judgment, that beer containing not more than 3.2 per cent of alcohol by weight, which would be about 4 per cent by volume, is not intoxicating. Prof. Yandell Henderson, of Yale University, probably the greatest authority that we have in the United States on poisons, made the statement before the committee that a glass of beer containing this percentage of alcohol and not more than that, was no more intoxicating than a cigar or a cup of coffee.

Five dollars per barrel the committee is convinced is the maximum revenue rate, and this is the impelling motive which prompts a great many Members to vote for the bill. We are anxious to get revenue, and to get just about as much revenue as we can. It is estimated by Doctor Doran, of the Prohibition Unit, that at the present time 20,000,000 barrels of high-power beer, containing 6 per cent, and even more than that, of alcohol, are sold every year in the United States without the payment of any tax.

If this can be converted into a legitimate source of revenue, even if the consumption were no greater than that, it will yield an enormous amount of revenue.

Beer was first advocated as a beverage in the United States by Thomas Jefferson. On his return from France he recommended beer in the Old Dominion as a beverage which ought to be consumed in preference to the harder liquors then consumed. They did not commence to manufacture beer in the United States until 1842. For 20 years it was manufactured and sold without the payment of a tax.

In 1862 we commenced to tax beer, and it has been taxed since that time at varying amounts per barrel—$1, $2, $3, and finally $6, which is the present tax.

The largest amount of revenue we ever derived from the sale of beer was in 1918, when we collected $120,285,000, but in that year and for the major part of that year the tax was only $3 per barrel. For the balance of that year it was increased until it reached $6 per barrel.

At the present time there are only 16 States in which beer could be sold, and it will require a considerable broadening of the market before we can sell as much as 30,000,000 barrels of beer per year, but our constantly diminishing revenues from every source warn us that we must consider other sources of revenue, and this is the main reason for my position on this bill.

Section 2 of the bill simply expands section 1 so as to complete the text and make possible the alcoholic content of 3.2 per cent per gallon.

Section 3 amends the national prohibition act by providing that beer, ale, and porter can contain 3.2 per cent of alcohol, and defines the term "intoxicating liquor" as used in this particular act.

Section 4 prohibits the sale of beer authorized by this act in such States as do not want it sold there. I am aware of the fact this seems to be inconsistent, because we are proceeding upon the theory that it is not intoxicating; and from that viewpoint, if all States should accept that viewpoint, there is no reason at all for excluding beer from any State, but there are many States which do not accept that position, and this section of the bill is intended to protect those States which do not want even 3.2 per cent beer sold within their borders.

Section 5 amplifies the provisions of the other sections, protects the so-called dry States and the District of Columbia.

Section 6 makes the act applicable to Alaska and Hawaii.

Section 7 provides the penalties.

The bill provides an occupation tax upon brewers of $1,000 a year. The present occupation tax is very small. This will raise a considerable revenue, and it is a guaranty that beer will be manufactured by those larger concerns which will be more disposed to observe the law and not to put into it a higher alcoholic content than the act provides. This is all there is to the bill. The bill takes effect within 30 days after its passage. [Applause.]

Mr. SNELL. Will the gentleman yield for a question?

Mr. RAINEY. I will take one more minute to answer the question of the gentleman from New York.

Mr. SNELL. I read in a New York paper yesterday that the Democratic leadership had said this would be the only opportunity for revenue legislation to balance the Budget at this session. I want to know if the Democratic leadership is correctly quoted in that article?

Mr. RAINEY. The leadership is not correctly reported. It may be necessary to resort to other measures.

Mr. SNELL. The gentleman does not think there would be enough revenue from beer alone, even if it amounted to as much as they expect, to balance the Budget from that measure alone?

Mr. RAINEY. No; but if we get as much as we expect, and accomplish anything like the economies suggested by the President, and if we can merge certain bureaus, it may be possible to carry the matter over for a while until some upward curve in business commences, with short-term borrowing.

Mr. SNELL. But the Democratic platform is just as specific on balancing the Budget as it is on modifying the Volstead Act.

Mr. RAINEY. And the gentleman need not worry about balancing the Budget. We are going to balance the Budget.

Mr. SNELL. And are you going to do that before this session is over?

Mr. RAINEY. I do not know that it can be done before the session is over. The gentleman's party has left us an awful job to do.

Mr. SNELL. I appreciate that; but I wanted to get the gentleman's idea and wanted to know how far you are going in your attempt to do it.

Mr. RAINEY. But you left it to the party which can do it, if any party can. [Laughter and applause.]

Mr. SNELL. You have the opportunity now, and we want to see you do it.

AGRICULTURE

Mr. RAINEY. The evidence shows that a very considerable amount of malt, rice, corn and corn products, hops, sugar and sirup, and other grains will be used in the production of beer.

In 1917 the consumption of malt amounted to nearly 3,000,000,000 pounds. The consumption of rice amounted to over 125,000,000 pounds. The consumption of corn and corn products amounted to over 666,400,000 pounds, or, in other words, about 11,000,000 bushels. Nearly 42,000 pounds of hops were consumed and nearly 116,000 pounds of sugar and sirup. Of other grain, 204,000,000 pounds were used. The consumption diminished as the tax increased in 1919 and 1920 before prohibition.

A large part of the acreage devoted to malting hops in 1918 is now devoted to nonmalting hops, which is used for feed for cattle and hogs. The return of this acreage to malting hops will in some measure assist in the solution of the present difficult agricultural problem.

In 1918 there were over a thousand breweries in the United States producing over 50,000,000 barrels of beer, but the rate of tax was only $3 per barrel. If these breweries were again operating, it would be a conservative estimate to say that the yield from a $5 tax would be considerably over $200,000,000 a year. Of course, it is too much to expect that this bill, if it is adopted, would yield that much in revenue in the immediate future, but the revenue might reach for the first year half that much.

INDUCED BUSINESS

The money spent for production and distribution of beer will give employment to many men. It is estimated that in its retail distribution and in the breweries in a short time after the adoption of this bill 300,000 men will be employed and a very large number of men will be indirectly employed on account of the revival of the brewing industry in other industries. There will be a demand for bottles, hoops, crowns, barrels, cases, glassware, refrigerating equipment, and so forth. It is estimated that car loadings will be increased to a very large degree. According to statements made in the hearings by a representative of the committee on industrial rehabilitation, three men would be put to work in other lines of business for each man put to work directly in the brewing industry and in the distribution of the product.

At the present time there are only 134 breweries in the United States equipped to make beer. It is estimated that within the next year, if this bill passes, there will be a capital expenditure of $360,000,000 in the building of new plants and for the enlargement, rehabilitation, and modernization of existing plants, and the expenditure of this much money in a year would be desirable, indeed.

It is an economic mistake to say that money spent for beer would simply mean that it could not be spent for other things and that money spent for beer is absolutely wasted. As a matter of fact the consumption of a barrel of beer would mean that the Government would get in a revenue of $5. The producer of malt would get something out of it. The producer of corn, rice, and sugar would also get his share. The manufacturer of barrels would get his profit,

which in turn would be largely expended in wages for employees, and his employees would spend the wages they get for foodstuffs and clothing. The same thing is true of the industry which produces the iron hoops used on barrels. Of course, this would be an imperceptible amount if limited to one barrel; but if 40,000,000 barrels were produced, or even 30,000,000 barrels, the effect upon the resumption of business would be immediately apparent.

The industry promises capital returns, not only from the industry itself but from related industries, and we certainly need something at the present time to encourage capital investments in industry, and this would mean the consumption of more raw material, and all this is reflected in wages paid.

This is a period of diminishing returns. The revenues of our Government from every possible source now employed have fallen off at an enormous rate and the revenues from capital invested in industry are falling off. If we are to have a return of more prosperous times, an upward curve of business, we must commence somewhere. An opportunity to reinstate an important business is provided in this bill.

In Sweden they have been able to study the liquor problem more thoroughly than in any other nation, and more dispassionately, and in Sweden 3.2 beer by weight is not considered in any degree intoxicating. It is sold there just as we now sell here beer containing less than one-half of 1 per cent by volume.

It is useless, of course, to talk about getting any appreciable revenue from the sale of beer with an alcoholic content not to exceed one-half of 1 per cent by volume. The revenue is negligible, but beer which will contain as much alcoholic content as provided in this bill will be a palatable beverage which will be in demand and which will produce revenue.

Mr. HAWLEY. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, it appears that even in the discussion of this proposed beer bill, which is presumably a nonpartisan measure, there has already crept in a little evidence of partisan politics. I hope, however, not to make any such reference in my discussion, because I do not think it plays any particular part in this discussion except there is some degree of responsibility, of course, resting upon the Democratic Members on my right because of their platform declaration.

Let us see what the purpose of this legislation is. The presumption is that it is for the production of revenue. Of course, the Ways and Means Committee would not have jurisdiction if the question of revenue were not involved in this bill.

The amount of revenue, according to the evidence given at the hearings, is just anybody's guess. It runs all the way from $125,000,000 with the tax at $5 a barrel, as suggested in the evidence given by the Secretary of the Treasury, up to over $500,000,000, with a tax of $7.50, as suggested by the gentleman from New York [Mr. O'CONNOR]. Probably, somewhere between these two figures is the mean average that would be produced as revenue. Nobody knows exactly what it is. Nobody knows how quickly the brewers of this country are going to get back to what they consider normal production. Mr. Huber, of the Busch Co., testified that the brewers of the country could probably immediately produce about 15,000,000 barrels; that this is their capacity at this time. He did not refer to his own brewery, but the associated breweries. This would mean $75,000,000 of revenue at $5 a barrel.

May I say, in passing, that the report on the Canadian revenue last year showed that the revenue from their malt liquors—which, of course, would be beer and ale and porter—was in the neighborhood of $5,000,000. I should say they have about one-twelfth of our population, or one-fourteenth, and upon that basis, of course, the figures would be very disappointing as a matter of revenue, and would bring us very much less revenue than has been suggested.

Mr. CELLER. Will the gentleman yield at that point?

Mr. CROWTHER. Yes.

Mr. CELLER. Would not the gentleman say that the population of Canada is entirely different from our population with respect to its beer-drinking qualities? We have a vast German population and a vast Italian population. The foreign element among us is quite heavy, and it is inclined to beer drinking, so the comparison is rather unfair.

Mr. CROWTHER. I am going to grant that to the gentleman, because on this question of liquor taste I know he is an authority. [Laughter.]

During the recent campaign, newspaper editorials and many candidates out on the hustings claimed that there would be produced not less than $1,000,000,000 of revenue. I have seen and heard that statement more than a dozen times—that it would bring a billion dollars of revenue, and that that is the amount we were losing annually by not legalizing beer. They did not mean this to apply to the whole liquor situation, involving whisky, brandy, and so forth, but the statement was we were losing $1,000,000,000 through not legalizing beer. Some allowance should be made for statements uttered in the heat of a campaign. There were a great many statements and promises made by my genial Democratic colleagues on this side of the House, and their leaders, that will require inspiration and will produce perspiration in the process of fulfillment. Of one fact we can be very certain, and that is if the balancing of the Budget is dependent upon the revenue coming from this beer bill, the Budget is going to be out of balance for a long time. It is going to be lopsided for a good many months.

Regarding the alcoholic content of a nonintoxicating beverage, there is as great a difference of opinion as there is regarding the amount of revenue this so-called nonintoxicating beverage will produce.

The bill carries 3.2 per cent by weight, which the professors and the brewers tell us is equal to 4 per cent by volume, and testimony by competent witnesses is to the effect that such a beverage is intoxicating in fact. However, a very distinguished Member of this House testified before the committee that he had imbibed four pints of that kind of liquid before breakfast without any evidence of distress or any evidence of intoxication. This experiment was made in a foreign country that he was visiting. I refer to the gentleman from Illinois [Mr. WILLIAM E. HULL] who testified before the committee. Other witnesses testified that a beverage containing 2 per cent or less of alcohol is intoxicating.

So there you are, gentlemen of the jury. You can read the evidence and draw your own conclusions.

We had a witness who made this statement relating to the alcoholic content and its effect. Dr. William M. Hess, on page 532 of the hearings:

> A man is intoxicated when his higher intellectual functions are slowed down. We found out that 2 per cent plus of alcohol will slow down the average persons' reaction time two-fifths of a second. That means if you are driving an automobile 40 to 60 miles an hour your decision to stop will be retarded two-fifths of a second and you will glide on 20 to 40 feet; that is enough to send you either to heaven or hell, wherever you book yourself for.

[Laughter.]

Now, I am not competent to discuss the constitutional questions that are involved, but let me say here that I do not think it is constitutional to pass a beer bill while the eighteenth amendment is in the Constitution. [Applause.] I can not see how it can be done.

Another angle of the beer project is that it is supposed to be of material aid to the farmer. Once more the farmer is the subject of legislative solicitude, and the method suggested is to legalize beer.

According to the chart and figures presented to the committee, the brewers and distillers of the country in their combined use of grain use only three-quarters of 1 per cent of the grain products of this country.

This beer plan is bound to be a great disappointment to the farmers of the country. It will be disappointing to all those who have heralded it as a perfect method of balancing the Budget. I venture the opinion that it will be the most

disappointing project that ever was embarked upon for that purpose.

I find no provision in the bill for the exclusive use of American products.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. O'CONNOR. That was in the last bill, and I propose to offer an amendment to this bill including it.

Mr. CROWTHER. Now, in that relation, my good friend from Illinois [Mr. RAINEY], who is diametrically opposed to me on the policy of the tariff, asked a witness, John H. Mauff (see p. 222 of the hearings):

Mr. RAINEY. Do you export any malting barley?
Mr. MAUFF. There is practically no barley being exported.
Mr. RAINEY. Is there any being imported?
Mr. MAUFF. There is malt being imported into this country from Canada and Czechoslovakia. I am glad you mentioned that. For many, many years our maltsters exported malt to Canada. Overnight Canada put a prohibitive tax on our malt, and in the last year or 18 months in the eastern part of the United States they have received over 3,000,000 bushels of Canada malt, because we haven't got the proper protection.
Mr. HILL. From what section of Canada does this malt come?
Mr. MAUFF. Mostly the eastern part—Ontario. There was a time when Canada raised barley so superior to anything we could produce that the brewers in the Eastern States advertised their beers made out of Canadian barley. We then brought about the cultivation of this Odabrooker and other varieties of malted barley. That has all gone back into the feed class. We have now got to get the seed and see that the farmers grow that barley and assure them of a sufficient premium to justify it.

So that without efficient tariff protection imported malt and hops may add to the farmers' troubles.

A good many questions were asked by members of the committee of those who were interested in the bill, and those who were against the bill, as to what their ideas were of distribution. No concrete propositions were submitted to the committee. I doubt very much whether we would have the right to write into this legislation a method of distribution to be complied with by the States. I do not see how we could do it, and in connection with this subject I quote from a very distinguished columnist who had this paragraph in his column the other morning. He said:

In his opinion one of the great difficulties regarding this legislation was to lead the speakeasy out without meeting the saloon coming in.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. VINSON of Kentucky. Has the gentleman thought of requiring the issuance of a permit to those who offer for sale the beverages contained in this bill, with the proviso that they should not be sold in a place of the character commonly known as a saloon, or a place where hard liquor or liquor with alcoholic content in excess of that contained in the bill is sold?

Mr. CROWTHER. My idea is that the only premise upon which this bill is being given consideration and upon which its sponsors hope to pass it is that the declaration that we have made proves 4 per cent alcoholic content a nonintoxicating beverage. If it is nonintoxicating, I do not see why it should not be sold just as freely as soda water or ginger-ale or Coca-Cola or any other product, and in every public place where such liquid refreshments might be sold. It seems to me that the minute you begin to supervise and license and control it in any way, you are leading right up to the saloon. The minute you commence to describe by limitation the environment, and so forth, under which this beverage may be sold, you are leading directly to the saloon.

Mr. VINSON of Kentucky. According to my view of the situation, it was the hard liquor or the distilled liquor that brought to the saloon the attitude and feeling of the country against it. At the proper time I am going to offer an amendment that will endeavor to carry into effect the suggestion I have made.

Mr. O'CONNOR of New York. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. O'CONNOR of New York. Of course, there is no difficulty in restricting the sale, if people want to do so. Under our taxing power we clearly can restrict it. The outstanding case in that respect is the matter of oleomargarine. That is restricted as to its sale and described as to its wrapper. We have the power to do it. Of course, I am against its restriction.

Mr. CELLER. Do we not in this bill regulate distribution somewhat by taxing the retail distributor of the beer $20 as a license fee?

Mr. CROWTHER. That is in the present law, as I understand it.

Mr. CELLER. Do not we, therefore, control it in that sense?

Mr. CROWTHER. We do, but I do not see why it should be controlled, if it is a nonintoxicating beverage.

Ladies and gentlemen of the House, as long as the eighteenth amendment is a part of the Constitution, which I took an oath to support and defend, I can not see my way clear to support this bill. I regret that Members on my side of the House who favored a resubmission of the eighteenth amendment with proper safeguards for the States that desired to remain dry, and express provisions to prevent the return of the saloon, had no opportunity to vote for such a measure.

If the repeal resolution had been brought in under a rule permitting one amendment, then an amendment similar to what is known as the Glass bill would have been presented, and Members on both sides of the House would have had an opportunity to keep faith with their people and vote for it. But that is ancient history; it is water over the dam. The distinguished Speaker of the House was adamant. His mind was closed on the subject of bringing it in in any other way than under suspension of the rules.

Gentlemen of the House, it is almost unbelievable that in the midst of national distress, with unemployment and its consequent hunger and sorrow stalking the land, this great House of Representatives at once devoted itself to an attempt to repeal a constitutional amendment under a suspension of the rules with 40 minutes of debate, and is now trying to pass the buck to the Supreme Court by declaring that 4 per cent beer is a nonintoxicating beverage. In the years to come our action will be characterized as the very quintessence of legislative stupidity. [Applause.]

I yield back the remainder of my time.

Mr. COLLIER. Mr. Chairman, I yield seven minutes to the gentleman from New York [Mr. CULLEN].

Mr. CULLEN. Mr. Chairman, ladies and gentlemen of the House. On this bill I am as diametrically opposed to the position taken by my colleague from New York [Mr. CROWTHER] as he is diametrically opposed to the attitude of the gentleman from Illinois [Mr. RAINEY], on the question of the tariff.

For 12 long years this fair country of ours has endured under the tremendous handicap of living a veritable lie, a great national falsehood. The strain upon the economic and moral fabric of America has been terrific. Strand after strand snaps and our once so-beautiful pattern faces ruin. The design becomes contorted, grotesque.

Now, the Government coffers are empty, the country is in the grip of a serious economic depression, the ranks of the army of the unemployed swell to alarming proportions, the national aspect is one to bring a measure of consternation to the heart of the most skeptical. True, we have a lot of political ostriches in the high places who bury their heads in the sands of petty politics and personal gain and refuse to see the storm clouds on the horizon.

The American people are already staggering under heavy tax burdens, and additional tax upon the necessities of life is little short of national suicide. Why not first administer a tonic in the form of beer?

Legalized nonintoxicating beer, as provided in the bill before us, would not only materially reduce the national unemployment distress and revive business conditions in general, but would put back into our hungry National Treasury many millions of sorely needed dollars and would make further taxation of the necessities of life needless. Beer is a food and a tonic; it is an aid to health and if it satisfies, to some

extent, the public thirst while helping to relieve our present economic troubles, what real American can deny his country this boon? 'I am of the firm conviction that the passage of this bill will do more to promote a return to true temperance than anything that has been accomplished since the passage of the eighteenth amendment.

The hardest thing for some people to do is to admit that they are wrong. It takes courage to admit we are wrong. It takes a man with a divine soul and a brave heart to say, "I thought I was right, but I feel now that I was in error." If ever this country is to completely recover from the mire of corruption which prevails to-day, we have got to return to the constitutional freedom our forefathers fought so bitterly to give to us.

The bill before the House is a well-balanced bill, one which has received very close study and attention by the Ways and Means Committee.

In its many deliberations during the recent hearings the committee had the advice and expert-opinion testimony of brewing experts and distinguished men of the medical profession, who testified as to the harmlessness of 3.2 beer. In fact, it was generally conceded that such a drink was nonintoxicating.

I trust that the membership of both parties will appreciate the thought given by the committee to the various proposals placed before them. I am proud to say that the committee made a most exhaustive study of all proposals, and the bill before you represents the committee's conclusions on the subject.

The $5 a barrel tax recommended by the committee is, in my opinion, most sound and equitable. According to a statement made by Mr. Mills, Secretary of the Treasury, this tax is estimated to yield between $125,000,000 and $150,000,000 in revenue the first year. A higher tax will reduce the revenue to the Government and will serve only to increase the cost of the beer. It will deny the 5-cent beer to the workingman.

It was interesting to note the general feeling of various business men as to how the passage of this bill would affect business. It would lend a powerful stimulus to industries concerned with the packing and distribution of beer. It will also most certainly be a boon to the agricultural interests. It is taken for granted that the growing of hops and barley to be used in beer will show a vast increase. According to representatives of this industry, it had sunk to its lowest level since the enactment of prohibition.

Mr. Matthew Woll, vice president of the American Federation of Labor, made the statement that the legalization of beer will mean a million additional jobs.

In conclusion, I wish to reiterate that the bill is fundamentally sound, and I trust that no amendments will be offered in order that the passage of the bill will not be endangered. The country spoke in no uncertain terms with regards to this question, and it is our duty to respond to the people's wishes. [Applause.]

Apropos of that, probably you all noticed in the press this morning that Will Rogers made a great speech when he said, "The people passed on beer, but Congress is debating whether they will or not." I thought that was very significant. It was a very good speech and a whole speech, so far as that is concerned, from an individual outside of the membership of this House.

Mr. Chairman, I hold in my hand a letter from the Federal Grand Jury Association, which I want to insert in the RECORD at this point. I ask unanimous consent, Mr. Chairman, to insert this letter in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The letter referred to is as follows:

DECEMBER 14, 1932.

To the PRESIDENT AND THE CONGRESS OF THE UNITED STATES:
(Attention of Hon. THOMAS H. CULLEN, Representative from New York.)

This association, organized in December, 1927, at the instance of the then United States attorney for the southern district of New York, is composed of men qualified and accepted for service on the Federal grand jury.

One of its objects is to promote respect for law. Our members believe that laws written into or kept in force upon the statute books of our country which do not commend themselves to the moral sense of the great body of right-thinking men and women, or which for this and other reasons are unenforceable or are generally regarded as unnecessary and burdensome, do not tend toward obedience to or respect for law in general but have a contrary effect.

We recognize and at all times in every suitable way impress upon our members their duty to find true bills strictly in accord with the evidence presented on violations of the law as it now exists. A large majority of our members as a result of their experience when serving on grand juries and their observations as citizens have been increasingly convinced that the effect of the eighteenth amendment and the Volstead Enforcement Act upon respect and observance of law by our citizens is particularly unfortunate and injurious; however, it has been considered unwise for this association to take action or record its opinion on any question related to this matter unless and until there should be some pronounced and general expression on the part of the citizens of this country and of both political parties in favor of some change or modification of Federal laws having to do with the control of the manufacture and sale of alcoholic liquor.

This association does not even now consider itself at liberty to make specific recommendations on this subject, but it does urge upon the President and the Congress of the United States that whatever change or modification of law or constitutional amendment bearing upon this matter be decided upon should be done immediately and without unnecessary delay to the end that respect for law shall be increased and that other important interests of the people of this country may receive due consideration at this time.

W. S. QUIGLEY,
President of the Association.
ARTHUR S. COX, *Chairman,*
ALFRED P. PERKINS,
MOREN T. HARE,
Committee for the Association.

Mr. CULLEN. So I say to you, Mr. Chairman, and my colleagues of the House, let us not hesitate. Let us pass this bill and show the people of the country at least that we as Representatives of theirs in Congress are responding to their call. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BACHARACH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. WILLIAM E. HULL].

Mr. WILLIAM E. HULL. Mr. Chairman, prior to this time I have on several occasions addressed the House of Representatives in behalf of this legislation. It is with much gratification that I now realize not only that a favorable development of sentiment has occurred in the United States but that many of my colleagues have changed their views upon this very important domestic issue.

I have great respect for Representatives in Congress who upon full consideration and study change their opinions on public questions. I have equal respect for Members who conscientiously adhere to their views and are willing to stand on those views even in a minority. I, therefore, address the House with infinite respect for the opinions of my colleagues, whether they agree or not with the opinion which I have held upon this subject.

Having long held the position that a light beer—and certainly one containing not more than 3.2 per cent of alcohol by weight—is nonintoxicating, I have previously urged upon Congress the importance of modifying the national prohibition act in such a way as to allow the manufacture and sale of such beer in those States or neighborhoods within States where such beer would be conformable to the local law. Other men have disagreed with this conclusion, but I am much gratified now to discover that an overwhelming majority of the Ways and Means Committee have reported this bill to the House of Representatives which authorizes the manufacture of a nonintoxicating beer containing 3.2 per cent of alcohol by weight. I am further much gratified by the fact that two of the most eminent authorities in the United States—Dr. Yandell Henderson, the great physiologist, of Yale University, and Dr. Alfred Stengel, the great physician and internist of the University of Pennsylvania—independently called by the Ways and Means Committee, expressed their scientific and professional opinions to the effect that light beer is nonintoxicating, and that a beer containing not more than 3.2 per cent of alcohol by weight can not be deemed to be intoxicating or in violation of the eighteenth amendment.

The independent and convincing opinions of these two scientists on this fact settle for me any question of doubt, did I entertain doubt, and I urgently recommend to the Members of this House that during the course of this debate they examine the testimony of these two distinguished men in order that they likewise may be reassured as to the character of this proposed beer if they already entertain the idea that it is nonintoxicating. No Member of this House, unless he can disregard completely these scientific statements of fact, need have any concern under his oath to support the Constitution with respect to the prohibition against intoxicating liquors found in the eighteenth amendment.

I now ask leave to put in the record the testimony of these authorities, simple in form but absolutely convincing in its simplicity, on this scientific question.

So far as the tax assessment upon this proposed beer is concerned, I believe that the committee has shown its wisdom in laying the tax at $5 per barrel. The tax should not be so high as to invite evasion and thus continue illicit brewing with all of its attendant evils.

Mr. Chairman, do not think for a moment that the illicit brewing of beer in this country during the past 10 years has not been one of the greatest problems this country has ever faced. It is the beer racket that has been responsible for the organization of the big racketeer who has been able, through the profits made in beer, to finance all other crimes in which he has been engaged, such as robbing banks, and so forth.

I want to quote now a statement that I made before the Senate committee, January 9, 1932:

> Sherman Rogers, who has been writing a series of articles in the Red Book and other magazines, has stated that Al Capone told him he controlled the beer market in Chicago and vicinity, and that he did not allow any of it to be sold by middlemen or jobbers for less than $55 per barrel. He said that he billed it to these people at $22 and made the beer in his own breweries. He said that he provided protection against Federal and State interference, and it was up to the middleman to take care of the local officials and politicians. Capone claimed that he and his jobbing customers each netted $5 a barrel on the transaction and that the rest of the $55 was paid out in graft.

Only by the development of a reputable brewing trade engaged in the manufacture of this nonintoxicating beer at a fair price can the evils created by illicit brewing be stamped out in the great centers of population in the United States. Economically, it can be destroyed.

I have no doubt that the future regulation of the manufacture and sale of beer will be seriously guarded by the brewers themselves. Their plants have been idle for 13 years, and the lesson they have learned will without doubt compel them, through good business judgment and ethics, to inaugurate drastic rules and regulations of their own for the sale and distribution of legalized beer. The Government regulations should encourage the legitimate brewer in such a laudable undertaking.

So much for the merits of this question as a matter of changing the national prohibition act and as a matter of taxation.

I foresee vast benefits to the United States over the next five years growing out of the reinauguration of the brewing industry on lines made possible by this measure. I do not purpose elaborating on this aspect further than to say that the views expressed by one witness alone would convince me on this phase of the proposition.

Mr. Joseph Dilworth, of Pittsburgh, Pa., testified before the Ways and Means Committee. The majority report refers to the statement of this witness. He appeared on behalf of the committee on industrial rehabilitation, a subcommittee of the central banking industrial committee organized at a conference held at the White House last August. The business of his subcommittee is to secure capital plant investment in the United States. While industrial production for consumption is only 20 per cent off, manufacture of plant equipment is off 80 per cent. This committee has organized in all of the Federal reserve districts of the United States, but as yet has reports from only four cities, to wit, St. Louis, Milwaukee, Pittsburgh, and New York. These reports show, however, according to Mr. Dilworth, from $40,000,000 to $50,000,000 immediate investment for capital expenditures in brewery plants in those four districts if this act is passed.

Mr. Dilworth said that this expenditure—and I use his words—

> Would give enormous impetus to this effort we are working on.

As the Ways and Means Committee further mentions in its report, the employment of one man in the capital goods industry means that three men are put to work in other lines of business at the same time. In other words, the employment of one man in manufacturing machinery, plant, equipment, building structures, and so forth, for the brewery industry would mean the employment of three other men in other lines of industry. Mr. Dilworth said that if four cities only had plans for proposed expenditures lying on the desks of brewery executives amounting to $40,000,000 or $50,000,000, for the country as a whole it would mean many times that amount.

The committee had before it Mr. Matthew Woll, of the American Federation of Labor, urging insistently that this legislation be passed as a benefit to the workmen.

The committee also had before it Mr. James A. Emory, counsel for the National Association of Manufacturers, urging in behalf of his association that this legislation be passed for the benefit of industry. When those representing labor and when those representing capital agree on a measure before this Congress, I can only say that Congress should not disagree with these two long-time adversaries. Here labor and capital are united in advocacy of legislation. This is the first time in my experience as a Member of this House when such an agreement has been so heartily made between capital and labor.

I could call your attention to the testimony of the witnesses from different industries begging of Congress the passage of this act. Members will find that testimony in the ample hearings of the committee. For instance, a representative of the heavy-truck industry testified that 5,000 heavy trucks of the kind used by breweries would be sold during the first year. This he testified was equal to the entire purchase by the country of heavy trucks in all other lines. Railway traffic men testified that this means $100,000,000 of annual freight revenue to the railroads.

I beg of the Members of this House that they will examine the testimony of the industrial witnesses and see what a sweep of the Nation's industry is affected directly and indirectly in the rehabilitation of the brewing industry; what thousands of men will be employed in the mere establishment of this business. Such reemployment and rehabilitation will occur during the darkest hours of industrial and commercial depression. Can any Member of this House fairly say that unless completely convinced on constitutional grounds and that against the testimony of great scientists he can justly deny to the industries and the workmen of this country this positively assured relief?

As to the effect upon the agriculture of our country, the development and the continuation of this industry will mean that more than a bushel of barley, corn, rice, and hops will be purchased and consumed in the manufacture of each barrel of beer.

In my opinion, Mr. Chairman, the rapid growth of this industry will within a short time consume annually 100,000,000 bushels of farm products, which is one-third of all the grain that goes to the primary market and that this additional consumption of grain will, at the lowest estimate, advance the price of all grains on an average of 15 cents a bushel.

The only substantial way we may help the farmer is to find additional markets for his products. By passing this measure you legalize the manufacture of a wholesome, healthful, nonintoxicating beverage made entirely from the products of the American farm which will take the place of so-called soft drinks of no health value and which are made entirely from products raised in Cuba and other tropical countries. This is real, sure enough relief.

Mr. Chairman, by passing this single piece of legislation you will, in one fell swoop, help the farmer by giving him a substantial additional market for his product. You benefit labor by putting literally thousands of unemployed men to work. You restore industry by putting factories now idle in operation. You will also do more to check the growth of crime that is rapidly becoming a menace to the whole United States, because when you take the profit out of the liquor business, the millionaire bootlegger becomes helpless under the law, and the whole criminal structure collapses. [Applause.]

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to insert the testimony of Doctor Henderson, of Yale University, and Dr. Alfred Stengel, of the University of Pennsylvania.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The matter referred to is as follows:

STATEMENT OF PROF. YANDELL HENDERSON, NEW HAVEN, CONN.

Mr. HENDERSON. I will try to return your courtesy, Mr. Chairman, and abbreviate my statement as much as I can.

I wish to testify as an expert on poisons, and particularly on that class of poisons that includes alcohol. I have for many years past made a special study of volatile poisons, and alcohol is a volatile poison. From 1912 to 1922 I was consulting physiologist to the United States Bureau of Mines and developed methods of protection against mine gases, especially carbon monoxide. During the war I was chairman of the Medical Research Board of the War Gas Investigations that developed into the Chemical Warfare Service of the Army. I was in charge of all tests of poisonous gases, and of the liquids from which war gases are volatilized.

Since the war I have devoted much study to the poisonous or intoxicating substances that occur in industry. Many of these substances have effects like those of alcohol. In regard to every substance of this sort the problem for the expert is not merely to determine what is the physiological effect of the substance. What industry wants to know is how much is intoxicating, and what is the amount below which intoxication does not occur. It is to problems of this sort that I have particularly devoted attention.

I show the committee a book entitled "Noxious Gases," of which I am one of the authors, which is the standard work in this field. In regard to every substance dealt with in this book an attempt is made to state how much will kill, how much can be tolerated for a time, and how little is virtually without ill effects—that is, nonintoxicating. The substance that the public has heard the most about is carbon monoxide. A standard for carbon monoxide was required before the vehicular tunnels under the Hudson River at New York were built. I was called on to develop the standard for the ventilation of those tunnels; and the standard that I established has been adopted all over the world as affording safety against carbon monoxide intoxication. We need a similar standard against alcoholic intoxication.

I propose to testify to your committee in regard to alcohol in exactly the same way that I would in regard to standards for any one of the many new poisonous substances that chemistry is introducing into industry. But I must emphasize that none of these standards sets simply the absolute amount of the substance regardless of conditions. We must always take into account such conditions as the dilution of the intoxicant in the air or in water, the duration of time that a man is exposed to it and absorbs it, and the condition of the man, whether at rest or working, fasting, or after a meal.

Problems of this sort are not theoretical or abstract scientific questions; they are very practical problems. They deal not with what might intoxicate but with those amounts that under actual conditions are in fact intoxicating. Accordingly, I testified before a committee of the United States Senate here last January that 4 per cent beer should not be regarded and should not be defined by law as intoxicating. I have before me the report of that hearing before the subcommittee on manufactures, giving the testimony on Senate bills 426 and 2473. In my testimony I assumed that beer is to be drunk as beer is generally drunk. If, on the contrary, a man on rising in the morning were to drink a quart or two quarts of 4 per cent beer before breakfast, as a man could for experimental purposes, there is perfectly good scientific evidence that his speed of reaction and his mental and physical activity during the morning would be appreciably diminished.

On the other hand, if a man who is tired at the end of a day's work, and who is worried by anxiety over his business, drinks the same amount of beer with and after his dinner, he is not appreciably impaired for anything that a man ordinarily has to do in the evening. Instead he will enjoy a peace of mind which will contribute to a good night's rest, and which in this respect is helpful for the next day's work.

He needs a cup of coffee in the morning at breakfast to stimulate him and wake him up. It is often equally advantageous for a man who is tired and anxious after a hard day's work to take such a sedative as light beer with or after his dinner to help restore his peace of mind and sociability. A 4 per cent beer contains 3.2 per cent of alcohol by weight. It is a light beer. A beer containing appreciably less alcohol than 3.2 per cent by weight is not palatable. In Denmark a beer of 3.5 per cent by weight is called "temperance beer," and it is properly so called. Some of the Danish and English beer containing 6 or 8 per cent of alcohol may be drunk in such quantities as to be definitely intoxicating. But 4 per cent beer is so dilute as to be virtually nonintoxicating. It would require a considerable effort to drink enough to get drunk on it. If no alcoholic beverage other than 4 per cent beer were known the alcohol problem would be no more serious than the problem of tobacco.

If we keep such practical considerations in mind and consider alcoholic beverages as they are actually used, I believe that there should be no difficulty in defining standards of what is intoxicating and what is not. There is not only a clear line but a broad separation between the two principal classes of alcoholic beverages. One of these classes is that of distilled spirits including whisky, rum, gin, brandy, and crude alcohol. Their alcoholic content runs up toward 50 per cent, so high that like all proof spirits they will burn if set on fire. Beer will extinguish a fire. All the members of this class are highly intoxicating. The other class is composed of those beverages which are merely fermented. This class is composed of light beer and natural wines. It is my opinion that the wisest public policy would be in general to recognize that these two classes are so different that the first should be defined as intoxicating and the second, with some qualifications and restrictions, should be defined as nonintoxicating.

If we are ever to approach a solution of the alcohol problem, that solution must be based on reality; and the fundamental reality is the clear and sharp distinction between those beverages that are highly intoxicating and those that, as used by our people, are virtually nonintoxicating. It was the failure to make this distinction that produced the fearful evils under the licensed saloon system. It is the failure to make this distinction also that has produced the equally great failure of prohibition. Unless we make this distinction in the future, we shall certainly have back the saloon, or the bootlegger, speakeasy, and racketeer, or perhaps all of these evils together.

What is intoxication? Every dictionary that I have consulted defines intoxication as involving two ideas; one is poisoning, the other drunkenness.

Webster's Dictionary gives this definition: "Intoxicate. To poison, to make drunk, to inebriate, to excite or stupify by strong drink or by a narcotic substance"; and as examples of "intoxicating agents" Webster's Collegiate Dictionary gives "alcohol and opium." The Century Dictionary derives the word "intoxicate" from the Latin "intoxicare" to poison. It defines intoxication as "(1) poisoning, and (2) the act of inebriating; drunkenness; the state produced by drinking too much of an alcoholic liquid, or by the use of opium, hashish, or the like." The same dictionary defines poison as "(1) a drink, a draft, a potion; and (2) any substance which, introduced into the living organism directly, tends to destroy the life or impair the health of the organism."

As an illustration, it quotes a sentence from Emerson, which includes tobacco, coffee, alcohol, hashish, prussic acid, and strychnine.

In the light of these definitions alcohol in those beverages which induce drunkenness and intoxication is classed with morphine, hashish, and cocaine and other narcotic drugs. This is in accord with general experience; for the most destructive poisons that act in modern society are those alcoholic beverages that do induce intoxication. The only other substances that compare with the stronger alcoholic beverages in this respect are the narcotic alkaloids, particularly morphine and heroin and cocaine. When we learn to control the intoxicating beverages, that is, the various forms of distilled spirits, along the same general lines that the United States Government now controls opium and cocaine and other narcotics, we shall approach a solution of the problem of alcoholic intoxication.

Those who wish to keep the eighteenth amendment in the Constitution and the Volstead Act in its present form claim and fear that the legalization of light beer will bring back the saloon. There is good ground for this fear. In my opinion, the saloon will certainly come back in an aggravated form unless we make a distinction between spirits and beer and unless the Federal Government controls spirits along somewhat the same lines that it now controls narcotics.

What is a saloon? It is not merely a room with a brass rail and a swinging door. The essential feature of the saloon is that in it both nonintoxicating beer and highly intoxicating spirits can be sold and dispensed over the same bar. Under such conditions the drinking of light beer leads easily and often to the drinking of highly intoxicating spirits.

Spirits are as intoxicating as morphine. On the other hand, a glass of beer is less intoxicating than a cigar. But suppose that the same law applied to narcotic drugs as to tobacco, and that every tobacco shop offered its customers the choice of tobacco or opium, a cigar or a grain of morphine. The certain result would be thousands of morphine addicts. Yet that is essentially the sort of arrangement that the saloon provides. Alcoholic drunkenness and morphine addiction are, from the medical and social standpoints, equally great evils. They are the two most destructive drug habits of which we have any experience.

The point is that, if nonintoxicating beer and natural wines are to be legalized safely, the highly intoxicating distilled spirits must be subjected to a totally different type of control from anything that we have had in the past. The failure of the eighteenth amendment as interpreted in the Volstead Act is due mainly to



the failure to make this distinction. Prohibition enforcement has largely suppressed consumption of the virtually nonintoxicating beverages; but the bootlegger has supplied an ample volume of highly intoxicating distilled spirits.

The distinction between the intoxicating and the nonintoxicating beverage is entirely practicable. In California, according to press reports, a referendum at the recent election was passed by a majority of 470,000 votes that as soon as the eighteenth amendment is repealed the sale of beer and light wines with meals in restaurants shall be legal, but that spirits shall not be sold for consumption on the premises. In Sweden under the Bratt system essentially this arrangement has been adopted, but with the important addition that before a man can buy spirits he must obtain a license such as we have to get before we can drive an automobile. In addition, under the Bratt system no one, even with a license, is allowed to buy more than about 1 liter of spirits per week. If he abuses the privilege, his license to obtain spirits is taken away from him.

In Germany the people derive more social pleasure from alcoholic beverages with less harm to the individual or to the community than in any other country. There is no pleasanter or more harmless way to spend a summer evening than to sit in a Munich beer garden, eat roast goose, listen to a good brass band, and drink a liter or two of the light Munich beer. The German beer garden is always a restaurant, never a saloon. There are often a couple of thousand people in such a garden and not one case of drunkenness. It has long been the custom of the Germans to treat beer as essentially a food and to treat spirits as intoxicants; and German laws embody and enforce this custom.

I have here three volumes of German laws and regulations. One deals only with beer. It is devoted wholly to questions of taxation. German beer is taxed on the basis of the amount of malt used in its manufacture, which comes to the same thing as a tax on the alcoholic content. Its purity and wholesomeness are regulated essentially as foods are regulated. But I find no reference whatever to any part that beer may play in alcoholism.

On the other hand, here is a volume dealing with spirits and the monopoly of the sale of spirits established expressly for the purpose of controlling and diminishing the evils of alcoholism. It is highly significant that beer is not mentioned so far as I can find anywhere in this volume as contributory to alcoholism.

The third volume deals with licenses to sell alcoholic beverages and provides for higher rates and much more stringent conditions for spirits than for beer and for wine.

To avoid misunderstanding, let me sum up in a few clear-cut statements:

Beer of less than 3 per cent alcohol is not palatable. Beer of 6 per cent or more alcohol may be distinctly intoxicating if drunk in large amounts. Beer of about 4 per cent is not appreciably more intoxicating than an equal volume of coffee. The dilution of the alcohol in 4 per cent beer is such as virtually to prevent the drinking of a sufficient amount to induce a condition that can properly be defined as intoxication.

Wine is drunk so little in this country that it is not very important how it is treated by law. Although a man could get intoxicated on wine of 10 per cent alcohol by volume, or 8 per cent by weight, wine of this strength is so much less intoxicating than cocktails, whisky, and other forms of distilled spirits that it would be wise public policy after repeal of the eighteenth amendment to class natural wines with beer as virtually nonintoxicating. The experience of wine-drinking peoples, such as the French and Italians, shows little intoxication from wine. If we could lead our young men, and our young women particularly, to substitute wine for cocktails, the gain for temperance would be enormous. The cocktail habit is a form of drug addiction.

Distilled spirits are narcotic drugs, and their use should be controlled along somewhat the same lines as morphine and cocaine. The control, to be effective, must be maintained by the Federal Government.

Beer of 4 per cent and wine of 10 per cent should be sold in restaurants licensed under State laws. But the sale of spirits in restaurants should be prohibited by Federal law. Bottled beer and wines should be sold in licensed grocery stores, but the sale of spirits in groceries prohibited. Distilled spirits should be sold only in drug stores licensed under Federal law in such States as do not prohibit spirits by State law; not more than 1 pint bottle to be sold at one time and only to responsible citizens who have obtained a license to buy and consume spirits.

Unless the alcohol problem is in future to be handled along some such lines as these, based on realities, the third experiment we are about to make will almost certainly be as great a failure as our two previous experiments with the saloon under the old license system and the bootlegger under prohibition.

May I take about two minutes more?

The CHAIRMAN. Proceed.

Mr. HENDERSON. I have reconsidered, in preparing for this hearing, the scientific evidence with which I was already quite familiar, and for that purpose I have used this volume, Alcohol and Human Efficiency, which I have brought with me. I have also used a volume by my colleague, Professor Miles, which is the most careful study that has ever been made.

I have not taken your time with extensive details of scientific evidence, but I believe that it would be conceded by everyone who has studied the question, that the dilution of alcohol enormously decreases the effect. Twenty-five cubic centimeters of alcohol diluted merely with an additional 25 cubic centimeters of water, are two to three times as intoxicating as if that alcohol is diluted in half a liter of water. I have here a liter flask; if there is any question as to what I am talking about, it is measured on that.

Mr. RAGON. Make that statement again.

Mr. HENDERSON. Dilution greatly reduces the effects of alcohol. I will put that in concrete form. The amount of alcohol in two cocktails, drunk on an empty stomach, has a far greater effect than two or three times as much alcohol in a very dilute beer, drunk under the conditions under which beer is drunk. That is generally with a meal; that is, dilution decreases the effects. That is true of all poisons. Strychnine, for instance, is a convulsive poison; it causes convulsions and death, but it is very commonly used in minute amount in cathartic pills and is a useful and effective drug. Morphine and codein are narcotic poisons, but used in small amounts they are not only harmless but useful.

I could give you many illustrations from industry. Take tetraethyl lead. Tetraethyl lead is a terrible poison. Diluted to the extent it is in gasoline, as ethyl gasoline, there has not yet, so far as I am aware, been a single case of demonstrated poisoning. The dilution makes not only a quantitative, but an absolutely qualitative difference.

The figure that is generally given and accepted as that below which there is no physiological effect is when there are five ten-thousandths of alcohol in the body; that is, for a 70-kilo man, when there are less than 35 or 40 cubic centimeters of alcohol in his body. One liter of 4 per cent beer, if a man could pour it right straight into his body, or into his blood at the most rapid possible absorption, would be below the amount at which there would be any effect at all. The threshold, as we call it, at which there begin to be alcoholic effects is generally taken at 1 to 1,000, or 0.1 per cent. That would be the equivalent of twice that much [indicating], if it could be taken into the blood, not merely into the stomach.

The absorption of alcohol in high concentration may be extremely rapid, because it is taken up directly from the stomach into the blood. The absorption of dilute alcohol is comparatively slow, because it goes on down into the intestines and is absorbed as food is absorbed, that is, slowly.

I would point out that spirits are very commonly taken in the form of cocktails and are generally drunk on an empty stomach; and highballs and drinks of that sort are taken between meals, whereas beer and wine, and we have to take this into consideration, are generally taken with or after meals. I don't think I have ever seen anyone sit down and drink two of these liters of beer on an empty stomach, but I have seen many men drink more than that amount of alcohol in the form of cocktails before dinner and then try to drive a car home. And in my judgment their reactions and coordinations are, on scientific evidence, sufficiently impaired to be defined as intoxicated.

The rate at which alcohol is burned in the body is about 10 cubic centimeters per hour, so that if the absorption is spread over a considerable time the amount in the body at any one time is appreciably decreased. There is also some excretion through the breath and through the urine.

Now I come to the question of what we should consider as intoxicating. In a strictly medical sense the principal poisonous effects of alcohol are cirrhosis of the liver, gastritis, delirium tremens, and coma or complete drunkenness.

The old toper gets cirrhosis of the liver. That is a disease that is well recognized, proved, and admitted by all medical testimony to be frequently induced by spirits. It occurs occasionally in people who do not use alcohol at all; but the whole evidence is that it is not induced, practically can not be induced, by a light beer. It is very doubtful even that it can be produced by the habitual use of wine, as the French use it, so that this result of intoxication, in the toxicological sense, applies to spirits and is excluded with the light beverages.

The second most important injury from intoxication is gastritis; that is, chronic inflammation of the stomach. I have seen, 50 years ago, when I lived in Kentucky and knew a good many drunks, an old gentleman who would have a bottle of cream by his plate, and everything that he ate was coated with that cream. He had burnt the lining of his stomach out with Bourbon whisky. You can't do that with an alcoholic beverage well below 20 per cent. I am not advocating the figure of 20 per cent on any other grounds, but gastritis is not induced by drinks in which the alcohol falls below 20 per cent. It is caused by undiluted whisky.

The third principal pathological effect of alcoholic intoxication is delirium tremens, and all medical evidence is conclusive that the constant use of spirits, probably in about the amount of a quart, or liter, or 1,000 cubic centimeters of whisky per day, leads to delirium tremens. But the drinking of light beer and wine practically never does.

A quart of whisky may induce coma. As many quarts of light beer as a man can drink will not. On these grounds I suggest that the Congress, as rapidly as possible, should recognize the necessity for a really practical definition of what is intoxicating. When that is done there will be, I think, comparatively little difficulty in recognizing what is nonintoxicating.

I thank you.

STATEMENT OF DR. ALFRED STENGEL, UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA.

Doctor STENGEL. Mr. Chairman and gentlemen, I was not familiar with the method of your procedure, and I have no brief to offer, but I am presenting my views regarding that part of the subject under your consideration which I have some reason to

have knowledge of, the question of the nonintoxicating qualities of beverages and the other question as to the effect of the eighteenth amendment and the Volstead Act on the present-day situation. I base my information regarding these two questions, particularly the first one, on an experience of over 40 years as a practicing physician, a physician to three of the largest hospitals in Philadelphia; a term of several years in charge of the alcoholic ward of the City Hospital of Philadelphia, and a lifelong acquaintance with beer drinking through my having been a student of medicine in various countries of Europe that are familiarly known as the beer-drinking countries—Germany, Austria, and England.

I also beg to submit that an interest in industrial medicine during a number of years past has given me a certain familiarity with conditions that require consideration in this matter of beer drinking.

The question of what constitutes a nonintoxicating beverage is, of course, a difficult one to answer; and immediately there is a certain confusion thrown into the matter by the statement of those who are in opposition to any percentage of alcoholic beverage, by saying "they contain alcohol, and is not alcohol a poison? Is not alcohol a narcotic?" Alcohol is not a poison, and it is not a narcotic until you get above a certain percentage; and it is not a poison to a human being if you get above that percentage but have it not absorbed into the blood stream.

The question of determining whether an alcoholic beverage of a certain strength is intoxicating in fact or not can be approached in two ways for solution. One of these ways is the way of the scientist who establishes by refined experimentation the precise alcoholic content of the blood stream, of the blood at a given moment, with or without the manifestations of intoxication, and then he tries to deduce from that how much alcohol or what strength of an alcoholic beverage would have to be swallowed in order to put that percentage of alcohol into the blood stream at a certain given time. Now, this is filled with so many intangibles that it is a very hard matter to solve.

In the first place, it depends a good deal on how alcohol is consumed, whether rapidly or slowly. It depends on whether the stomach contains food at the time or not. It depends, of course, very largely upon the strength or the content of the alcohol in the beverage. It also depends on the rapidity with which alcohol is burned or eliminated from the system. Taken slowly, alcohol may be eliminated from the system almost as rapidly as it is taken. That would have to be very slow. But there is a considerable elimination going on all the time that alcohol is being consumed, if it is consumed slowly.

This method of approach, this scientific method of approach, does not appeal to me particularly, nor does it fall so well within the range of my personal experience. I have a great deal more reason to speak on the basis of what I have observed of the drinking of alcohol and the people who have been consistent alcohol drinkers. In the entire range of my experience, I have never seen a person, a beer drinker, who had developed either the brain effects, what we call "alcoholic psychosis," or "alcoholic neuritis," or alcoholic disease of the liver.

Some years ago, speaking particularly of the nervous effect of alcohol in a discussion with the late Dr. Francis Dercum, of Philadelphia, a very eminent nerve specialist, he and I were comparing notes, and I said to him: "Dercum, have you ever seen a case of alcoholic psychosis or alcoholic neuritis from beer drinking?" He said: "Never." And that is my experience. I have never seen in the alcoholic wards of the Philadelphia hospital among the alcoholics, who were so abundant there at one time—I do not know the conditions to-day, but I suspect they are just about as abundant now—not one of them that was merely a beer drinker. I have seen statements of the dire effects of beer drinking, as indicated by certain statistics. Well, most of us disregard statistics largely, but with regard to those statements, I would say I do not believe them. All the beer drinkers that I have seen, who have had any of the dire effect of alcohol, have been people who were taking a very plentiful amount of hard liquor on the side, and I think most of us from intelligent, common-sense observation would be of that opinion, too.

So that, so far as direct observation of people who have been consistent beer drinkers is concerned, my experience is that beer is not an alcoholic beverage of such strength as to be regarded as intoxicating. When we come to attempt a definition of "intoxicating," perhaps that should be left to the Congress and not to anyone else, for I do not know anyone that has yet given a definition that everybody else would agree to, but we usually mean, of course, by "intoxication," by "alcoholic intoxication," the lack of coordination of muscular power and disturbance of cerebral action or brain. I have never seen such effects as that from beer drinking. There have been individuals and the records of various investigations give accounts of those who have swallowed inordinate quantities of beer and who have brought upon themselves certain results, but I would submit that the swallowing of an inordinate quantity of water would also bring about unfavorable effects. The effects of gluttony are not to be measured by the particular content of what was swallowed but by the amount and the stress that is put upon the human system by such acts. That is not beer drinking.

When we are considering the question of an alcoholic beverage nonintoxicating in fact, I think we must have regard for the average individual using a beverage in the average, ordinary sort of way. By those exceptions I would indicate certain things of a very definite sort. There are people with idiosyncrasies; there are people who can not eat strawberries or the white of eggs without becoming poisoned. There are doubtless people who can not drink even a small amount of alcohol without showing bad effects. The confirmed alcoholic is usually a psychopathic, not always perhaps but usually, and some of such individuals perhaps might, from the drinking of ginger ale or from one of these beverages that contain a very small amount of alcohol, get certain effects. We must observe that drinking buttermilk, or eating baker's bread, or drinking some of these soft drinks, so-called—that we are always getting a small amount of alcohol; but no one in his senses, I think, would call those intoxicating beverages; neither do I think that one-half of 1 per cent is a reasonable, proper, or sensible figure. When it comes to an exact figure, I think we should take a leaf out of the book of experience and say that the kind of beer that people have been drinking without harm to themselves, as I have observed over 40 years, a beer which contains a little over 3 per cent by weight of alcohol, is a nonintoxicating beverage. I have not the slightest doubt of that.

That is substantially, Mr. Chairman, what I had to say to you, unless there is something you may wish to ask me.

Mr. SANDERS of Texas. Mr. Chairman, I yield to myself 10 minutes. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. SANDERS of Texas. Mr. Chairman, I am not a fanatic on this subject. As a member of the Committee on Ways and Means, I heard and read all of the testimony that was submitted to that committee on this question. I personally tried to approach it in a judicial way. After hearing that testimony, I, together with two other members of the committee, filed a minority report, which is very short and is as follows:

MINORITY VIEWS

We have heard and read all of the testimony before the Ways and Means Committee relating to the proposed legislation on beer. Taking all of this testimony as a whole and duly considering same, we are of the opinion that the proposed bill is violative of the Constitution of the United States which in this regard reads as follows:

"After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we can not, under our oath, support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform, which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2, which means beer of 4 per cent alcohol by volume, is intoxicating in fact and is the same type which was generally produced and sold prior to the Volstead Act. The sale of such beer because of its alcoholic content is not permissible under the Constitution.

HEARTSILL RAGON.
MORGAN G. SANDERS.
JERE COOPER.

In filing that minority report I did not and do not now impugn the motives of any Member of this House. I take it that each and every Member of this House, both ladies and gentlemen, in approaching this question is trying to serve and carry out the wishes of their constituents, and that they are just as honest and sincere as I am. Therefore, I do not question the motives of anybody.

I have already stated that, based upon the hearings, I can not support this legislation. I am going to take the little time allotted to me to read to you some extracts from the public press because I feel that the membership of this House would be glad to know what the reaction is among the people in this country.

In the first place, I wish to quote from "Bugs" Baer, in a recent issue of a paper, in which he heads it as follows:

12-YEAR BATTLE WINS ONLY FOAM

Congress is going to be busier than feathers in a windstorm. It is going to put beer over this week.

It will be the 3.2 brand. Palatable, nonintoxicating, nourishing, quenching, and harmless.

That means the wets have argued 12 years for nothing.

The Nation, a magazine published at 20 Veasey Street, New York City, a wet publication, in its issue of December 21, 1932, made the statement that it is in favor of the repeal of the eighteenth amendment. It also made the following statement:

Would it be wise to legalize the sale of beer and wine before the eighteenth amendment is repealed? We feel that it would not. We believe it would be a serious mistake for Congress to enact the Collier bill or any similar measure, even for the sake of the revenue it might produce, before adequate and conclusive consideration can be given to the liquor problem as a whole. To attack this problem piecemeal, as Congress is doing, will simply add to the difficulty of arriving at a proper solution and may serve in the end to defeat the repeal movement.

Let us suppose that the sale of beer is made lawful before the eighteenth amendment is done away with. What will be the most probable consequences of that act? In the first place, it will not have the slightest effect on the evils now existing. Legal beer will lessen very little, if at all, the present demand for hard liquor. The speakeasies we shall still have with us, and the bootleggers and racketeers as well. There can be little doubt that the latter will seek forcibly to invade the lawful beer trade. Indeed, the brewery interests have already informed Government officials in Washington that if the sale of beer is legalized, steps must be taken at the same time to protect them from the racketeers.

Mr. CELLER. Will the gentleman yield?

Mr. SANDERS of Texas. I yield.

Mr. CELLER. Did the gentleman vote for the repeal of the eighteenth amendment?

Mr. SANDERS of Texas. Did I?

Mr. CELLER. Yes.

Mr. SANDERS of Texas. Does the gentleman mean in this session of Congress?

Mr. CELLER. Yes.

Mr. SANDERS of Texas. I was not here, being detained on account of sickness and death in my family.

Mr. BRITTEN. Will the gentleman yield?

Mr. SANDERS of Texas. I yield.

Mr. BRITTEN. The argument which the gentleman has just read from the Nation was evidently conveyed to the House with the view of leading the House to believe the gentleman was in favor of repealing the eighteenth amendment. The gentleman now states to the House that he would have voted against repeal of the eighteenth amendment; so his argument from the Nation falls flat, does it not?

Mr. SANDERS of Texas. No. I think the gentleman does not understand what I have been saying, but I do not have the time to repeat it for the gentleman's benefit. I never did cross myself on any proposition; and if people can not understand me, I am not responsible.

Mr. Chairman, I do not know the character of the publication—the Washington Post. I never thought a great deal of it, but this is what that paper says in its issue of the 18th instant:

As a tax measure, the beer bill is poor legislation.

I will say that if the Members will read the testimony of the Secretary of the Treasury before our committee, they will find he did not place a very high estimate upon the revenues that would be produced.

Reading further from the Washington Post of the same issue:

The beer bill contains no prohibition against the saloon, as it is held that the beer to be manufactured is not intoxicating. Yet the committee insists that the beer will be so "palatable" that a revenue of $300,000,000 will be derived from it. One statement or the other is false.

One statement or the other is false.

That is the Washington Post saying it. Then again it says in the same editorial:

The alcohol in 4 per cent beer is so diluted—

The editorial is commenting here now on the majority report, and in that comment it quotes this from the majority report—

The alcohol in 4 per cent beer is so diluted that it would require considerable effort on the part of an average person to drink enough to become drunk.

That is what they said in their editorial. Then the Star says:

This is all true. But is there any evidence that thousands of persons will not be glad to expend the "considerable effort" necessary to become drunk on beer? If, by expending considerable effort, they become drunk on beer, is beer intoxicating in fact?

Then the Star, referring to that portion of the majority report that beer would probably be taken in limited quantities with food, says:

Is there any basis for the assumption that "beer is to be drunk * * * in limited quantities with food"? Is not the weight of the evidence, drawn from common knowledge regarding the condition before prohibition, exactly to the contrary?

I know it is, and you know it is.

When the saloons were selling beer, did the patrons of the saloons consume it only in limited quantities and with food?

You know they did not. The Washington Star says they did not. This is what the Star says in conclusion:

This beer bill permits the return of the beer saloon. People will get drunk in those saloons on 4 per cent beer. That is the truth—and it can not be dodged.

Mr. LANKFORD of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Texas. I yield.

Mr. LANKFORD of Virginia. I expect the question that is troubling me is troubling many Members, and that is whether 4 per cent beer is in fact intoxicating. If it is not, I am perfectly willing to support the bill. If it is, I can not support it.

Can we not settle this very difficult question by getting Dr. Calver, or somebody, to fix up a concoction of 4 per cent alcoholic content and let us test it for ourselves? [Laughter.]

Some say it is, and some say it is not. Let us find out.

Mr. SANDERS of Texas. I am speaking of the testimony that was adduced before the committee. All of the reports show that this contains alcohol 4 per cent by volume, and that is really the old-time beer, and a man as old as my friend there is, if he stops to think, would know that they used to get drunk on that kind of beer. [Applause.]

The Washington Post, in its issue of December 19, editorially states:

Every step that the House takes to legalize beer before repealing the eighteenth amendment leads into further difficulty.

It then goes on to discuss the Collier bill, and mentions the fact that beer would be legal in only 14 States. Analyzing the bill as a whole, the Post takes the position that the bill would lead to a hopeless confusion, and says:

The result of such legalistic confusion would be that any and all beer would be sold openly without regard to its alcoholic contents.

Then the Post asks the pertinent question:

Why should Congress protect the dry States from importation of 3.2 per cent beer, if that beverage is not intoxicating? * * * Why not let it pour in upon the dry States and let them do as they please about it?

I wish that someone would answer that proposition.

Commenting further, the Post adds:

The attempt to set up barriers against it at the borders of dry States makes ridiculous the whole attempt to restore alcoholic beverages under the eighteenth amendment. Having found that the repeal horse was balky, the committee is trying to make the beer cart lead the way. It should not be surprised if the result is a failure.

The severe penalties now in the Volstead law against the unlawful manufacture of liquor are adopted in this bill. If this beer is nonintoxicating, then is not Congress doing an injustice to impose upon the manufacturer of these beverages the harsh provisions in the Volstead law? Why impose harsh penalties, if the beer is nonintoxicating? Has innocence in ancient, medieval, or modern history ever been so jealously guarded? The bill further provides that licenses may be revoked for failure to obey the law. If this bill is not in violation of law, then why should this severe penalty

be imposed? Permits can not be issued for the manufacture of beer in dry States under this bill. If the beer is not intoxicating, why should not permits be issued? Under this bill the beer called for can not be shipped into dry States. If the beer is nonintoxicating, what is the harm of shipping it into dry States? This bill provides that all seizures and forfeitures may be prosecuted under the Volstead law. If this beer is nonintoxicating, why should its proponents desire to bring it under the harsh provisions of the Volstead law? Under preprohibition law the license fee for breweries was $50, if the brewer made less than 500 barrels per year. If the brewer made more than 500 barrels per year, it was $100. Under this bill the license fee for brewers is $1,000. Does it not seem that we are dealing harshly with the breweries in taxing them $1,000 for making this nonintoxicating beverage? Under this bill beer may be sold in or from bottles, casks, barrels, kegs, or other containers, but must be labeled and sealed as provided by the Commissioner of Alcohol. Why that provision, if the beer is harmless and nonintoxicating? Before engaging in business the manufacturer must qualify "as a brewer under the internal revenue law and secure a permit under national prohibition act, as amended and supplemented, authorizing him to engage in such manufacture, which permit shall be obtained in the same manner as a permit to manufacture intoxicating liquor and be subject to all the provisions of law relating to such a permit." If this beer is nonintoxicating, is it not dealing rather harshly with the manufacturer to make him qualify as a liquor dealer? The bill further provides that "whoever engages in such manufacture without such permit, or in violation of such permit, shall be subject to penalties provided by law in case of similar violations of the national prohibition act as amended and supplemented." Is this dealing fairly with the brewers in manufacturing a perfectly innocent, nonintoxicating drink? It looks like to me that the brewers ought to be protected from their friends. If this bill passes as reported by the committee, will someone please explain to me what will prevent the return of the saloon, against which both parties declared?

Arthur Brisbane says:

It is pathetic that the richest nation in the world should rely for the solution of the money problems on a glass of beer and the amount the drinker can be taxed.

The Dallas News, in its issue of November 13, 1932, contained a very able editorial on this proposed legislation. It said:

Congress should go slow before it enters on a controversy over the Volstead Act of the eighteenth amendment and should remember that the Supreme Court has the last word in respect to congressional statutes. The problem of prohibition is no easy one. Admittedly the law is flouted in many places by numerous reputable citizens every day in the year. On the other hand, there never was a time in preprohibition years when liquor interests obeyed the law with any completeness. Bootleggers, speakeasies, and illegal liquor were well known before 1918. If the sale of light wines and beer were now permitted, it inevitably would bring back the saloons in some form or another, and this again would become the Nation's greatest curse. The expense of wines and beers consumed would certainly mean a corresponding smaller amount for food and clothing, along with a lessened demand for soft drinks, milk, ice cream, and such substitutes for liquor. Intoxicating drinks add nothing of real worth to civilization; the higher the civilization, the less the consumption of alcohol. This is a time to make haste slowly. Economic problems are at the front, not beer drinking. Expected income from beer would be more than offset by increased demand for charity and the added cost of crime. Drinking would multiply accidents in automobiles and reduce working efficiency and home expenditures. Why jump out of the frying pan into the fire by substituting an open saloon for a relatively few wretched speakeasies and law-breaking bootleggers?

I have submitted these extracts from newspapers because I feel it is important for us to know how the people are feeling about these matters. I would like also to call attention to the fact that the Wickersham commission spent nearly a million dollars in making an investigation of the liquor question. There were 11 members of that commission and 10 out of the 11 subscribed to the following:

First. The commission is opposed to repeal of the eighteenth amendment.

Second. The commission is opposed to the restoration in any manner of the legalized saloon.

Third. The commission is opposed to the Federal or State Governments, as such, going into the liquor business.

Fourth. The commission is opposed to the proposal to modify the national prohibition act so as to permit manufacture and sale of light wines or beer.

It is my information that a majority of the members of the Wickersham commission were wet. The member of the commission who did not sign the above report made this statement:

I do not favor the theory of nullification; and so long as the eighteenth amendment is not repealed by constitutional methods, it seems to me to be the duty of Congress to make reasonable efforts to enforce it.

Concerning light wines and beer this same member of the Wickersham commission says:

I do not think that any improvement in enforcement of the eighteenth amendment would result from an amendment of the national prohibition act so as to permit the manufacture of so-called light wines and beer. If the liquor so manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors; and if it were intoxicating, it could not be permitted without violation of the Constitution.

The name of the member of the Wickersham commission from whom I have been quoting, and who, I understand, was wet, is Mr. Monte Lemann, of New Orleans, La.

Another member of the Wickersham commission, Chief Justice Kenneth Mackintosh, of the Supreme Court of Washington, said:

Civilization will not allow this Nation to end the long attempt to control the use of alcoholic beverages.

I have said that under this bill as reported by the committee the open saloon is inevitable. I defy anyone to contradict that under the plain language of the bill and the evidence offered to the Ways and Means Committee, and in this connection I desire to call attention to the fact that George W. Wickersham, the chairman of the Wickersham commission, said in his report:

The older generation very largely has forgotten, and the younger never knew, the evils of the saloon and the corroding influence upon politics, both local and national, of the organized liquor interests. But the tradition of that rottenness still lingers even in the minds of the bitterest opponents of the prohibition law, substantially all of whom assert that the licensed saloon must never again be restored.

I believe as strongly as that I live that this bill, in its present form, constitutes a nullification of the Constitution of the United States, which I have taken an oath to support. Nonintoxicating beer may now be manufactured and sold throughout the United States. The percentage of alcohol called for in this bill is that of the old-time beer, which produced intoxication in its day and which will produce intoxication now. I think friends of this measure are wasting time on pressing its consideration at this time. On August 11, 1928, President Hoover, in his acceptance speech at Stanford University, said:

Modification of the enforcement laws which would permit that which the Constitution forbids means nullification. This the American people will not countenance. Changing the Constitution can and must be brought about only by the straightforward method provided in the Constitution itself. There are those who do not believe in the purposes of several provisions of the Constitution. No one denies their right to seek to amend it. They are not subject to criticism for asserting that right. Whoever is elected President takes an oath to faithfully execute the office of the President, but that oath provides still further that he will, to the best of his ability, preserve, protect, and defend the Constitution of the United States. I should be untrue to these great traditions, under my oath of office, were I to declare otherwise.

This same man is the President of the United States at this time, and can anyone who is in favor of this legislation believe that he will approve this bill if it is passed? Or have you forgotten that the President made that statement? In view of that statement, are you not wasting time to-day in considering this legislation? I know that we are wasting time, whether you know it or not. Daily I am receiving letters from farmers, good, honest men, who, handicapped by circumstances over which they have no control, are to-day

about to lose their farms because they can not meet their payments to the land bank which holds indebtedness against their farms. These farmers are not anarchists; they are not bolsheviks; they are the "salt of the earth" and the hope of the stability and prosperity of this great Republic. Congress should be dealing with their problems at this time and making it possible for the refinancing of all of these obligations of the farmers in order that they may save their homes, and if this short session of the Congress adjourns without doing something in this regard, then it would have been better had it not met.

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.
Princes and lords may flourish or may fade,
A breath can make them, as a breath hath made;
But a bold peasantry, the country's pride,
When once destroy'd, can never be supplied.

This Nation can not regain prosperity until its farmers are prosperous, and their welfare should be the first thing to be considered by this Congress, and I for one will never vote to adjourn for the holidays or for any other time until our responsibility to them and to our country has been met to the very best of our ability.

Who saves his country saves all things; and all things saved bless him; who let his country die, let all things die, and all things dying curse him.

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Chairman, I am glad to see a spirit prevail in this House whereby proponents of this legislation as well as the opponents give each other respectful attention. The question before us is a great one. Many millions of people in the country are interested pro and con. I hope that we who are opposing this legislation give just as respectful attention to those proposing it as we would wish them to give us.

Mr. Chairman, I do not agree with those who say that the unprecedented majority given the Democratic Party in the last election was based upon the proposition that the people wanted booze. To-day we are wasting precious time. There are 10,000,000, to be conservative, of wage earners and bread-winners who are walking the streets in the land of opportunity, wondering where the next meal is coming from for their little children, and we, as a measure of remedying the economic chaos in America, are going to bring the people out of depression into the sunlight of opportunity and a job by passing a beer measure.

This legislation emanates from the Ways and Means Committee. Its primary purpose, therefore, is to raise revenues for the purpose of balancing the Budget. That is the only reason that committee would have for considering this legislation. Now, how much revenue will it raise? The Secretary of the Treasury says from $125,000,000 to $150,000,000 a year. The proponents of the legislation try to convey the argument that it will raise a great deal of money, and in their strongest statements they say it will raise between $200,000,000 and $250,000,000.

Mr. Chairman, there will be a deficit in the Treasury of at least $1,000,000,000 on next July 1, the start of the fiscal year; yet it is claimed, and the impression has gone out, that this legislation is going to balance the Budget. Such argument is nonsensical. It will not stand the test of the facts as to the Budget, and I hope those who are proposing it will take the stand that they are voting for this legislation because of satisfying the human appetite rather than solving the economic questions facing us to-day and the question of balancing the Budget.

Four per cent beer—3.2 per cent by weight—is admittedly the old beer. Is there any Member here who can conscientiously say that when three-fourths of the States, acting through their State legislatures, ratified the eighteenth amendment they did not intend to outlaw beer as well as hard liquors?

On December 7 I made reference to a statement that had appeared in the press quoting Anton Cermak, the mayor of Chicago. I made that speech on a Wednesday. If the papers correctly quoted him after the election, flushed with the great Democratic victory, he said the people had spoken and that he would not interfere with the sale of beer in Chicago.

Now, what happens when you turn over a great city to the hoodlums and the racketeers when the dollar sign is actuating them to kill each other? It was not over five days later that there were 8 killings in Chicago in a 24-hour period—6 men and 2 women. However, I want to give him credit. He saw the falsity of the philosophy that would turn over the government of a community to the hoodlums and the racketeers, and he instructed the police department to make raids upon speakeasies and beer joints, and they took axes, according to the newspapers, and smashed down the bars. Now, according to the press dispatches, he says he has rid Chicago of the beer racketeer and the bootlegger. I want to commend the mayor of Chicago for that action, the same as I criticized his attitude prior to that time.

I think America has learned a lesson from what occurred in Chicago and that we are not going to be misled by this beer legislation into the belief that the beer racketeer and the bootlegger will not be here in this country, even if this legislation is passed, to sell hard liquor to those who want it.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. MOUSER. I yield.

Mr. SABATH. The gentleman has spoken approvingly of the splendid efforts on the part of Mayor Cermak, who rid Chicago of the conditions existing under prohibition. I want to say to the gentleman that two mayors before him tried to do it, and both failed, because the prohibition law could not be enforced.

Mr. MOUSER. That is not a question; that is a statement. Now, listen. I want to say to my friend from Chicago that the reason the mayor of Chicago took the step he did was not because of prohibition but because of the fact he told them to turn on the beer right after election day.

Mr. PALMISANO. Will the gentleman yield?

Mr. MOUSER. I will yield in a moment.

That is the falsity of the flush of victory that tells the hoodlums they can take over municipal government, and that is the falsity of passing beer legislation to cure the claimed evils of prohibition or the eighteenth amendment, in that you are going to stop the racketeer and bootlegger and prevent corruption by the passage of this so-called revenue measure. The hard-liquor drinker will want liquor, and you are going to have Canada supplying liquor to American citizens, and millions of dollars will go there, and you will still have your racketeers and bootleggers.

Mr. COOPER of Tennessee. If the gentleman will yield just on that point, I may state to the gentleman that the representative of the brewers' association before the committee stated very frankly that the enactment of this bill would not eliminate the bootlegger.

Mr. MOUSER. That is the record, and I thank the gentleman for his contribution.

Now, if you are trying to carry out the Democratic platform by forcing beer legislation upon this Congress prior to submitting the eighteenth amendment and the question of its modification or repeal to the people in an orderly way, you are forgetting the mandate of the American people and the great plank in your platform which pledges you to restore economic prosperity in this fair land of ours—America, where a man has the right to expect a job if he is honest and willing to work. I am glad there are many distinguished gentlemen on the Democratic side of this House who are not forgetting the primary purpose of the American Congress at this troublesome time.

Mr. BRITTEN. Will the gentleman yield?

Mr. MOUSER. I will yield for a question, but not a speech.

Mr. BRITTEN. My friend from Ohio is appealing to the gentlemen on the other side to listen and to follow a certain mandate in their national Democratic platform, while at the same time he is preaching to them to reject another mandate in that same platform.

Mr. MOUSER. Oh, the trouble with the gentleman is that he is following the mandate of the Democratic platform and not good common sense. [Laughter and applause.] I have a great deal of respect for my friend from Illinois, but I think he has gone clear daffy on the question of beer.

Mr. BRITTEN. If I have gone "clear daffy on the question of beer," I will be here next year to remain daffy while the gentleman, because of his stand on prohibition, will not be here because of his intolerant stand on prohibition. I am sorry for him in his misjudgment.

Mr. MOUSER. I do not yield further. Let me say to the gentleman that the gentleman may find out that the people of Chicago will turn him out of Congress if he permits the hoodlums and the racketeers to run his city. [Applause.]

Mr. BRITTEN. Chicago has always been able to care honorably for itself.

Mr. MOUSER. You are not here for life, Fred—better men than you have been defeated.

Mr. BRITTEN. The speaker himself is a better man than I am, but he is intolerant on the prohibition question.

Mr. MOUSER. I am not a bigot. I will vote for resubmission if the dry States are protected and the saloons outlawed.

Mr. BRITTEN. Did the gentleman vote for resubmission a few weeks ago?

Mr. COOPER of Ohio and Mr. BLANTON rose.

Mr. MOUSER. I yield to the gentleman from Ohio.

Mr. COOPER of Ohio. According to the philosophy of the gentleman from Illinois [Mr. BRITTEN] a man's qualifications to represent a great industrial district like the gentleman's district or my district in Congress, is to be measured on a glass of beer.

Mr. MOUSER. That is right.

Mr. COOPER of Ohio. If that is the only qualification he has to have, why put the people to the expense of holding primary elections—go down into the back alleys and pick them out—you can find them there any time you want them. [Applause.]

Mr. MOUSER. Why have the American Congress, where people debate great questions? Let us meet in breweries and in saloons and settle all the questions of the day. I can not understand that great feeling of exaltation which thrills a man because he was elected this year in trying to underestimate the sincerity of us lame ducks. There have been very great men in this House who have been defeated. I am quite sure my distinguished friend from Illinois was not elected because he came out of the White House and quoted the President as saying he would sign a beer bill. I am quite sure the gentleman observes the proprieties in his district in Illinois, and I am sure he did not mean to override precedent for years in quoting the President of the United States to the effect that he would sign a beer bill, when the gentleman from Illinois had no right to.

Mr. BRITTEN. Will the gentleman yield?

Mr. MOUSER. I can not yield.

Mr. BRITTEN. I want the gentleman to be correct in his statement.

Mr. BLANTON. Mr. Chairman, the gentleman refuses to yield. The gentleman from Illinois ought to observe the proprieties.

Mr. BRITTEN. Mr. Chairman, I merely desire the gentleman to be correct in his reference to me.

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Illinois?

Mr. MOUSER. I would be glad to have the gentleman correct the statement appearing in the press, if he will not make a speech.

Mr. BRITTEN. I shall not make a speech. I may say that when I came out of the White House after conferring with the President, I was asked if he would sign the beer bill——

Mr. MOUSER. What did he say?

Mr. BRITTEN. Not what did he say—what did I say.

Mr. MOUSER. What did he say?

Mr. BRITTEN. I said he would not veto the beer bill if passed by the present Congress. Then some reporter asked me, "Did you say he would sign the bill," and I said, "No; I did not say he would sign the bill; I said he would not veto it." I merely wish the gentleman to be correct.

Mr. MOUSER. Does not the gentleman think he violated the etiquette of the occasion and violated the precedent——

Mr. BRITTEN. No; not a bit. I truly believe the President will not veto a great revenue-producing measure at a time when the Federal Treasury is so flat.

Mr. MOUSER. When you came out of a conference with the President and left the intimation that the President had said he would not veto the beer bill.

Mr. BRITTEN. No; my language to the press representatives was very clear and based on ordinary common sense.

Mr. MOUSER. What does the gentleman say now as to whether the President will veto this bill or not?

Mr. BRITTEN. I will tell you why I said that.

Mr. MOUSER. What do you say now?

Mr. BRITTEN. I say now he will not veto this bill if it is passed by the Congress.

Mr. MOUSER. On what do you base that?

Mr. BRITTEN. On a letter the President wrote in 1918. [Here the gavel fell.]

Mr. HAWLEY. I yield the gentleman one minute more.

Mr. YATES. I ask unanimous consent that the gentleman from Ohio may have all the time he wants.

The CHAIRMAN. The gentleman from Oregon controls the time.

Mr. BRITTEN. I will say that I base that on a letter written by the President himself to Senator SHEPPARD, in which he said that it would be pretty hard to become intoxicated on 2.75 beer. The President was appealing against intolerance toward the brewers of the country. He favored their brewing of a wholesome glass of beer.

Mr. MOUSER. But we have 4 per cent beer in this bill.

Mr. SABATH. When was the letter written?

Mr. BRITTEN. In 1918. [Laughter.]

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, ladies and gentlemen of the committee, by the passage of H. R. 13742 we will be fulfilling one of the pledges made in the last campaign, one the American people have a right to expect will be fulfilled at the earliest date possible.

The voters at the last election indorsed the Democratic platform by an overwhelming vote. A platform which reads in part as follows:

> We favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

In my opinion, when this bill is passed every Democratic Member that votes for it will have fulfilled the promise he made on this question. I have received a number of letters from constituents, in which they say:

> You were not a candidate at the last election, therefore you are not bound by the platform adopted by the Democratic Party at Chicago.

It is true I was not a candidate, but I spent almost six weeks speaking for my party and assured every audience that if the Democrats were successful that the pledges made in our platform would be fulfilled; and for that reason, if for no other, I feel that I am obligated to vote for this bill, and I likewise feel that every other Democratic Member that was a candidate or spoke for the Democratic ticket in the last campaign should vote for this bill.

H. R. 13742 is not in every detail the kind of a bill I would like to have seen brought on the floor, and I have no doubt in my mind that every member on our committee would like to see some change made in it; furthermore, I hope it may be amended here on the floor so that beer can only be served and consumed in bona fide hotels, restaurants, clubs, public eating places, dining cars, or homes; but, regardless

of whether it is or not, I expect to vote for it, for in the few years I have been here I have found that no Member, regardless of who he may be, or the position he holds, is ever able to have legislation passed exactly the way he would like to have it. The bills that are finally passed are generally a compromise.

The majority of the voters at the last election, in my judgment, said in no uncertain terms that they not only wanted Congress to submit a resolution to the States for the purpose of repealing the eighteenth amendment of the Constitution, but they also demanded that Congress modify the Volstead Act so that a nonintoxicating drinkable beer could be made and sold without it being considered unlawful. So for that reason, Mr. Chairman, ladies, and gentlemen, whether this bill is written exactly the way I would like to have it or not, I for one feel that it should be passed, so that a palatable beer can be restored to the great majority of American people that have demanded it and that our Government can collect the revenue it has been deprived of, which in the years prior to 1920 was a very fruitful one.

Much has been said about the per cent of alcoholic content. I have in the past been for a 2.75 per cent alcoholic content by weight for the reason that I was not sure 3.2 per cent would stand the test of the court, but some of our best legal minds have advised us that if the bill is passed with a 3.2 per cent alcoholic content by weight it will be constitutional. Some of the best experts before our committee testified that a 3.2 per cent beer would require a much larger quantity of farm products. This being true, and with our farmers in the condition they are to-day, I am willing that the alcoholic content be made 3.2 and trust it will stand the test of the court as to its constitutionality.

There has been a wide difference of opinion expressed before our committee as to what was really intoxicating in fact and as to what alcoholic content would make a beverage that would be an acceptable drink, what amount would be consumed, and as to what the tax should be.

After listening seven days to the hearings, I am frank to say, as a member of the committee, the opinions of experts on this question are about as far apart as the North Pole is from the South Pole. Some seem to think we can balance the Budget by legalizing beer, while the Secretary of the Treasury told us the $5 per barrel tax would only bring into the Treasury from $125,000,000 to $150,000,000. One Member of Congress asked that the tax be made not over $3 per barrel, while another Member, who, by the way, has been one of the leaders of the so-called wet group, said it should be $7.50 per barrel. Another Member of Congress said he went to a brewery in Sweden at 9 o'clock in the morning, before eating or drinking anything, and on an empty stomach drank four bottles of beer 3.2 by weight and that it did not affect him mentally or physically.

Bishop Cannon stated:

> I have heard within the last two weeks two individuals say that they have become intoxicated on one-half of 1 per cent when they took it on an empty stomach. Just that much alcohol made them unsteady and uncertain.

One professor told us that anyone would become more intoxicated by smoking a good cigar than he would by drinking a glass of 3.2 beer, while another professor stated that through personal experiments or tests he had made he had found that 3.2 beer was intoxicating. When he was asked about comparing it with a cigar, he stated he had not made any tests on cigars. For your information, however, I will say I found out that the professor that said it was not intoxicating liked a glass of good beer but did not smoke cigars, while the one that said it was intoxicating did not like beer but did like a good cigar. So, the only thing any member of the committee could do after listening seven days to the hearings was to use his own best judgment, and, I as one member of the committee, am convinced that this bill should be passed for four reasons.

First. The restoration of a light beer, now practically unavailable, in my opinion would displace much of the hard liquor now widely available and thus promote sobriety and temperance.

Second. Liquor and beer of a high alcoholic content, as we all know, are now sold almost everywhere without the Government getting any tax. If this bill is passed, in my opinion the Government will receive between $200,000,000 and $400,000,000 income from the $5 per barrel tax on beer, the $1,000 brewers occupational tax, and from an increased income tax from those who manufacture and furnish supplies to the brewers. This, as we all know, would go far towards balancing the Budget and if economy is adhered to during this session, possibly prevent further increases in taxes.

Third. The manufacture of beer would increase the use of the farmers' grain and other products. To manufacture the beer that it is estimated would be consumed the first year would require approximately 44,000,000 bushels of barley, 800,000,000 pounds of other cereals, such as rice and corn, and sugar and other ingredients used in the manufacture of beer, and this would possibly be increased to twice that amount in three or four years.

Fourth. It will give employment to approximately 75,000 men in the breweries and about 225,000 men in the wholesale and retail distribution. In addition, there will be at least twice that many men indirectly employed through the demands made for supplies by the brewing industry and the retailers of beer. In addition to this, it is estimated that the expansion of production in the brewing industry would require an estimated capital expenditure of $360,000,000 within the next year for rehabilitation and modernization of plants and getting ready for retail distribution would require possibly a larger amount of expenditures.

Mr. Chairman, ladies, and gentlemen, in my opinion a large majority of the American people are demanding that legislation of this kind be passed and that without delay, and I feel that it is our duty as Representatives in Congress to comply with their wishes and pass this bill. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield eight minutes to the gentleman from Missouri [Mr. DYER]

Mr. DYER. Mr. Chairman, on the 17th of December, 1917, this House passed a resolution out of which grew the eighteenth amendment to the Constitution. On January 29, 1919, it became a part of the Constitution.

Since that time we have had prohibition in this country. I voted against that resolution at the time and spoke against it, and have for all the years since believed that prohibition had no part in the Constitution of the United States, but was a matter at all times for regulation by the States.

I am glad that the people on the 8th of November last expressed themselves so well and so forcibly and so ably upon this question, although I am one of those who will leave Congress at the end of this session because of that vote. The reason for this is that I had to run at large, and all the Democratic candidates for Congress in Missouri pledged themselves to vote for the repeal of the eighteenth amendment and to modify the enforcement act. I had to run on the Republican ticket, which was not as clear upon this as the Democratic, yet I received 609,268 votes, running ahead of all the Republican candidates and received 100,000 more votes than Mr. Hoover did in the State. I am glad that the people, through the Democratic Party and its platform have had an opportunity to express itself upon this evil which has caused so much destruction of property and employment and heavy taxation upon the people of America.

They expressed themselves ably and well, and the great leader of this House, the Speaker, had the courage to bring forth into this House some weeks ago a resolution that came from the people of this country and his party, and yet there were those, as there are now upon the Democratic side, men representing districts of this country, coming from the people in the whole Union who expressed themselves so strongly against prohibition, who defeated the resolution submitting to the people a repeal of the amendment. Some of them to-day are here voicing their opposition and the carrying out of another pledge of that platform which provides for the people a nonintoxicating beverage.

And upon that question of its being intoxicating, permit me to say that I have for 20 years been a member of the committee of the House that has jurisdiction of the question of prohibition.

We had extensive hearings time and time again before and after the resolution calling for the eighteenth amendment was ever submitted, and the opinion of experts who are able to know is that a beverage of this character is not intoxicating. Even Mr. Volstead himself admitted that 3 per cent beer is not intoxicating. The reason we put in one-half of 1 per cent was because of laws in the Internal Revenue Department affecting alcoholic content to be used in non-alcoholic beverages, and because a number of States had that provision in their laws. It was dishonest, so far as the amendment was concerned, to say to the people by implication even that anything over one-half of 1 per cent of alcoholic content was intoxicating. I wish Mr. Volstead were here himself to-day, because I know that the author of this prohibition enforcement act would tell you that it is not intoxicating.

The eighteenth amendment and the enforcement act have brought about conditions in this country that are intolerable. I cite you an instance. A short while ago they inducted into office in Minnesota Mr. Robert D. Ford as prohibition administrator for the eighth district. Mr. Volstead, the author of this enforcement act that we are considering to-day, was present. He had been the attorney up there for this prohibition administrative department. The new prohibition administrator was introduced to Mr. Volstead. He said to him, "I am happy to meet you, Mr. Volstead, but I would not have had any trouble in recognizing you from your pictures. Just last week down in Baltimore on Linden Street, I raided a speakeasy, and there was a picture of you hanging over the bar." So, Mr. Chairman, in lieu of decent and respectable places for the drinking of nonintoxicating beverages, we have to-day the worst-possible conditions under this law.

Mr. Wayne B. Wheeler for years represented the Anti-Saloon League here. He has testified also that one-half of 1 per cent is not intoxicating, that 2 per cent is not intoxicating, and that 3 per cent is not intoxicating. Recently Mr. Justin Stewart published a biography of the late Wayne B. Wheeler, and here is what he said, in part:

> Wayne B. Wheeler controlled six Congresses, dictated to two Presidents of the United States, directed legislation in most of the States of the Union, picked candidates of important elective State and Federal offices, held the balance of power in both the Republican and Democratic Parties, distributed more patronage than any other dozen men, and supervised a Federal bureau from the outside.

Mr. Chairman, this is the situation to-day; and the American people on the 8th of November last said to their Representatives, "Legislate for us and not allow the Anti-Saloon League to further do this job." [Applause.]

Seventy-five or eighty thousand persons were employed directly in the breweries.

Mr. Wheeler, of the Anti-Saloon League, told the Senate Committee on Agriculture in 1917 that more than 1,000,000 persons were engaged in the manufacture and distribution of alcoholic beverages. I think he was not far wrong.

During the period of maximum production of beer more than 1,700 breweries were in operation. Most of these breweries have been idle for 12 years. It would cost approximately $100,000 each to remodel them for operation. That would give employment to much capital and labor.

It is perfectly clear that on the preprohibition rate of taxation and production that the legal sale of beer would produce a revenue of $400,000,000 annually for the Federal Government and the States would also benefit in revenue from this source. This $400,000,000 would not come the first year, but by the end of the second year it will.

In establishing the economic value of beer, we can safely rest upon facts well established by prohibitionists themselves.

In 1917 Prof. Irving Fisher, of Yale University, was president of the National War Time Prohibition Association. He was closely identified with the Anti-Saloon League. Professor Fisher, in collaboration with Professor Carver and four other economists of Harvard, and Prof. A. E. Taylor, of the University of Pennsylvania, submitted complete proof to the Senate Committee on Agriculture that the brewing industry at that time was consuming 80,000,000 bushels of grain annually.

Before the Senate Committee on Agriculture, George S. Milnor, high-priced grain expert of the Federal Farm Board, stated that it would give full-time employment to 25,000 farmers to grow the 25,000,000 bushels of wheat exchanged for Brazilian coffee. That makes it very clear that it would take the full time of 80,000 farmers to produce the 80,000,000 bushels of grain that would be used by the breweries on the preprohibition basis. In 12 prohibition years the farmers, on account of the prohibition of beer, have lost a market for 960,000,000 bushels of grain, and 960,000 farmers have lost a year's work and income.

Professor Fisher also stated that the breweries originated 13,500,000 tons of freight. That would load 675,000 freight cars. In 13 years the railroads and other freight-handling agencies have lost the movement of more than 8,100,000 cars of brewery freight.

As to revenue, beer was paying a tax of $6 a barrel when the prohibition law became effective. The amount of revenue returned to the Federal Treasury would depend upon the tax imposed and the quantity consumed. If we used the preprohibition production and tax rate, the return to the Treasury would be approximately $400,000,000.

In this connection I have just received some interesting figures from Mr. F. O. Weber, president of the International Steel Co. of Evansville, Ind., as to the number of persons employed in similar industries in England. These figures were compiled by the American Chamber of Commerce in London:

Persons employed in brewing, distilling, malting, and bottling	115,000
Merchanting and wholesale dealing	6,000
Retailing on the premises	400,000
Retailing off the premises	54,000
Registered clubs	12,000
Barley growing	35,000
Hop industry	14,000
Other allied trades	35,000
Total	671,000

In addition it was stated that 440,000 persons were wholly dependent on these industries as shareholders, and that the number of persons indirectly dependent upon them through taxation was 500,000, making a grand total of 1,611,000 persons.

One of the best authorities in the brewing industry is August A. Busch, of St. Louis, Mo. He recently stated that the enactment into law of such a bill as this would provide employment for 1,250,000 in nearly 100 different industries. Reestablish a profitable market for 80,000,000 bushels of grain annually, thereby absorbing the surplus that demoralized grain prices and ruined 30,000,000 farmers. Return an annual revenue of $400,000,000 to the Federal Government and wipe out the Treasury deficit. Help reduce enforcement and crime costs now imposing a burden of $12,000,000,000 to $18,000,000,000 a year on the people. Create an immediate demand for 3,220,000 tons of coal and put in operation 180,000 freight cars transporting this coal to the breweries. Make a powerful contribution to the industrial, economic, and agricultural welfare of the country, thereby helping to restore prosperity.

Mr. Chairman, I end my remarks, as I began, by saying to the Democrats, "You pledged beer in your platform; your candidate for President did the same. The people believed you would keep your word. You did not do it on the repeal resolution. Will you fall down on this? Was your platform and the declaration of your candidates 'molasses to catch flies'?"

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. VINSON of Kentucky. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman and members of the committee, I do not desire to discuss this matter from a political standpoint. My colleague from Missouri [Mr. DYER], who has just taken his seat, knows that the people of Missouri spoke on this question in November last, and that in the next Congress the 13 Democrats elected at large from Missouri will cast their votes for repeal of the eighteenth amendment and for the modification of the Volstead law. Further than that, the eight Democratic Members of the present Congress, who will be present in the next Congress, are pledged to vote for this measure, as well as for the repeal of the eighteenth amendment, and they so voted a few days ago and I know they will so vote to-day.

A proper title to this bill would be a bill to reduce unemployment, to provide a market for surplus agricultural products, to assist industry generally, and to increase the revenues.

I come from a city, St. Louis, where the brewing industry was the leading industry of the city prior to prohibition. To-day there are over 100,000 people out of employment there and more than that number existing upon charity. If there is any one act that Congress can perform to relieve that situation, it will be to permit us to resume the manufacture of legal beer in the city of St. Louis.

Some Members here seem to justify their opposition to this bill upon the ground that it will bring back the saloon. Is there a Member of this House who can honestly say that the saloon has ever disappeared? No; the saloon still exists and in many instances it is now in the home. That is a question for your State to decide through regulation and not for the Congress to decide. [Applause.]

To my friends from the farming districts let me say that in the big cities we have asphalt streets, we have granitoid sidewalks, and brick alleys. We do not raise the 125,000,000 bushels of grain that go into the manufacture of beer. That grain is raised upon your farms, and if you want to assist in passing a real farm-relief measure, here is an opportunity to do so. It will absorb the surplus and raise the price of the farmer's products.

I express the hope that Members here will for once think of the welfare of their country, think of relieving the people of this country, many of them facing starvation, and pass this bill to-day so that we will give the unemployed work in this country. You harm only the bootlegger. A vote against this bill is a vote for the bootlegging industry.

Put men back to work; starting in the forests, cutting down the timber which goes into the making of the boxes that move the finished product; help the railroads and the miner, and all the way down the line. By so doing, you are going to help somebody beside the brewing industry. You are helping the cities and the farmers. You are increasing the revenue. This is a real relief measure. [Applause.]

Mr. SANDERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, the Constitution of the United States is the organic law of the land. It is made by the people, not by the Congress. We are here as the representatives of the people. The sovereign power is with them, not with us. It is not for us, therefore, to tamper with their organic law. They alone can change it. That it may be preserved as they themselves decree it, we, as their representatives, take but one oath, aside from the promise to discharge faithfully the duties of our office. That oath is to support and defend that Constitution of the people against all enemies, foreign and domestic.

The Constitution contains a provision prohibiting the manufacture, sale, and transportation of intoxicating liquors. Whether that provision is a wise one that should be retained or an unwise one that should be repealed is for the people themselves to determine, not the Congress. The fact remains that it is now a part of the Constitution, the very Constitution we are sworn to support and defend. Under these circumstances there can be, in my judgment, no freedom of choice on the part of Representatives, whether wet or dry, in the matter of voting upon a proposal violative of that provision of the Constitution.

The bill before us proposes to legalize beer and other named beverages which contain not more than 3.2 per cent of alcohol by weight, which the committee states in its report is equivalent to 4 per cent by volume. What a very striking resemblance to the beer manufactured and sold before the adoption of the eighteenth amendment! If it is not intoxicating, the enactment of this proposed legislation would very grievously disappoint those who are sponsoring it. They can hardly be supposed to believe that the drinking public in America is going to expend enormous sums, a small fractional part of which as taxes will yield the Government hundreds of millions of dollars annually in revenue, for a beverage altogether lacking in the proverbial kick. [Applause.] This country has a great many soft drinks at present, and not all the manufacturers of them are prospering by any means. What rosy hope can there be that the adding of another soft drink to the list will swell our Federal income so extravagantly? The answer is plain: It is not that kind of beverage. [Applause.]

Mr. STAFFORD. Mr. Chairman, I rise to a question of order.

The CHAIRMAN. What is the question of order?

Mr. STAFFORD. It is that a former Member of this House, even though he was a candidate for the Presidency of the United States on the Prohibition ticket, has no right to applaud on the floor of the House remarks of the speaker having the floor.

Mr. BLANTON. No one could keep from applauding that sentiment.

The CHAIRMAN. The gentleman has properly raised a question of order. The Chair is advised by the Parliamentarian that although the gentleman referred to is entitled to the privilege of the floor it is a violation of the rules for him to indulge in approbation or disapproval of what may be said upon the floor.

Mr. LANHAM. A very interesting feature of the majority report is that in which it seeks to give medical advice to the American people as to the times and manner of their drinking. It seems from this part of the report that though its authors fear the beverage they prescribe is intoxicating when taken as a mere potation, they desire to avert that possibility by suggesting that it be consumed only at meals, and so diluted with food as to rob it of this intoxicating effect; but they are somewhat careless in that they do not particularize to state either the quantity of beer that should be drunk or food that should be eaten to insure this result. Surely, with such information lacking, some people may fail through sheer ignorance in diluting properly with meat and bread this beverage which they recommend to be so taken. I am inclined to doubt that the committee will be able by this advice to restrict the American people altogether to a faithful observance of the convivial formula they prescribe. And in giving their medical injunction the majority of the committee seem to have more in mind the constitutions of American citizens than the Constitution of the United States.

But, adroitly sidestepping the real issue involved in so far as our votes on this measure are concerned—that is, whether or not it authorizes the manufacture, sale, and transportation of an intoxicating beverage—the question of raising revenue is brought to the foreground and emphasized. It has been stressed by some recently that the real issue is that of taxes. They contend that the true purpose can not be to give beer to the thirsty, because the thirsty are now getting their fill under present conditions. In my opinion, that argument very largely refutes itself. I think any observing person will agree that there is much truth in the statement that they who desire beer are getting it now. But how are they getting it? In many, if not in most, instances they are brewing it themselves; and I think the candid observer will confess also that they are brewing it much cheaper than they can buy it under the terms of this bill and that it has a considerably higher alcoholic content than that here pre-

scribed. What assurance have we, even if the question were reduced to one of revenue, that these people will relinquish their cheaper beer with the harder kick for the so-called mild beverage the committee offers? And, with millions of our citizens walking the streets asking for employment by which they may earn enough to provide food and clothes and shelter for their families, from what source is the enormous revenue to come for this more expensive and less exhilarating drink? That the proposed tax on beer can prove no panacea for our economic ills is established by a glance abroad. In European countries beer and ales and wines and liquors of various kinds are plentiful and practically unrestricted, but their financial situation is quite as deplorable as our own, perhaps more so.

In my judgment, this matter should not be approached from an individual attitude of being wet or dry. The first and prime thing at issue must necessarily be whether or not this measure violates the Constitution of the United States. If it does, neither wets nor drys can be justified in supporting it.

The sponsors of this bill are putting the cart before the horse. If the cure for the existing evils is to be found in the repeal of the eighteenth amendment and the determination of policy by the individual States for themselves, then let the matter be submitted to the people that they may consider and discuss it thoroughly and determine the policy to be pursued. It is their province to make this policy, not ours. Until and unless they change it, it is beyond our right as Representatives to violate our present obligation and responsibility. We are but their agents. The question with us in the consideration of this bill is not whether we are wet or dry, but whether or not we have that respect for the organic law of the people and its observance that, under our oaths, we will uphold it regardless of whether or not it comports with our individual opinions.

For us there is one chief inquiry: Is this proposal in contravention of the Constitution of the United States? That must be our principal consideration whether wet or dry. Believing as I do that it is in violation of the constitutional provision, I can not give it my support. [Applause.]

Mr. SANDERS of Texas. Mr. Chairman, I yield 12 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, at a time of great distress and misery, unparalleled during the last half century of our country's history, and as the day approaches when the Star of Bethlehem is again to shed its holy light over the sufferings of our people, the Ways and Means Committee comes bringing its gift in commemoration of the natal day of the Savior of mankind, and that gift is the open saloon.

When I look upon the personnel of this great committee, and I think of the iniquitous general sales tax which they sought to foist upon us at the last session of Congress and are reported to be considering anew, when I think of the abhorrent nuisance taxes which they did impose upon our people, I can not fail to join those things in my mind with this proposal, that the people of the United States shall spend a billion dollars a year for the enrichment of the brewers, and in order that $300,000,000, or approximately that amount, may be paid into the Treasury.

I recall in that connection that the gentleman from New York [Mr. CULLEN] in his remarks this morning pointed out that that money is to be spent by the poor man; that this is the poor man's drink. So it is from the poor man of the United States that it is proposed to take this $1,000,000,000 to be divided jointly between the breweries and the Government itself. I think in that connection also of the fact that the American Congress is still spending a billion dollars a year more than the people of this country have found themselves able to pay in taxes, and when I think of those things it seems to me that I hear floating on the air at this Christmastide the words of Him who taught along the shores of Galilee, when He said:

> Woe unto you also, ye lawyers, who lade men with burdens that are grievous to be borne and ye yourselves touch not the burdens with one of your fingers.

Mr. BEAM. Will the gentleman yield?

Mr. TARVER. I can not yield. My time is very limited.

In the days when the French Revolution was impending her counselors came to the Queen, Marie Antoinette, with the statement, "The people are hungry. They have no bread," and the Queen exclaimed, "What? They have no bread? Then let them eat cake."

To-day millions upon millions of American citizens who are just as much entitled to live in comfort as you or I come to the Congress of the United States with the cry that they are hungry, that they are naked, and this merciful Ways and Means Committee of the House of Representatives replies, "What? You have neither food nor clothes? Buy beer. Buy yourselves a billion dollars' worth of beer."

A century and a half ago guillotines took root and thrived on words and conduct of that kind.

My friends, this legislation that it is proposed to enact will, if passed, spread upon the statute books of this country a legislative falsehood, and that is particularly true of section 2 of the bill. Let me read a part of it to you:

> Wherever used in the national prohibition act, as amended and supplemented, the following terms shall, so far as relating to beer, ale, porter, or similar fermented liquor, have the following meanings:
> (1) The term "one-half of 1 per cent or more of alcohol by volume" shall mean "more than 3.2 per cent of alcohol by weight."

And there are other similar provisions in that section. The committee reports that it is "technically necessary" to include these provisions in the bill, and yet the fact remains that in order to bring about the passage of this measure the committee finds it necessary to declare, and to ask us under our oaths to vote to declare that one-half of 1 per cent of alcohol by volume is the same thing as 3.2 per cent of alcohol by weight.

There is not a man upon the floor of this House who does not know that it is not true, and if he votes for it he votes for it knowing that it is not true. If there is a man within the sound of my voice who differs with that statement, I want him now to rise in his place and state the basis for his difference.

Mr. STAFFORD. Do I understand the gentleman to say that 3.2 per cent beer is intoxicating?

Mr. TARVER. I am not discussing that question at all. I am discussing the provision which has been incorporated in this bill which declares that "one-half of 1 per cent or more of alcohol by volume" shall mean "more than 3.2 per cent of alcohol by weight."

It is fitting that a palpably untrue declaration of that sort should be included in a bill which, if it is passed, will be in its entirety a tremendous, abhorrent legislative falsehood.

Mr. MOUSER. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. MOUSER. If 4 per cent beer is the old beer, I will say that it is intoxicating.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. TARVER. I am sorry, but I can not yield. I only have a few minutes remaining.

Now, if this beverage intended to be legalized by the passage of this bill is not intoxicating, there is not a wet in this country that wants it. If it is intoxicating, it is unquestionably in violation of the oath of office of every Member of this House who votes for it.

I propose, with the consent of the House, to insert in the RECORD at this point a brief statement of the constitutional provision on this subject and of the oath of office of a Member of the House of Representatives, and in connection therewith an excerpt from the Democratic platform relating to this subject matter.

The Constitution of the United States provides:

> The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

The oath assumed by Members of Congress is in the following language:

I do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

The Democratic platform of 1932 declares:

We favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution, and to provide therefrom a proper and needed revenue.

Talk about party loyalty, my friends. Is there any man, however strong he may be in favor of absolute party loyalty, who will say that the Democratic platform ever pledged or undertook to pledge the Democratic Membership of this House to vote for a provision in violation of the Constitution of the country and their oaths of office?

Whatever may be said about the character of this bill and about its purpose, we must, I feel sure, agree that men can not bring in here—must not bring in here—legislation drawn at the behest and under the guidance of the brewers of this country, formulated by their legal counsel in consultation with the Legislative Counsel of this House, which proposes to authorize the doing of something which is prohibited by the Constitution of the United States and then insist that such legislation is of a character which either requires or merits the support of a Member of this House who regards the Constitution and regards his oath of office.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I do.

Mr. O'CONNOR. I do not know that the brewers or their counsel had anything to do with the drafting of this bill.

Mr. TARVER. I am surprised at the gentleman's lack of information.

Mr. O'CONNOR. But I will state to the gentleman that no brewer—or no attorney for a brewer—ever had anything to do with the drafting of any of the beer bills which have been introduced on the floor of the House which I have supported.

Mr. TARVER. I am glad to hear the gentleman disassociate himself from the leadership of those urging this measure, because I am reliably informed that Mr. Levi Cooke, attorney for the Brewers' Association, participated in the formulation of this measure in collaboration with the Legislative Counsel of the House.

Mr. O'CONNOR. Will the gentleman yield further?

Mr. TARVER. I shall be pleased to.

Mr. O'CONNOR. I do not believe that could be the fact, for the reason that this bill is not substantially different from the bill we voted upon last May, the language of which no brewer or attorney for a brewer ever touched.

Mr. TARVER. I hold in my hand a letter written by the president of the Anheuser-Busch Co. to the hotel managers of this country, and also one to Members of the House of Representatives, and in these letters he undertakes to outline the character of legislation which should be enacted by the Congress. This bill is identical with his suggestions.

I submit that it is first necessary for the Member of Congress who regards the Constitution and the obligation of his oath—and I trust we all do—to examine this bill and determine, "without any mental reservation or purpose of evasion," whether it is intended to evade our Constitution and to bring about the sale of intoxicating liquors in violation of its terms. If such is its purpose, then certainly no Member, however much he might favor legalizing the sale of beer, could afford to vote for it. If to legalize the sale of beer involves an amendment to the Constitution of the United States, then the wet Member who regards his oath of office will fight here to amend the Constitution; but pending its amendment, he will fight equally as hard to prevent its violation. To say anything else would imply that lawlessness and the tendency to refuse to brook restraint have reached even to the Halls of Congress and that men, suffering from a wet political complex engendered by antiprohibition propaganda, are prepared to override even the foundation of all law in an effort to satisfy what they consider a popular demand.

I can not believe that this great body has deteriorated to that extent. I can not feel but that, when men are asked to vote for this legislation upon the argument that 4 per cent beer is not intoxicating, they must think of that portion of their oath which relates to the "purpose of evasion." That beer of the alcoholic content provided in this bill is intoxicating when drunk to excess by the normal individual under normal conditions, there can not be the slightest room for reasonable doubt. I have seen men to whom large quantities of high-proof whisky were not intoxicating, when they had been hardened and inured by the excesses of years to its effects. It is no doubt perfectly true that many men, accustomed to the excessive use of intoxicants, might absorb large quantities of the beer proposed to be legalized by this bill without staggering or falling to the ground, and perhaps in many cases without giving outward evidences of intoxication. But we are legislating for the normal individual, who for 12 years throughout this country, and for much longer in many of the States, has been unable legally to obtain intoxicants, for the individual in my State and in many other States far removed from the beer rackets of New York and Chicago, who has grown to manhood without ever seeing a bottle of beer; and we are to decide, "without purpose of evasion," whether or not the alcoholic content of this beer you propose to legalize would be, for such an individual, intoxicating.

There are differences of opinion as to what constitutes intoxication. There is an old saying, which I will not undertake to quote except in substance, which runs something like this:

He is not drunk who from the floor
Can rise to take another drink,
But he is drunk who prostrate lies,
And can neither drink nor rise.

There is an incident related in some volume devoted to Wit and Humor of the Bar of a witness testifying in some case of alleged drunkenness in police court, who, when questioned as to whether the defendant was drunk on the occasion under investigation when he was lying helpless in a ditch, replied:

I don't think so, Judge. While he was lying there I saw him wiggle his little finger.

Even if such definitions of intoxication are relied on by those supporting this legislation, they will yet find great difficulty in feeling deep down in their hearts that this beverage they propose to legalize would not, if drunk to excess by a normal individual, produce even the characters of intoxication to which I have referred.

The majority report of the committee contains many naïve and amusing expressions in its effort to present a plausible explanation of a palpable proposal to evade the Constitution. It avers as a matter of fact, for which it cites no authority other than itself, that beer containing less than 3.2 per cent of alcohol by weight is not palatable, but in the same connection it sets forth that 3.2 beer is "said to be" nonintoxicating in fact. Apparently the committee has no knowledge on the last-named question, but must rely on hearsay, while on the matter of palatability of beers of lower alcoholic content it is positive. Proceeding, however, it unwarily casts off the cloak of virtue which first disclaimed knowledge of the intoxicating effect of 3.2 beer and asserts, again upon its own authority—

That it would require considerable effort on the part of an average person to drink enough to become drunk.

That it is practicable to drink enough to become drunk is recognized, but the drink is held nonintoxicating because it would take "considerable effort" to do so. Just how "considerable" the effort must be, how much power would have to be exerted to lift to the lips the requisite number of glasses or bottles, is not indicated. It does recommend, however, that for safety's sake the beer shall be drunk in limited quantities and with food. It is patent that it is the

opinion of the committee that unless its recommendations in these respects shall be observed, intoxication will result. It is also apparent that this new soft drink must only be sold to "average persons," and that if those who are not "average" get some of it and get drunk the committee washes its hands of responsibility in that matter.

But, after all, what is an intoxicating liquor?

Webster's International Dictionary says:

> There is no general agreement in the laws or decisions of the various States of the United States as to what constitutes an intoxicating liquor. * * * All courts take judicial notice of the nature of the ordinary intoxicating liquors, such as brandy, whisky, wine, beer, ale, gin, etc.

According to the decisions in my own State, to which, of course, I at least owe respect in determining my own course in this matter, intoxicating liquors are defined as follows:

> The expression "intoxicating liquors" as used in statutes, in the absence of other words tending to limit the meaning, may be defined as including any liquor intended for use as a beverage, or capable of being so used, containing alcohol, obtained either by fermentation or distillation, or both, in such a proportion that it will produce intoxication when taken in such quantities as may be practically drunk. (Mason *v.* State, 1 Ga. App. 534.)

That this bill will permit the sale of beverages which would have the effect referred to on normal individuals there can be no question. Else why is it desired at all? Why is it assumed that for a nonintoxicating drink, a soft drink, if you please, there would be such a tremendous demand as to bring, in addition to billions paid to the brewers, between three and four hundred millions into the Treasury of the United States? Is there a Member of Congress who really believes that this is a new formula for a soft drink, a nonintoxicating drink, being promulgated by Congress which will have such immense popularity without even a "kick" that its sales will aggregate billions within one year? Let no man who desires to be fair to himself and fair to his constituents insist that he believes such a thing. It is proposed to legalize the sale of intoxicating liquors and let the Constitution take care of itself. Anything less than that would certainly not satisfy those who are clamoring for beer, and to satisfy them involves, as I see it, the patent disregard of the Constitution and the oath of office that I have assumed. I am responsible for no other man's conscience; I am determining only my own action as an individual Member of Congress and stating the conclusions which compel me to oppose this bill.

Entertaining the views I do as to the constitutionality of this proposed legislation, I could not support it even if I favored its principle, and therefore a discussion of the wisdom of such legislation from my standpoint is perhaps unnecessary. However, I can not forbear saying that the removal of a billion dollars from the pockets of the American people for the benefit of the brewers and in order that these people, who will be largely of the poorer classes, may pay an additional three to four hundred millions into the Treasury of the United States is a poor way either to solve the problem of the depression or to carry out campaign pledges for the relief of the distressed millions of our population. This bill ought to be called "A bill for the relief of the brewers and of the large taxpayers of the United States." You know that the money which has been spent in propagandizing the wet cause in this country came from owners of bank accounts who had some other object in mind besides giving the workingman a drink. They had in mind digging out of the pockets of the plain, ordinary people money for taxes to relieve in part their own burdens—money that they would never dare ask Congress to take by tax legislation unaccompanied with the suggestion of a drink, and money, too, that must be accompanied by treble its amount for the pockets of the brewers. They had in charge of this propaganda one Henry H. Curran, head of the Association Against the Eighteenth Amendment, who has made for himself such a record and gained for himself such a reputation in influencing public sentiment that these same great financial powers have now hired him to enter on a campaign against the American veterans of the World War, humiliate them as grafters and bloodsuckers before our people, and smear the glorious picture of their services during the World War with the grime of character assassination en bloc. So far as I am concerned, I hold in contempt his activities in both capacities.

The advocates of this legislation were protesting within less than a year that never under any circumstances would they ever consent to the return of the saloon. Oh, no; they were just as much opposed to the saloon as the prohibitionists. Yet now they propose to legalize the beer saloon, and they also propose to continue their efforts to legalize hard liquor, and will then want, if they get that far, to sell it in the saloon. They say not—now; but the truth is, they want to go just as far as they can with the destruction of all restraints upon the liquor trade. And if they get the saloons, these gangsters and racketeers they are complaining about now will run them, just as they ran them before prohibition, just as they are running their beer and liquor rackets now. They are coming to Congress and in effect saying, "We are violating the law; you haven't stopped us, and you can't stop us; therefore, pass a law which makes our racket legal, and put upon us by law the stamp of law-abiding citizens, for we'll never try to get it any other way." And if we do it, then the next thing we do ought to be to legalize stealing and countless other offenses, in order that those who are now engaged by the thousands in these activities may not be further embarrassed by being regarded as criminals.

It should be remarked in passing that it is consistent with the policies of those who are seeking to bring about the destruction of our prohibition laws that they are unwilling to subject themselves to the restraint of orderly parliamentary procedure. The press of the country carried the information just prior to the convening of Congress that, since the subject matter of this bill would include proposals coming within the jurisdiction of both the Judiciary and Ways and Means Committees, it was the purpose of those behind the movement to have the two committees collaborate in its consideration. The main purpose of the bill, of course, is to amend the national prohibition act, a matter clearly coming within the jurisdiction of the Judiciary Committee. The tax feature is only incidental. The gentleman from Massachusetts [Mr. TREADWAY] in his minority report is authority for the statement:

> Obviously the reference of the beer bill to the Ways and Means Committee was a subterfuge to secure a favorable report from some committee, as it has previously been demonstrated that such a report could not be obtained from the Judiciary Committee, which has jurisdiction over prohibition measures.

I am not willing to assume responsibility for any position which might lead to the contention that, under the rules of the House, this bill could not properly have been referred to the Ways and Means Committee. Containing, as it does, subject matters within the jurisdiction of that committee in part, it was unquestionably within the discretion of the Speaker as to which committee should receive the bill. But at the same time I feel that it can not be doubted but that the principal changes in existing law intended to be brought about by the bill are matters within the jurisdiction of the Judiciary Committee, and that it could, therefore, have been more appropriately referred to that body. Certainly, if the spirit of the rules of the House is to be observed, there should not be considered in the House proposed changes in substantive laws provided for the enforcement of the eighteenth amendment without those changes having received the consideration of the committee provided by House rules for that purpose. Whether such consideration should have been effected by joint consideration of the subject matter by the two committees, as indicated by press dispatches emanating from Washington before Congress met, or by rereference to the Judiciary Committee for consideration of the parts of the bill coming within its jurisdiction, after the Ways and Means Committee had considered the tax features, I am not inclined to express an opinion; but I do say that legislative procedure by which the Judiciary Committee has been excluded from any opportunity to consider the parts of this bill coming under its jurisdiction is not, in my

judgment, in accordance with the spirit of the rules of the House. I leave to the gentleman from Massachusetts [Mr. TREADWAY] the work of divining why this procedure has been followed.

I believe that the methods which have been adopted in an effort to secure the enactment of this legislation by the present Congress will fail; but I believe, too, that these methods have had the effect of arousing the citizenship of our country as never before to the danger which now confronts our people from the activities of the organized and well-financed repealists, and that the final conclusion of the matter will be that our prohibition laws will be strengthened on account of this agitation and their more rigid enforcement brought about. If that shall be true, then the evils about which the wet propagandists have been complaining, in the form of speakeasies and blind tigers, will be reduced to the proportions of violations of other laws, as indeed could have been done already by proper and conscientious efforts at enforcement.

Mr. BACHARACH. Mr. Chairman, I yield seven minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, the main objective of this legislation is to stamp out of the national enforcement act the legislative lie that decrees that everything above one-half of 1 per cent of alcoholic content by volume is intoxicating and by so doing to remedy to a great degree the intolerable conditions now existing of unregulated and uncontrolled wild-cat brewery practices.

Another objective is to raise revenue that is now flowing into the tills of the racketeers, rather than the United States Treasury.

In the argument in the National Prohibition cases, as reported in Two hundred and fifty-third United States Supreme Court Report, it was generally agreed that the determination of one-half of 1 per cent as intoxicating was arbitrary and not based on fact. Even counsel for the Government admitted on the record that all alcoholic beverages above one-half of 1 per cent by volume were not intoxicating.

Now the country has had an election. The Democratic Party has declared itself not only in favor of the outright repeal of the eighteenth amendment but also in favor of the immediate modification of the Volstead Act. The different positions of the two major parties on this issue were controlling in many districts throughout the country. I can understand why Republican drys, coming from the Anti-Saloon League States, such as Ohio, should oppose this legislation——

Mr. MOUSER. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I decline to yield; my time is limited.

And how Republicans, under the platform reservation that the individual candidate has the right to assert his individual views on this question regardless of the platform declaration, can oppose modification, but I can not understand those Democrats from the South and elsewhere deserting their platform promises and abnegating the solemn pledge that was given to the people that if they were given power they would vote for the immediate modification of the Volstead Act.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. RAYBURN. What attitude does the gentleman think the southern Democrats should take who honestly believe this is a violation of the Constitution?

Mr. STAFFORD. Then I direct my good friend's attention to the interpretation of his own Texas Court of Criminal Appeals, found in Fiftieth Texas Criminal Reports, at page 368, where, in determining what were the intoxicating properties of beer, the syllabus says:

> In order to come under the violation of the local option law the State must show that the liquid alleged to have been sold was of sufficient alcoholic body to produce intoxication if drunk in reasonable quantities without reference to its name or supposed qualities.

That position is the same as that taken in New York in the case of Blatz *v.* Rohrbach, in One hundred and sixteenth New York Reports, page 450.

The gentleman, I know, will agree that all maltous beverages having more than one-half of 1 per cent by volume are not intoxicating.

Now, the determination of what is intoxicating or what is not intoxicating is not whether you can fill yourselves up like a glutton or a pig, but whether when taken in reasonable quantity under the customary conditions it is intoxicating, not whether it would be intoxicating to a child or a minor who is forbidden to receive it, but under the usual conditions in which these beverages are consumed.

In the discussion of this question a moment ago, when the question arose as to whether 3.2 per cent beer is intoxicating, I said I could qualify in view of my experience and of my observation during a period of two months four years ago in the Province of Ontario, at Windsor, where before that Province went wet they sold as a nonintoxicating beverage what was known as 4.4 beer by volume. That beer is generally conceded to be nonintoxicating. The beer authorized under this bill is only 4 per cent by volume, or 3.2 per cent by weight.

I wish to state in contravention of the position taken by the dry advocates on this floor when they say 3.2 is the same beer that was brewed prior to the Volstead Act, that the light beers brewed in Milwaukee known as Pabst Blue Ribbon and Schlitz in brown bottles was 3.8 per cent by weight; and the stronger beers were 4 to 6 per cent by weight, or by volume from 5 per cent to 7½ per cent.

The uncontroverted testimony before the Ways and Means Committee is that this alcoholic content of 3.2 per cent is nonintoxicating. I personally can qualify so far as 2.75 per cent by weight is concerned, because, as I said at the last session, I still have some 2.75 Kulmbacher, which was brewed prior to the Volstead Act by the Pabst Brewing Co. I know you will all want to come out to see me during the summer, and I shall welcome you all after the adjournment of Congress. This beer is not intoxicating, but it is a palatable beer; but the testimony before the Ways and Means Committee shows that beer with 3.2 per cent alcohol is more palatable because of the added soluble contents.

Mr. O'CONNOR. In connection with the statement of the distinguished gentleman from Texas [Mr. RAYBURN], does not the gentleman from Wisconsin think that we who have complained of usurpation of our powers ought to be the last ones to usurp the power of the Supreme Court to pass on constitutional questions, for the very reason that that is all the court is created for, and we could dispense with it if we were going to pass on the constitutionality of such measures?

Mr. STAFFORD. I agree that the Congress has the constitutional duty to define intoxicating liquors. In so doing we have the right to fix the alcoholic content at the percentage the expert testimony shows is nonintoxicating. I further agree that it is a legislative outrage, and the people at the last election so decreed, that all beverages above one-half of 1 per cent were intoxicating. The people issued a mandate to the Democratic party to rectify that legislative misnomer. But now we are astounded at the change of front from preelection times to a position to accord with the views of local constituencies.

Representative government is in the balance. If the solemn declaration in a party platform can be nullified by voting to adhere to a legislative anachronism making one-half of 1 per cent the limit, then the plighted faith of a great party counts for naught. No longer then can men and parties be depended upon to carry out the will of the people.

[Here the gavel fell.]

Mr. DICKINSON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, it is not my purpose to attack, directly or indirectly, any of those who are opposing this bill; neither is it my purpose to directly or indirectly make any remarks which might be construed as an attack upon those who are advocating the continuance of prohibition in its present form. I am and have always

opposed prohibition. It is my purpose to try to convey, as strongly as I can, to the Membership of the House the fact that the most powerful piece of evidence in the recent hearings was very seldom referred to before the Committee on Ways and Means. The most powerful piece of evidence that presents itself to the mind of each and every one of us to-day in the consideration of this bill is, "What is the state of mind of public opinion to-day in your district and in the United States on this question?" It is all right to argue along other lines, but the most powerful piece of evidence is the fact that this bill came out of the Committee on Ways and Means with a favorable report; and this bill will pass to-day or to-morrow, when it comes to a vote, in response to public opinion. And whether public opinion is correctly or incorrectly formed in the minds of some Members is immaterial; the fact remains that the bill has a favorable report and is receiving consideration as a result of public opinion as manifested in the election of November 8. There are many fine, honorable, and distinguished Members of this House who can testify to the fact that in their district public opinion on this question was a contributing cause or factor in their defeat; men whom we regret to see defeated; men of many years of service in the House; men of many years of service to their country, who can testify to the fact that it was public opinion on this question, in the main, that brought about their defeat in their districts last November.

Public opinion is the greatest force in American politics, and we can not afford to ignore its influence and its significance. Public opinion of America, once aroused, recognizes no opposition. It overwhelms all opposition. Public opinion is far greater in the United States than the President of the United States, greater than United States Senators and greater than Representatives in Congress. Public opinion is taken judicial notice of by our courts. It is the most powerful influence in American public life and it is the most powerful piece of evidence that attracts itself, undoubtedly, to the minds of many Members of the House during this debate.

Let our minds go back several months when substantially the same question was presented and submitted to the House on a roll-call vote. It was defeated by a very substantial vote, 238 to 169, as I remember it. In any event it was a decisive dry victory, although representing liberal progress. When the question, on a motion to discharge the Judiciary Committee from the consideration of the Beck-Linthicum resolution to repeal the eighteenth amendment, came up, that motion to discharge was also defeated by an overwhelming vote; and yet, when the course of six or seven months, the vote on the repeal question has completely been overturned in this body. Within a period of several months over 70 Members changed their vote on this question. The vote only a few days ago showed 272 in favor of repeal and 144 against repeal.

What brought about this vote? What brought about this change? It was the voice of public opinion, and Members of this House were justified in weighing such as a piece of evidence, at least, to assist them in the making up of their minds.

I recognize the right of every Member of this House to vote as his people want him to vote, although he may personally entertain a different opinion. In a sense, that is what a Member is here for, particularly if the opinion of his people has been rationally arrived at and if the opinion is more or less fixed; but as his people change their views, so is a Member also justified in considering that fact; and it is a fact that the people of many constituencies and districts throughout the country have changed their views on the prohibition question and that Members who voted dry several months ago saw fit, owing to this change of opinion, to change their vote and to vote in favor of repeal only a few days ago.

The same situation exists with reference to this bill. Public opinion is in favor of a change. Public opinion recognized the evils of preprohibition days, but public opinion also recognizes the evils which have developed under prohibition. Public opinion wants us to go back 12 years and start on the right path, on the true journey of temperance. Public opinion wants true temperance to be attained as a result of the influence of religion—I do not care what religion—any and all religions—exerting their influence upon the minds of the individual, and the individual responding voluntarily thereto as a result of the exercise of his or her free will.

And as public opinion responds to the influence of religion and other healthy influences, more and more drastic legislation can be enacted regulating and reducing the evils that may exist.

My friend the gentleman from New York [Mr. CROWTHER] called this bill "a legislative monstrosity," and the gentleman from Georgia [Mr. TARVER] called it "a legislative falsehood." I do not agree with such characterizations. But assuming they are correct, this bill is not the only legislative falsehood. This is not the only falsehood or the only legislative monstrosity. The Volstead legislation was a falsehood and a monstrosity. When, by its provisions, it undertook to tell the people that one-half of 1 per cent by weight was intoxicating in fact, it told a falsehood.

Even Bishop Cannon disagreed with that; and if you will turn to the hearings before the Ways and Means Committee, page 473, you will find where Bishop Cannon said:

> Well, I would say as far as I am concerned, I do not think it is intoxicating.

He said that in response to a question that I asked as to whether or not he thought that one-half of 1 per cent, as provided in existing law, was intoxicating in fact.

Prohibition was a failure from the time the Volstead Act was passed. It takes a number of years for public opinion to form. Public opinion is the main reason for the changes in the legislative consideration of this question. Public opinion demands a change. Public opinion is the most powerful evidence that is presented to you to-day in support of this bill. Public opinion, in my opinion, is the greatest piece of evidence that is presented for your mind and this body to-day.

I am surprised to see some of my friends refusing to carry out public opinion under the guise that a constitutional question is involved in the bill. This is a legislative body. The Supreme Court of the United States exists for the purpose of determining constitutional questions. The opinion of one Member on this aspect is as good as that of another Member. It is my opinion, for whatever value it may be worth, that the alcoholic content provided in the bill complies with the letter and the spirit of the Constitution. It is interesting in this connection to note that practically all, if not all, of the Members who advance this argument are those who consistently have voted dry. It is the dying effort of the small organized minority who have controlled the unorganized majority of the people of the country on this question for over 12 years. The Supreme Court of the United States is the only tribunal where a constitutional question can be definitely settled. My guess is as good as that of any other Member, and it is my guess that the Supreme Court will uphold the power of the Congress under the eighteenth amendment to pass the bill now under consideration. It is my opinion that the Supreme Court will uphold it as constitutional. We must bear in mind that there is a presumption running in favor of the constitutionality of a legislative act. I do not consider this argument as a serious one.

There are many other aspects of this bill that I would like to discuss, but my time limit, about to expire, will not permit me to do so. I close as I started out—that public opinion demands a change, that the voice of public opinion is the greatest influence in American politics—that this bill partially complies with existing public opinion, and that it is our duty, not only as legislators legislating for the best interests of the country but in response to public opinion, to pass this bill. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield six minutes to the gentleman from New York [Mr. STALKER].

Mr. STALKER. Mr. Chairman, since the Volstead Act was passed the law-abiding citizens of the Republic have be-

lieved that the eighteenth amendment was a part of the Constitution and that the provisions for its enforcement were necessary to carry out the behests of the people. Now it appears, on account of wet propaganda and the influence of the brewers, the thirsty politicians who have set themselves up as leaders of both political parties are willing to nullify our Constitution by declaring for a beverage that was considered for 50 years prior to the Volstead Act as being intoxicating liquor if it contained as much as 4 per cent alcohol by volume. It seems strange that after six Congresses have convened and adjourned it is just now discovered that 4 per cent alcoholic content in beer is not intoxicating. Chemists, doctors, and men of wide experience both from observation and indulgence in pre-war beer testify that in those days 4 per cent beer by volume intoxicated, as well as they now testify, after experiments and observation in its effect, 4 per cent beer still intoxicates.

To the minds of those insisting on this bill nothing can convince them but that it is nonintoxicating. So the Supreme Court will be called upon to determine an issue of fact, which is only done in extreme cases. It is the conviction and honest belief of millions of the representative citizens of the country that if 4 per cent beer by volume is permitted to return by the enactment of this bill enforcement of the Volstead Act will be practically impossible. To say that it would stop the bootlegging is mere sham. From the very nature of the business bootlegging will increase, and even a representative of the brewing interests made the statement that unless hard liquor is permitted to return nothing save a miracle will control the bootlegging industry.

Another matter to consider in this bill: The Federal Government is expecting revenue from the sale of beer estimated from $125,000,000 a year to $150,000,000 by tax experts. To obtain this amount the brewers are very willing to pay $5 per barrel, $1,000 per year license for being permitted to manufacture it. But what financial interest have the States who permit the sale of this beer in their jurisdiction? We are talking a lot about State rights in this matter, and only States that have nullified the Constitution by refusing to cooperate with the Federal Government will be permitted to sell this 4 per cent beer. Suppose they put a tax of like amount for their protection and their budget against the sale of beer. How much beer do you think the purchaser would get for his nickel? And surely if any jurisdiction should have the right to tax and receive the benefit therefrom, the States where the beer is sold should certainly be given an equal right to tax and receive revenue therefrom.

Should the so-called beer bill produce $150,000,000 in revenue per year, it will account for only about 3 per cent of our annual Budget. Enactment of a law such as is now being considered would at once bring conflict with the word, the meaning, and the spirit of the Constitution. We are bound by our oaths to support and defend this immortal document. Lawlessness is rampant throughout the land. Let us not practice it in the Halls of Congress. Let us not bootleg the Constitution. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 12 minutes to the gentleman from Pennsylvania [Mr. ESTEP].

Mr. ESTEP. Mr. Chairman and members of the committee, I have not heretofore taken the floor to discuss the prohibition question or any of its phases, because I always believed that no action would be taken until such a time as the people back home realized that the law was a failure, and would indicate the fact that they desired its repeal.

The people back home spoke at the last election. Thirty-seven million of them supported both the majority parties, and both majority parties had declared for the elimination of the prohibition law.

As to the subject, whether 3.2 beer is intoxicating or nonintoxicating, I shall leave that to other speakers who have preceded me or who will later discuss the subject. Personally, I believe it to be nonintoxicating, that belief being based on the testimony given before the Ways and Means Committee.

Now, coming to the matter whether the bill will raise revenue, I do not believe that there is a Member of this Congress, whether he be for or against prohibition, who will not admit that this bill will produce a substantial sum in revenue which will go towards balancing the Budget, and if there was ever a time when money was needed to bring this situation about, it is right now.

If no revenue measure is passed this session we will have, according to the Treasury Department figures, a deficit of $307,000,000 for the fiscal year 1934, providing that all of the economy recommendations of the President are accepted and the nations of Europe who owe us money pay their installments in full in the amount of $329,000,000; any variation from this program will increase the deficit. We can already accept as a fact that only part of the $329,000,000 due from European debtors will be paid, probably not more than $150,000,000; thus the deficit will be $486,000,000. I do not believe Congress will follow the President's recommendations in their entirety so it would be safe to assume that our deficit will be at least $540,000,000.

The bill before us provides a way to raise part of the money needed.

You can not balance the Budget without passing this bill and collecting the revenues provided for therein.

Mr. Mills, Secretary of the Treasury, stated before the committee, page 564 of the hearings, that if a manufacturers' sales tax of 2¼ per cent was adopted it would only raise $220,000,000. Then if you continue the gasoline tax for another year an additional $140,000,000 would be raised. Then taking the Treasury figures for beer revenue of $150,000,000 you would collect $510,000,000, which takes care of the $307,000,000 deficit and allows a reasonable write-off for foreign debts. Thus the Budget is balanced.

The eighteenth amendment is going to be repealed, so why hesitate about legalizing beer to bring revenue and to put people to work in this hour of distress?

Congress to-day would not hesitate for a moment to pass any other law it had the constitutional power to pass that would bring in $200,000,000 in revenue and put 300,000 people to work. Why then try to defeat this bill in the face of public opinion that demands the repeal of the eighteenth amendment and the return of the liquor problem to the States, always, of course, reserving to the United States Government the power to tax.

Figures based on Internal Revenue Department reports show the volume of beer manufactured for several years prior to prohibition.

Year	Barrels	Rate of tax	Revenue
		To Oct. 22	
1914	66,189,000	$1.00–$1.50	$67,081,000
1915	59,808,000	1.50	79,328,000
1916	58,633,000	1.50	88,771,000
		To Oct. 3	
1917	60,817,000	$1.50–$3.00	91,897,000
1918	50,206,000	3.00	126,285,000
		To Feb. 24	
1919	27,712,000	$3.00–$6.00	117,839,000
1920	9,231,000	6.00	41,965,000

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. ESTEP. Yes.

Mr. BOLAND. Is it a fact that many barrels of illegal beer are going through the State of Pennsylvania to-day without any tax at all?

Mr. ESTEP. Yes, absolutely; throughout the whole country. It is estimated by Mr. Doran, of the Prohibition Bureau, that from 16,000,000 to 20,000,000 barrels of illegal beer are now being manufactured and distributed in the United States.

From these figures and with a tax of $5 per barrel, it does not take much figuring to estimate the revenue that will result. The figures of 200,000,000 are based on a 40,000,000-barrel year, but I have no doubt that in two or three years it will double that figure.

In 1914 there was $858,861,000 invested capital in the brewing business.

What other industry would we undertake to outlaw or destroy with an investment of like amount?

The figures I have cited show only the direct revenue to be collected, but a business of this size must necessarily aid other businesses that furnish certain products or commodities to be used in the manufacture of beer or its distribution.

It is estimated that $360,000,000 will be spent within the next year to rehabilitate the brewing plants in the United States. This money to be spent with other industries, thus increasing their business and their income, which should accrue to the benefit of the Treasury in additional revenue.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. ESTEP. Yes.

Mr. O'CONNOR. In addition to the estimated revenues which the gentleman has referred to, of course, he should also estimate that the income tax will be increased from any profits made on all of these businesses.

Mr. ESTEP. Without doubt.

The 1914 Federal census of manufactures shows that the cost of material used in brewing and malting was $168,933,000.

The Rev. E. C. Dinwiddie, appearing for the opponents of this bill, undertook to show that the return of beer would not help agriculture. This same gentleman appeared before the Senate Committee on Agriculture in May, 1917, asking for absolute prohibition of the liquor traffic during the period of the war, and on that occasion he presented to the committee a statement signed by T. N. Crawford, Edmund E. Day, William S. Riley, and Edwin F. Guy, professors of economics, Harvard University, and Irving Fisher, professor of political economy of Yale University, in which they estimated the very least amount of foodstuffs that is being converted into alcoholic liquor for beverage purposes in this country to be the equivalent of that which is required by 7,000,000 men for one year. He further stated that if that is true, it would be sufficient to supply the armies of the allies in Europe for six months.

This seems to be the answer to the contention that agriculture would not benefit and comes from one opposed to the return of beer.

Mr. BACHMANN. Mr. Chairman, will the gentleman yield?

Mr. ESTEP. Yes.

Mr. BACHMANN. The gentleman has been a member of the Committee on Ways and Means that has had this bill under consideration. Will the passage of this bill legalize the manufacture of home-brew beer for personal use?

Mr. ESTEP. It will not, any more than it is legalized in the present Volstead Act.

Mr. BACHMANN. Then any man who is making home brew to-day will have to have a license at a cost of $1,000 a year.

Mr. ESTEP. He will not be able to get a license to manufacture home-brew. He can get a permit from the prohibition department to manufacture beer if he conforms to the other qualifications that department may require.

Mr. BACHMANN. If he uses it for his own personal use, must he have a license to make home-brew beer?

Mr. ESTEP. No; not any more than he has to have a license now under the Volstead Act.

Mr. BACHMANN. And if this bill is passed, is it legal to manufacture beer for his own use?

Mr. ESTEP. It would still be illegal.

Mr. BACHMANN. And how much home-brew beer is made in the United States to-day?

Mr. ESTEP. It is estimated from 16,000,000 barrels to 20,000,000 barrels a year. The term "home-brew" is a misnomer. Most of this beer is manufactured in alley breweries and sold to the public without paying any tax to the Government and in direct violation of the law.

Mr. Owen T. Cull, of Chicago, Ill., general freight agent for the Chicago, Milwaukee, St. Paul & Pacific Railroad, testified, page 113 of hearings, that his road would immediately benefit to the extent of from $2,000,000 to $2,500,000 per year, and that these figures did not take into account the hundreds of commodities in back of the actual brewery operation, such as cooperage material, steel, glasses, store fixtures, and the hauling of materials which will be needed at once for the building of the additions to present brewery units.

He estimated that his road handled 90,000 cars in and out of Milwaukee in 1917 resulting from the brewing business.

He estimated that the total revenue to all the railroads, based on a 40,000,000-barrel output per year, would be $50,000,000.

Business of this magnitude can not be lightly stifled or cast aside. It means too much to the Treasury, not only in this period of depression, but at all times, and it means at this particular time a godsend to hundreds of thousands of people needing the necessities of life which only work will give them. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman, it seems to me the primary thing for us to determine in this matter is whether or not the Congress has the power by statute to supersede the provisions of the Constitution. I do not believe it is a question of beer or no beer. It is a question of whether we can, under the Constitution, pass a bill which will legalize beer of alcoholic content of 3.2, or 4 per cent by volume.

In January, 1919, I believe, the required 36 States had ratified the eighteenth amendment to the Constitution, as follows:

> After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

This language speaks for itself and is still a part of the Constitution of the United States. On December 5, I voted to again submit this question to the American people, because the amendment was written in the Constitution through the will of the American people by their vote; and it is only fair, constitutional, and Democratic to permit the people to vote upon important questions. Through this right was the eighteenth amendment and other amendments written into the Constitution. As long as this provision is in the Constitution it is my duty to uphold it. Four times have I faced the Speaker of the House of Representatives and taken this solemn oath:

> I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

I shall, in all probability, soon be called upon to again take this oath as a Member of the Seventy-third Congress. Now, my friends, my duty in the premises is clear. I have sworn to uphold the Constitution, as Member of this great body, and to do it "without mental reservation or purpose of evasion." Shall I now evade this obligation by voting to abrogate this portion of the Constitution? I respectfully call to your attention the views of the minority members of the Ways and Means Committee. I have reference to the minority views filed by my colleagues on this committee, Messrs. HEARTSILL RAGON, MORGAN G. SANDERS, and JERE COOPER. These gentlemen, each experienced and learned member of the legal profession; each of recognized legal ability in his respective State, as they were distinguished prosecuting attorneys and judges before they were elected to Congress, say:

> MINORITY VIEWS OF MESSRS. RAGON, SANDERS, AND COOPER
>
> We have heard and read all of the testimony before the Ways and Means Committee relating to the proposed legislation on beer. Taking all of this testimony as a whole and duly considering same, we are of the opinion that the proposed bill is violative of the Constitution of the United States.
>
> Therefore we can not under our oath support this legislation.



We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2 which means beer of 4 per cent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer because of its alcoholic content is not permissible under the Constitution.

HEARTSILL RAGON.
MORGAN G. SANDERS.
JERE COOPER.

The Members of this great body who represent districts below the Mason and Dixon line should be the last ones to undertake to nullify the Constitution. These gentlemen believe that this bill is unconstitutional, and so do I, and unless it can be amended, bringing its provisions within the bounds of the Constitution, I shall be compelled to withhold from it my support. [Applause.]

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. GREEN. Not now. I am sorry I have not the time. Then, if it is not constitutional, why make an idle gesture.

[Here the gavel fell.]

Mr. DICKINSON. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman and gentlemen of the committee, this measure, H. R. 13742, is by its title "A bill to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes."

As reported from the committee, a tax of $5 per barrel of 31 gallons is levied upon beer and other similar fermented liquor when the alcohol therein is not less than one-half of 1 per cent, and not more than 3.2 per cent. In other words, beer with an alcoholic content of 3.2 per cent by weight, which is 4 per cent by volume, is removed from the operation of the national prohibition act as a nonintoxicating beverage.

Express provision shows with clarity that no authority is granted to manufacture any beverages with a greater alcoholic content than above stated.

The bill incorporates the language and likewise the purpose of the Webb-Kenyon law and the Reed bone dry law toward intoxicating liquors. The exact language of these regulatory statutes is found in this measure. The bill very clearly divests the beverages under discussion of their interstate character and prohibits the shipment or transportation thereof into any of our national domain where the law of such State, Territory, or District of the United States or place noncontiguous to but subject to the jurisdiction thereof, makes it violation of law to receive, possess, sell, or in any manner use any beverage with such alcoholic content. Restated, the Webb-Kenyon language is included herein as applicable to the beverage under discussion.

The penalty for the violation of the provision aforesaid is the same penalty prescribed in the Reed bone dry act, namely, a fine of not more than $1,000 or imprisonment not more than six months, or both, and for any subsequent offense imprisonment for not more than one year.

The points to be discussed are:

First. The constitutionality of this measure—whether a beverage of alcoholic content 3.2 per cent by weight or 4 per cent by volume is nonintoxicating under the language of the eighteenth amendment.

Second. Present use of beer with much larger alcoholic content.

Third. The revenue feature of this bill.

Fourth. My personal situation in respect of the proposed legislation.

THE CONSTITUTIONALITY OF THIS MEASURE—WHETHER A BEVERAGE OF ALCOHOLIC CONTENT 3.2 PER CENT BY WEIGHT OR 4 PER CENT BY VOLUME IS NONINTOXICATING UNDER THE LANGUAGE OF THE EIGHTEENTH AMENDMENT

It is my firm belief that in a fermented beverage containing solids, such as is under discussion, alcohol in ratio of 1 to 24 is nonintoxicating in fact. I am convinced, after giving careful attention to the testimony of the witnesses and with careful study of their evidence after it was reduced to the printed page, that we are legislating for nonintoxicating beer. This conclusion will never be reached by one who would consider an amber fluid in a standard-size beer bottle containing one-half of 1 per cent alcohol to be intoxicating. Many sincere people who appeared before our committee opposing this measure would have the same feeling of abhorence in seeing the present near beer being consumed as if it were high-powered illicit beer containing 7 per cent alcohol. We must decide whether beer 3.2 per cent by weight is intoxicating in fact.

We heard eminent witnesses and scientists testify as to the effect of this beverage. A very eminent Yale professor, Mr. Yandell Henderson, who appeared to be a very sincere gentleman, was certain that beer containing 3.2 per cent alcohol by weight was nonintoxicating. He testified that 2 ordinary glasses of such beer would have no more effect upon the average individual than 2 cups of coffee or 1 strong cigar. Likewise, Doctor Stengel, with more than 40 years' experience, actual experience in observation of alcoholic effects from a practical viewpoint, testified that it is a nonintoxicating beverage.

The opponents of this measure spent practically their entire time in the discussion of the repeal amendment and the evils attendant in the preprohibition days. It needed no argument with me as to the condition which prevailed then. I objected to it then; I object to the return of such condition. I was a sincere, personal dry in the fight for prohibition. I am a sincere, personal dry at the present time. In the old days I could not escape the intolerable condition that obtained. At this time I can not escape the intolerable condition which exists to-day. I believe that the enactment of this legislation, with its proper enforcement, will better the conditions with which the prohibition forces are concerned.

No thinking individual can read the hearings before our committee and fail to see that the opponents of this measure ascribe to beer drinking all the conditions and evils that actually came from the drinking of hard liquor. Then they fail to realize the conditions that prevail to-day with respect to the use of intoxicating beer. Proof before our committee uncontradictorily shows that the beer in the pre-Volstead day contained an alcoholic content greater than that provided herein. Different beers contained different amounts. Mr. Busch, head of the Anheuser-Busch (Inc.), states that Budweiser beer contained 4.50 to 4.70 per cent. Congressman STAFFORD, of Milwaukee, where the Pabst and Schlitz beer was made, testified that Pabst Blue Ribbon and Schlitz Atlas contained 4.8 per cent. There is no contradiction that the light ale made in those days contained 6, 7, and 8 per cent alcohol. In consequence of which it is proved beyond question that the beer herein considered will contain considerably less alcohol than the beers discussed by the opponents.

I can remember the 2.75 per cent beer, permitted just before the passage of the Volstead law. The evidence of those who drank it was unanimous that it was far below the standards of the old beer. The difference in alcohol by volume between that beer and the 3.2 per cent beer under discussion is one-half of 1 per cent. That difference is considerably less than the difference between the alcoholic content of the beer to be manufactured under this law and the beer that was sold and used in pre-Volstead days. That difference ranges from one-half of 1 per cent to 4 per cent.

I have no quarrel with the sincere purpose of the opponents of this measure. Naturally, none of them had personal testimony to give in respect of its intoxicating effect. They testified from results that they had seen in the old régime, unable, of course, to allocate the proper burden to beer. And, just as naturally in their sincerity, they feared the revival of the conditions of former days.

The testimony without contradiction shows that alcohol in solution loses its intoxicating power as its proportion in the

solution becomes smaller. The greater dilution the less intoxicating effect. Likewise, without question, it is shown that alcohol is less intoxicating if it comes in contact with solids.

With the present beverage containing 4 per cent by volume of alcohol, we find that the alcohol is in ratio of 1 to 24 with the remaining fluid and solids in the beer. To-day I took an average-sized tumbler, such as I have in my hand. It holds about 50 teaspoonfuls of water. Four per cent of this glass of water would be two teaspoonfuls. Now, pour the water out. Put two teaspoonfuls of water back into the glass. It can hardly be seen in the glass. The original Collier bill was 2.75 per cent by weight. The alcoholic content was increased to 3.2 per cent. I voted against the amendment increasing the alcoholic content. My reason for it was the fact that the proponents of the measure last winter were willing to take 2.75 per cent. However, I feel that the beverage herein is nonintoxicating in fact, so I am consistent. But still referring to this tumbler of water, the extra 0.54 of 1 per cent of alcohol in the 3.2 per cent would be one-fourth of a teaspoonful of alcohol to the 48 teaspoonfuls of water.

Mr. BACHMANN. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from West Virginia.

Mr. BACHMANN. The gentleman is a member of the committee that has prepared this bill. If 3.2 per cent manufactured beer is nonintoxicating, as the gentleman has just stated, then why deprive the man who makes home-brew containing 3.2 per cent alcohol?

Mr. VINSON of Kentucky. I do not understand that this changes the law except to make legal alcoholic content less than the present manufactured home-brew.

Mr. BACHMANN. Yes; it does.

But does the gentleman think it is fair to say to the people of this country, "You must buy and drink 3.2 per cent manufactured beer but you can not make 3.2 per cent beer yourself for your own personal use"?

Mr. VINSON of Kentucky. I will let the gentleman answer that. I want to get to Doctor Miles's testimony. This gentleman, a professor in Yale, on eminent authority is said to know more about alcohol and its effect upon the human system than any other American. I submit to the House that we can take his testimony and read it in reason and prove by his testimony that 3.2 per cent beer is not intoxicating in fact.

Mr. MICHENER. Will the gentleman yield?

Mr. VINSON of Kentucky. I decline to yield. I must hurry along.

Mr. MICHENER. I wanted to know about Doctor Miles. Who is he?

Mr. VINSON of Kentucky. Doctor Miles is a professor in Yale University.

Mr. MICHENER. Who got him to appear before the committee?

Mr. VINSON of Kentucky. The opponents of the measure, by special invitation.

Mr. MICHENER. That is what I wanted to know.

Mr. VINSON of Kentucky. And I say to you again, you can take his testimony and prove conclusively that 3.2 per cent beer is not intoxicating in fact.

Dr. Walter R. Miles, professor of psychology, Yale University, was invited before the committee to testify in opposition to the measure. It seems that back in 1921 he made certain experiments with eight young men to find out the effect of alcohol upon them. In the first place, he did not use a brewed beverage. He took grape juice and added the raw alcohol 2.75 per cent by weight to it. The dose used was a pint and three-fourths within a 20-minute period. It created an increase of pulse rate of 3.4 beats per minute. It created an increased temperature of the skin of about 1 degree. It created a one-fifth change in steadiness. Then there was some test in regard to electric current, the exact result of which I am unable to state.

In connection with the increased pulse beat and temperature, Doctor Miles admitted that a pint of coffee or a strong cigar would cause a similar increased pulse beat and temperature. But he stated with reference to mental alertness that it would be a matter of impression and he would not care to state his personal impression or personal opinion of any change in that respect. He did say, however, in answer to a question by me, that the effect was imperceptible unless you were looking for it. The question was:

I understand, Doctor, if you had not been looking for this condition you might probably not have noticed it?

Doctor MILES. That is correct.

It should further be stated in connection with Doctor Miles's testimony, not only was the experiment in grape juice but it was conducted two and one-half to three hours after the last food was eaten. Under the normal course of digestion there would have been very little, if any, food in the stomach at the time the test was made. With further reference to the relative effect of drinking a cup of coffee, Doctor Miles stated:

If both individuals were equally unused to the drugs (alcohol and coffee), both these substances would probably be disturbing, because it always takes the body a certain time to become used to taking substances into it; but the coffee effect and the alcohol effect might seem to register as about the same on the pulse stream, but their mechanism of doing it is entirely different.

But, in my humble opinion, Doctor Miles proved conclusively that as a practical proposition, 2.75 per cent and 3.2 per cent beer is nonintoxicating. Doctor Miles testified with relation to an extended test in Sweden by a distinguished scientist of that country. He had taken blood tests of a large number of people who had been hailed into court because of arrests made in connection with vehicular accidents. He found 1 part alcohol to 1,000 parts of blood in their blood stream. This was sufficient alcoholic content in the blood stream to cause intoxication, according to Doctor Miles and the Swedish scientist. However, only one-third of the individuals subjected to this test were found by the court to be intoxicated. Two-thirds were adjudged not to be intoxicated.

Doctor Miles's extensive test in 1921 with 1¾ pints 2.75 per cent beer showed thirty one-hundredths of 1 part alcohol to 1,000 parts blood. He stated it would require three and one-third times that amount of beer—1¾ pints—to show the one part alcohol in the blood stream. So, according to him, it would require 5$\frac{19}{20}$ pints of 2.75 per cent beer to produce such effect. This would have to be drunk in 20 minutes.

According to Doctor Miles's statement, it would be necessary to drink 5$\frac{19}{20}$ pints of beer, 2.75 per cent by weight, to get the amount of alcohol in the blood that brought about, in blood demonstration, one-third drunkenness. The standard-size beer bottle is 12 ounces. Five and ten-twelfths pints will fill seven and seventy-seven one hundredths 12-ounce beer bottles—almost eight bottles. It will be said that it would not require so much 3.2 per cent beer. With 3.2 per cent beer, it would require 5.04 pints, or 6.72 bottles containing 12 ounces, to produce the one part alcohol in the blood stream. In other words, it would require almost seven bottles within 20 minutes to get this result, always keeping in mind that with this result obtained only one-third of the subjects were found to be intoxicated in fact.

So we submit that Doctor Miles makes a very strong witness in favor of the nonintoxibility of this beverage. A slight stimulation in pulse beating and the slight increase in the temperature of the skin certainly can not be held as intoxication under any reasonable definition thereof.

Doctor Henderson, of Yale University, in testimony before our committee, says:

If no alcoholic beverage other than 4 per cent beer were known, the alcohol problem would be no more serious than the problem of tobacco.

Further, he testified:

Spirits are as intoxicating as morphine. On the other hand, a glass of beer is less intoxicating than a cigar. Beer of less than 3 per cent alcohol is not palatable. Beer of 6 per cent or more alcohol may be distinctly intoxicating if drunk in large amounts. Beer of about 4 per cent is not appreciably more intoxicating than an equal volume of coffee. The dilution of the alcohol in 4 per

cent beer is such as virtually to prevent the drinking of a sufficient amount to induce a condition that can properly be defined as intoxication.

Doctor Henderson suggested that the problem of alcohol was to separate the sale of the intoxicating liquor, the distilled spirits, such as whiskey, rum, gin, brandy, from what he termed "the fermented beverages in which light beer is included."

With reference to the dilution greatly reducing the effect of alcohol he illustrated with other substances. We quote from Doctor Henderson:

Strychnine, for instance, is a convulsive poison; it causes convulsions and death, but it is very commonly used in minute amount in cathartic pills, and is a useful and effective drug. Morphine and codein are narcotic poisons, but used in small amounts they are not only harmless but useful. * * * Tetraethyl lead is a terrible poison. Diluted to the extent it is in gasoline, in ethyl gasoline, there has not yet, so far as I am aware, been a single case of demonstrated poisoning. So that dilution makes not only a quantitative but an absolutely qualitative difference.

Doctor Stengel, of the University of Pennsylvania, gives about as good a definition for intoxication as any we have been able to find. He said that what we usually mean by "alcoholic intoxication" is the "lack of coordination of muscular power and the disturbance of cerebral action of brain." In that connection the doctor said that he had never seen such effect as that from beer drinking.

PRESENT USE OF BEER WITH MUCH LARGER ALCOHOLIC CONTENT

It is assumed by the opponents of this measure that this legislation would bring back beer into this country. The uncontradicted evidence proves that the consumption of beer is practically the same to-day as it was immediately preceding the Volstead Act.

Official figures show that in 1919, the last year before the eighteenth amendment went into effect, there were 27,712,000 barrels of beer consumed in this country. Mr. Woodcock, Prohibition Commissioner, testified relative to the year ended June 30, 1930, and stated that there was more than 680,000,000 gallons of home-brew containing more than 3 per cent alcohol made in the homes of American people. Reduced to barrels, this would mean about 22,000,000 barrels. I think it is only fair to assume that Mr. Woodcock's estimate naturally would be low. Another informative statement that would throw some light upon the home-brew manufactured and consumed, is the testimony of Mr. Montfort, representing the Crown Manufacturers Association of America. The members of his association, according to his statement, in the year 1931 sold 38,779,191 gross of home-use crowns; that means 5,584,203,404 individual crowns. The alcoholic content in this illicit home-brew ranges from 6 per cent to 8 per cent by weight.

It can be seen at a glance that, according to Mr. Woodcock's statement, to-day there is more alcohol consumed in the high-powered illicit beer than was consumed in the legally manufactured beer of 1919. There is more alcohol consumed in the home-brew of to-day than there will be in the entire 2-year production of the beer permitted in this bill. I believe it to be a conservative statement that the alcohol in the home-brew manufactured and consumed in this country in the 12 months next last past totals more than twice as much as will be contained in the beer manufactured in the 12 months following the enactment hereof. Assuming that the illicit home-brew contains 6 per cent by weight, no testimony shows that it could be less than that, and assuming that Woodcock's figure has not increased you have 520,000 more barrels of alcohol consumed in the illicit home-brew than in the permitted beverage under this bill for same length of time.

Consequently, in relation to the use of alcohol we respectfully submit that there will be less alcohol consumed and less harmful effect, from the beer permitted hereunder, than now flows from the bootleg beer with its much higher alcoholic content.

THE REVENUE FEATURE OF THE BILL

I favor the securing of the largest revenue possible under this bill. I am not at all in sympathy with the effort made to reduce the tax below the present figure of $6 per barrel. As a matter of fact, last session, the so-called wet group agreed upon a tax of $7.50 and introduced a bill carrying that amount. With the testimony of Mr. Huber, representing the United States Brewers' Association, he filed a newspaper interview on December 3, 1932, with Augustus A. Busch, president of the Anheuser-Busch (Inc.). Throughout that statement he treated the tax at $6 per barrel.

Proof was offered relative to the cost of the beverage. According to Mr. Huber's own statement the cost was $6.26 per barrel delivered to the point of consumption. Undoubtedly his cost prices were, as he frankly stated, inclusive of all costs. It is probably safely high. Even so, he thought that the dealer would make between $12, $13, and $14 per barrel, gross profit. The difference between $5 and $6 tax on an 8-ounce glass of beer is one-fifth of 1 cent. The dollar difference per barrel will mean added revenue in as many million dollars to the Treasury as there are barrels sold. As a matter of fact, I am inclined to think Mr. O'CONNOR, author of the beer bill last session, is right in advocating the $7.50 rate. That would return an additional $37,500,000 the first year. And a total of $62,500,000 above the tax received from the $5 rate.

MY PERSONAL SITUATION IN RESPECT OF THE BILL

Until these hearings were held I had no exact information relative to the alcoholic content of beer or its intoxicating effect. We have had scores of witnesses before us. I think the proof is overwhelming from those who testify as to facts rather than well-intentioned conclusions that 3.2 per cent beer is nonintoxicating and therefore within the constitutional limits. Having reached this conclusion, I feel constrained to support this measure. I was a candidate for Congress from the State of Kentucky at large in a Democratic primary in August. I received the nomination and was a candidate on the Democratic ticket from the State at large in the November election. The Democratic platform adopted in Chicago was explicit and unequivocal in its language in respect of the eighteenth amendment and the modification of the Volstead law. I quote from the platform:

Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

I feel that as a Democratic Member of Congress from Kentucky I am bound by this provision in its platform. I thought so at the time it was adopted and made public statement before the State-wide primary that I was standing upon the Democratic platform. In addition thereto I made specific statement relative to my attitude toward the submission of a repeal amendment to the American people for their deliberation and conclusions. I made specific statement relative to the modification of the Volstead law within the constitutional limitations set forth in the platform. With such pronouncement, verbal, written, and carried in the press, I was nominated. I repeated my position after primary, both in regard to repeal and modification, verbally, by letters, in the press, and on the stump. I do not feel that the election in Kentucky was determined solely or even in major part by the liquor issue, but I do believe that a party should keep its platform pledges. [Applause.] I do believe that they should be performed or a good-faith effort made for their fulfillment. Likewise, I believe that a candidate for office should keep his campaign promises. Otherwise the people would be justified in looking toward candidates for office, as many do—just as slick politicians wanting a job. When justification for such attitude arrives, then our Government and its institutions are in danger.

As stated, I was elected not from the old ninth district of Kentucky, nor the new eighth district as it now stands, but I was nominated and elected by the electorate of the State of Kentucky. I conscientiously believe that the people of my State favored the Democratic platform. They were not satisfied with Mr. Hoover's efforts on prohibition or anything else.

Consequently, I feel that in consideration of this measure when once I became convinced of the nonintoxicating effect of the alcoholic contents herein, that I am duty bound to support it as a party measure for which pledge was given. Something has been said about inviting the brewers here. I never heard of any special invitation. None was given. I have checked this carefully. There were no more invitations given to the brewers interested than there were for the splendid ladies and gentlemen opposing the bill. Open hearings were agreed to be held. Press statements to that effect were given. It might well be noted that the brewers needed no invitation. Only five persons representing brewers testified before the committee. Then, there were five persons representing wine growers who also appeared upon the wine question. All told, there were 66 persons who testified in favor of the bill, which number included 21 Congressmen. There were a total of 52 persons who testified against it, including 2 Congressmen.

WINE BILL

In the bill as originally drawn, there was a section permitting the sale of wine made from natural fermentation. There were quite extensive hearings. The proponents endeavored to show that if taken with food it was not intoxicating in fact. It was clearly developed, however, that the alcoholic content in this measure reached 14 per cent and that it was intoxicating. It was my belief that such wines were intoxicating in the meaning of the law and I voted to strike said provision from the bill. This motion prevailed.

Thereafter, a separate bill was introduced and considered but it was not reported from the committee. For the reason above stated, I voted against the reporting of said bill from the committee. I do not think that it came within the language of the platform as it being a nonintoxicating beverage.

THE CONTROL FEATURE

In the committee I offered an amendment requiring any person who sold or offered to sell the permitted beverage in less quantity than 5 gallons at one time to secure a permit under the national prohibition act which would permit him to engage in such business. It was to be a condition of such permit that such fermented liquor could not be sold or offered for sale in any place of the character commonly known as a saloon, or in any place where there is sold or offered for sale any intoxicating liquors as defined in the national prohibition act, as amended, with provisions of the penalties carried in the national prohibition act for simple violations. This amendment was voted down—11 for the amendment and 12 against it. In addition to my own personal views relative thereto I am endeavoring to comply with the Democratic platform for the year 1932, which I quote:

> We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal; we urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.
>
> We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

While the discussion of the saloon in the platform refers to the condition that will apply subsequent to the repeal of the eighteenth amendment, yet I feel that some similar provision should be incorporated herein.

For purpose of information, I insert herein the amendment which I propose to offer when the bill is being read for amendment.

> SEC. —. Any person who sells or offers for sale any beer, ale, porter, or similar fermented liquor, containing one-half of 1 per cent or more of alcohol by volume and not more than 3.2 per cent of alcohol by weight, in less quantities than five gallons at one time shall, before engaging in such business, besides qualifying under the internal revenue laws, also secure a permit under the national prohibition act, as amended and supplemented (including the amendments made by this act), authorizing him to engage in such business, which permit shall be obtained in the same manner as a permit to manufacture intoxicating liquor and be subject to all the provisions of law relating to such a permit. It shall be a condition of a permit that such fermented liquor shall not be sold or offered for sale in any place of the character commonly known as a saloon or in any place where there is sold or offered for sale any intoxicating liquor as that term is defined by section 1 of Title II of the national prohibition act, as amended and supplemented (including the amendments made by this act). No permit shall be issued for the sale or offering for sale of such fermented liquor in any State, Territory, or the District of Columbia, or political subdivision of any State or Territory, if such sale or offering for sale is prohibited by the law thereof. Whoever engages in such business without such permit, or in violation of such permit, shall be subject to the penalties provided by law in the case of similar violations of the national prohibition act, as amended and supplemented.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. O'CONNOR. Of course, liquor of other alcoholic content can not be sold at all, and this beer is an intermediary step until the eighteenth amendment is repealed.

Mr. VINSON of Kentucky. Yes. But my amendment would provide that when liquor of alcoholic content greater than this was illegally sold at the same place this beverage was sold, then the permit to sell this beverage would be canceled and the right to sell it would be taken away from that particular individual, together with infliction of penalty of the law.

Mr. O'CONNOR. I am for that. I do not want to see it sold illegally.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. FINLEY].

Mr. FINLEY. Mr. Chairman, I am opposed to enactment of the pending bill for more reasons than my time will allow me to state.

I am opposed to its enactment because when I became a Member of this House I lifted my hand and solemnly swore to support the Constitution of the United States; and I find in that document a provision forbidding the manufacture, transportation, or sale of intoxicating liquors for beverage purposes within the jurisdiction of the United States. I know that proponents of the bill profess to believe that beer, lager beer, ale, and porter of 4 per cent alcoholic content by volume is not intoxicating. Have wets discovered or invented a new and improved definition of the word "intoxicating?" Four per cent malt liquors were intoxicating, according to the definition of the word then in use in preprohibition days. No theories of obliging physiologists or self-styled experts can alter that fact. Thousands of those who remember those days can testify to it. By what sort of wet hocus pocus do beverages which were intoxicating only a few years ago become nonintoxicating now? Why will wets bury their heads in the sand and fancy themselves hidden, while their tail feathers wave in the midday breeze? Why will they pretend not to know what everybody knows they do know? If they did not know, and if they do not now know that 4 per cent malt beverages are intoxicating, why does this bill make a feeble pretense of protecting dry States from their invasion? If nonintoxicating in fact, why protect dry communities from them any more than from soda pop, ginger ale, mineral water, or near beer? The bill itself proclaims louder than any denials that wets recognize 4 per cent beer, lager beer, ale, and porter as intoxicating. Furthermore, the bill and report present rosy estimates of the revenue to be derived from the traffic in 4 per cent malt beverages. On what are those estimates based? And why?

Why would revenue derived from 4 per cent malt beverages exceed that ever derived from one-half of 1 per cent malt beverages? There can be but one answer to that question—because there would be more of it consumed. And why would more of it be consumed? Are not the constituents of the two beverages identically the same except for the difference in alcoholic content? And why do proponents of the bill expect more 4 per cent beverages to be consumed than of the one-half of 1 per cent? The answer to that lies on the surface—because the 4 per cent beverage will "make the drunk come"; the other will not. Thus do wets show their belief that 4 per cent malt beverages are

intoxicating by their estimates of revenues deriving from their traffic. I can not violate my oath and stultify myself by voting for a measure whose authors and advocates thus confess that it would violate the Constitution of the United States, which I have sworn to support.

I am opposed to enactment of the bill because it repudiates the platform pledges of both the Republican and Democratic Parties. Both of those parties solemnly declared against return of the saloon. This bill, if enacted into law, would make a saloon of every grocery store, every drug store, every tobacco shop, every barber shop, soda fountain, ice-cream parlor, filling station, blacksmith shop, and every other business place whose owner could pay a nominal license. Instead of preventing return of the saloon this bill would create saloons by the thousands. I undertake to say that no more flagrant repudiation of platform pledges has ever been proposed than is carried in this bill. This country needs for its safety and perpetuity two great political parties that will keep faith with the people, parties whose platform pledges are more than "mere scraps of paper," parties that will keep their covenants with the people as sacredly as they were solemnly made. Is the Democratic Party one of those parties? Is the Republican Party another?

I am opposed to enactment of the bill because it proposes to transfer tax burdens from multimillionaires to the already bending backs of the impoverished and unemployed.

I am opposed to enactment of the bill because it would mean less food, less fuel, less clothing, less medicine, less everything needed in the homes and by the families of the poor. The dollar can not, at the same time buy booze for the husband and father and bread for the wife and children.

I am opposed to enactment of the bill because it would make our Government a party to and a partner with the brewing interests in corrupting the politics and debauching the people of our Nation. If any man doubts the soundness of that reason let him read a report on the practices of the brewing interests before and during the World War. That report was made by a subcommittee of the Judiciary Committee of the United States Senate pursuant to Senate Resolution No. 307, adopted on September 19, 1918, ordering an investigation of such activities. Can the leopard change its spots? Can a business which prospers in proportion as it debauches our Government and debauches our people cease to be what it inherently is?

I am opposed to enactment of the bill because it is the nose of the liquor camel, seeking entry into the tent. Behind that nose are the body and the whole weight of the interallied, world-wide liquor interests. Already that weight has made itself felt in influential circles. The campaign for legalized malt beverages before the recent election was for 2.75 per cent beer, not to be drunk on the premises where sold. This bill proposes to legalize 3.20 per cent malt beverages—an increase of more than 16 per cent—and to permit their consumption wherever sold. The weight of the camel is beginning to be felt. What and when will the next move be?

I am opposed to enactment of the bill because beer stupifies the human brain and stagnates the human mind. No picture was ever painted, no statue was ever chiseled, no speech was ever made, nothing was ever written, no music was ever composed under the influence of beer that has a place in music, literature, science, or art. Nothing of outstanding or enduring worth or merit has ever been created, produced, or done under the influence of beer. Theodore once said that there is not a thought in a hogshead of beer nor an idea in a whole brewery. I might add that no addict of beer has ever been an outstanding athlete in any line.

I am opposed to enactment of the bill because 4 per cent beer, ale, and porter slow down the reactions and impair the coordinations of the drinker. Under their influence the drivers of 25,000,000 automobiles, trucks, and busses, the pilots of thousands of airplanes, and the engineers of tens of thousands of railroad trains and boats would be a constant menace to the public and each other. In thousands of cases daily the difference of a fraction of a second in action is the difference between life and death. This bill should be entitled "A bill to decimate population and destroy property in the United States."

I am opposed to enactment of the bill because it proposes to give a certificate of good character to what, in preprohibition days, was the companion and associate of the brothel, the cheap beer garden, and the low dance hall, with all their drunkenness, immorality, and ruin. Propagandists have adorned 4 per cent malt beverages with the alluring and deceptive words "nonintoxicating," "harmless," "healthful," and "wholesome." This bill sanctions that deadly fraud and extinguishes any danger light swung before the eyes of youth and inexperience by father, mother, older brother, or friend. Here, perhaps, is the greatest iniquity of this iniquitous bill, that it would give the sanction of this Congress and this Government to the pretense that an intoxicating, deadly, habit-forming beverage is nonintoxicating, harmless, healthful, and wholesome. If enacted into law, the bill would spread a net for the youth of our Nation, would enmesh their feet in an acquired liquor habit, and assure that the next will be a generation of drunkards. And all in the name and for the sake of revenue. Could anything be more heartless or wicked?

I am opposed to enactment of the bill because any revenue derived from such a traffic, and in such a manner, would be blood money and unfit for the Treasury of any God-fearing people. Judas returned the 30 pieces of silver—the revenue—to those who had bribed him to betray his Master. Even he could not put it in the bag. The chief priests, who had plotted and procured the murder of Jesus, said, "It is not lawful to put this money—revenue—into the treasury; it is the price of blood," and bought a potter's field with it. This bill proposes—for revenue—to deliver the youth of our country for the crucifixion of its ambitions, its aspirations, its high hopes, and its noble purposes. Such revenue would be the price of blood. Neither the traitor Judas nor the murderous chief priests would permit such revenue to enter their treasury. Is this Congress as self-respecting as Judas and the chief priests?

Mr. CHINDBLOM. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, for 10 years I have been fighting for the repeal of the eighteenth amendment to the extent, in many instances, of having made myself tiresome and in many instances annoying to many of my colleagues. I do not want to see our efforts and 10 years of this costly, unsuccessful experiment on prohibition and the fight against it destroyed by any hasty action on the bill before us.

I want to suggest to the proponents of the bill to put every possible safeguard into the bill and to directly put the responsibility of regulation of the traffic of liquor authorized in the bill on the States.

It has been seen and we have learned that national prohibition is a failure because of the impossibility of enforcement. National prohibition has been a failure because public opinion in many States and in many sections of the country is against national prohibition, refused and refuses to accept it, and no law without the support of public opinion can be enforced. Regulation of liquor traffic is a local problem. It has now been agreed by almost every authority in the country that it can only be regulated and controlled by the locality in accordance with the wishes, viewpoint, habits, and custom of the people of this locality. That is why repeal of the eighteenth amendment is necessary. Once the eighteenth amendment has been repealed, then every State will necessarily have to decide the question for itself and enact its own State laws regulating the traffic in liquor. One of the lessons that came out of the costly, unsuccessful experiment of prohibition is that it is impossible to force the will of one community upon another. The dry States have been unable to force prohibition on wet States. It has been universally accepted that, once this condition is eliminated, the reverse should not happen. No opponent to the eighteenth amendment seeks to force liquor on any community or on any State that desires to

be dry in accordance with the will of the majority of its people. The committee has recognized this principle by specifically providing in section 6 that beer described and covered by the bill now before us can not be shipped into States where its possession or use is prohibited. I believe that the bill should go one step further and provide affirmative action on the part of any State before a license is issued to a brewer in accordance with the provisions of the bill to manufacture the beer permitted by this bill.

Out of the time given to me I wish to call attention to an amendment I expect to offer to-morrow at the proper time. Section 6 of the bill divests this beer of its interstate character and prohibits the shipment into any State where the use, possession, or sale of such liquor would be unlawful. Now, Mr. Chairman, what is the situation? Since prohibition several States have repealed all enforcement laws and all regulatory laws, so that under present conditions beer would be permitted to be sold in these States without any restriction or regulation whatsoever.

I shall offer an amendment at page 6, line 10, after the word "thereof," to add the following:

And the shipment into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, prior to enactment of law by such State or Territory permitting the manufacture, possession, and sale of such fermented liquor.

So that section 6 as amended would read:

In order that beer, ale, porter, and similar fermented liquor containing 3.2 per cent or less of alcohol by weight may be divested of their interstate character in certain cases, the shipment or transportation thereof in any manner or by any means whatsoever from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which fermented liquor is intended by any person interested therein to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, and into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, prior to enactment of law by such State or Territory permitting the manufacture, possession, and sale of such fermented liquor is hereby prohibited. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor the shipment or transportation of which is prohibited by the act of March 1, 1913, entitled "An act divesting intoxicating liquors of their interstate character in certain cases" (U. S. C., title 27, sec. 122).

Naturally this idea of requiring affirmative action on the part of the States desiring to avail themselves of the opportunity of manufacturing and selling the beer of the alcoholic content provided in this bill would necessarily have to be carried out by amendments in other sections of the bill. It has been pointed out that the bill is purely a revenue bill and that the rules will be strictly applied. In connection with that desire I wish to point out that the committee itself has injected into the bill a prohibition of shipments into so-called dry States, as referred to in the Webb-Kenyon Act, and that in and of itself, I believe, opens the door for the amendments to carry out the proposition I propose.

There are two propositions here. The bill as it stands prohibits the shipment of this beer into States where its possession or sale would be unlawful, and my proposition requiring affirmative action of the States that have no enforcement laws permitting the sale of this beer, thereby giving notice to States that it would have to act affirmatively, and in doing so it can adopt any regulatory measure it may deem proper and suitable under the conditions of that State and in keeping with the public opinion of that State. Then, Mr. Chairman, the responsibility is on that State and not on the Congress.

I want to point out that there are 31 States whose legislatures will meet in January of next year. In other words, the legislatures of the following 31 States will be in session next month, and this bill can possibly be back from the Senate: Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hamphire, New Mexico, New York, North Dakota, Ohio, Oregon, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

Each State would by appropriate legislation permit the sale of beverages of the alcoholic content provided in this bill and provide where and how it could be distributed and sold within its own boundaries. Gentlemen, I feel that we owe that much to the States. Repeal of enforcement laws in many of the States was the result of a protest against national prohibition. The States should have time to reenact their enforcement and regulatory laws in order to be in full control of the situation. This a revenue bill as far as we are concerned. It is based entirely on revenue. We should give the States an opportunity also to derive revenue from the sale of this beer. License fees have been a source of revenue to many States and municipalities. Many municipalities require State legislation before they can properly collect license fees. All of these details require legislative action, and I contend the States should be given the opportunity to adjust themselves to the new condition which will be brought about by the enactment of the bill we are now considering.

Unless this is done the bootleggers and the racketeers in the States will continue to control the traffic in beer, and we will create an anomalous position whereby the Federal Government is collecting a revenue tax on beer, and the racketeers in the States and in the cities will collect tribute by reason of there being no enforcement laws in such States. If notice is given by proper provision in this bill, as my amendment would do, the State would first have to take, as I have stated before, affirmative action before it could avail itself of the privilege of manufacturing and selling the beer covered in this bill. I make this suggestion in keeping with my belief that the eighteenth amendment has not produced temperance but has created a state of disregard for the law, disobedience of law, and a criminal condition such as we have never seen or ever expected in this country. In approaching this subject, looking for a repeal of the eighteenth amendment, we must, therefore, act as I have stated, cautiously and intelligently.

Mr. SANDERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein some excerpts which I intend to refer to in my speech.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, this bill proposes to do an ignoble thing. It would make us faithless to our oath of office. Does any Member deny this? Let me offer witnesses to prove it. I call first three prominent Republicans, W. C. HAWLEY, CHARLES B. TIMBERLAKE, and FRANK CROWTHER, and then I will call three prominent Democrats, HEARTSILL RAGON, MORGAN G. SANDERS, and JERE COOPER, all six of them being members of the Ways and Means Committee, which held the hearings and reported this "beer" measure, and all being well prepared to render a decision on it. They have filed minority reports against this bill, and all have said over their signatures that this bill violates the Constitution of the United States, and they can not vote for it, because in doing so they would violate their oath of office.

Let me give you a brief history of these men: WILLIS CHATMAN HAWLEY is 68 years old, has an A. M. and an LL. D. degree, is a member of the bar of the Supreme Court of the United States, has been a Member of Congress for 26 consecutive years, and for a long time was chairman of the Ways and Means Committee; CHARLES BATEMAN TIMBERLAKE is a Knight Templar, Shriner, and Knight Commander of the Court of Honor in Scottish Rite Masonry, and has been a Member of Congress for 18 consecutive years; Dr. FRANK CROWTHER is 62 years old, is an authority on taxation and tariffs, has held local positions in Schenectady, N. Y., and has been a Member of Congress for 14 consecutive years, and has been reelected to the Seventy-third Congress; HEARTSILL

RAGON is 47 years old, has been a member of his State legislature, district attorney, chairman of his State Democratic committee and convention, and has been a Member of Congress for 10 consecutive years; MORGAN G. SANDERS has been a member of his State legislature, prosecuting attorney of Van Zandt County, district attorney, and a Member of Congress for 12 consecutive years; Capt. JERE COOPER served with distinction in France and Belgium, was city attorney for eight years, was State commander of the American Legion for Tennessee, is a Knight Templar and Shriner, and continues to be reelected to Congress by increased majorities. As honored members of the great Ways and Means Committee, the opinion of the above six men ought to come with weight and authority. Now, I will let them speak to you:

MINORITY VIEWS OF MESSRS. HAWLEY, TIMBERLAKE, AND CROWTHER

At the beginning of this session of Congress, in company with all my colleagues, I stood on the floor of the House and took the oath to support the Constitution of the United States, as required by article 6 of the Constitution. I quote from that oath:

"I do solemnly swear that I will support and defend the Constitution of the United States * * * bear true faith and allegiance to the same * * * without any mental reservation or purpose of evasion."

Article 18 of the amendments provides that—

"The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

I listened with careful attention to the evidence submitted to the committee during the hearings preceding the report of the pending bill—H. R. 13742. My observation covers a period prior to prohibition as well as under prohibition. I am convinced by the evidence submitted at the hearing and by observation and evidence extending over a period of a lifetime that beer and other liquors described in the bill are intoxicating. They were intoxicating prior to prohibition. A legislative declaration to the contrary does not overcome that fact, and if I were to support this legislation it would require a "mental reservation" on my part and a "purpose of evasion" of the eighteenth article of amendment to the Constitution.

On the part of the Federal Government, this bill proposes that the country enter upon a new era in the manufacture, distribution, sale, and consumption of intoxicants. It provides for the reestablishment of 90 per cent in volume of the liquor traffic on the basis of the amount prior to prohibition.

The brewing interests, realizing the influence that the great fundamental law of the land and the strength of the purpose of the people for its observance, attempted to avert opposition to this bill by constant reiteration of the allegation that malt beverages of the strength proposed were not intoxicating in fact as the basis and justification of their sale.

The bill originally proposed that the alcoholic content should be 2.75 per cent by weight, or 3.4375 per cent by volume. The majority of the committee increased the alcoholic content to 3.2 per cent by weight, or 4 per cent by volume, on the ground that this would increase the attractiveness of the beverage and increase its sale.

The question of the influence of alcohol on the human system has an added importance, owing to the development by national, State, and local funds of great highways and other improved roads, over which are operated some 26,000,000 motor vehicles. An individual may not be visibly intoxicated to the extent that he may be identified as a "drunk," but his muscular reactions and mental activities may be so depressed that he is not able to respond as quickly as when normal. Detailed evidence of this fact was submitted to the committee. The lives and property of people who use the highways are subjected to constant risk, and the traffic problem is one of the most important in the United States, and anything that will increase its dangers is against the public interests. During the hearings the brewing interests indicated their desire to secure a widespread distribution and opportunity of sale for beer and other beverages provided in the bill. On the allegation that they were not intoxicating, it was suggested that beer be sold at soda fountains, drug stores, cafeterias, hotels, restaurants, clubs, and also at wayside eating places, filling stations, and other places along the highways, or, to put it in other words, it should be sold as freely as soda water, ginger ale, and other soft drinks. The wayside sales would become a direct and continuing menace to vehicular traffic. The sale in drug stores, soda fountains, and other places where soft drinks are dispensed to the multitude would bring beer within the reach of everyone, including the very young, and be a constant temptation to them to drink this toxic and habit-forming beverage. That which might not intoxicate people of mature years will certainly intoxicate the young. The motion to restrict the sale to clubs, restaurants, hotels, etc., was voted down in the committee.

If it should be argued that the matter of distribution can be controlled by the States, let me call your attention to the fact that this bill expresses the attitude of the Federal Government toward the matter and that the refusal of many of the States to participate in enforcement indicates that from them at least no help can be expected.

During the hearings the brewing interests stated they had no desire for the return of the saloon and referred to the planks in the party platforms; but a motion to prevent the return of the saloon, by refusing to permit beer to be sold in such places, was voted down in the committee.

According to an estimate called to the attention of the committee, the consumption of alcohol liquors in the United States is approximately but one-third of what it was prior to prohibition.

The public health under prohibition has materially improved and, according to the information furnished, reached a remarkable degree in the last fiscal year.

Some urged upon the committee that bootlegging, racketeering, speak-easies, blind tigers, illicit distilling and brewing were the result of prohibition. This can not be true because such operations were carried on for a long period of years before prohibition. Terms have been altered to some extent, but the operations are similar.

The estimates of reemployment submitted to the committee by proponents of the bill varied, but altogether were a comparatively small number, without taking into consideration the loss of labor to persons now working in other industries whose sales would diminish because the money theretofore expended in purchases of their products would go to the purchase of malt liquors.

The income of the people generally of the United States will not be increased by the sale of malt liquors. Purchases of such beverages must be paid for from the family income. Other purchases must be reduced in amount, since incomes can not be expended twice.

It is alleged that the revenue to be derived from this measure will tend to balance the Budget. The brewing interests indicated that at the end of two years they will be manufacturing 40,000,000 barrels of beer of 31 gallons each, if the taste for this beverage is recreated, which at $5 a barrel will bring $200,000,000 of revenue to the Government, to which they added an estimate of income from the so-called allied industries; but they failed to deduct therefrom the losses that will be incident to other businesses from which revenue is now being derived. This would materially reduce the supposed income. I do not believe the Government should obtain revenues through the violation of the Constitution and by legalization of beverages which produce intoxication. Beer was intoxicating before prohibition. Its constituent elements remain the same, and will undoubtedly produce intoxication again. I believe the Budget should be balanced, but that legitimate sources of revenue legal under the Constitution should furnish the necessary amount.

From the above, as well as from many other factors I shall not take occasion to name, it appears that we are facing a wide-open situation in the matter of the dispensation of malt liquors. Some things were said during the hearings by the brewing interests concerning the protection of the dry States from the entrance of intoxicants within their borders from wet States. With our motor system of transportation, with tens of thousands of automobiles moving continually back and forth, with trucks on the highways carrying freight brought from many sources and distributed to many destinations, with increased traffic in the air, I came to the conclusion that a dry State surrounded by wet States or adjacent to one or more wet States would find itself subject to an impossible task in maintaining its dry status.

My feeling, after listening to many discussions and the recent hearings, is that the liquor interests are planning, by this measure, to secure again the existence of 90 per cent by volume of the liquor traffic, the repeal of the eighteenth amendment, and the return again of the sale of all intoxicating liquors with attendant and acknowledged evils. It seems to me that if we adopt the policy contained in this bill the return of the saloon is inevitable.

W. C. HAWLEY.

We concur in the above statement.

CHAS. B. TIMBERLAKE.
FRANK CROWTHER.

Mr. Chairman, will any Member deny that the three distinguished Members of this House quoted above have not told the truth when they assert that the beer proposed by this bill to be manufactured and sold is intoxicating, and that it is intended to be intoxicating, and that to vote for such a bill would violate the oath of a Member of Congress? You will note that these gentlemen quoted their oath, and quoted the Constitution. Now, see what the other three distinguished members of the Ways and Means Committee said over their signatures:

MINORITY VIEWS OF MESSRS. RAGON, SANDERS, AND COOPER

We have heard and read all of the testimony before the Ways and Means Committee relating to the proposed legislation on beer. Taking all of this testimony as a whole and duly considering same, we are of the opinion that the proposed bill is violative of the Constitution of the United States, which in this regard reads as follows:

"After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we can not under our oath support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform, which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2, which means beer of 4 per cent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer, because of its alcoholic content, is not permissible under the Constitution.

HEARTSILL RAGON.
MORGAN G. SANDERS.
JERE COOPER.

Mr. Chairman, the Washington Star is one of the finest, cleanest, ablest edited, most reliable newspapers in the whole United States. From its splendid editorial last Sunday I quote the following:

THE BEER BILL

The committee report on the Collier beer bill, which will probably be voted on Tuesday in the House, is an interesting and informative treatise on (1) the change of sentiment toward prohibition; (2) the need for revenue and the fact that beer taxes would yield revenue; (3) the physiological effects of alcohol on an empty stomach as compared with such effects of alcohol when taken with food; (4) the psychological effect of reestablishing an industry utilizing man power, railroads, and farm produce; and (5) the evils, sanitary and otherwise, of the bootleg traffic in beer and home-brew, from which the Federal Government collects no revenue.

Yet all these matters are irrelevant. The question is: Is beer of 3.2 per cent by weight or 4 per cent by volume intoxicating within the meaning of the Constitution of the United States, which forbids the "manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes"?

Is there any basis for the assumption that "beer is to be drunk * * * in limited quantities and with food"? Is not the weight of the evidence, drawn from common knowledge regarding the conditions before prohibition, exactly to the contrary? When the saloons were selling beer, did patrons of the saloons consume it only in limited quantities and with food? They did not.

And that emphasizes another important section of the beer bill. Beer would be sold "in or from" bottles, casks, barrels, kegs, or other containers. No restrictions are made as to its retail sale "in or from" such containers. That would mean the return of the beer saloon, except in the States that chose specifically to outlaw saloons.

Both parties are pledged to fight the return of the saloon. Why does this bill make no mention of the beer saloon, or seek to control retail sale of beer? It is, presumably, because of the obvious inconsistency that would lie in calling a beverage nonintoxicating, and then seeking to regulate its retail sale because of its intoxicating qualities. But if the States seek to control its retail sale, they will thereby immediately recognize it as intoxicating, and if it is intoxicating it is contrary both to the letter and the spirit of the eighteenth amendment.

This beer bill permits the return of the beer saloon. People will get drunk in those saloons on 4 per cent beer. That is the truth and it can not be dodged.

Mr. Chairman, it will be noted that the Washington Star states emphatically that this beer bill permits the return of the saloon, and that people will get drunk in those saloons on 4 per cent beer. And it concludes by stating:

That is the truth and it can not be dodged.

I have been greatly amused at the wonderful change which has come over Hon. A. Mitchell Palmer since 1918. During that year he made the following statement:

The facts will soon appear which will conclusively show that 12 or 15 German brewers of America, in association with the United States Brewers Association, furnished the money amounting to several hundred thousand dollars, to buy a great newspaper in one of the chief cities of the Nation; and its publisher, without disclosing whose money had bought that organ of public opinion, in the very Capital of the Nation, in the shadow of the Capitol itself, has been fighting the battle of the liquor traffic.

When the traffic, doomed though it is, undertakes and seeks by these secret methods to control party nominations, party machinery, whole political parties, and thereby control the Government of State and Nation, it is time the people know the truth.

The organized liquor traffic of the country is a vicious interest, because it has been unpatriotic, because it has been pro-German in its sympathies and in its conduct. Around these great brewery organizations owned by rich men—almost all of them are of German birth and sympathy, at least before we entered the war—has grown up the societies, all the organizations of this country intended to keep young German immigrants from becoming real American citizens.

It is around the sangerfests and sangerbunds and organizations of that kind, generally financed by the rich brewers, that the young Germans who come to America are taught to remember, first, the fatherland and, second, America.

The above statement made by Hon. A. Mitchell Palmer in 1918 caused the United States Senate to appoint a Senate committee to investigate the activities of the brewers and liquor interests in the United States. I will shortly call attention to what this investigation disclosed. Before doing that, however, I want you to note how A. Mitchell Palmer has changed since 1918. He has recently prepared a very extensive brief advocating that Congress shall submit immediate repeal of the eighteenth amendment to conventions, and that such conventions which are to do the ratifying are to be the creatures of Congress, formed and fashioned in every detail by the Congress of the United States. In his brief, a copy of which has been sent to each Member of Congress and which the great wet leader, Mr. BECK, caused to be printed in the CONGRESSIONAL RECORD, A. Mitchell Palmer says:

Prompt repeal of the eighteenth amendment, followed by fair taxes on vinous, spirituous, and malt liquors will put the bootleggers' profits into the Federal Treasury. It will balance the Budget, secure the Government against the possibility of bankruptcy, and relieve the people of further additions to the already intolerable burden of taxation.

Just what has come over Mr. A. Mitchell Palmer since 1918? Then he said the liquor traffic was doomed. Then he complained because German brewers had paid several hundred thousands of dollars to buy a great newspaper "in the shadow of the Capitol," and he denounced the attempt of brewers "to control party nominations," and he said they were controlling whole political parties and party machinery and the Government of State and Nation, and he wanted the people to know about it. Now, in 1932, he wants whole parties, party machinery, State governments, and the National Government turned over to the brewers.

The Senate committee reported its findings and conclusions on its investigation to the United States Senate and same are printed in the CONGRESSIONAL RECORD for June 16, 1919, and after quoting the charges made by A. Mitchell Palmer in 1918, mentioned a moment ago, such Senate investigating committee reported as follows:

The subcommittee began its investigation on September 27, 1918. At the request of the subcommittee the Secretary of War very kindly detailed from the Judge Advocate General's Department, United States Army, to aid the committee, Maj. E. Lowry Humes, formerly United States district attorney for the western district of Pennsylvania, and from the Military Intelligence Division, United States Army, Capt. George B. Lester, an attorney of New York, and also the Attorney General very kindly detailed from the Department of Justice, Mr. William R. Benham, all of whom rendered most valuable assistance to the committee in the collection of evidence, the production of testimony, the examination of witnesses, and in the preparation of reports.

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

(b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.

(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.

(d) That they have exacted pledges from candidates for public office prior to the election.

(e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.

(f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of

boycotting unfriendly American manufacturing and mercantile concerns.

(g) That they have created their own political organization in many States and in smaller political units for the purpose of carrying into effect their own political will, and have financed the same with large contributions and assessments.

(h) That with a view of using it for their own political purposes they contributed large sums of money to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business, and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) That they undertook, through a cunningly conceived plan of advertising and subsidation, to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country, by the terms of which the brewing interests contributed two-thirds and the distilling interests one-third of the political expenditures made by the joint interests.

Thus the investigating committee of the United States Senate spoke on June 16, 1919. Saloons then were still in existence. If brewers and distillers were doing all of the above in 1918 when they had saloons, how much more do you suppose they have been doing for the past 14 years to get saloons back. Where they spent hundreds of thousands of dollars in 1918 they are spending millions upon millions of dollars in 1932. Do you think that they have quit spending large sums of money to control newspapers and magazines? Do you suppose that they have quit spending large sums of money to control primaries, elections, and political organizations? With few exceptions, they have all of the big newspapers in the United States subsidized and controlled. They have most of the magazines under their influence. They use daily and control all of the big radio stations in the United States. They control the talking movie industry of the United States, and their filthy hand and influence are seen in practically every picture that is shown on the screen. They have many actors subsidized and under their control. Steps are taken to ruin and run out of public life every legislator who dares to speak or vote for prohibition. Wet organizations spend large sums of money in his district to defeat him for reelection. The wet press misquotes such men and reflects upon them in every possible way in all news dispatches. And constituents never dream that their Representative has been put on the spot.

In 1928 the issue in this country was clearly and distinctly drawn. The distinguished candidate from New York promised the people of the United States a repeal of the eighteenth amendment. He promised them immediate return of the brass rail and the foaming glass. He promised them that they would have returned to them their Mumm's Extra Dry.

President Hoover, although suffering the handicap of having been criticized most severely by the leading members of his own party, one of whom from Indiana now sits before me, came out flat-footedly against repeal. He promised that he would uphold the eighteenth amendment. He promised that there would be enforcement of the law of the land, and we found that he got 21,300,000 American votes in the United States and carried such rock-ribbed, solid South, Democratic States in this Nation as Virginia, North Carolina, Florida, and Texas. I knew that he could not be depended upon. I stayed with my party and with my national ticket, and I made speeches over the country for my party ticket, including the wet candidate. Because my constituents did not want saloons my district went Republican, and because Texas people did not want saloons, my State went Republican, and likewise Democratic States like Virginia, North Carolina, and Florida went Republican because they did not want saloons.

Then Mr. Hoover capitulated in 1932. He went back on his dry proclivities and promises. He double-crossed the drys who put him in power. He adopted a wet platform, one as wet as the Democratic platform itself, and he lost the dry vote of the United States, both Republican and Democratic.

I want to say to my friends that the great State of Texas sent to Chicago to the national convention a dry delegation. Every delegate who went there was definitely instructed to vote against repeal, to vote against a return of the saloon, to vote against beer. They violated their instructions. They were not faithful to the people of Texas who sent them there, and they helped to put into the Democratic platform a plank that was just the opposite of what Texas people instructed their delegates to vote for.

Mr. CELLER. Will the gentleman yield?

Mr. BLANTON. I am sorry I can not yield.

At an expense of almost a million dollars to the people of the United States President Hoover appointed his famous Wickersham Commission and had it sit all over the United States and finally make a voluminous report. Most of the members he appointed were fundamental wets. There were 11 members of that commission. Ten out of the eleven members agreed upon certain conclusions, the first four of which I want to quote over their signatures from their printed report:

1. The commission is opposed to repeal of the eighteenth amendment.

2. The commission is opposed to the restoration in any manner of the legalized saloon.

3. The commission is opposed to the Federal or State Governments as such going into the liquor business.

4. The commission is opposed to the proposal to modify the national prohibition act so as to permit manufacture and sale of light wines or beer.

George W. Wickersham, chairman; Henry W. Anderson; Newton D. Baker; Ada L. Comstock; William I. Grubb; William S. Kenyon; Frank J. Loesch; Paul J. McCormick; Kenneth Mackintosh; Roscoe Pound.

The only member of the Wickersham Commission who refused to sign the above conclusions was Mr. Monte M. Lemann, of New Orleans, a lifelong wet. He, even, was against nullification, for from his separate signed report I quote him as follows:

I do not favor the theory of nullification, and so long as the eighteenth amendment is not repealed by constitutional methods, it seems to me to be the duty of Congress to make reasonable efforts to enforce it.

Then he said further, concerning light wines and beer:

I do not think that any improvement in enforcement of the eighteenth amendment would result from an amendment of the national prohibition act so as to permit the manufacture of so-called light wines and beer.

Now, gentlemen, listen; he said this, further:

If the liquor so manufactured were not intoxicating it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors, and if it were intoxicating it could not be permitted without violation of the Constitution.

I am one of those Members of Congress who is not in favor of this principle of nullifying our Constitution, because I know that the beer which is sought to be manufactured is to be intoxicating. If it were not intoxicating, it would not be drunk, if the committee please.

Now, in a separate report filed by Hon. Frank J. Loesch, of Chicago, he said:

It would be unwise to repeal the eighteenth amendment. Such repeal would cause the instant return of the open saloon in all States not having state-wide prohibition.

Furthermore, Chief Justice Kenneth Mackintosh, of the Supreme Court of Washington, also a member of the Wickersham Commission, said:

Civilization will not allow this Nation to end the long attempt to control the use of alcoholic beverages.

Federal Judge Paul J. McCormick, in his separate report on this Wickersham Commission, said:

Absolute repeal is unwise. It would, in my opinion, reopen the saloon. This would be a backward step that I hope will never be taken by the United States. The open saloon is the greatest enemy of temperance and has been a chief cause of much political corruption throughout the country in the past. These conditions should never be revived.

He said further:

The States favoring prohibition should be protected against wet Commonwealths. This right would be defeated by remitting the entire subject of liquor control and regulation to the several States exclusively.

What did Dean Roscoe Pound of the Harvard Law School say about the matter? He was a member of the commission. He said:

Federal control of what had become a nation-wide traffic and abolition of the saloon are great steps forward which should be maintained.

Federal Judge William I. Grubb, who was a member of the commission, said:

Prohibition is conceded to have produced two great benefits, the abolition of the open saloon and the eliminating of the liquor influence from politics. Remission to the States would assure the return of the open saloon at least in some of the States and the return of the liquor interests to the politics of all of them.

Now, Ada L. Comstock, the president of Radcliffe College, in her report—she could not even say one word for temperance, but she said this:

I favor revision of the amendment rather than its repeal.

Henry W. Anderson, of Virginia, a member of the Wickersham Commission, said:

We must not lose what has been gained by the abolition of the saloon.

In summing up his own separate conclusions, Hon. George W. Wickersham, chairman of the Wickersham Commission, said:

The older generation very largely has forgotten, and the younger never know, the evils of the saloon and the corroding influence upon politics, both local and national, of the organized liquor interests. But the tradition of that rottenness still lingers even in the minds of the bitterest opponents of the prohibition law, substantially all of whom assert that the licensed saloon must never again be restored.

Then he added—

It is because I see no escape from its return in any of the practicable alternatives to prohibition that I unite with my colleagues in agreement that the eighteenth amendment must not be repealed.

And, Mr. Chairman, we must not forget that the fundamentally wet Monte M. Lemann, of New Orleans, was frank and honest enough to state, "That if the beer to be manufactured were not intoxicating it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors, and if it were intoxicating it could not be permitted without violation of the Constitution."

Unless President Hoover deliberately wasted the hundreds of thousands of dollars he spent of the people's money on this Wickersham Commission, he will not ignore the above valuable portions of its otherwise valueless investigation and report, and will veto this unconstitutional beer bill whenever it reaches the White House; and we know that there are not enough votes in this Congress to pass it over his veto.

Our friend from Massachusetts [Mr. McCORMACK] tells us that we Members of Congress have nothing to do with the Constitution, that we should leave it to the Supreme Court of the United States. Then why is it, I ask him, that all of us, before we can serve here, must take an oath that—

We will support and defend the Constitution of the United States * * * bear true faith and allegiance to the same * * * without any mental reservation or purpose of evasion?

If we are not concerned about the Constitution, why are we forced to take such an oath? We do not swear that we will leave it to the Supreme Court to uphold the Constitution for us. We swear that we ourselves will uphold it, and that we ourselves will defend it, and we swear that we ourselves will bear true faith and allegiance to it, and we swear that we will all do it without mental reservation or purpose of evasion. Is there no purpose of evasion in this bill? Mr. HAWLEY says so. Mr. TIMBERLAKE says so. Mr. CROWTHER says so. Mr. SANDERS says so. Mr. COOPER says so. Mr. RAGON says so. They are all members of the Ways and Means Committee. They heard the evidence. They say this beer is intoxicating. They say that it violates the Constitution. They say that we can not vote for this bill without violating our oath of office.

Dr. Joy Elmer Morgan, a leader in the educational world and for the past 12 years editor of the Journal of the National Education Association, which speaks for 220,000 school teachers, recently wrote the following interesting article:

Since its organization in 1857, the National Education Association has favored the teaching of temperance and abstinence. It urged the adoption of the eighteenth amendment, and has stood solidly behind that measure throughout the years. Its official attitude is expressed in a resolution that has been adopted at its last two annual conventions. This resolution reads:

"The National Education Association reaffirms its stand in favor of the eighteenth amendment and of the laws enacted thereunder. It urges their vigorous and impartial enforcement, and pledges its support to an active educational campaign in behalf of habits of living for which the eighteenth amendment stands."

220,000 TEACHERS

The membership of the National Education Association is more than 220,000. Resolutions such as this have been adopted by almost all the State education associations of the country, and it is highly significant that the teachers of the Nation should take such a position. No other group is so close to the normal life of the people. No other group has under its daily charge the children and youth from all the homes, rich and poor. The teacher has an unusual opportunity to see the effect of social and economic policies upon home life and upon individual success. Teachers know that untold millions of fathers whose weekly pay check formerly went to the saloon are now investing that check in food and clothing and schooling for their children. Some of the finest high schools of America have been built upon the sites of former breweries.

There has been much loose talk about the effects of prohibition on young people. There has been more emphasis put upon the 1 student who goes wrong than upon the 999 who go right. Undoubtedly many well-meaning persons have been misled and confused by the statistics that have been circulated and by the large headlines in the yellow press.

303 OUT OF 312

Some weeks ago I wrote letters to the presidents of the colleges of America, asking for a report of the effects of prohibition on the students. Out of 312 replies received—a really remarkable response—303 felt that conditions had definitely improved and that they are steadily growing better. These college presidents know their young people. They know that they are busy and interested in the fine things of college life.

The enrollment in the high schools to-day is nearly three times what it was when prohibition went into effect. In 1900, when local and State prohibition began making its inroads into the liquor traffic, there were 500,000 students in the American high schools. In 1910 the number had grown to a million. By 1920 it had grown to 2,000,000, and between 1920 and 1930—the period of national prohibition—it grew to 5,000,000. This means that many persons from poorer homes and foreign groups are enjoying high-school opportunities who could not have had such opportunities a decade ago. Obviously much of this achievement is the result of prohibition. Money that was formerly spent for liquor has been saved for education.

Those who know the high schools best know that drinking is not a serious problem in most of them. For 10 years I have been traveling about the United States lecturing to student bodies, talking with school officers, attending conventions, and carrying on a heavy correspondence. Out of this wide experience I know that the school people believe in the eighteenth amendment, and that they believe in youth.

SOME HIP-FLASK HEARSAY

There recently appeared in the Philadelphia papers a statement reported to have been made by a teacher about hip flasks. Next morning Supt. E. C. Broome, of the Philadelphia schools, president of the department of superintendence of the National Education Association, 1931–32, called to his office the teacher who was reported to have made that statement and the principal of the school in which this teacher worked. The stenographic report of that conference, which was also published in all the Philadelphia papers, shows that neither the teacher nor the principal had ever seen a hip flask in the hands of a student or had ever found liquor in any school locker, although the principal has served 25 years in Philadelphia schools. Summarizing the testimony, Superintendent Broome has this to say:

"Thinking people who know youth and have their interest at heart are getting tired of this constant berating of the young people of our community. If all the adults in our community would behave as well as the young people do, and would set the right example, much of the difficulty that we are having with youth would disappear. This seems to be an open season for attack on the schools, and the church, and the courts, and on the other American institutions which we have taught our children to revere. How can we expect the rising generation to have respect for our country and its institutions if they are to be exposed to a constant barrage of flippant and irresponsible criticism?"

NO PLACE IN MODERN AGE

In all this argument about the eighteenth amendment let us not forget that liquor is an evil, that it destroys health, weakens the home, deadens ambition, corrupts government, destroys skill, debauches leisure, and destroys the spiritual aspirations and impulses. It is especially menacing in a machine age, because it destroys reliability. There are 25,000,000 automobiles in use in the United States to-day. More children of elementary school age are killed each year by automobiles than die from all other causes combined. There are injured in the United States each year by automobiles more people than live in the National Capital. Any increase in drinking, even of light wines and beers, would greatly increase the automobile death rate.

The present is a period of confusion on many problems. We need to be sure of our ground before we take any backward steps. Twenty-five years is a short time to bring into full operation such a measure as the eighteenth amendment. That amendment is the greatest social and economic advance ever deliberately undertaken by a great people. It is the greatest child-welfare measure ever put into operation excepting only the establishment of the Christian church and the founding of the common school.

Prohibition is an expression of the eternal struggle between things spiritual and things material. It holds that the right to be well born, decently reared, and adequately educated transcends any so-called right based on appetite for harmful beverages. Prohibition is not on trial. Free government is on trial. The Constitution is on trial. Intelligence is on trial. Conditions have infinitely improved in spite of all the aftermath of war. I do not believe America can be fooled into taking a backward step.

I wish that every Member here would read what Doctor Morgan has recently said on the terrible strangle hold the liquor interests now have over all radio transmission.

Mr. BRITTEN. Will the gentleman yield?

Mr. BLANTON. Oh, no; my friend from Illinois got after the gentleman from Ohio and said that Mr. MOUSER was a lame duck and was going out. Is the gentleman from Illinois quite secure in his own seat for the next Congress? [Laughter.] The gentleman ought to have been fair enough to tell Mr. MOUSER that some one has filed a contest over his election, and that he has not yet convinced all of his Republican and Democratic friends that he is entitled to the seat.

Mr. BRITTEN. I will come back; the gentleman need not worry. [Laughter.]

Mr. BLANTON. Yes; because I shall likely vote for him myself, because, "with all his faults, I love him still."

Our good friend from Kentucky [Mr. VINSON] attempted to quote the testimony of certain scientists who appeared before the Ways and Means Committee. I do not see how he can get any wet consolation from anything that was said by Doctor Miles. And I do not understand how any man of experience could believe Prof. Yandell Henderson, who testified that a person could get as drunk on drinking coffee or smoking a cigar as he could by drinking 3.2 per cent beer.

I know that a person can drink coffee all day long without getting drunk. And I know that I have seen many persons drunk from drinking a few bottles of pre-war beer, which all will admit was 3.2 per cent alcohol by weight. I would not believe a scientist on oath who would say that a person can get just as drunk on coffee as he can on 3.2 per cent beer. I wonder if Prof. Yandell Henderson thinks that such testimony as that would induce many fathers in the United States to send their boys to Yale to be taught by such a scientist.

Now, if I know the probative force and effect of the evidence given by Dr. Walter R. Miles, professor of psychology, of Yale University, it condemns this beer bill and shows conclusively that 3.2 per cent beer is intoxicating. I quote from his evidence the following:

STATEMENT OF DR. WALTER R. MILES, PROFESSOR OF PSYCHOLOGY, YALE UNIVERSITY

Mr. RAGON. Let me suggest that you give your name and address, as well as your occupation, to the reporter.

Doctor MILES. Walter R. Miles, New Haven, Conn.

Mr. RAGON. Are you connected with Yale University?

Doctor MILES. Yes.

Mr. RAGON. In what capacity?

Doctor MILES. I am professor of psychology in the medical school at Yale.

I suppose that I was asked to come here to discuss this measure with you because I have worked experimentally and scientifically with alcohol and its effects on human beings and because I am a psychologist and have conducted my investigations from that standpoint.

The work I shall discuss was not done at Yale University, and Yale University had nothing to do with it. I happen to have recently been called there as a professor, but this alcohol work was done at the nutrition laboratory of the Carnegie Institute, Boston, Mass., where I was research psychologist for eight years and where with Drs. F. G. Benedict, Raymond Dodge, T. M. Carpenter, H. L. Higgins, and others, I worked on certain problems connected with alcohol and its influence on human beings. This work resulted in the following publications:

"1. Benedict and Dodge, Tentative plan for a proposed investigation into the physiological action of ethyl alcohol on man: Proposed correlative study of the psychological effects of alcohol on man. Privately printed, Boston, 1913.

"2. Dodge and Benedict, Psychological effects of alcohol. Carnegie Inst. Wash. Pub. No. 232, 1915.

"3. Benedict, The alcohol program of the nutrition laboratory, with special reference to psychological effects of moderate doses of alcohol on man. Science, 1916, 43, p. 907.

"4. Higgins, The rapidity with which alcohol and some sugars may serve as nutriment. Am. Jour. Physiol., 1916, 41, p. 258.

"5. Carpenter, Physiological effects of ethyl alcohol when injected into the rectum, with special reference to the gaseous exchange. Am. Jour. Physiol., 1917, 42, p. 605. (Abstract.)

"6. Higgins, Effect of alcohol on the respiration and the gaseous metabolism in man. Journ. Pharm. and Exp. Therapeutics, 1917, 9, p. 441.

"7. Carpenter and Babcock, Absorption of alcohol and its concentration in the urine when injected by rectum. Journ. Biol. Chem., 1917, 29, p. XXVIII. (Abstract.)

"8. Miles, Effect of alcohol on psycho-physiological functions. Carnegie Inst. Wash. Pub. No. 266, 1916.

"9. Carpenter and Babcock, The concentration of alcohol in the tissues of hens after inhalation. Am. Journ. Physiol., 1919, 49 p. 128. (Abstract.)

"10. Miles, The comparative concentrations of alcohol in human blood and urine at intervals after ingestion. Journ. Pharm. and Exp. Therapeutics, 1922, 20, p. 265.

"11. Miles, Alcohol and human efficiency: Experiments with moderate quantities and dilute solutions of ethyl alcohol on human subjects. Carnegie Inst. Wash. Pub. No. 333, 1924."

My own work has been spread over a term of years. It was first begun in 1914, continued quite actively in 1919 (with 2.75 per cent by weight beverages), and again during May, June, and July in 1921.

Later, 1927–1930, I did some studies in alcohol and animals at Stanford University, California. I will confine my remarks chiefly to the work done in 1921, because that was entirely with 2¾ per cent by weight beverages and on a sizable group of young men.

Now, gentlemen of the committee, I am at your disposal. You are certainly very patient men. But I have no speech that I am anxious to perpetrate on you. If you want me to talk about this line, I will continue; but if you want to question me, I will do the best I can to answer.

Mr. RAGON. May I suggest that I think that what the committee is interested in is a discussion of the intoxicating effects of 2.75 per cent or 3.2 per cent beer. What we want to hear is a scientific discussion of the effects of alcohol on a human being, with respect to intoxication.

It has been suggested to me that there is wine in this bill also.

Doctor MILES. My investigation on this problem of 2¾ per cent by weight alcoholic beverages, undertaken in May, 1921, was independent of any challenge from anybody anywhere. No industry solicited my scientific interest to work on this problem. I was following out a program (see reference No. 1 above) which had been initiated at the nutrition laboratory in 1913, when they called to the laboratory Prof. Raymond Dodge, professor of psychology at Wesleyan University. Doctor Dodge was well known to Doctor Benedict as a man of great critical skill and technical skill in devising means of studying human functions. I was fortunate, indeed, as a young man who had just received his doctor's degree, to be called to Wesleyan University to follow Professor Dodge for a year, and later the Carnegie Institution selected me to succeed him at the Nutrition Laboratory. I was there for eight years—that is, until 1922—when I was called to Stanford University as professor of experimental psychology, and now I have just started my professional work at Yale University.

I had no aid from any brewery; that is, it was not possible for me to secure regularly manufactured beverages from such a source. Such commercial supplies would have been useful to me and have saved me labor. I would like to have worked with a beverage made up by brewers specifically for the purpose. This has been done, and the results agree quite well with my own (see Hollingworth, The Influence of Alcohol, Jour. Abnormal Psychol. and Soc. Psychol., 1923–24, 18, 204–237, 311–333). I compounded my own beverages and I did it with great care under the check of chemists. The beverage I used was not beer, but alcohol, 27.5 grams, and grape juice, 300 cubic centimeters, and water to total 1,000 cubic centimeters. In fact, in certain experiments I did use a nonalcoholic beer that, according to my own analysis, proved to have four-tenths of 1 per cent of alcohol in it. I allowed for that and added sufficient to bring it to 2.75 per cent by weight. This was used with only one subject. What I should like to report more fully is the work I did on seven or eight subjects, young men students in Harvard Medical School, which was my near neighbor. First, about the choosing of these subjects: I wanted to do this work rather differently than any other alcohol investigation had previously been done. It was my desire to

relate the alcohol effect as found in the psychological laboratory tests to the amount of alcohol appearing in the blood. It is not what you carry under your arm that intoxicates you, or what is in your stomach; it is what has passed through the walls of the stomach and is in the blood stream circulating in contact with the nervous system that produces the well-known effect of alcohol. I chose my subjects by finding out two things:

Have you been in the habit of using moderate quantities of alcohol and have you any scruples against such use? My next question was: Have you ever given blood samples, as in blood transfusions?

So I chose my subjects in this way, and I think that the men chosen, who were willing to give blood samples and who had nothing against taking alcohol, were probably sufficiently virile men, and satisfactory subjects.

Samples of blood were taken 20, 40, 70, and 120 minutes after my eight men drank the laboratory beverage. They were given 27½ grams of alcohol in 1 liter of fluid (1,000 cubic centimeters)—that is, a pint and three-quarters. The stomach can easily take that much. It is more than you would ordinarily take, but it is not more than a truck driver with a mid-afternoon thirst might stop to take.

Mr. VINSON. Within what period?

Doctor MILES. Within 20 minutes.

Mr. HAWLEY. Of what alcoholic content?

Doctor MILES. Two and three-fourths per cent by weight; 3.4 by volume; that is, he is taking slightly over a fluid ounce of alcohol; he is taking actually 34.4 cubic centimeters of absolute alcohol, whereas 28.4 cubic centimeters amounts to a fluid ounce; he is taking slightly over an ounce of alcohol, and taking it in this 2.75 per cent type of beverage.

I also gave to these men the same amount of alcohol (27.5 grams) in one-tenth as much solution (100 cubic centimeters), and I found that the amount appearing in the blood stream was now about 50 per cent higher than before. The two sets of results are as follows:

Minutes after drinking	Drinking (1,000 c. c.)	Drinking (100 c. c.)
20	0.18	0.29
40	.24	.43
70	.31	.44
120	.31	.37

"This is the average for eight men and shows the decimal fractions of one part per thousand of alcohol to blood. It is taken from Table 54 in reference No. 11 above."

We must remember that dilution is only one of the factors controlling intoxication. You can hand out alcoholic beverages diluted to this or that amount, but you can not control how much a man will take, when he will take it, who he is or what he wants to do after he has taken it.

I will mention only four specific tests of those applied to these men, and I will try to select such as I think we could readily agree upon as having a practical relationship to human behavior and human performance.

The first will be the influence of this 2.75 per cent beverage on their pulse rates. The average pulse rate indicates the energy transformation that is taking place and reflects the demand that is being made on the organs. I found that the seven men, all but one, showed increases in pulse rate associated with the taking of this beverage which mounted to from 4.4 to 17.8 per cent and in the two hours after drinking averaged 8.8 per cent; their pulses were that much faster. The maximum effect came from 40 to 70 minutes after drinking when it was over 10 per cent.

Ordinarily the heightening of the pulse is due to a greater requirement on the organism for work, for thinking, an emotional change, or a slight febrile condition. Temperature and the pulse running together are parallel indicators of energy transformation. But after this much alcohol the heart is called on for work beyond what the natural physiological or psychological condition demands. The change is not at its height immediately, but gradually increases, and then diminishes. By the end of two and one-half to three hours it (the effect on the heart) would practically have disappeared.

This condition after alcohol was of course compared against that which resulted from taking an equal amount of the same ingredients, except the ethyl alcohol was omitted. The food value of 300 cubic centimeters of unsweetened grape juice would amount to 200 calories, about one-fifth of an ordinary meal.

Next we considered the matter of the body temperature——

Mr. CHINDBLOM. Will you tell us what the comparison was?

Doctor MILES. This comparison that I have given you on the seven men showed a change that is an increase in pulse rate of from 4 to 18 per cent for the alcoholic condition against what we might call the nonalcoholic or the control condition.

Mr. CHINDBLOM. That is, there was an acceleration of 18 per cent when the alcohol was used?

Doctor MILES. There was an acceleration of 18 per cent in some and 4 per cent in others, averaging 11 per cent at its height. It was 5 per cent 20 minutes after taking, 11 per cent 50 minutes after taking, then it dropped to a little below 10 per cent and gradually diminished. This was in comparison with or against the taking of a nonalcoholic solution. You can not give a drug and assume that just what you get following is the effect. You must give something on another occasion as a comparison for that. You can not introduce into the organism a pint of fluid and not change the organism. You probably won't introduce that fluid at the same temperature as the organism, and a temperature change amounting to several degrees introduced centrally in the body is bound to exercise a change in the organism.

Mr. MCCORMACK. Would a pint of coffee have any effect?

Doctor MILES. It probably would, but the coffee would have quite a different effect than the alcohol. As a rule, it would not make the responses slower or more variable. I think it goes without saying that most of you know that there is a difference in the effects of the two substances.

Mr. VINSON. What about a strong cigar?

Doctor MILES. A strong cigar, if smoked too rapidly, and if the material in it is not well oxidized, will make some men highly conscious of the fact that something in the nature of a drug has been applied to them.

Mr. MCCORMACK. Have you ever made any tests respecting tobacco?

Doctor MILES. I have never worked with tobacco experimentally in the laboratory. Considerable work of this character has been done by others.

Mr. VINSON. What was the variation in the rate of pulse you found in these tests?

Doctor MILES. The normal rate after the nonalcoholic drink was 64.6 beats per minute, whereas the rate after the 2.75 per cent was 68, with no other conceivable reason that you could assign. The same tests carried out in the same way, with the same men and under the same conditions, with nothing else as an alibi for explaining the differences that you get in pulse rate.

Mr. CHINDBLOM. Are there any permanent effects from that accceleration?

Doctor MILES. No; not that I can indicate. A heart that has not been strained is responsive and promptly gets over this condition.

Mr. CHINDBLOM. If that were not so, excitement or surprise would be constantly giving us permanent injuries?

Doctor MILES. Yes. There are some irreversible changes going on in our bodies as we get older. I am just now trying to do some research on these, but this is not of that sort.

Mr. CHINDBLOM. It is not clear to me just what the effect was at the expiration of 120 minutes. You have told us that there would be an increase of from 4 to 18 per cent.

Doctor MILES. Yes.

Mr. CHINDBLOM. What would be the percentage at the end of the period?

Doctor MILES. It was just zero.

(NOTE.—This should be corrected, as the alcohol effect still amounted to about 8 per cent increase at the end of 2½ hours.—W. R. M.)

Mr. CHINDBLOM. At the end of 120 minutes?

Doctor MILES. At the end of 120 minutes it was returning to its base line; the effect was fading.

Mr. CHINDBLOM. What effect were you referring to when you used the term two and one-half or three hours, or some long period?

Doctor MILES. Two hours, or 120 minutes, and usually my experiments lasted that long or longer. There were four periods of observation following ingestion; there had been two before that. I had a series of measurements that required 30 minutes to go through. We went through them twice and then the beverage was taken, following which we went through them four more times, so that would give us 120 minutes—I am sorry; I went through them five times after the ingestion, and that would be two and one-half hours.

Now, as to the skin temperature, we use the temperature of the body as a fairly good measure of its condition, indicating if the individual is normal or has an infection. I measured the skin temperature of the hands and face. This was done by a thermocouple method used in industry in many places and which will register to one hundredth degree. It was found that following this ingestion of 2.75 per cent alcohol there was an increase in the surface temperature. Following the ingestion of a liter containing 27½ grams of alcohol, the average maximum effect is an increase of about three-tenths of a degree centigrade, about a degree Fahrenheit. The temperature of the hands increased about 1.2° C. On this same scale skin temperature would usually be about 33° C.

The assumption that seems valid is that the capillary walls have been relaxed by the alcohol. A larger proportion of the blood is now in the periphery, and, of course, it is well known that by ingesting alcohol people have made themselves feel more comfortable in the presence of cold.

Now, two more measures. Take the measures of standing, approximately like standing at attention for military purposes. You will find that 65 minutes following this ingestion of 2.75 per cent these same people show a 20 per cent increase in unsteadiness.

Mr. MCCORMACK. You say for military purposes. Is that the test?

Doctor MILES. This was similar to it. They stand, but not on the balls of the feet.

Mr. MCCORMACK. Have you ever stood at attention?

Doctor MILES. Yes.

Mr. MCCORMACK. You know it is a pretty hard thing to do.

Doctor MILES. I know it is hard, but I did not prescribe it in that way for them. They stood with the center of gravity further back—I did not want them to faint, but to stand as quietly as they could.

Mr. McCORMACK. How long did they stand?

Doctor MILES. Two minutes, and they are 20 per cent less steady, and this is an effect that sweeps up and goes down like these other effects.

The fourth and last measure I will mention in connection with these experiments was one——

Mr. HAWLEY. Before you get to that, what would that effect be upon an automobile driver?

Doctor MILES. Many people who are driving automobiles under the influence of liquor are not detected who would be detected if they were walking as pedestrians in the street. The effect of alcohol is more intense on the lower limbs than it is on the upper limbs.

Mr. HAWLEY. What effect would it have on their motor reactions?

Doctor MILES. They would be a little less quick, but that is not the main effect; they would be more variable in the response. This regard as the main effect, conducive to accidents or to oddities of behavior.

Do you want me to follow up that point?

Mr. HAWLEY. Please do so.

Doctor MILES. You know that the nervous system is built of units. It is not a totality, but an assemblage of units. We have many more units than we ordinarily employ. We work these units into patterns, through a process we call learning. Impulses get in the way of passing over certain trains of neurones, and that is the meaning of a habit, the tendency for the same kind of a situation to cause that train of nervous response to run over the same groups——

Mr. HAWLEY. Developed in a pianist, for instance.

Doctor MILES. As an example developed in a musician's keyboard fingering.

Alcohol seems to have this peculiar thing about it; it has an affinity for the nervous system. It is chemically known as C_2H_5OH and the C_2H_5 combination is known as the ethyl group. If you put that group in combination with a dye that will stain, and if this be injected into the organism of a rat, you find that the nervous system is chiefly stained by this dye. Common beverage alcohol has this ethyl group of atoms in its molecule. In this same way, in the circulation through the blood, it is picked up by the nervous system. I can not tell you just where it does its chief job or has its chief effect in the nervous system, whether in the cell body or whether at the margin where the little projections from the cells come into closest contact and where the impulses must go across. I suppose it is at the latter place. But, anyway, the habit system does not run through with the same regularity after alcohol.

The drinker himself is surprised and interested in his own oddities of action after alcohol. Why is it he can not place the key immediately in the keyhole? With my eyes closed I can reach directly to my pocket, secure my handkerchief, and put it unfailingly to my eye, but, probably, if I had considerable alcohol circulating in my blood I could not do it so directly. My hand might go too far toward my shoulder or in some other direction. His hand, reaching for the key, goes to one side or up or down. With an automobile, his foot might go to the left of the brake pedal, or it may not go far enough. Those particular habit systems on which we are all dependent for our language and for our skills in everything are interfered with by alcohol, and even by alcohol in 2.75 per cent by weight dilution.

The alcohol effect is in largest part a psychological matter. It is due to the constitution of the nervous system and to the constitution of the ethyl-alcohol molecule.

Man long ago discovered alcohol, liked the effect, liked the experience of feeling a little different than could be expected, liked getting out of the routine habits, and he is still doing it. Alcohol use at root is a psychological problem. It is out of this psychological problem that the social, economic, and political phases grow.

Now, may I speak of the fourth illustrative measure?

Mr. VINSON. Before you get to that subject, with respect to this illustration that you gave, you did not notice the effect of alcohol to which you referred, such as inability to get the key in the door?

Doctor MILES. Yes, indeed; I did.

Mr. VINSON. With 1¾ pints of 2.75 per cent beer?

Doctor MILES. Yes. I wish you had been present and judged the situation for yourself.

Mr. VINSON. I wish I had been, too.

Doctor MILES. If you had been there, certainly you could see when a man tried to stand quietly and could not.

Mr. VINSON. I am not talking about that. I am talking about the quantity of alcohol, diluted as you did the fluid, taken within a 20-minute period by seven or eight men. Do you mean to say that it so affected them that they were unable to put a key in the keyhole?

Doctor MILES. I did not literally work with keyholes.

Mr. VINSON. That is what I am saying. You do not mean to say that the effect of the alcohol upon the seven or eight subjects about whom you have been testifying was that it made them unable to put a key in a keyhole?

Doctor MILES. In effect it was similar. They were trying to stand quietly, they wavered 20 per cent more after the 1¾ pints of 2.75 per cent.

Mr. VINSON. Would such wavering cause a man who had imbibed that much alcohol within that given period to be unable to get his handkerchief to his eye?

Doctor MILES. No; I was not using the illustration in that connection. I was simply illustrating the habit systems of the nervous organism and the way in which the alcohol interferes with the ordinary chains of neurones and their performance.

Mr. VINSON. But it would require more alcohol in the system to cause the exaggerated situation to which you referred?

Doctor MILES. Yes. But the doctor at police headquarters commonly uses a pointing test when he is called to examine a man under the supposed influence of alcohol.

Mr. HILL. May I ask a question? How did you determine the percentage of unsteadiness when you had your subjects standing?

Doctor MILES. They stood below an instrument technically known as an ataxiameter, which is used for medical purposes, and there was attached a small helmet, with wire threads which went out, one to the right, one to the left, one to the front, and one to the back, and those went over dials which moved as the individual swayed, and the total amount of sway measured in one-sixteenth of an inch or millimeter was simply put down.

Mr. HILL. It was mechanically determined?

Doctor MILES. It was mechanically determined.

Mr. RAINEY. Did this mixture that you used contain as much starch or sugar as the ordinary beer of 2.75 per cent alcohol would contain?

Doctor MILES. Approximately as much, I think, because, you see, it contained 300 cubic centimeters of unsweetened grape juice, which had a calorific value of 200 calories, which is about one-fifth of a meal. If your demand for food is approximately 2,500 calories taken for the upkeep of your body per day, you would take about 1,000 calories per meal for three meals, so it was equal to about one-fifth of a meal, and that is what we are ordinarily thinking of beer amounting to.

Mr. CHINDBLOM. You had a grape juice with which you mixed raw material?

Doctor MILES. Yes.

Mr. CHINDBLOM. Do you think that that solution is of the same character and would have the same effect as alcohol produced in the fermentation of grape juice, or alcohol produced in the brewing of a malt beverage?

Doctor MILES. Yes, sir; it would have the same effect, and that has been proven very definitely by an English colleague, who experimented with beer and whisky, and he experimented with dogs and men and showed that it was immaterial, the source from which he got the alcohol; and, indeed, one of our most eminent pharmacologists in America, John J. Adell, professor of pharmacology at Johns Hopkins, has long ago proven that it is the ethyl alcohol content of such a beverage that is the chief constituent, the major constituent that produces the psychological effect which human beings derive from such beverages, and that there are only minor amounts of other substances which can have a similar effect.

If I may speak of this fourth measure, it had to do with such a thing as managing or steering a boat by a compass. I used an instrument which was an experiment. I called it a pursuit meter. That is what it was called in the shop when I was building it. In using this, the individual had to look at this instrument. It had connected with it an electrical unit which kept the needle moving back and forth. My subjects had to try to compensate for all of those motions at the end of a given period. I simply read off from the meters the amount of current that got by them, this produced the amount of failure of compensation, just as you might be able to have an instrument on your boat and check how accurately the captain or person at the wheel was guiding, and under the conditions of using this instrument, which I think corresponded somewhat to the management of machinery, where the machinery or dynamo must be attended by the industrial worker, he must account for the unforeseen things coming in, I found in this instance that the effects on the seven men, seven out of eight subjects demonstrated definite decreases in their ability to perform on this instrument following the diluted alcohol.

Effect of the alcohol is most marked about 85 minutes after injection, when it amounts to approximately 19 per cent, the amount of current getting past them, which they did not compensate for.

Mr. CHINDBLOM. You made a comparison between their performances before they took the alcohol and afterwards.

Doctor MILES. Yes, sir; always before and after the alcohol, and you see there were six days involved, and for each man there was a day on which I gave him the beverage and took the blood samples, and put him through for practice test. There was another day when I gave him the more concentrated beverage. Then there came a day when he had the beverage but did not have any alcohol. Then there came two days he did have alcohol; then another day when he did not have any alcohol.

Mr. Chairman, I have quoted at length from the evidence of Dr. Walter R. Miles so that there may be no controversy as to the probative force and effect of same. I maintain that it condemns this beer bill, and proves conclusively that beer containing 3.2 per cent alcohol by weight, which is 4 per cent alcohol by volume, is intoxicating, and in violation of the Constitution.

This bill should be defeated. I am hoping that there will be enough votes to defeat it to-morrow. If there is not, I feel sure that the President will veto it, and if he does not, I know that the Supreme Court will hold it unconstitutional.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I want to say to my friend from Texas [Mr. BLANTON] that I am a lame duck and really do not know very much at first-hand about this subject. I never had a glass of beer in my life. I can not tell, personally, whether it is intoxicating or not. But my good friend Volstead, who campaigned against me when I was the first wet in Minnesota to be elected to Congress since prohibition, says it is not.

Even the Volstead Act permits wine of considerably more than one-half of 1 per cent of alcohol. We have the authority of Mr. Volstead himself for this. Before the Committee on Rules of the House on Friday, June 10, 1921, he said:

> Personally, it is my impression that whenever that comes before the court the court will hold, as we intended they should hold, I take it, that cider or fruit juices not intoxicating in fact might be made in the home.

Mr. Volstead said as to the beer test of one-half of 1 per cent:

> I do not think that is the test as to fruit juices or cider. The test there is whether it is nonintoxicating in fact.

He then added as to homemade wine:

> My intention is this, that it might contain 1 or 2 or possibly 3 per cent without being intoxicating.

On revision of Mr. Volstead's remarks he changed the words "1 or 2 or possibly 3 per cent" to "considerably more," and so we have his authority for at least 3 per cent wine.

He made this statement before the Rules Committee in open hearing, and those proceedings of the Rules Committee I think have not been published. But I have the authority of John Philip Hill, our former wet leader in this House, for the facts as stated. He has photostatic copies of the unrevised remarks. If Mr. Volstead, who is the great authority, says that 3 per cent in wine is not intoxicating, then it can not be intoxicating in beer.

As a matter of fact, Mr. Chairman, this whole thing is a sham battle, and we all know it. The whole six hours is just wasted time. This is all going to be debated under the 5-minute rule to-morrow, and not a single vote is going to be affected by this debate to-day. This is not a question of whether we are going to bring back beer. Beer is here; it has never gone away. The drys talk about bringing it back. That is all nonsense. The sole question before this House is, Are we going to take the revenue from beer for the benefit of the Government, or are we going to continue to let the bootleggers have it. [Applause.]

I am satisfied in my own mind from the statement of facts that to legalize beer of a proper alcoholic content will be a great aid to temperance. At the time of the Civil War we were a hard-liquor-drinking nation. Ninety-three per cent of the liquor by volume consumed in this country was hard liquor, and only seven per cent was mild beverages—wine and beer. By 1919, when prohibition came into effect, through temperance education we had become a Nation of drinkers of mild beverages. Ninety per cent of the liquor consumed was mild beverages, and only 10 per cent hard liquor. Now, we are back to where we started. We consume 90 per cent hard liquor and only 10 per cent mild beverages. I think we should have included wine in this also, but I think to legalize even just beer will divert a considerable proportion of the drinking from hard liquor to the milder beverages.

As far as the constitutionality of this is concerned, that is a debatable question, perhaps, but the Supreme Court has ruled that Congress has the right to determine the alcoholic content. The Supreme Court did not say that one-half of 1 per cent was intoxicating. It said that Congress had the right to say one-half of 1 per cent is intoxicating. If Congress has that right, then Congress has the right to say 3 or 4 per cent is not intoxicating. The whole thing is summed up merely in the question of revenue, however. Too high a tax will merely be an aid to bootleggers and will not produce the expected revenue.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. BRITTEN. Does not the gentleman feel as I do about revenue, that if we do not adopt this measure for revenue purposes, we will have to start slashing Federal salaries all over the United States?

Mr. MAAS. There is grave danger of that. We will probably also have to cut the Army and Navy some more. And as far as the Constitution is concerned, I think it is a more sacred obligation to uphold the national defense, because that provision was in the Constitution long before the eighteenth amendment.

Mr. COLLIER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the committee, the atmosphere of Congress seems to be surcharged with the excitement of the moment, on account of the passions aroused on the subject of the beer bill.

In the course of my remarks, I shall not endeavor to arouse your prejudices, stir up your emotions, or impose upon your patience. In the light of scientific truth, I shall endeavor to present a cumulative group of facts that I sincerely trust will appeal to your sense of reason as worthy of consideration, as to why this beer bill should pass.

Alcohol, which in this Collier bill, is represented by 3.2 per cent weight and 4 per cent volume, is one of the most important ingredients in beer. What is the significance of this alcoholic content? Alcohol may be viewed from three angles: First, is medicinal alcohol, which is absolute alcohol, 99 per cent in strength.

From time immemorial herbs, drugs, and chemicals have been used as agencies to restore health and alleviate pain. The only solution that these ingredients were soluble in was absolute alcohol. When any individual, wet or dry, took medicine, that person was consuming alcohol. In every hospital in the United States, in every city and State institution, in every sanatorium under the jurisdiction of the United States Army and Navy, we are to-day using medicinal alcohol when we give medicine to human beings to allay their anguish and to assuage their pain and suffering. So much for medicinal alcohol.

The second form of alcohol used in our Republic is industrial alcohol. It is the alcohol that is used in every industry and manufacturing plant throughout the length and breadth of our country.

Up to the year 1906 the Government of the United States placed a tax of $1.10 upon each gallon of alcohol, which went to the Treasury Department of our Nation. In 1906 various chambers of commerce of the United States and all the great manufacturing enterprises appealed to Congress to abolish the tax upon industrial alcohol, because all continental nations had relieved their manufacturers from paying it.

So in order to be able to compete in the foreign markets Congress abolished the tax on industrial alcohol on June 1, 1906. That industrial alcohol, however, which is 99 per cent in strength, should not be diverted to compete against medicinal alcohol and beverage alcohol, which was paying a tax, Congress passed a mandatory law on June 1, 1906, compelling the Government of the United States to pour poison into industrial alcohol in order that it might not be diverted to other bootlegging channels and compete with those that paid their taxes.

The third kind of alcohol that I want to call to your attention this afternoon, and to which I propose to confine myself, is beverage alcohol. Beverage alcohol has various groups and subdivisions. First, absolute alcohol, which contains 97 per cent pure alcohol; second, whisky, gin, rum, rye, cognac, and brandy, containing 48 and 54 per cent alcohol; third, the light wines, red wines, and champagne, which contain from 10 to 18 per cent alcohol; fourth, porter, ale, and stout, which contain between 4 and 8 per cent alcohol; fifth, beer, which is everything below 4 per cent alcohol. Thus, beverage alcohol is the medium which has satisfied the gustatory pleasures of all the civilized nations of the world as well as the people of the United States, prior to prohibition.

On the table before the Speaker's platform I have placed 18 bottles of beer, each containing about 3 per cent alcohol. Beside these bottles of beer there stands a similar-sized bottle of whisky containing 54 per cent alcohol. Between the two I have placed a bottle of milk. If any individual consumed the 18 bottles of beer, 12 ounces in content, containing 3 per cent alcohol, he would be consuming as much alcohol as is found in this 1 bottle before us, which contains 54 per cent alcohol. If you used one-half of 1 per cent alcohol beer, it would be necessary to drink 108 bottles to equal the amount of alcohol contained in this 1 bottle of whisky which is before us.

If an individual drinks a glass of whisky, within half an hour this whisky is absorbed through the stomach, goes into the portal circulation, from there into the liver, thence through the inferior vena cava into the heart and through the pumping action of the heart, and immediately distributed to every cell and issue in the human organism.

On the other hand, if you drink a bottle of beer, this beer is not absorbed within the stomach like the whisky. On the contrary, depending upon the food in the stomach, whether it be liquid or solid, it passes within four hours into the intestines. From the intestines the food and the beer, after being digested and worked upon by the gastric and intestinal secretions, is absorbed through the lymphatics and lacteals of the intestines, then poured into the portal circulation and into the liver, from there going to the heart and thus being distributed as nutriment to the cells and tissues of the whole body.

From the serious discussion and remarks that I have listened to by most of the speakers of Congress, the impression prevails that beer is a poison.

For the information and education of the House I have requested Doctor Doran, Prohibition Administrator of the Government of the United States, to prepare for me a table which I have right here before you, so that each Member of Congress can follow me closely, and which gives the respective value of the food products contained in cow's milk as well as beer.

Let us study together, ladies and gentlemen, the respective ingredients in milk and in beer and see the similarities and dissimilarities between them. Milk has 3.8 per cent protein, composed of casein, albumin, lactoglobulin, and galactin, while beer has 0.727 per cent, composed of albumoses, peptonea, amides. Proteids are composed of carbon, hydrogen, nitrogen, oxygen, sulphur, and iron. These chemicals are used to replace the worn-out tissues that are daily taking place in the human system.

In milk we have 4.5 per cent carbohydrates, while in beer we have 4.3 per cent. Carbohydrates have as their principal ingredient carbon. These sugars and starches, known as carbohydrates, are burned in the tissues and our cells, just as coal is burned in the furnace, to produce heat and energy and strength in the human organism.

In cow's milk we have 3.6 per cent fat, whereas in beer there is but a trace. Fats are also burned in the tissues of the body when the carbohydrates are consumed. They are used as substitutes whenever the tissues have burned up starches and sugars and are then called upon as reserves.

In milk we have 0.1 per cent citric acid, which is used as nature's antiseptic, whereas in beer we have 0.25 per cent lactic acid, which the great Professor Metchnikoff, former chief of the Pasteur Institute, contended was responsible in prevention of putrefaction in intestines. The destruction of these putrefactive organisms by lactic acid, in the opinion of Professor Metchnikoff, would prolong human life and be responsible for longevity.

The water content of milk is 87.3 per cent, whereas the water content of beer is 91.383 per cent, showing beer as having more water in it even than milk.

Now let us examine the composition of the ash of milk, which is 0.7 per cent, whereas in beer it is 0.23 per cent. The ash represents the most vital minerals present in both beer and milk. Mr. Chairman, ladies, and gentlemen of the Congress of the United States, no human being or animal can live only on proteid foods. Within a short time he must succumb. No mortal individual or animal can live alone on carbohydrate food. In a very short time death will claim him. No soul, mortal or animal, can live on fat alone. Within a short time death will claim him.

Every scientific authority in the world will proclaim to you that no organism, human or animal, can live alone on minerals, but every student of food values will advise you that a normal, healthy individual must eat proteids, carbohydrates, fats, minerals, water, and vitamins in order to live, thrive, prosper, and flourish.

When I complete the physiological action of the minerals contained in milk and in beer I am sure that I can scientifically prove to your satisfaction that with the exception of the alcoholic content in beer the minerals contained in beer and milk are almost identical. [Laughter and applause.]

Mr. Chairman, ladies, and gentlemen, I do not seek the gracious applause of the membership of this House. I only desire to continue to appeal to their reason by the further presentation of facts. In my differentiation of the chemical contents of milk and beer is the fact that in cow's milk we have 3.6 fats, whereas in beer but a slight trace. That difference should encourage the women of our country to drink beer, because there is hardly a trace of fat in it, so that they can not become fat; while, on the other hand, the minerals that it contains will make the womanhood of our country strong, sturdy, and vigorous. [Laughter and applause.]

Mr. Chairman, ladies, and gentlemen, the minerals that are contained in milk and beer are the most important constituents for the preservation of the activities of the cells and tissues of our body. The minerals are the building materials that are utilized by the cells to build up all the organs of our body.

In milk the first mineral that we find is potassium oxide. It is represented by 25.02 per cent, while beer has some 37.22. What is the function of potassium in the body? Potassium is present in the soft solid tissues of animal life. It is present in the corpuscles of the blood and it is found in the muscle protoplasm of the heart. Osmosis is obtained through its action. Potassium and sodium antagonize and balance calcium tissues and fluids. No human or animal can live without it. If you take a heart out of an animal's chest and put it into a solution of potassium, sodium, and calcium, it will live for days, showing how absolutely indispensable are these three minerals in the activities of our daily life.

Sodium oxide is 10.01 in milk and 8.04 in beer. Sodium is found in blood and other fluids of our body. It is present in the gastric, salivary, and intestinal secretions. Without its presence sugar, starches, proteids, and fats would be impossible. Sodium and potassium relax the musculature of the heart, whereas calcium contracts it. So that the alternate dilatation and contraction of the heart are due to the minerals of potassium, sodium, and calcium.

The amount of calcium oxide in milk is 20.01, whereas in beer it is 1.93. Calcium is necessary for the development and growth of bone and teeth in children. That is why it is richer in milk than in beer, because milk is for the infant and the child, while beer is the milk of the older people.

Calcium is indispensable and an absolute necessity for the blood, because without calcium a human being would bleed to death. Calcium, therefore, causes the coagulation of blood and stops bleeding. Ninety-nine per cent of the calcium that we take into our body goes to bone and tooth development.

Now we come to iron oxide, which in milk is 0.13, whereas in beer it is but a trace. Iron is found in the blood of every animal and human being. It is the medium which unites with oxygen which it carries to every cell and tissue of the body. Without iron in the blood life is impossible. Herbivorous animals live longer than flesh-eating animals, because they get more iron in their food.

The next mineral in milk is sulphur trioxide, represented by 3.84, while in beer it is 1.44. Sulphur is always found in contact with nitrogen in different proportions. In beans the relation is 50 to 1, in cheese 20 to 1, while in egg albumin it

is 10 to 1. Sulphur is necessary with silica for the development of the nails and the hair on the human body.

Now, we come to phosphoric pentoxide, which in milk is 24.29 and in beer 32.09. It is apparent, therefore, that there are more phosphates in beer than there are in milk. Without phosphorous compounds there would not be a living cell in the human body. Phosphorous is a necessary ingredient to the soil. Unless it is present there, plant life is stunted and underdeveloped. Phosphates are particularly found in the tissues and cells of the brain and nervous system. Egg yolk is very rich in phosphorous. Every student of physiology knows that malnutrition in human life is due to the inadequate supply of phosphorous compounds.

The lungs of the human being are acid in reaction, due to the phosphates. When enough phosphates are not taken into our system, the reaction of the lung is neutral and alkaline. This alkalinity of the lungs is the great cause for predisposing the human being to acquire pulmonary tuberculosis, commonly known as consumption. We therefore see that there are more phosphates in beer than there are even in milk.

We now come to the mineral chlorine, which in milk is 14.28 while in beer it is 2.91. Chlorine is found in table salt and is found in all secretory glands of the body.

Silica is absent in milk, whereas in beer it is 10.82. Silica is an antiseptic. It stimulates the nervous system and in cooperation with sulphur is responsible for the growth of hair and nails on our bodies. Animals use silica more than the human being. That is why they are covered with such a profuse overgrowth of hair and fur to keep their bodies warm. Fluorine is absent in milk, and there is but a trace in beer. Fluorine is responsible for the white of the eye and the color of the eyeball and is chiefly used in the human body to develop the enamel of teeth, which becomes destroyed, brittle, and broken in the absence of fluorine.

Thus you see, ladies and gentlemen, the presence of minerals in both milk and beer, that makes them both great foods for human consumption. Milk for infants, children, and invalids, and beer for adults. [Applause].

Mr. Chairman, ladies, and gentlemen, the great and only difference between milk and beer is the alcoholic content of 3.2 which is found in beer but is absent in milk. If nature had deposited but a small percentage of alcohol in milk it would have been responsible for the saving of millions of children who daily and yearly are consigned to premature graves because of the great contamination in millions of bacteria that are found in milk. Intestinal diseases and diarrhea have killed millions of children through the drinking of infected and contaminated milk.

A little alcohol in milk would have acted as a great antiseptic and germicide. The small quantity of 3.2 per cent by weight in beer is an antiseptic for the mouth, throat, stomach, and intestines of every human being who consumes beer.

Beer does not cause alcoholic gastritis, nor cirrhosis of the liver, nor kidney disease. No real scientist will uphold that view.

It is the strong alcoholic content of whisky, gin, rum, rye, and cognac and brandy that has been the cause of this pathological condition. [Applause.]

In my humble opinion, ladies and gentlemen, thousands of doctors throughout the length and breadth of our land will corroborate my statement when I contend that the smoking of cigars and cigarettes has produced more harmful effects, such as smoker's pharyngitis, catarrh of the throat, irritation and burning of the lips and tongue, causing cancer, as well as smoker's heart, a form of myocarditis, and even coronary disease of the heart and has sent more people to their graves than the drinking of beer as a palatable, refreshing, and wholesome beverage.

No one has arisen in this great historic forum to prohibit the use of cigars and cigarettes because of these conditions, and so, Mr. Chairman, ladies, and gentlemen, as one who never drank or smoked in his life, as a believer in temperance, preaching the gospel of moderation in every form of indulgence, not condemning the use of but the abuse of privileges of our life, I appeal to you to support and vote for this beer bill, which will make it possible to raise between two hundred and three hundred millions in revenue and place hundreds of thousands of working people back to work and be the media that will help us rise from the slough of despond and economic depression, back to prosperity and happiness, making it possible for the little ones to have their milk, for the grown-ups to have their beer, for the unemployed to go back to work to earn enough to buy bread and food with milk and beer for those that care for it. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, the pending bill, H. R. 13742, will modify the Volstead Act so as to permit the manufacture, sale, and transportation, where not prohibited by local laws, of beer having an alcoholic content of 3.2 per cent by weight, which is equivalent to 4 per cent by volume. It has been reported favorably by the Committee on Ways and Means as a revenue measure and is estimated to produce, with a tax of $5 per barrel, approximately $125,000,000 of revenue the first year of its operation; and when producing plants have been fully established and equipped, not less than $300,000,000 per annum.

In spite of the declarations of party platforms, the attitude of the individual Member of the House will doubtless be dictated by his personal conviction and situation. For myself, I could never believe that nation-wide prohibition would effectually control the liquor traffic or promote the cause of temperance in the use of alcoholic drink. I believe the experience of the country has justified this view. The eighteenth amendment became a part of the Constitution before I became a Member of the House. However, I have consistently supported enforcement legislation, and I believe a fair trial at enforcement has been made. That the experiment has been a lamentable failure is beyond question. As a result the sentiment of the country has changed tremendously in recent years.

While the organized leadership of the forces supporting national prohibition persistently deny this change of attitude on the part of the people, those who come in contact with the great masses know with certainty that this change has come and is widespread among our citizens of all classes. It is not confined to those who desire greater liberality in their personal habits but is also very pronounced among leaders in religious and reform organizations who do not limit their sphere of action to this single phase of our social life and who are deeply concerned about the lawlessness and corruption which have followed in the wake of national prohibition.

The House of Representatives, with all its failings and shortcomings, is the most representative body in existence of the people of the United States. The founders of the Republic designed that the Members of this House should be elected at frequent intervals in order that they might directly and speedily give expression to the views of the people as shown in the elections. There can be no doubt that recent elections have clearly demonstrated the desire of the people for repeal or modification of national prohibition. That sentiment was reflected in the declarations of all but one of the political parties, and that single exception was the Prohibition Party itself, whose candidates received hardly a handful of votes. On a question of public policy involving the exercise of the police power by the Federal and State governments, most assuredly the voice of the people is entitled to be heard. The question is not one of ordinary political or economic character upon which political organizations and their adherents have taken issue. It involves the habits and customs of the people, as to which that government always governs best which governs least. The principal issue involved, after all, is whether legislation on the use of alcoholic beverages shall be controlled by the National Government or by local governments of and within the States.

Some of the arguments advanced in this controversy impel me to say that, in my opinion, it is wrong to make of prohibition a moral or religious issue. At most, violations



of liquor laws are crimes established by statute, mala prohibita, and not inherent crimes, mala per se. The conscience of the ordinary man does not recognize the consumption of liquor as a crime. Every decent man in the community will rush to the enforcement of laws against murder, theft, assault, and other attacks upon person or property, but even the inebriate excites only sympathy and perhaps contempt but not a charge of criminal conduct. From childhood I have been familiar with the use of wine as a necessary element in the holy sacrament of the Lord's Supper. That practice arose out of the use of wine in the Hebrew feast of the Passover and is still followed by adherents of the Jewish faith. Thus, both Christians and Jews use wine in their essential religious rites. No sophistry or speculation can establish that the wine used by the Savior Himself was not of natural fermentation. Indeed, the Constitution and the Congress have recognized this and other similar facts in the exercise of religion by exempting sacramental wine from the prohibition of the eighteenth amendment. How absurd, then, to say that the legalization of a 3.2 per cent beverage involves a moral or religious question.

The principal argument against the pending bill will doubtless be upon the constitutional construction and application of the eighteenth amendment. If that amendment actually prohibits the manufacture, sale, and transportation of 3.2 per cent beer, the people will have to content themselves until the amendment itself has been repealed or modified. However, I do not believe that the legalization of malt beverages of the proposed alcoholic content will be held violative of the eighteenth amendment. It has frequently been said by both the opponents and the supporters of the eighteenth amendment that the United States Supreme Court has held that Congress has the power to define intoxicating liquor within the meaning of the eighteenth amendment, with the implication that the court would sustain any definition made by Congress. I do not concur in that view. I believe that any definition laid down by Congress must be reasonably within the text and intent of the eighteenth amendment. That amendment is in the nature of a penal statute and will be construed strictly as against alleged infractions. In passing upon the present definition limiting nonintoxicating liquor to beverages having less than one-half of 1 per cent of alcohol by volume, the Supreme Court said that in its opinion this limitation was not a violation of the discretion vested in Congress in passing legislation for the enforcement of the eighteenth amendment. In other words, the court apparently conceded that the definition of one-half of 1 per cent was not necessarily accurate, but was a liberal construction of the eighteenth amendment downward in the matter of alcoholic content. In fact, the courts have used as precedents decisions in narcotic cases in which not only narcotic substances but substances similar in appearance and taste to actual narcotics were held proper subjects of legislative prohibition in the aid of enforcement. There are those who argue that 2 per cent or even 2.75 per cent of alcoholic content might be held constitutional, but that 3.2 per cent goes too far. Assuming that 2 per cent were the exact scientific line of demarcation between intoxicating and nonintoxicating content, the Supreme Court has permitted a variation of 1.5 per cent below that standard, but it is now assumed that a variation of 1.2 per cent above that standard would not be tolerated. Without detracting in any way from the judicial power, prerogative, or duty of the United States Supreme Court, I am confident that court itself will hold that in a matter of public policy, involving in fact an innovation in the jurisdiction of the Federal administration, it will not interfere in a reasonable exercise of discretion by Congress, even when it includes the interpretation of public sentiment.

There is, in my opinion, another very serious question involved in this legislation. The Attorney General of the United States has called attention to the urgency of immediate action on the question of national prohibition. The very prevalent opinion on the part of the people that a change is imminent will make prohibition enforcement much more difficult than it has been even in the past. When and in what form the repeal or modification of the eighteenth amendment may be submitted by the Congress is a question of some doubt. There is one thing we can do to appease the demands of great masses of our citizens and, I think, even to aid enforcement of the amendment. That is, to pass the pending bill and, even if there is—as I do not concede there is—any question of the validity of this legislation, secure speedy determination of that question by the Supreme Court, and demonstrate to the people that Congress, at least, has been willing to do everything within its power to carry out the mandate at the polls. On these and other grounds I have no hesitancy, under my oath as a Member of the House, to support the pending bill.

Mr. Chairman, in conclusion let me say that the passage of this legislation will be but one step—a good step, but not a full or final step—in the essential program of balancing the Budget. This attainment is the sine qua non for our national welfare. It involves two major operations: The first, the reduction of Federal expenditures even to the extent of eliminating activities and services not strictly Federal in character or necessity, such as national prohibition; and the second, the enactment of a plan of taxation—personally I prefer a general manufacturers' sales tax such as was reported to the House in the last session by the Committee on Ways and Means—which tax will supplant the various discriminatory special taxes now in force and to provide the additional revenue required by reason of the failure of the present laws to provide adequate revenue. [Applause.]

[Here the gavel fell.]

Mr. SANDERS of Texas. Mr. Chairman, I yield eight minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Chairman, ladies and gentlemen of the committee, we now have 13,000,000 out of employment in the United States. Taking the law of family average, at least each of these would have two depending on him as a bread-winner. This number added to the 13,000,000 men would be 39,000,000 that have no means of getting bread.

These people are to-day looking to Congress for some relief by way of legislation so that they can get employment and be good bread earners, and not be forced to stand in the bread line and receive bread at the hands of charity. They are not asking for beer; they are asking for bread.

When we met in session on the first day of this Congress, I thought this would be the first thing considered; but to my surprise, before the President was even notified that Congress had assembled, a motion was made to suspend the rules and submit the outright repeal of the eighteenth amendment back to the people, without any protection whatever of the dry States, as had been promised in the Democratic platform. It was in violation of the platform. We have just heard and read a discussion by two of the former Solicitors General of the United States, Mr. BECK and Mr. Palmer, as to the manner in which conventions would be set up in the States and the powers of the States in such cases, or, in other words, would it be controlled by the States or by the Federal Government, or by both.

I doubt if there is a man in this Congress now that knows what kind of conventions would be set up or controlled. Under the doctrine of State rights the States should prescribe their own way of submitting it and controlling this election. The makers of our United States Constitution in the beginning tried to safeguard amendments to it. The very able discussion of our two ex-Attorneys General centered largely on Article 5 of our Constitution, which reads as follows:

> The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress.

There is no other way of submitting constitutional amendments except as ordered in this section. It provides that whenever two-thirds of both Houses shall deem it necessary that Congress shall propose it. Congress only about four months ago passed on this question and, by a vote in the House of almost 3 to 1, said they did not deem it necessary to submit an amendment for repeal of the eighteenth amendment. I ask by what authority anyone, under the article just quoted, has to demand of Congress that it submit an amendment which they have not deemed it necessary to submit and have decided by their vote should not be submitted at this time?

The Garner resolution was not the character of resolution guaranteed by the Democratic platform. The platform provided that the conventions should be purely representative conventions. There was not a word in this resolution that said it should be truly representative.

The platform further provides that in the submission of this question the dry States should be protected. There is not a word or syllable in the Garner resolution that protected dry States. The platform and the positive declaration of the nominee were that we should not have the return of the saloons that have in the past caused so much trouble. Any man who can read knows that saloons would be permitted under this resolution as it was offered. The nominee of our party in his acceptance speech at Chicago said, at page 25 in the Democratic campaign book, the following:

> I say to you now that from this date on the eighteenth amendment is doomed. When that happens, we as Democrats must and will, rightly and morally, enable the States to protect themselves against the importation of intoxicating liquor where such importation may violate their State laws. We must rightly and morally prevent the return of the saloon.

He says:

> We must rightly and morally prevent the return of the saloon.

How can that declaration be carried out unless, if the eighteenth amendment is repealed, Congress retains the power in itself to do that by proper legislation enacted by Congress? The Garner resolution did not retain that power in Congress. If it should pass as introduced, then Congress has lost all control of that subject except what it might have under the interstate commerce clause, and that could go no further than the regulation of shipments from one State into another.

The question is so important to our Nation and people as a whole that a representative of the people in this great hour should keep his feet on a firm foundation, his head clear to think the issue through, and, above all, to keep his heart and mind attuned to that which is right.

It is claimed that this proposed repeal amendment was written by the nominee of the Democratic Party of the Houston convention. A careful review of the platform adopted at that time shows that it declared for the enforcement of the Constitution and laws as they existed, and notwithstanding that the nominee carried on a campaign for the repeal of this amendment. I am sure he will be equally as generous as we were with him then.

President-elect Roosevelt, in a letter to Christian F. Reisner, of New York City, of September 12, 1932, stated that the Senators and Congressmen are duty bound to vote in accordance with the views of his constituents.

In my State we have laws prohibiting the manufacture, sale, or transportation of liquor. There has been no attempt by the legislature of my State to repeal that law, and I doubt if it would receive 10 votes in either house if it should be proposed by it when it meets on January 9, 1933. In other words, if I do not misjudge the sentiment and will of my people, or a very large percentage of them, they do not want a return of liquor to that State or to other States unless they are protected.

When hearings were started by the Ways and Means Committee on the Collier beer bill, it looked more like a convention of the brewers than the hearings of a revenue bill. I heard some of them testify. The gist of their argument was that the way to make people temperate was to give them beer with plenty of kick in it.

They said they did not want a return of the saloon, and to prevent its return they wanted it sold in beer parlors, hotels, restaurants, garages, grocery stores, road houses, and whoever wanted to, might sell it.

We have now in the United States 26,000,000 automobiles and motor-propelled vehicles. If 4 per cent beer were sold as indicated above, it would not be safe for a man or his family to drive on the highway. It would be unsafe for children to go to school in school busses, or to walk the highways.

An individual may not be visibly intoxicated to the extent that he may be identified as a "drunk," but his muscular reactions and mental activities may be so depressed that he is not able to respond as quickly as when normal; but when he runs over some one and kills him, the effects are just the same.

At the beginning of this session of Congress, in company with all my colleagues I took an oath to support the Constitution of the United States required by Article VI of the Constitution. I quote from that oath:

> I do solemnly swear that I will support and defend the Constitution of the United States, bear true faith and allegiance to the same, without any mental reservation or purpose of evasion.

This Constitution provides that the sale or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territories subject to the jurisdiction thereof, for beverage purposes is hereby prohibited.

I can not without a mental reservation or purpose of evasion, vote for a 4 per cent beer, when I know it is intoxicating and in violation of the Constitution. The interstate business now being done by busses, trucks, and cars would make it almost impossible to keep it out of dry States, if this law is enacted. It will cost more to enforce this act than it will bring in revenue.

You put a tax of $5 on a barrel of 31 gallons. Now, let us see how it will work. Suppose you only get one drunken man or boy out of each 31 gallons. It will cost $10 at least to try a drunken case. Then you have lost $5. Besides that, in 90 per cent of these cases the person could not pay the fine and he would have to be confined in jail. It will cost $1 per day to feed him. Suppose he only has to stay 10 days to satisfy the fine; then you are out $20 and get back only $5 in revenue, and that would go to the United States Government and not to the State whose burden it would be to enforce it.

The minority views of HEARTSILL RAGON, MORGAN G. SANDERS and JERE COOPER very clearly reflect my views of this question. They are Democrats and members of the Ways and Means Committee. They state, after hearing all the evidence, that they can not under their oath support this legislation. I quote two paragraphs from their report which are as follows:

> Therefore we can not under our oath support this legislation. We further submit that the proposed bill is not only in violation of the Constitution of the United States, but of the Democratic platform which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.
>
> The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2 by weight, which means beer of 4 per cent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer because of its alcoholic content is not permissible under the Constitution.

The further minority report by Messrs. HAWLEY, TIMBERLAKE, CROWTHER, and TREADWAY, all of whom are members of the Ways and Means Committee, shows that this bill is clearly unconstitutional and will likely be so held by the Supreme Court of the United States.

This bill provides for the sale of porter and ale, and they have been held by the courts to be intoxicating, and would be in violation of the Constitution. Personally, I know nothing about the effects of liquor or beer. I was in but one saloon in my life and then for the sole purpose of seeing what it looked like. I never drank a glass of beer

in my life, and a tablespoon would hold all the liquor I ever drank. I am not a fanatic on any question.

There is but little money in circulation now, and by the time this bill has been in effect for two years there will be none. I repeat, the people want bread, not booze. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. GUYER].

Mr. GUYER. Mr. Chairman and Members of the House, I listened with great interest to the distinguished scientist, the gentleman from New York [Mr. SIROVICH], and as usual I learned something. I learned that when a baby cries he should be given a bottle of beer instead of milk. You have been asking Kansas Congressmen to pass a beer bill to help agriculture, and now this great scientist comes here and proves that beer is a competitor with milk and asks us to use beer instead of milk.

Mr. SIROVICH. Will the gentleman yield?

Mr. GUYER. I regret very much that I can not. My time is too limited.

There is just as much logic in that as there is in all this talk about 3.2 per cent beer, or beer that is 4 per cent by volume, being nonintoxicating.

After having failed to pass a resolution submitting the eighteenth amendment to the States for its repeal as the first act of this last session of the Seventy-second Congress, the wet forces of this House now propose to nullify the Constitution by act of Congress. If the one was shameless for its indecent haste, this other gesture of the disciples of Gambrinus is even more reprehensible, because its object is not the orderly process of repeal provided in the Constitution but the studied and deliberate nullification of the Constitution itself and involves the violation of our solemn oath to support and uphold the Constitution, which includes the amendments as long as they are not changed by the will and act of the people as provided in the Constitution.

I hold that the mere fact that some people are thirsty does not justify any short cuts to the brass rail, however loud and long the wail for beer. In their wisdom the framers of the Constitution made it difficult to change or amend, and the same provision makes it difficult to change after it is once amended. The great founder of this Nation warned against innovations and frequent changes; and his wise admonition has been so well followed that, except for the first 10 amendments whose ratification, in fact, was contemporaneous with that of the Constitution, in a century and a half, in reality, only nine amendments have been ratified by the States.

Maybe I made a mistake when I said that some people were thirsty for beer. Did anyone come before the Ways and Means Committee and ask them to relieve their thirst? No. It was the brewers who are so anxious to sell the beer who sat in with this great committee and advised concerning the alcoholic content, how much alcohol was necessary to lure the necessary victims of this narcotic poison in order to balance the Budget, and how much tax this traffic in human degradation would stand without encouraging their rivals in the debauchery of the public, the bootleggers, and how much of the swag the Government should receive for its part in the degradation, desolation, and destruction of the American home.

The people themselves placed the eighteenth amendment in the Constitution, which forbids the traffic in intoxicating liquors. Until the people themselves, according to the provisions of the Constitution which they made and amended, have changed the Constitution, we as Members of the House of Representatives, solemnly sworn to support and uphold the Constitution, violate our oath of office in spirit when we vote to legalize the traffic in 3.2 beer, which everybody knows is intoxicating and which everybody knows would not be provided for in this bill if it was not intoxicating.

There is reason and logic in efforts to repeal the eighteenth amendment so that intoxicants can be legally sold, and no odium should attach to anyone who votes to submit such an amendment to the States for ratification if he honestly believes it to be the best policy in dealing with the liquor problem. But this effort to legalize the sale of 3.2 beer without first repealing the eighteenth amendment is purely nullification of the Constitution by act of Congress. The Constitution made and amended by the people is the supreme law of the land and Congress has no power, directly or indirectly, to trample upon the will of the people as expressed in that Constitution.

But you say this beer is nonintoxicating. Then I ask why pass any bill? You have nonintoxicating beer now, which obviates any necessity for any such law. Why not tear the mask off and honestly say you can not wait on the deliberate process provided in the Constitution so we intend to nullify the eighteenth amendment by passing this beer bill. Hypocrisy never helped any cause, good or bad. There never was a better example of hypocrisy than the claim that this beer provided in this bill is not intoxicating. Anyway, under the smoke screen of 3.2 beer, beer of every alcoholic content would be sold if this 3.2 did not prove strong enough for the trade. When you vote for this bill your constituents are going to ask you some questions. They will ask you about that ironclad oath you took to support and uphold the Constitution. You are not even obeying it when you vote for this law. They will probably ask you if you hold all parts of the Constitution in like respect. Do not think for a moment the people back home are not watching us here to-day. A million eyes are on the record of this vote on this bill. These millions are not making a great deal of noise. They were not in that howling mob in the galleries at the Chicago conventions. But underneath their steady gaze sleep smoldering, volcanic fires that will blaze with fury in the elections of 1934. These millions place principle above party and the welfare of their countrymen above revenue. Their voices will be heard in every precinct in every congressional district in this Nation. They will have something to say about mandates in a battle where the issues will be clear and unmistakable.

One of the advantages claimed for this beer bill is that it will banish the bootlegger. The gentleman from New York [Mr. O'CONNOR] declares it will. Experience in the past does not support his contention. The Kansas City Star is one great metropolitan newspaper that does not and never did owe anything either to the brewers or the liquor traffic. More than a quarter of a century ago its founder and owner, the late Col. William Rockhill Nelson, excluded all liquor advertisements from his paper. After a year's experiment his advertising manager asked Mr. Nelson if he knew what it was costing his paper to do this. When told that it cost $65,000 per year, which at that time was no small amount to deduct from the income of a daily paper in a city of less than 250,000 people, Colonel Nelson replied that the Star could afford it. Under that highly decent policy that scorned to divide the swag with the saloon keeper and his allies the Star prospered so that Colonel Nelson was enabled to leave to the city, whose destiny and prosperity he helped to shape and build, a fortune greatly in excess of $10,000,000 as an art foundation, which already has taken form in one of the most magnificent galleries on this continent. This paper, still following the policy of Colonel Nelson, has this to say about the bootlegger in an editorial on December 9 under the title "Beer Wouldn't Stop Bootlegging," published in the Kansas City Times, morning edition of the Star. This editorial so lucidly states the facts that I will read it into the RECORD:

BEER WOULDN'T STOP BOOTLEGGING

Foolish claims by Members of Congress in support of legalized beer are understandable only on the ground that certain Members of Congress are accustomed to making foolish statements. Even a spokesman for the brewers has been frank enough to admit that legal beer would have but a limited effect on the bootlegging problem. But Representative O'CONNOR, of New York, has a broader imagination. He says it will put the bootlegger out of business. Presumably, he means the bootlegger of beer, who has not been the big and troublesome offender in the illegal booze traffic.

But that legalized beer, liquor, and other intoxicants combined will not bring an end to bootlegging is best proved by past experience. The situation in Kansas City, as revealed in the administration of Mayor Beardsley more than 25 years ago, is familiar.

Then it was shown by a careful survey that only about one-fifth of the places selling intoxicants here were doing it legally. The others, more than 2,000 of them, were evading the license laws in one way or another. A similar condition existed elsewhere in the old days. Comparable figures have been given for Pittsburgh, Philadelphia, Chicago, and other centers.

The dispensary system in South Carolina, similar to the present Canadian plan, did not end bootlegging there. The maintenance of an expensive force of State revenue officers was necessary, and their work was imperfect. Nor has the system operating in Canada to-day stopped bootlegging. A member of one of the provincial liquor boards has stated that more booze was being sold by bootleggers than by the Province itself through its legal system.

Present-day bootleggers in the United States would not give up their business and settle down to honest work or idleness because of the mere fact that beer, or liquor, had been legalized. This fact and others like it must be kept in mind, whatever may be the conditions that now have made some change from the prohibition system desirable or inevitable. Nothing will be gained and much harm will be done by impossible claims in behalf of legalization.

What the country needs, if it can be had, is a better system than that now existing. Only when cautious attention is given to all the facts can such a system be devised. As to bootlegging, nothing short of most determined enforcement will hold it in check, whatever the system adopted.

There are two most important matters to consider before we pass this bill. One I have referred to, that of its violation of the Constitution which forbids the manufacture and sale of intoxicants. The other question of most serious import is that this bill puts no restriction whatever on the distribution of beer. This would insure the return of the saloon which both parties declared against. This bill provides for a beverage so close to that of preprohibition days that the difference is negligible. That beer was excluded with other liquors because it was plainly contrary to both the spirit and letter of the eighteenth amendment and the Volstead Act.

Laying aside for the moment the moral responsibility of Members of Congress in passing such an obviously unconstitutional statute which faces a veto from any President who understands and respects the Constitution of the United States, or lacking that, the endless technicalities attending a decision in the courts, I want to call the attention of the House to the fact that this bill places the whole liquor situation just as it was prior to the ratification of the eighteenth amendment. That is the regulation of the traffic would be left to the States for which of course there can be no constitutional authority while the eighteenth amendment remains a part of the Constitution. This would reinstate the old saloon with all its ancient evils. How can Members of this House justify their vote for such a bill when there was one thing, if nothing else, that all agreed upon with respect to the liquor question, and that was that there should under no circumstances be a return of the saloon.

It has been claimed for this bill that it would produce $300,000,000 revenue a year. To raise that amount of revenue at the tax rate of $5 per barrel would require the consumption of 60,000,000 barrels of beer. If each gallon of the 31½ gallons in a barrel produced 12 drinks these 60,000,000 barrels would produce 22,680,000,000 drinks. At 10 cents each this would consume $2,268,000,000 of the peoples money and since it is said here that beer is the workingman's drink it would mean that $2,268,000,000 would be subtracted from the money that otherwise would go for clothing, schooling, and food for the workingman's family. How can any Congressman in this hour justify such an economic waste as such a spree would entail. That would be a tax of $75 on an average family of five. Of this the United States Treasury would get $12.50 and the brewers $62.50 and the people nothing of value but plenty of want and suffering. When you vote for this bill you are imposing a per capita levy of $17.50. This country certainly must be in dire straits if we must wring from poverty and misery this tribute of blood from those who are defenseless before this juggernaut of the brewers.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BACHARACH. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Chairman, it is remarkable to hear the oration of the distinguished gentleman from Kansas [Mr. GUYER] condemning the legalizing of 4 per cent beer, particularly in view of the fact that at the last session of this very Congress he voted to practically legalize 9 and 10 to 14 per cent racketeer beer, made by alley brewers, when he voted for the tax on brewer's wort, and did tax by indirection what he does not now have the intestinal stamina to tax by direction. [Applause and laughter.] I am somewhat surprised to find some of these Democratic brethren like the gentleman from Florida [Mr. GREEN], the gentleman from Texas [Mr. LANHAM], the gentleman from Texas [Mr. BLANTON] oppose this bill because of constitutional reasons. I now yield so that any one of the Democratic brethern from below the Mason and Dixon's line who oppose this bill on constitutional reasons can rise in their seats and advise me and the rest of the Members of the House and the country what percentage was promised in the platform plank of the Democratic Party when they were getting wet votes in wet territory. I pause. No reply.

This pending bill will do more than raise revenue. First, it will aid the cause of temperance. Second, it will raise revenue. Third, it will employ hundreds of thousands of people in the great brewing and related institutions and other business enterprises. Fourth, it will use some of the surplus grain products of the American farmer; and fifth, it will stimulate our foreign commerce by using the grain produced on American farms by American workmen in the manufacture of beer in American institutions, which will be shipped to all parts of the world, just as was shipped the beers that made Milwaukee famous before prohibition.

I do not agree with one provision of this bill. I am therefore going to offer an amendment at the proper time to strike out sections 6 and 7. In the committee report the committee calls attention to the fact that these sections are necessary to protect the dry States. That means to protect the prohibition States. If this beverage is nonintoxicating in fact, why should the Federal Government set out its long arm at a great expense to the American taxpayer to protect some of the States so that a palatable nonintoxicating beverage may not be shipped into them? There is no more reason than there is to have the Federal Government send Federal agents out to protect shipments of Coca-Cola or some of these other synthetic concoctions and soft drinks that Ben sells out here in the Republican cloakroom. [Laughter and applause.]

I believe that the majority committee report was written by a Democrat who was recently converted to the wet cause. If the Supreme Court would take into consideration the committee report, they would hold this bill invalid in five minutes. Why? Because, on page 4, the majority report indicates as one of the major premises for holding 3.2 per cent beer by weight or 4 per cent by volume nonintoxicating is the consumption of food with it. I quote from said report:

Also, it should be assumed that the beer is to be drunk as it is generally drunk; that is, in limited quantities and with food. It is common knowledge that the effect of the consumption of alcoholic liquor on an empty stomach is much different than when taken with or after a meal. The presence of solids in an alcoholic beverage, as in beer, or the presence of food in the stomach, hold the alcohol back from its rapid passage through the stomach wall into the blood stream and allow some it to be absorbed through the intestines. In this way the rate of absorption into the blood is slowed down and the alcohol is allowed to pass off before there is any large accumulation in the system.

If that is one of their major premises indicating that this is a nonintoxicating beverage, why did not the committee then make provision for the use of food and prescribe that so much food should be taken into the stomach before the beer is drunk, whether free lunch or food which is sold with the beer? I repudiate that ridiculous allegation of the committee majority report, and I reiterate that 3.2 per cent by weight, which is 4 per cent by volume, is nonintoxicating in fact, whether taken on an empty stomach or whether taken on a full or partially full stomach, notwithstanding that Bishop Cannon indicated in his testimony that he had knowledge of two persons who became intoxicated from

drinking a bottle of one-half of 1 per cent beer. Perhaps the gentleman from Florida [Mr. GREEN] and other southern Democrats who oppose this bill want to revise the one-half of 1 per cent in the Volstead Act downward to less than one-half of 1 per cent, because Bishop Cannon said that some of his acquaintances became intoxicated on one-half of 1 per cent. From their opposition to this bill it appears that they interpret the Democratic platform with reference to modification of the Volstead Act to mean downward and not upward. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, like the second from the last speaker, I come from a State which is commonly called bone dry, which became bone dry long before the Volstead Act and eighteenth amendment were heard of; a State the legislature of which I was a member when the bone dry bill was passed; a State which in 1919 voted to ratify the eighteenth amendment, at which time I was also a member of the house of representatives; a State which last month reelected a bone-dry, 100 per cent prohibition governor and a bone-dry Congressman from the second district by more than 5,000 majority to succeed my distinguished friend and colleague Mr. WASON, from the second district, who recently voted against the submission of the repeal of the eighteenth amendment; yet I take the position that for the welfare of the Nation this bill should be passed. As a member of the New Hampshire Legislature I voted against ratification of the eighteenth amendment, and I have consistently pursued that policy from that day to this. [Applause.]

I favor the enactment of the legislation provided by this bill for two reasons: It will produce great revenue in this time of need. First and foremost, however, I believe the time has come when we, as American citizens, ought to realize the moral obligation which we have to correct abuses which exist under the present law. It has been well said that obedience to law is liberty. There can be no liberty without obedience to law, and there will be no obedience to laws which do not command the moral respect of a majority of our people. [Applause.] That is the fundamental difference between the Volstead Act and laws against arson, bribery, embezzlement, larceny, homicide, rape, highway robbery, or any of the other statutory crimes of which we can think. The great moral consensus of opinion is against such crimes, whereas the majority of people, whether 6 out of 10 or 8 out of 10, see no moral harm in a man taking a drink of beer. So, I repeat, that we should get this iniquitous provision out of our law and we will then have on our statute books an act which will command the moral respect of a great majority of our people.

In conclusion, I have heard the Bible referred to here to-day. I want to leave with you the words of a great American statesman, a great American legislator, a native of my own State, New Hampshire, and a distinguished predecessor who represented the district which I now have the honor to represent, Daniel Webster. In connection with our duty to vote for this bill, I ask you to bear in mind what he said about duty:

> Our whole concern in this matter is to do our duty and let consequences take care of themselves. A sense of duty pursues us ever. It is omnipresent like the Deity. If we take to ourselves the wings of the morning and dwell in the uttermost parts of the earth, duty performed or duty violated is still with us for our happiness or our misery. If we say that the darkness shall cover us, in the darkness and in the light our obligations are yet with us. We can not escape their power nor flee from their presence. They are with us in this life, will be with us at its close, and in that vast scene of inconceivable solemnity which lies yet further onward, we still find ourselves surrounded by the consciousness of duty, to pain us wherever it is violated, and to console us in so far as Almighty God may have given us grace to perform it.

[Applause.]

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. SANDERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, it took the adoption of the eighteenth amendment to empower Congress to pass the Volstead Act. It will take the repeal or the modification of the eighteenth amendment to empower Congress to amend the Volstead Act so that the legislation may be either satisfactory or satisfying.

The eighteenth amendment prohibits the sale of intoxicating liquors. The Volstead Act defines intoxicating liquors as having an alcoholic content of one-half of 1 per cent or more by volume. This is equivalent to two-fifths of 1 per cent by weight.

PLATFORM

The Democratic platform of 1932 advocated the repeal of the eighteenth amendment to be submitted to conventions and pending repeal favored an "immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution."

During the campaign of 1932 I repeatedly announced that I stood on the Democratic platform with respect to the eighteenth amendment and the Volstead Act. At the same time I stated that intoxicating liquors could not be sold until the eighteenth amendment is either repealed or modified. I also stated that personally I preferred the submission rather than the indorsement of the repeal, and that I preferred ratification by legislatures rather than by conventions. All previous amendments to the Federal Constitution have been submitted to legislatures, and I know of no provision in any of the States for conventions to ratify constitutional amendments.

REPEAL

On Monday, December 5, 1932, the first day of the present session, I voted for the so-called Garner resolution to repeal the eighteenth amendment by conventions in the several States. This amendment followed the language of the Democratic platform, and I voted to submit the amendment. Personally I opposed the consideration of the amendment without a report by the Judiciary Committee, to which it should have been referred. Personally I believe the amendment should have reserved to Congress the regulation and control of intoxicating liquor, to protect the dry States and prevent the return of the saloon. Inasmuch as there are no provisions in the States for conventions, I believe that the consideration of the resolution would have been hastened by submission to legislatures. Some advocates of repeal maintain that Congress should provide for conventions to pass upon the amendment. The Constitution of the United States was submitted to conventions. These conventions were called by the several States. Only conventions called by the States were in contemplation when the Constitution was adopted. I believe that Congress has no power to call conventions in the States for the ratification of amendments. Such a power would be an encroachment upon the rights of the States. I do not believe that Congress has any power to call such conventions, and, furthermore, I maintain that if Congress has such power it ought never to be exercised. The States should be supreme in all elections and in all matters respecting the qualifications of voters. However, I am of the opinion that the Webb-Kenyon Act, which is still in force, substantially protects the dry States and will thus prevent the return of the saloon. The Supreme Court of the United States on May 15, 1932, in the case of McCormick *v.* Brown (76 L. Ed. 1017), decided that the Webb-Kenyon Act was not repealed either by the eighteenth amendment or by the Volstead Act. In the event the eighteenth amendment is repealed the States where prohibition remains are thus substantially protected.

PUBLIC SENTIMENT

Laws regulating customs and habits should be by statute rather than by constitution. Statutes respecting social relations depend upon public sentiment for their enforcement. Public sentiment changes and constitutions are more difficult to change than statutes. The advocates of the eighteenth amendment insisted that it should be submitted to the people so that their will might be determined. Those who oppose the amendment now invoke the same argu-

ment. The majority rule should obtain in the States and if the majority oppose the eighteenth amendment, it should be repealed. A referendum will determine public opinion. There is need for a campaign of education. Whenever public sentiment justifies, real temperance will be promoted by the expression of the people at the ballot box.

BEER

While I voted to submit the repeal of the eighteenth amendment, I am opposed to the pending beer bill because I believe it violates the eighteenth amendment. It provides for the sale of beer, ale, porter, and other similar fermented liquor with an alcoholic content of 3.2 per cent by weight and 4 per cent by volume. It thus increases the percentage of alcohol from one-half of 1 per cent to 4 per cent. The beer authorized is the ordinary pre-prohibition beer, which was generally regarded as intoxicating. The bill does not declare the beer non-intoxicating in fact, nor will the House so declare. How, then, could the Supreme Court reasonably be expected to sustain the constitutionality of the bill? It is my conviction that the sale of 4 per cent beer is not permissible under the Constitution and hence is not embraced within the Democratic platform. The platform provides for modification within the limits of the Constitution. Four per cent beer violates both the platform and the Constitution.

EIGHTEENTH AMENDMENT

The spirit and the purpose of the eighteenth amendment was to prevent the use of alcoholic liquors as beverages. The United States Supreme Court, in the case of Rhode Island *v.* Palmer (253 U. S. 350–387), announced that the court could not be expected to approve any attempt "to defeat or thwart the prohibition" in the amendment.

VOLSTEAD ACT

While the Volstead Act prohibits the sale of liquors containing one-half of 1 per cent or more of alcohol by volume, I do not believe that such liquors are intoxicating in fact. However, the definition in the Volstead Act has been approved by the Supreme Court of the United States. In the National Prohibition cases (253 U. S. 350–387), the Supreme Court of the United States upheld the power of Congress to define intoxicating liquors as containing one-half of 1 per cent or more of alcohol. Congress, in passing the Volstead Act, took into consideration the experiences and the laws of the States in liquor and prohibition legislation. The Bureau of Internal Revenue by regulation had defined liquors having one-half of 1 per cent alcohol as intoxicating. The brewery interests in opposing the encroachments of the soft-drink establishments were largely responsible for the definition. For 20 years before the Volstead Act was adopted the Federal Government treated all liquor having one-half of 1 per cent or more of alcohol as intoxicating. It may not be poetic justice, but it is certainly the irony of fate that the Volstead Act contains the very definition for which the brewers had always contended.

ALCOHOLIC CONTENT

As to permissible alcoholic content pending the repeal or modification of the eighteenth amendment, it is well to keep in mind that the Supreme Court of the United States has substantially held that the sale of liquors that are intoxicating in fact can not be authorized by Congress. I quote from the decision of the Supreme Court of the United States in the case of Ruppert *v.* Caffey (251 U. S. 264, 284, decided in January, 1920), in which case the opinion was rendered by Mr. Justice Brandeis, who made a survey of the liquor laws of the States.

A survey of the liquor laws of the States reveals that in 17 States the test is either a list of enumerated beverages without regard to whether they contain any alcohol, or the presence of any alcohol in a beverage, regardless of quantity; in 18 States it is the presence of as much as or more than one-half of 1 per cent alcohol; in 6 States, 1 per cent of alcohol; in 1 State, the presence of the "alcoholic principle"; and in 1 State, 2 per cent of alcohol.

Thus in 42 of the 48 States—Maryland appears in two classes above—a malt liquor containing over 2 per cent of alcohol by weight or volume is deemed for the purpose of regulation or prohibition intoxicating as a matter of law. Only one State has adopted a test as high as 2.75 per cent by weight or 3.4 per cent by volume.

The Supreme Court of the United States in the national prohibition cases (253 U. S. 287) declared:

While recognizing that there are limits beyond which Congress can not go in treating beverages as within the power of enforcement, we think those limits are not transcended by the provision of the Volstead Act (Title II, sec. 1) wherein liquors containing as much as one-half of 1 per cent of alcohol by volume and fit for use for beverage purposes are treated as within that power.

It will thus be seen that the Supreme Court of the United States has already declared that in legalizing the sale of liquors there are limits beyond which Congress can not go and has clearly indicated that it will be unconstitutional to attempt to legalize the sale of liquors that are intoxicating in fact.

The Supreme Court of Mississippi in the case of Fuller *v.* Jackson (52 Southern, 873) held:

The court takes judicial notice of the fact that liquor containing more than 2 per cent of alcohol by weight will intoxicate.

Moreover, the State of Mississippi now prohibits the sale of beer or any other malt liquor, no matter how small the alcoholic content, and the statute has been sustained by the Supreme Court of the United States. (Purity Extract Co. *v.* Lynch, 226 U. S. 192.)

If the Volstead Act is amended, no beer can be sold in Mississippi unless the legislature repeals or modifies the prohibition statutes. If the eighteenth amendment is repealed, intoxicating liquors can not be sold until the prohibition statutes in Mississippi are changed.

The Supreme Court would evidently hold that the words "intoxicating liquors," in the eighteenth amendment, must be construed to mean now substantially what they meant when the amendment was adopted. It would therefore appear that beer with an alcoholic content of 2.75 by weight would seem to be the maximum limit which the Supreme Court would sustain. While Congress has the power to ascertain facts, that power is not unlimited, especially in view of the announcement of the courts that the amendment was intended to prevent the use of intoxicating liquors as a beverage.

I am not unmindful of the need of revenue, but revenue can not be provided by violating the Constitution. There is a public demand that the Government should receive the benefits from the sales of intoxicating liquors that now accrue to the bootlegger. But one violation of the law does not justify another. I advocate a tax on liquor that is permissible under the Constitution. In opposing 4 per cent beer I am standing squarely on the Democratic platform.

The court of last resort has clearly indicated that Congress is without power or authority to legalize the sale of any liquors that are intoxicating in fact. The great weight of authority is that liquors containing 4 per cent alcohol by volume, as provided in the pending bill, are intoxicating in fact. The supreme courts of 42 of the 48 States have held that liquors of 2 per cent and less, by statute as well as by common knowledge, are intoxicating.

SUBSTITUTE

As the so-called drys are making mistakes in opposing a referendum on the eighteenth amendment, so it is that the so-called wets are making a mistake in insisting upon an amendment that does not protect the dry States or prevent the return of the saloon, and, pending repeal, the wets are making a greater mistake in insisting upon the sale of liquors that are intoxicating in fact. Repeal must be accompanied by a better substitute. The question that occurs to all thoughtful minds is: After prohibition, what?

The people of the United States are determined that there must be some regulation and control of the liquor traffic and that the saloon must never return. The substitute must be better than prohibition. Mere repeal without a better substitute would lead to chaos and confusion. Liquors, wherever sold, are regulated and controlled. By insisting upon legalizing the sale of intoxicating beer, the repeal of the eighteenth amendment will be delayed. There will be a revulsion of public sentiment. The so-called wets should be good sports. When the amendment is repealed or modified intoxicating liquors may be sold, but the saloon will

never be tolerated. The country should know what is to take the place of prohibition, and the people should be prepared for the substitute before the repeal. If the drys, by opposing a referendum, are responsible in any measure for nullification, the wets, by failing to provide a better substitute, will either defeat or delay the repeal of the eighteenth amendment.

PENDING BILL

I want to be liberal in modifying the Volstead Act pending repeal. According to the experience of all the States, as a matter of common knowledge, the maximum limit for beer until the Constitution is amended would be 2.75 by weight or 3.4 by volume. The sale of such beer was permitted during the World War. If this content is too liberal, my reply is that one-half of 1 per cent is too narrow. There is a general demand for modification.

I shall support an amendment to the pending bill to provide for 2.75 beer by weight. I believe that any beer with a larger alcoholic content would certainly be intoxicating in fact and thus in violation of the eighteenth amendment.

The pending bill is not only unconstitutional but it is inconsistent and contradictory. In section 2 it declares that one-half of 1 per cent by volume means 3.2 by weight. The proponents of beer are hard put to it to ask Congress to enact a legislative falsehood. Again, section 6 of the bill invokes the so-called Webb-Kenyon Act. While declaring beer nonintoxicating in one section, in another section of the bill the liquor is treated as intoxicating. In section 7 of the bill the so-called Reed amendment is invoked. There is, therefore, a confession in the bill itself that the liquors to be sold are intoxicating. While called nonintoxicating they are treated as intoxicating.

Moreover, there is no provision for the control or regulation of the sale of beer. All countries that permit the sale provide regulations as to places of sale. The bill really gives to the brewers a monopoly of the liquor traffic and contains no prohibition whatsoever against the return of the saloon.

The submission of the eighteenth amendment is one thing, but the modification of the Volstead Act to provide for the sale of intoxicating liquors is quite another thing. I favor submission but I oppose nullification. While the Supreme Court has the final word, my oath as a Member of Congress requires me to oppose any and all legislation which violates the Constitution. For a Member of Congress to say that the question of constitutionality is for the Supreme Court, is to evade his duty and responsibility as a legislator.

Neither public sentiment nor party platform requires or justifies the passage of any law that is not within the limits of the Constitution. From our own observation and as a matter of common knowledge, as well as a result of the adjudications in practically all of the States of the Union, liquors with an alcoholic content of 4 per cent are intoxicating in fact.

The bill provides for the sale of ale and porter. In the case of Ruppert *v.* Caffey (251 U. S. 303), Justice Brandeis said:

> Everybody knows that ale and porter are intoxicating.

If Congress legalizes the sale of liquors that are not intoxicating, it will not satisfy the proponents of the bill. If Congress undertakes to legalize the sale of intoxicating liquor, it will be in violation of the Constitution.

TEMPERANCE

There is no perfect solution of the liquor problem. All governments either prohibit, regulate, or control. All advances and improvements in solving the problem have been made over the organized opposition of the selfish liquor interests.

When the pending bill was introduced it provided for the sale of beer containing alcohol 2.75 by weight. The representatives of the breweries and the distilleries appeared before the Ways and Means Committee and urged the increase of alcoholic content to 4 per cent by volume. Such beer was the ordinary beer that was sold in pre-Volstead days. Beer and other intoxicating liquors have always received the same legislative treatment. The State that prohibits one prohibits the other. Licenses and taxes were alike required for the sale of both malt and spiritous liquors, when permissible.

If 4 per cent beer is not intoxicating in fact, there is no occasion for the repeal or modification of the eighteenth amendment, in so far as beer is concerned. The breweries opposed the eighteenth amendment because they maintained that they could not sell beer under the amendment. They now take advantage of public sentiment and urge the sale of beer in violation of the amendment. The problem will never be solved by the selfish wets or by the fanatical drys. The extremists, whether for or against prohibition, will delay a solution of the problem. The true solution of the matter, in my judgment, is for each State to determine its course. The Federal Government should protect the States in the determination of their rights. One extreme must not be followed by another. Reason and tolerance must obtain. The unselfish judgment of the nation, with due regard for public opinion, must prevail. There should be a spirit of conciliation. There may be a compromise of policy but not of principle. All substitutes and all amendments should promote temperance. They must provide for control and regulation.

If the eighteenth amendment is repealed and if the Volstead Act is modified, repeal should be followed by progress and modification should preserve the benefits and eliminate the evils of prohibition. [Applause.]

[Here the gavel fell.]

Mr. COLLIER. Mr. Chairman, I yield one-half of the time remaining to me, five and one-half minutes, to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, obviously in the short time allotted to me, after having spent at least 10 years fighting for repeal and modification of the Volstead Act, it is extremely difficult to even outline my views on this question. As a matter of fact, looking at the bill, I recognize "me own che-ild." True, it has a different name on it as then introduced, but it is very similar to a well-known bill introduced and voted on last spring, and which, in fact, was the only bill pending before the Ways and Means Committee on December 5, and the only bill pending before that committee at any time with a provision for beer of 3.2 per cent alcoholic content by weight. But the "che-ild" has grown some since last spring, and while I am going to put in the RECORD the important part of my remarks, what I want to point out in the short time I have now is that the "che-ild" has lost some teeth since it appeared on the floor here last May, and I am anxious that the House consider the amendments to restore those teeth which I shall propose to the bill.

I am for this legislation—a gratuitous remark—and any amendment I shall offer will be to in no wise injure the bill but rather to perfect it. I shall offer amendments which were more or less contained in what was known as the O'Connor-Hull beer bill and which were not contained in the O'Connor-Hull revised bill which was sent to the Ways and Means Committee on December 5 this year.

My approach to the subject is from four avenues:

First. The restoring of good beer to the public which so overwhelmingly demands it, and thus correcting the "legislative lie" contained in the Volstead Act.

Second. To stop the bootlegger mentioned by the gentleman from Kansas [Mr. GUYER]. The difference in price will do this.

Third. To procure revenue for a much-depleted Treasury and avoid other nuisance and burdensome taxation.

Fourth. To aid the American farmer to dispose of some of his surplus grains and promote the diversification of crops by renewing hop growing in the United States.

Fifth. To provide employment to a few hundred thousand of our millions of unemployed.

I am not concerned primarily with a revival of profits for the brewers or other businesses interested or with the capital investment contemplated in new breweries, and so forth, except as such investments will furnish employment.

These considerations boil down to two motives which prompt us:

First. The personal right of the public to drink beer if it sees fit, pending the repeal of the eighteenth amendment; and

Second. To meet the present economic situation.

First, I shall ask for a legislative declaration that this beverage of 3.2 per cent of alcohol by weight is not intoxicating in fact. This must have been left out of the bill by mistake, because it has been contained in every beer bill that has been offered heretofore.

Then I shall offer amendments to take the administration of this law away from the national prohibition unit. It never was intended that such a bureau should have the enforcement of this law, and this provision must have gotten into the bill by the act of one of these mechanical draftsmen. If it is nonintoxicating, it should not be placed in the national prohibition unit, and in all the other bills introduced here it was provided that the Commissioner of Internal Revenue, under existing law, should enforce the law by licenses and not by permits, because if there is one thing that will ruin any chance of repeal of the eighteenth amendment it is to permit the situation that existed before prohibition—a monopoly in the sale of this beverage. If you will only grant permits in the same manner you issue permits to-day to make whisky, for instance, you are going to have a preference shown, and some people are going to get permits and others are not, and you will build up a monopoly such as existed before. If this beverage is nonintoxicating in fact, I say "license" it to get the revenue, not build up a monopoly by "permits."

I shall offer an amendment for a tax of $7.50 a barrel on this beer. When I discuss that amendment, I hope to convince you that any less amount has been propaganded here by the brewers. They are the only ones interested, and they will charge just as much for the beer whether you put on a tax of $5 or $7.50. I make that prediction now. The only difference will be that if you put on a $5 tax instead of a $7.50 tax the brewers will make an extra $2.50. This is a subject which I shall develop when I offer my amendment.

Furthermore, this bill left out the provision of the O'Connor-Hull bill prohibiting the importation of hops and grains for use in this beverage, and I propose to offer an amendment to help the American farmer by prohibiting the importation of hops and grains for use in this beverage.

To meet the situation that was called attention to to-day by the gentleman from West Virginia, the Republican whip, that this bill would interfere with home-brew, I call attention to the fact that the bill was intended only to refer to this beverage which is manufactured for sale, and the bill needs amendment in that respect, which I shall offer on page 4, line 24.

Mr. SABATH. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. SABATH. The gentleman calls the bill the O'Connor-Hull bill. The gentleman means the bill that was agreed upon by a committee composed of a number of Members of the House?

Mr. O'CONNOR. Yes; it was introduced and indorsed by some 50 or 60 Members of the wet groups of the House, including the gentleman from Illinois [Mr. SABATH].

Mr. CLANCY. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CLANCY. What has the gentleman to say with respect to section 7 of the bill, which is more terroristic than the Jones law, in that it provides that for the second offense there may be imprisonment for one year for exporting one bottle of this beer into a dry State?

Mr. O'CONNOR. I will gladly tell the gentleman what I would do about that. I would support any penalty, no matter how gross, against a seller who violates the provisions of this law with respect to protecting dry States. [Applause.] I have no sympathy for the hunger of these brewers or other liquor makers who are not satisfied to sell it in their own States or wherever it may be permitted, but strive to circumvent the law by selling it in forbidden territory. The following amendments, and perhaps others, will be offered by me when the bill shall be read to-morrow for amendment.

Page 1, line 7, after the word "weight," insert "which maximum percentage is hereby declared to be nonintoxicating in fact." This legislative declaration has been contained in all our "beer bills" and must have been omitted from this bill by oversight.

Page 2, line 2, strike out "$5" and insert "$7.50."

Page 4, line 24, after "volume," insert "for sale." This does not compel the home-brewer to get a $1,000 license as a "brewer."

Page 4, line 24, strike out the sentence beginning "Before engaging in business," and so forth, down to an including the period in line 6, page 5, and insert:

Each brewer, wholesaler, and retailer before engaging in business shall secure a license from the Commissioner of Internal Revenue, who, with the approval of the Secretary of the Treasury, shall have power to prescribe and enforce rules and regulations carrying this section into effect together with all the provisions of chapter 6 of title 26 of the United States Code, as amended and supplemented, and any other provisions of said title 26 as applicable to malt, brewed, or fermented liquors or beverages, and all provisions of existing laws relative to the licensing, registering, filing of returns, and payment of tax by manufacturer, brewer, wholesalers, and retailers in brewed, malt, or fermented liquors, and their agents and employees, are made applicable hereto and shall be enforced by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, under proper rules and regulations.

This amendment obviates all the scandal and monopolistic features of permits and leaves the licensing as it existed prior to prohibition.

Page 5, line 6, strike out the word "permit" and insert the word "license." This amendment follows the foregoing suggestion.

Page 5, line 7, after the word "manufacture," insert the words "or sale."

Page 5, line 10, after the word "manufacture," insert the words "or sale."

Page 5, line 11, strike out the word "permit" in both instances and insert the word "license."

Page 5, line 12, strike out the rest of the sentence after the word "law." It is ridiculous to provide for nonintoxicating beverages and still enforce the sale of them under the prohibition law.

Page 6, line 16, after section 6, insert a new section 7 and renumber the remaining sections accordingly:

SEC. 7. Nothing herein contained shall be construed to authorize the importation of such beverages, containing more than one-half of 1 per cent of alcohol by volume and not more than 3.2 per cent of alcohol by weight, into the United States from any other country or place and such importation is hereby expressly prohibited.

The prior beer bills contained this provision to aid the American farmer.

Page 6, line 16, after the new section 7 above, insert another new section and renumber the remaining sections accordingly:

SEC. 8. (a) No grain, hops, or other ingredient suitable for use in the manufacture of beer, lager beer, ale, or porter, stout, or other brewed, malt, or fermented beverages may be imported into the United States or any place subject to the jurisdiction thereof, or withdrawn from bonded warehouses for domestic consumption if it is to be used in the manufacture of beer, lager beer, ale, porter, stout, or other brewed, malt, or fermented beverages.

(b) This section shall be enforced as part of the customs laws, and the Secretary of the Treasury is authorized and directed to prescribe such rules and regulations as may be necessary for such enforcement.

This is a further amendment to aid the American farmer.

Page 7, line 21, strike out the word "permits" and insert the words "licenses to manufacture".

As to "wine," I shall be glad to vote for an amendment to include "naturally fermented wines"; but I should like to see the alcoholic content restricted to 8 per cent by weight or 10 per cent by volume.

What I should like to see added to the bill is the most severe penalties against sellers violating the provisions against invading dry States. I have no sympathy with brewers who are not content with reaping their exorbitant

profits in their own or other wet States without trying to invade dry States. Such hoggishness brought on prohibition and may well do so again.

Mr. CHINDBLOM. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. HORR].

Mr. HORR. Mr. Chairman, I came here with a direct mandate from the people of my own State. I have heard a considerable amount of argument and talk that the last election was not a mandate to the Representatives here from the different States. I do not know what has occurred in the other States, but let me call your attention to the fact that in the State of Washington we had a bone-dry law. This matter came up for repeal on a direct issue before the people of the State, a State from which came the "five and ten law," and at an election held at the same time as our general election, by a majority of 2 to 1, the people of the State of Washington determined to, and did, repeal every bone-dry liquor law in that State. In my own city of Seattle just last week, through the city council, they revoked all of the liquor laws in anticipation of having presented to them beer, through this legislation that we are now considering.

I may say to you that in my opinion many of you are overlooking the fact that you did receive a mandate from your people. It is true that many of your States did not vote upon it directly, but I call your attention to the fact that California did and she repealed her liquor laws. Oregon voted and she repealed her liquor laws. Washington, as I said, repealed her liquor laws, and I understand there was a little flirtation also down in the State of Texas, which would lead the ordinary mortal to believe that the people down there have had just a little change of heart.

We went through this last campaign, and I can say that there is not a lingering specimen of Republicanism left in the State of Washington, and I am one of those who was also decapitated in the recent revolution.

It is traceable to one thing, and that is that the people believed that our platform was a straddle. We tried to defend the Republican platform, but the people would not believe it. I really thought until to-day that you Democrats were sincere when you came out and said that you were opposed to the liquor traffic and favored repeal and modification.

Do not tell me that the repeal of the eighteenth amendment is not a national issue. I attended the Republican National Convention at Chicago, and the only subject that came before that convention that was debated was whether or not we should adopt a straight out-and-out repeal platform or whether or not we should adopt the straddling, wobbling platform that none of you have been able to determine the meaning of.

You Democrats went before the people and told the people that you stood for the repeal, and repeal means that you are opposed to the prohibition law.

I want to say to all of you, each and every one of us, except from a few States, so few that it is not necessary to name them, that all of us have received a mandate from the people.

Talk about a million eyes looking down upon us and the babies crying for protection! I can quote the next to the first lady of the land, who has called attention to conditions under prohibition in a Topeka, Kans., address. A Congressman who pretends to represent the people ought to be ashamed to be a party to perpetuating such a condition. I am going to read from Mrs. Franklin D. Roosevelt's Topeka address:

> The average girl of to-day faces the problem of learning very young how much she can drink of such things as whisky and gin and sticking to the proper quantity.

Now, I want to say to you a few things about the constitutionality of this law.

Some Members are raising the question of the constitutionality of this measure. You are arguing that beer with an alcoholic content of 3.2 per cent by weight and 4 per cent by volume will be declared intoxicating by the United States Supreme Court. I am of the opinion that you who are opposing this bill are not so much concerned about the measure's being declared unconstitutional as you are afraid that it will be declared constitutional.

Those of you who are and have been dry raise every technicality available as an excuse to vote against, not only this measure but every other measure that has to do with changing the eighteenth amendment and its enforcement legislation. When the repeal resolution was before this House you found it did not conform with all your views, and you used that excuse to vote against that party pledge. Why not be sincere and say openly and publicly that you will vote against any measure calling for modification and repeal of the eighteenth amendment?

Why quibble over the alcoholic content of beer? Last session the same Members who are voting against this beer measure voted a tax on wort, a product from which only beer can be made. Wort made into beer runs a much higher alcoholic content, as high as 6 per cent and 7 per cent beer. You voted also a tax on grape concentrate, from which wine is made. May I ask why you hesitate to legalize beer when it is a known fact that illegal beer can be had for a price? Is it not better to have the profits in part go to the Government rather than to the bootlegger and racketeer?

If the defeat of this bill or any other bill would result in real prohibition, I would be for its defeat. We know that the liquor laws are a joke, that beer has financed the racketeer, and that the liquor laws are responsible for the crime wave that has swept the country.

You who are opposing the repeal and modification of these liquor laws would have us believe that repeal and modification would cause our homes to be invaded by the evils of rum. Surely you must know of conditions as they now exist. Homes have been invaded under prohibition; youth has been debauched. Where goes the wort and grape concentrate and home-brew that you drys have taxed? Into the home, I say. Into the schools and universities home-brew, moonshine, and contraband wines have found their way. Speakeasies, which thrive on the attendance of youth of both sexes, have supplanted the saloons, where youth, and especially young girls, never found admittance. Awake, my colleagues, to these conditions and let us try some other system.

Members to-day have called attention to the fact that our people are in hunger and in want. It is bread, not beer, they want. Will the passage of this beer bill prevent us from giving bread? Do you realize that over $34,000,000,000 have been expended by the Federal, State, and municipal governments since prohibition went into effect in loss of revenue and in a useless attempt to enforce this unenforceable law?

It is bread you want—then may I ask how much bread would $34,000,000,000 buy? Did you "drys" think of bread when during the last session you voted $10,000,000 for liquor enforcement?

With jobs comes bread. Do you realize what the passage of this bill would do toward the creation of jobs in my own State of Washington alone? The total brewing investment in the State of Washington was $14,194,646.33 when the State went dry.

The gross business amounted to $11,965,426.16 yearly. The wages paid out each year to workers was $1,538,108.28. When we consider that for each brewery worker there is a call for three others to be employed in industries which furnish products to the brewery, we find that when the brewery went out of business the workers lost more than four and one-half million dollars in wages in our State alone. Four and a half million dollars would buy considerable bread for our starving people.

The breweries of our State used 1,500,000 bushels of barley and 1,500,000 pounds of hops yearly—these are products of our State and neighboring States. Their reestablishment would mean something to our farmers.

Our State, as I said, was bone-dry. A doctor could not prescribe any intoxicating liquor for sickness. Our people could have sacramental wine, but under our law we could

not use our home-grown fruits. We were compelled to send to California for our sacramental wines. There a greater degree of sanity prevailed.

Our law would not permit us to use our own fruits, but we could possess and use wine made from fruits of other States. This situation was also true of industrial alcohol. We could possess, sell, and transport under Government permit alcohol, but we could not under our law manufacture the product we could use.

Is it then to be wondered at that my State voted out these liquor laws? Is it to be marveled at that they went to the other extreme and elected men to public office who had been in prison and one who was in jail the day he was elected?

The fanaticism of prohibition produced a fanaticism of revolt. The pendulum swung to the other extreme. Sane legislation will restore normalcy, and I am hoping that the passage of this bill will be a start in that direction.

Mr. HAWLEY. Mr. Chairman, I yield six minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman and gentlemen, I am opposed to the repeal of the eighteenth amendment, and yet were I the most enthusiastic advocate of repeal in this House I would hesitate about voting for this bill.

This is a saloon bill, a brewers' bill; its terms were suggested and written by the brewers and their representatives who appeared before the Ways and Means Committee. Read the hearings and you will find that practically every suggestion made by the brewers was adopted.

Its enactment means the return of the saloon to this country. If the saloon returns for any considerable period of time before the eighteenth amendment is considered by the various States of this country, that amendment is never going to be repealed. I do not think it is going to be repealed anyway. But the people of this country are going to see such an example of debauchery and crime because of the saloon if this bill becomes a law that they are going to go mighty slow about what they do in that connection. There are many millions in this country who have forgotten the saloon and all of its iniquities. There are millions more who have never seen a saloon. An entire generation has grown up since prohibition. This measure, if enacted, will open up the saloons and restore to them 90 per cent of all the business they ever enjoyed. A few months of the saloon will prove to those who have forgotten it and those who never knew it that prohibition at its worst is immeasurably better than the saloon.

I have not time in five minutes to discuss many phases of this measure, but it has been stated on the floor, it is stated in the report, and there was testimony before the committee in its hearings, that this measure will be of some benefit to the farmers of this country. That I emphatically deny.

In this city there have been for the past 10 days representatives of all the great farm organizations of the country. They have been meeting here for the purpose of devising remedies to aid agriculture, and have discussed a great many things, but not once in all those meetings has anyone even suggested that the amendment of the Volstead Act, such as is proposed here, would be of any value to agriculture.

I represent one of the great agricultural districts of the country, a great grain district, where we grow wheat, corn, barley, and all of the other principal grain products of the country. In the six years that I have been a Member of this House I have had only one farmer in my district suggest to me that it would help the farmer to repeal or amend the Volstead law.

It is said that the repeal of the Volstead law might result in an increased consumption of grain. It is true that before the passage of the Volstead law we did use some barley, some corn, and some of the other grains, about 60,000,000 bushels in all, in the manufacture of beer. Yet, since the Volstead Act was passed, the production of barley, which is the principal grain ingredient of beer, has increased in this country by more than 50 per cent. That barley has all been consumed. How has it been consumed? It has been consumed on the farms of the country by dairy cattle and hogs, whose products have gone to the markets of the country and have been purchased by the workingmen and their families who formerly spent their money for beer. This is very easily susceptible of proof. The consumption of fluid milk in this country has greatly increased since the enactment of the Volstead Act. I call attention to the fact that in 1917 the average per capita consumption of milk and milk products computed in terms of milk in this country was 754.8 pounds, while in 1929, the last normal year, the consumption was 997.5 pounds, and that consumption, I may say, is practically the same, even during the last two or three years of depression.

Now, this great increase in the per capita consumption of milk means the consumption not only of more grain than was used in the manufacture of all distilled and fermented liquors in 1917 but means the consumption of a great additional quantity of hay and other roughage grown by the farmers of this country. This was very clearly pointed out by Mr. C. J. Taber in his statement before the Senate Manufactures Committee, in which he showed that in order to produce this increased consumption of milk we consume a total of over 10,000,000,000 pounds of grain and 25,000,000,000 pounds of roughage, whereas all grain used in distilled and fermented liquors in 1917 was but 6,200,000,000 pounds. Furthermore, when a farmer converts his barley into milk or pork, he gets some of the manufacturing profits, whereas if it goes into beer the brewer and the saloon get all the profit.

If time permitted, one might go on and enumerate other economic benefits which have come to the farmer as a result of prohibition. I might call attention to the matter of the corn-sugar manufacturing industry, which has developed so greatly in recent years. Corn sugar is used quite largely in the manufacture of confectionery, soft drinks, and like products, the production of which has greatly expanded during the prohibition era. The return of beer would certainly not increase the consumption of these products.

In 1917 we produced a little over 60,000,000 barrels of beer. I do not know much about the price of beer, but in the discussions in Congress it has been suggested that if beer were legalized it would sell for 15 cents per pint. Sixty million barrels at 15 cents per pint would be $2,232,000,000. Can you imagine that the expenditure of over $2,000,000,000 for beer would help the market for farm products? This is a day of intense competition for the consumer's dollar, and past experience has demonstrated that in competing for the dollar no product has a chance with liquor. It gets the first call every time. The farmer knows that the dollar which is spent for beer can not be spent for milk, cheese, pork, or any other product of the farm. Therefore, it is not hard to understand why he is not throwing his hat in the air over the idea of legalizing beer. He knows that a return of beer, while it may afford a market for an insignificant amount of his grain, means losing a much larger market for products which are infinitely more profitable to him.

The farmer's opposition to beer is not alone on economic grounds. He is against it, generally speaking, on moral and social grounds. Irrespective of these reasons, every thinking farmer can justify his opposition to beer solely on the basis of economics. I am not afraid, therefore, that any of the farmer's would-be friends from the metropolitan centers of this country are going to convince him that beer and farm relief have any connection.

Mr. SANDERS of Texas. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Chairman, with all due deference and not in a spirit of criticism I desire to make one observation relative to the procedure employed for the consideration of this bill. It is my thought that it would have been better and more conducive to orderly procedure for this bill to have received the consideration of the Judiciary Committee of the House, especially the legal, constitutional, and moral phases of the matter, because this committee has been giving special consideration to these phases of the subject for some 10 years or more and has held extensive hearings on the subject over this period of time. This committee

already having this great store of information could have readily reported on these phases of the question, and then the Ways and Means Committee could have promptly considered and reported on the revenue phase and either reported a tax on beer as a part of a general revenue bill or in a special measure.

I regret that this measure is under consideration, especially at this time, with the situation that now exists. With the country suffering from the greatest depression known in our history, with industry paralyzed, with agriculture bleeding at every pore, with thousands of our citizens losing their farms and homes through mortgage foreclosures, with more than 12,000,000 of our people unemployed and poverty, distress, and suffering evident practically on every hand, yet in the face of this condition the impression goes out to the country that first thought and consideration in this Congress is being given to liquor and beer. I think it is rather unfortunate that the opportunity is afforded for the inference to be drawn by the people that these great questions, of such paramount importance to the welfare of our citizens, are not receiving consideration ahead of beer. These questions should be challenging the highest degree of ability, courage, and patriotism of the statesmanship of the Nation. Yet we have before us at this time a bill to legalize the manufacture and sale of beer.

I have listened carefully and with intense interest to every witness before the Ways and Means Committee during the consideration of this measure. Taking all of this evidence into consideration, I am very clearly of the opinion that the proposed bill is in violation of the Constitution of the United States, which provides as follows:

> After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

As a Member of Congress I took the following oath:

> I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

Therefore, I am unable under this oath to support this legislation.

It is further submitted that the proposed measure is not only in violation of the Constitution of the United States but of the Democratic platform adopted in 1932, which declares for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of the alcoholic content of 3.2 by weight, which is conceded to mean beer of 4 per cent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act.

The sale of such beer, because of its alcoholic content, is not permissible under the Constitution. The evidence before the committee shows that much of the beer in use prior to the Volstead Act did not contain more than 3 per cent of alcohol by volume, and the pending bill provides for 1 per cent more than that amount. For several years the proponents of beer legislation have been insisting that what they term a good, sound, and wholesome beer could be produced with an alcoholic content of 2.75, but now they are insisting that it should be raised to 3.2. The evidence before the committee clearly showed that this type of beer which is 4 per cent alcoholic by volume is intoxicating in fact.

Let us not be deceived by the claim that the passage of this bill will afford a great measure of farm relief or relief to the unemployed. There is no farm relief of any consequence provided in this bill, as the proof shows that only approximately 1 bushel of malt barley and about 20 pounds of other grain are consumed in the manufacture of a barrel of beer. Neither is there any unemployment relief of any consequence afford under this bill, for the evidence shows that only about 70,000 people were employed in the manufacture of beer at the peak of production, which was in 1914, when 66,000,000 barrels was produced, and it is not now claimed by the brewers that they will produce more than 40,000,000 barrels for the next two years.

Let us also not be deceived by the claim that the passage of this bill and the collection of the tax therein provided will balance the Budget or will produce anything like the amount of revenue that the proponents of the bill claim. The Secretary of the Treasury, appearing before the committee, estimated that the revenue produced by this measure on the basis of a tax of $5 per barrel would amount to between one hundred and twenty-five and one hundred and fifty million dollars. And even this estimate was predicated upon the assumption that action would be taken by certain of the States favorable to the manufacture or sale of beer. He states that there are 16 States in which the immediate sale of beer is reasonably certain, and that there are 9 additional States in which the early sale of beer may reasonably be expected. This clearly shows that even under the most favorable conditions of recovery of the brewing industry the territory for its operation will necessarily be limited, and this is especially true for the immediate future, and it is now that the additional revenue is needed.

This bill is just exactly what was requested by the brewers and their representatives who appeared before the committee. In fact, in view of their statements, a bill could not have been proposed by them that more completely meets their wishes and desires than the pending measure. The passage of this bill will return to all of its former vigor and strength 90 per cent of the liquor traffic of this country with all of its evil influences which prevailed in former years. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield three minutes to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, many of us understand that it is because of the need for revenue to carry on the functions of Government that this beer measure has received the impetus it enjoys to-day. The advocates of this bill do not maintain that the estimated revenue from the manufacture and sale of beer will balance the National Budget, but it is maintained that an estimated revenue in taxation of two hundred or three hundred million dollars a year is no small item to be overlooked, especially at a time when the effects of economy in Government result in the reduction of wages of Federal employees and curtailment of benefits to the veterans of our national wars.

Aside from the question of revenue, the immediate passage of this bill means the beginning of the end of prohibition. It means the elimination of the forces of bigotry and hypocrisy, which have aligned themselves with groups of self-ordained fanatics who believe it is the privilege of Government to regulate the personal habits and liberties of our people. I heard a group of women the other day, appearing before the Ways and Means Committee in opposition to this measure, proclaim fear of the results to the youth of the land who might indulge in 3.2 beer. These good women told the committee hundreds of thousands of mothers were praying for the defeat of this bill. It was the same old argument presented 12 years ago by the proponents of prohibition under the leadership of the late Wayne B. Wheeler. What I am about to relate to you, in my opinion, is but a cross section of conditions generally prevalent throughout the United States as a result of prohibition. In the city of Cleveland, Ohio, during the year 1929, to a court, where I was a judge, came 32,000 persons to answer to the charge of being in the state of intoxication. The average age of these individuals was 25 years. They were the boys and the girls who were in grade school when Congress passed the Volstead Act, and of whom our dry friends said, "They would never know the taste of alcoholic beverages." They were mostly victims of corn liquor, mixtures of Jamaica ginger and aspirin tablets, raw alcohol, and a score of other concoctions. In some cases they were the victims of canned heat, a product purchased

by them in hardware stores, which contains denatured alcohol.

In thousands of cases the individuals told me that if they could only obtain wholesome beers and wines they would never resort to drinking the poisons to which I have referred.

Many of us believe Congress made a mistake in defining intoxicating beverages to be those which contain in excess of one-half of 1 per cent of alcohol as set forth in the Volstead Act. This was an arbitrary and unfair conclusion on the part of Congress and has resulted in many severe and unnatural punishments being afflicted upon our people. Many people have gone to jail, who heretofore were respected citizens of their communities, simply because they happened to have in their possession, or offered for sale, a beverage containing more than one-half of 1 per cent of alcohol in violation of the law.

Trimming their sails to the winds of intolerance and fanaticism cowardly legislatures passed laws containing severe penalties for the violation of their enforcement acts. One State went as far as to enact a statute under which a mother of several small children was sentenced to life imprisonment because of a liquor-law violation. This was known as a "life-for-a-pint" law. Thank God the State referred to, Michigan, has since repealed all her prohibition legislation.

We have never experienced a period in our entire history similar to the prohibition era of the last 10 years. It is comparable only to the witch-burning days of another age. We have lost billions of dollars in revenue. We have spent in the National Government alone close to $400,000,000 in a futile attempt to enforce the law. We have seen prohibition agents murder innocent victims of the prohibition act, then rush into the Federal courts of our land exclaiming, "Sanctuary, sanctuary," and receive benediction and acquittal from our Federal judiciary. We have seen the cause of temperance set back 50 years. Prohibition has no place in our national life. It must be regulated by the several States. Temperance is a problem that belongs primarily to the church, the school, and the home.

When the historians of the future write the history of this prohibition era, I am sure they will seriously ponder in seeking a reason as to why the American public remained so patient and so tolerant when their rights and liberties were being crushed by sumptuary legislation.

I believe that legislation should be enacted providing for the manufacture and sale of wines, and the manufacture and sale of spirits to be controlled following the plan in vogue in Sweden or in the Province of Quebec, Canada.

The statement was made to-day by the majority floor leader that Doctor Doran, of the Prohibition Unit, estimated an annual sale at the present time in the United States of 20,000,000 barrels of beer, from which the Government derives no revenue. With the hotels in the hands of receiverships, with legitimate restaurants losing their trade as the result of speakeasies, is it not about time that we refuse to strengthen the forces of the racketeers, gangsters, and kidnapers, all of whom are the by-product of prohibition? The opposition to this measure comes chiefly from the racketeers and the underworld, who challenge the very existence of law and order. They are supported in chief by commercialized preachers who have been terrorizing Congressmen for many years.

Let us send word to the Nation that we are courageous enough to acquiesce in the mandate of November 8, to stamp out prohibition and to instruct the commercialized preachers to return to their pulpits, where they have been preaching Volstead deified, and turn for a while to the subject of Christ crucified.

Mr. Chairman, if the parliamentary situation allowed it, I would offer an amendment to this measure, apologizing to the American public for 12 years of prohibition. [Applause.]

Mr. CHINDBLOM. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, something was said this afternoon about the effect of liquor, so far as criminal-law violations are concerned. I prosecuted a large number of cases, and, in my experience, I can recall of no instance in which a person who was intoxicated from drinking beer got into any serious trouble. I know of any number of cases where men, women, and children found themselves in serious difficulty with the law because they were drinking hard liquor, moonshine and other strong drink, but people who drink beer, particularly beer of a moderate degree of alcoholic content, do not get vicious. They do not get intoxicated to the extent that they violate the criminal laws.

A year ago last summer I spent about five days in Winnipeg, in the Province of Manitoba, Canada, where they have what I consider to be a very sane system of handling the liquor traffic. It is possible to obtain wine and hard liquor at the Government stores, but at the beer parlors, the public places, where beer is sold for consumption upon the premises, nothing else can be purchased except malt liquors.

I visited a number of those places during the five days I was there, and no matter what time of the day or evening I attended those places there was always a number of people present. There was no bar. There were tables where people could sit down and have a glass of beer or ale, and I did not see a single person during the five days I was in Winnipeg under the influence of liquor in any of the beer parlors.

The people go to the public beer parlors without going around to the back door. They drink beer moderately. They do not get intoxicated. I believe it is a splendid system, and I would like to see it tried out in this country.

If we adopt this bill to-day we are putting into effect a system that would permit those beer parlors, and nothing more than that in this country until we repeal the eighteenth amendment. We have heard talk to-day about the return of the old saloon. The old saloon sold not only beer but also wine and hard liquor. If we pass this bill to-day it will be impossible to sell hard liquor in these beer parlors. Only beer will be permitted to be sold; and I can not see, by any stretch of the imagination, where we are reverting back to the old saloon days. I did not have much experience with the old saloon days, but I have had some experience with conditions prevailing in my district during the past 10 years, since I have been engaged in the practice of law and acting as district attorney of my county.

I know that conditions are bad, and I know that the people of my district would be satisfied if they could have a good glass of beer. I know they are able to handle it. I, for one, will not vote against this bill just because it does not say how the beer should be sold. I do not believe the people of Kansas or the people of Georgia have any moral right to tell the people of Wisconsin how they shall handle beer which, in the opinion of the people of my State, is not harmful. I do not wish to impose the views of the people of my State upon the people of Georgia or Kansas. They can outlaw beer if they want to. We are not trying to force it upon them. We are not telling them they must have beer, and I, for one, do not believe they have the moral right to say to us that we in Wisconsin can not have beer, when we know from experience that our people are able to handle it. We feel that the people of Wisconsin should be given the right to handle beer the way they believe to be for the best interests of the people of Wisconsin. We accord the same right to other States. I believe that is fair, and I submit to the people of the dry States, if there are any dry States left, that we do not want to force beer upon them, but we are asking them to give us an opportunity to handle this liquor traffic in a way which we believe will be successful and satisfactory to our people. We are of the opinion that good beer, properly regulated, is a temperance measure. [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, one of the most inspiring scenes that ever I witnessed occurred at the beginning of this Congress when all the Members on the floor of the House rose and took the oath of office, that we necessarily take before entering upon our legislative duties. The oath, as prescribed in the laws

of the country. The Constitution requires us to swear in these words:

> I do solemnly swear that I will support and defend the Constitution of the United States, * * * bear true faith and allegiance to the same, * * * without any mental reservation, or purpose of evasion.

My memory goes back over a period of years prior to prohibition. I know of my own knowledge—not by experience, but by observation and conversation with others—that beer in those days was intoxicating. I have seen kegs of beer taken to country picnics and young men become intoxicated. I have seen the breweries in my own town before prohibition, have their places to drink, and young men come out of them intoxicated. They called them mild beers. I have every reason to believe that the liquor provided in this proposed legislation is intoxicating in fact, and I could not vote for it without mental reservation or purpose of evasion.

Moreover, I desire to discuss some items that have not been touched upon in the debate, or, if at all, only incidentally. This bill brings back, on the basis of 1914, 90 per cent of the liquor traffic of the country. Two billion gallons of beer out of 2,200,000,000 gallons of liquor consumed. Ninety per cent in volume of the traffic. The brewing interests, who were the chief proponents of the legislation before the committee, were asked how they proposed to dispense this product. On the allegation that it was nonintoxicating they said it ought to be sold at soda fountains, at cafés, in drug stores, not only in hotels and restaurants, but in the wayside eating houses, and at the filling stations—the widest possible distribution. Naturally they desired that, because upon the volume they sell depends the amount of their profit.

A man may not observedly be drunk so that you could detect it in his walk or talk, but alcohol has an affinity for the brain. It leaves the stomach and goes to the brain. It slows up the activity of that organ. It interferes with the motor reflexes. A pianist who plays intricate pieces of music plays them by the motor reflexes. Alcohol slows up those motor reflexes. What will be the situation, then?

We have expended hundreds of millions and even billions of dollars on the improvement of our highways, main systems of highways, hard surfaced, with roads feeding into them from all directions. It was testified before the committee, and it is an axiom in all the studies that have ever been made of the brain, that the effect of alcohol is to slow up its activity. So, in a crisis a person driving a car under the influence of alcohol would fail to stop the car, or to start it going faster, in order to escape a collision; he would take chances that normally he would not take. The passage of this legislation will enable the drivers of cars at wayside eating stations and in the filling stations to absorb enough liquor through the beer that is to be sold widespread all over this land to become public menaces not only to the property but to the lives of those who travel on the road. Many of the cars are driven by young people, many are driven by women, and a few persons intoxicated on the road, speeding along from 35 to 60 miles an hour, would endanger the lives of people beyond any estimate anyone now could submit. I think, having made that investment in roads, having expended that amount of money, and having offered the people this means of transportation, to involve all this now in grave difficulty, to impair the use of the highways, the comfort and enjoyment the people get out of travel on the highways, in order to afford a few people an opportunity to make great profit out of the sale of what I believe clearly is an illegal beverage, is both unsound in legislation and a backward step in our development.

I want to emphasize this one point again, for I think it is worthy of your great consideration: At present young people of all ages go to the soda fountains. They get ice cream and various kinds of soft drinks. Here will be placed before them this 3.2 per cent beer by weight or 4 per cent beer by volume. Naturally, there will be an incentive to sell beer, and young people having less resistance to alcohol than those who are older will be induced to drink and become intoxicated. Everywhere they go, in every drug store, soda fountain, wayside station, or when they go to get gasoline, at places where they sell drinks—and there are a great many of them along the roadside—they will be urged to drink this, will become more or less intoxicated, and form a habit that will in itself demand stronger liquors later on for their satisfaction. There is no intention in this legislation to defeat this widespread distribution. It was proposed to prevent the return of the saloon, definitely proposed and definitely voted down. It was proposed to limit the drinking of these beverages to places where meals were sold—restaurants, cafés, and other such places—but this was voted down. It is the clear intent, so far as this legislation is concerned, to put the Government in the attitude, if we pass it, of promoting as the purpose of the Government, to make the sale of this beverage as widespread as it is possible so that under the impulse of the beer interests, in return for a tremendous volume of trade to them and the profits resulting therefrom, the Government will get a very small per cent in revenue. [Applause.]

In the short time I have at my disposal I summarize my views, although it involves some repetition. But the matters are important.

At the beginning of this session of Congress, in company with all my colleagues, I stood on the floor of the House and took the oath to support the Constitution of the United States, as required by Article VI of the Constitution. I quote from that oath:

> I do solemnly swear that I will support and defend the Constitution of the United States * * * bear true faith and allegiance to the same * * * without any mental reservation or purpose of evasion.

Article 18 of the amendments provides that—

> The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

I listened with careful attention to the evidence submitted to the committee during the hearings preceding the report of the pending bill, H. R. 13742. My observation covers a period prior to prohibition as well as under prohibition. I am convinced by the evidence submitted at the hearing and by observation and evidence extending over a period of a lifetime that beer and other liquors described in the bill are intoxicating. They were intoxicating prior to prohibition. A legislative declaration to the contrary does not overcome that fact, and if I were to support this legislation it would require a "mental reservation" on my part and a "purpose of evasion" of the eighteenth article of amendment to the Constitution.

On the part of the Federal Government, this bill proposes that the country enter upon a new era in the manufacture, distribution, sale, and consumption of intoxicants. It provides for the reestablishment of 90 per cent in volume of the liquor traffic, on the basis of the amount prior to prohibition.

The brewing interests, realizing the influence that the great fundamental law of the land and the strength of the purpose of the people for its observance, attempted to avert opposition to this bill by constant reiteration of the allegation that malt beverages of the strength proposed were not intoxicating in fact as the basis and justification of their sale.

The bill originally proposed that the alcoholic content should be 2.75 per cent by weight, or 3.4375 per cent by volume. The majority of the committee increased the alcoholic content to 3.2 per cent by weight, or 4 per cent by volume, on the ground that this would increase the attractiveness of the beverage and increase its sale.

The question of the influence of alcohol on the human system has an added importance, owing to the development by National, State, and local funds of great highways and other improved roads, over which are operated some 26,000,000 motor vehicles. An individual may not be visibly intoxicated to the extent that he may be identified as a "drunk," but his muscular reactions and mental activities may be so depressed that he is not able to respond as quickly as when normal. Detailed evidence of this fact was submitted to

the committee. The lives and property of people who use the highways are subjected to constant risk, and the traffic problem is one of the most important in the United States, and anything that will increase its dangers is against the public interest.

During the hearings the brewing interests indicated their desire to secure a widespread distribution and opportunity of sale for beer and other beverages provided in the bill. On the allegation that they were not intoxicating, it was suggested that beer be sold at soda fountains, drug stores, cafeterias, hotels, restaurants, clubs, and also at highway eating places, filling stations, and other places along the highways, or, to put it in other words, it should be sold as freely as soda water, ginger ale, and other soft drinks. The wayside sales would become a direct and continuing menace to vehicular traffic. The sale in drug stores, soda fountains, and other places where soft drinks are dispensed to the multitude would bring beer within the reach of everyone, including the very young, and be a constant temptation to them to drink this toxic and habit-forming beverage. That which might not intoxicate people of mature years will certainly intoxicate the young. The motion to restrict the sale to clubs, restaurants, hotels, and so forth, was voted down in the committee.

If it should be argued that the matter of distribution can be controlled by the States, let me call your attention to the fact that this bill expresses the attitude of the Federal Government toward the matter and that the refusal of many of the States to participate in enforcement indicates that from them at least no help can be expected.

During the hearings the brewing interests stated that they had no desire for the return of the saloon, and referred to the planks in the party platforms; but a motion to prevent the return of the saloon by refusing to permit beer to be sold in such places was voted down in the committee.

According to an estimate called to the attention of the committee, the consumption of alcoholic liquors in the United States is approximately but one-third of what it was prior to prohibition.

The public health under prohibition has materially improved and, according to the information furnished, reached a remarkable degree in the last fiscal year.

Some urged upon the committee that bootlegging, racketeering, speakeasies, blind tigers, illicit distilling and brewing were the result of prohibition. This can not be true, because such operations were carried on for a long period of years before prohibition. Terms have been altered to some extent, but the operations are similar.

The estimates of reemployment submitted to the committee by proponents of the bill varied, but altogether were a comparatively small number, without taking into consideration the loss of labor to persons now working in other industries whose sales would diminish because the money theretofore expended in purchases of their products would go to the purchase of malt liquors.

The income of the people generally of the United States will not be increased by the sale of malt liquors. Purchases of such beverages must be paid for from the family income. Other purchases must be reduced in amount, since incomes can not be expended twice.

It is alleged that the revenue to be derived from this measure will tend to balance the Budget. The brewing interests indicated that at the end of two years they will be manufacturing 40,000,000 barrels of beer of 31 gallons each, if the taste for this beverage is recreated, which, at $5 a barrel, will bring $200,000,000 of revenue to the Government, to which they added an estimate of income from the so-called allied industries; but they failed to deduct therefrom the losses that will be incident to other businesses from which revenue is now being derived. This would materially reduce the supposed income.

I do not believe the Government should obtain revenues through the violation of the Constitution and by the legalization of beverages which produce intoxication. Beer was intoxicating before prohibition. Its constituent elements remain the same and will undoubtedly produce intoxication again. I believe the Budget should be balanced but that legitimate sources of revenue, legal under the Constitution, should furnish the necessary amount.

From the above, as well as from many other factors I shall not take occasion to name, it appears that we are facing a wide-open situation in the matter of the dispensation of malt liquors. Some things were said during the hearings by the brewing interests concerning the protection of the dry States from the entrance of intoxicants within their borders from wet States. With our motor system of transportation, with tens of thousands of automobiles moving continually back and forth, with trucks on the highways carrying freight brought from many sources and distributed to many destinations, with increased traffic in the air, I came to the conclusion that a dry State surrounded by wet States or adjacent to one or more wet States would find itself subject to an impossible task in maintaining its dry status.

My feeling, after listening to many discussions and the recent hearings, is that the liquor interests are planning, by this measure, to secure again the existence of 90 per cent by volume of the liquor traffic, the repeal of the eighteenth amendment, and the return again of the sale of all intoxicating liquors with attendant and acknowledged evils. It seems to me that if we adopt the policy contained in this bill, the return of the saloon is inevitable.

Mr. SANDERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, we of course recognize the fact that there comes up to us from every section of the country a very strong demand for the modification, or some character of revision, of our national liquor laws. I regret, however, Mr. Chairman, that the great Ways and Means Committee of the House in the exercise of its judgment, has seen fit to come here with a proposal the effect of which will be in part at least to circumvent and defeat the eighteenth amendment to the Constitution.

The resolution would have been entitled to a very much better standing had the committee reporting it not filed any majority committee report. That report, Mr. Chairman, is at best an apology and a poor one at that—and I disclaim any intention of indulging in any harsh criticism of that great committee. However, in that same report, Mr. Chairman, confession is made by the sponsors and advocates of the measure, so far as the Ways and Means Committee is concerned, that the beverage the sale of which they propose to license is an intoxicating drink.

I submit, Mr. Chairman, that while the public has apparently expressed itself in no uncertain terms with respect to the need for some revision of the liquor laws, there has been given to us by neither of the great parties, nor has there come up to us from the people, any mandate to violate the sanctity of the Constitution. I submit, Mr. Chairman, that while recognition of public sentiment may in all propriety be taken by this body, yet, after all, it is this House that is responsible for its own conduct, and in the determination of the sole question involved in these proceedings, which is the intoxicating nature of the beverages dealt with, each Member must answer for himself in the light of what he knows to be the truth. I submit that at this time there rests upon the individual membership of this House the duty to draw not only upon their technical knowledge of the question involved but upon their experience as men of affairs and men of common sense.

When we take counsel of ourselves upon this important question the conclusion that this is a proposal to legalize the sale of an intoxicating beverage would seem to be inescapable. So far as I am concerned, Mr. Chairman, I am content that each man make the decision for himself, and as he will—that is his privilege and his right—and I, of course, question no one's sincerity, but let me make this observation here and now.

This resolution as drafted will not stand the test in the courts of this country. There is no legislative declaration in the resolution—mark you, this is important in the consideration of the problem—there is no legislative declaration in

the resolution that the beverage dealt with is in fact nonintoxicating, and in the absence of such a declaration, Mr. Chairman, the courts will apply a rule of law that every court of respectability in this country has consistently applied for generation after generation, and that is that the courts will take judicial cognizance of the fact that the beer and the ale and the other beverages dealt with in the resolution are intoxicating in fact.

Mr. O'CONNOR. Will the gentleman yield?

Mr. COX. I yield.

Mr. O'CONNOR. As I told the committee a few minutes ago, I intend to offer such an amendment. It has been in all the other bills and I have discussed the matter with the gentleman. I think it was purely an oversight. It was dropped out of this beer bill for the first time.

Mr. COX. Mr. Chairman, that is a generous view to take with respect to the elimination of that phraseology from the O'Connor bill which the committee had before it, but let me say, Mr. Chairman, I am willing to give the committee credit for declining and for refusing to write into the measure which they bring here a declaration of fact which in their conscience and in their judgment they could not justify or sustain.

Mr. MOUSER. Will the gentleman yield?

Mr. COX. With pleasure, sir.

Mr. MOUSER. Assuming that the committee had put in such a declaration of legislative intent, it still would be a question of fact in the mind of the court as to whether it is intoxicating or not.

Mr. COX. That is possibly true, but under the decisions of the Supreme Court deciding the attacks made upon the law during the last 12 years, there is the probability that the courts would hold that in the making of such declaration—that is, defining what is an intoxicating beverage—Congress was within the exercise of its constitutional power. Yet, Mr. Chairman, I repeat, that in the absence of such a declaration there is, in my opinion, little hope of the measure, even if passed here, being sustained in the courts.

What are we doing here, my colleagues? Since the opening of this session of Congress we have found ourselves here, not joining in the condemnation of that which we have been taught since our infancy is an evil but we are here indulging in the sorry pastime of glorifying liquor.

So far as I am concerned, Mr. Chairman, the liquor problem is, in the main and of necessity, a local question. I supported the resolution of repeal and I would do so again, because I recognize that there is so much controversy running on throughout the country that there ought to be some further expression on the part of the people, and I go even farther than that in saying, Mr. Chairman, that it is possible that the Federal Government should never have dealt with this problem as has been done. Possibly the people should never have written the eighteenth amendment into the Constitution—I do not know—but so far as I am concerned, it would be satisfactory with me that the whole problem be returned to the people; but let the people first speak. It is not within the power of Congress to evade the provisions of the Constitution. Congress can not amend or change, but is bound to obey. The beverage here sought to be legalized is, in my opinion, intoxicating in fact, for which reason I can not and will not support it. It would be more logical and more sensible to wait until after the people express themselves on the subject of repeal.

[Here the gavel fell.]

Mr. CHINDBLOM. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I do not rise to argue the benefits of any alcoholic beverage. My purpose in rising is to state definitely and positively that I am opposed to the prohibition principle on this question. Prohibition has failed both as cure and palliative. I will vote for this bill, and if you bring in another next week that will shave off another few per cent of the prohibition principle I will vote for it. [Applause.]

I voted for the constitutional amendment as it was submitted to the House. I was critical only of the plan offered for ratification. That plan I viewed as experimental and confusing. The constitutional amendment should be repealed. Instead of us quibbling over the depth of the amber in the fluid we should turn the whole thing back to the States. The States have capacity. There are men of ability in their governments. We should not feel all the security of the land is here.

This bill, if passed and put into effect, will return to the States at least a part of the question, and I am going to vote for it largely for that reason, but mostly for the reason that it will help remedy dangerous social conditions in this country.

There is no question here of the return of the saloon. We have more saloons to-day than we had the day prohibition went into effect. [Applause.]

There is no question about its bringing back alcoholic beverages. We never banished them. The question here is whether the people shall have moderate beverages or immoderate beverages. The drinking part of the Nation has been soaked in strong drinks for 12 years, even the homebrew drinker goes far beyond this bill's content.

Now, gentlemen, this is not a question whether or not we are going to have beer, it is a question whether or not we want conditions now prevailing in this country to go on as they are. This bill will give us a degree of relief. Let us have that relief. We have governors of States turning loose from the penitentiary men convicted under the prohibition laws. We have mayors of cities letting down the prohibition bars. They are not vicious men. They read the minds of their people.

These men believe their people want this law taken off the books and are taking the course they see open to obedience. You know persons who for five or six days a week declaim against violators and against public officials who fail to stop violations, and the next day bring into their homes their neighbors and entertain in violation of the law that they condemned others for breaking.

What can children think under those conditions? They can only come to one conclusion, and that is that there is no good faith even in their own parents; and when they lose confidence in good faith, in honesty and honor, they are ruined for citizenship.

If we pass this bill it will give some relief from these conditions. It is not a perfect bill. I would amend it in some particulars. As to its constitutionality there is a tribunal set up for the purpose of deciding constitutional questions of this kind. That is a function of the Supreme Court. Let us leave this question to it. I thank you. [Applause.]

Mr. CHINDBLOM. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Chairman, for three reasons I favor the resolution now before the House:

First. It will accord with the will of the people as expressed in the recent election in no uncertain terms.

Second. It will bring into the Federal Treasury a large income at a time when it is very much needed, and in the same proportion help to reduce the burden of taxes now weighing so heavily on the shoulders of the people, and in this way encourage revival and general prosperity. As taxation increases, industry is diminished.

Third. It will undoubtedly lead us toward temperance by reducing the consumption of hard liquor, a portion of which is poisonous. It will decrease the dangerous use of narcotics, which has increased so much in recent years. In Sweden recently the introduction of a beer to sell for 5 cents a bottle reduced drinking of hard liquor by 50 per cent. (CONGRESSIONAL RECORD, December 11, 1931, Mr. WILLIAM E. HULL.)

I have not the least doubt that the passage of a beer bill will be a powerful moral factor in favor of a restoration of confidence, and will directly or indirectly result in the reemployment of at least a million people. Therefore this bill is especially in the interest of labor.

Public expectation is keyed up to a high pitch. Let us not discourage it. [Applause.]

Mr. SANDERS of Texas. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, it seems to me there are three angles from which this matter may be viewed. One is from the angle of what is known as the drys', the angle of the wets, and from the angle of the legislator who believes in orderly procedure in the discharge of the Government's legislative business. Some very interesting things are occurring these times. Down in the country where I was raised we used to have the custom of what they call swapping work. Neighbors would help each other out. It seems to me that the antis and the pros have been engaged in swapping work with each other. My friend Mr. BLANTON mentioned this morning the fact that the prohibitionists went to sleep for 12 years after the eighteenth amendment was adopted. That was the best work that they could have done for the antis. And now, when sentiment gets to the point where the eighteenth amendment is in danger, at least to the point that the submission of a resolution to repeal it is certain—I suppose everybody with any common sense knows it will be submitted either by this Congress or the next Congress—here come along our wet friends endeavoring to bore a hole in the thing and let out a lot of the pressure threatening to blow the eighteenth amendment out of the Constitution. It is one of the queerest things I have ever seen. Under the law of averages I am due to be wrong, of course, because nobody seems to agree with me. I mean publicly.

Those who want to retain the eighteenth amendment, believing that this bill would legalize the sale of intoxicating liquor, could not support it, of course, but in the old days when they were outsmarting the antis on every battlefield, they would have recognized the strategy of the situation at least. Adopt this bill—mark my words—enact this law, put this thing into operation in the United States, and any chances you may have to repeal the eighteenth amendment go out of the window.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. STAFFORD. Does the gentleman predicate that statement on the belief that the passage of this bill will be so popular and be accepted so generally, that it will minimize the desire for a repeal of the eighteenth amendment?

Mr. SUMNERS of Texas. It will reduce the pressure, reduce the demand for the repeal of the eighteenth amendment. In addition, this law having been enacted by the people who are opposed to the eighteenth amendment—at least, that is the way it will go to the country—the proponents of the repeal of the eighteenth amendment will bear all of the sins of this law. That is my judgment as to the psychology of the thing. But I am speaking to you at the moment not as wets or drys but as legislators of a great Government.

I do not want to rehash the things that have been said to-day, about whether this proposed content is intoxicating or not. "Some say she do and some say she don't"—I do not know. [Laughter.] But I do know that there is not a man here who is in favor of this bill who would feel safe as to its constitutionality unless there is incorporated a declaration that it is not intoxicating.

Mr. COCHRAN of Missouri. The gentleman speaks of three angles. Can he tell the House in which direction his arrow is pointed?

Mr. SUMNERS of Texas. Yes; here is mine. I speak to you as legislators recognizing that in government as in everything else there are certain rules governing orderly and proper procedure. It is perfectly certain that the resolution to repeal the eighteenth amendment will soon be submitted. I do not suppose anybody, even the rankest prohibitionist, will doubt that.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SANDERS of Texas. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas.

The CHAIRMAN. The gentleman from Texas is recognized for six minutes.

Mr. SUMNERS of Texas. This matter has been agitated for a long time. When the question of the repeal of the eighteenth amendment is submitted to the people, it ought to be a clear-cut submission; we ought to take the judgment of the American people unconfused by such legislation as this. Then, if the American people say that they want the eighteenth amendment repealed, Congress could proceed under the powers indicated in the decisions of the Supreme Court upholding the Webb-Kenyon Act and the Wilson Acts, and the States could proceed. This proposed legislation is ahead of the program. It is out of order. It is out of harmony with rational orderly procedure.

Mr. STAFFORD. Does the gentleman give any recognition to the solemnity of the party platform adopted in Chicago, that the Democratic Party favored the immediate modification of the Volstead Act? I wish to say that the people of my State accepted that statement 100 per cent.

Mr. SUMNERS of Texas. I shall be candid with the gentleman about that. I yield to platform committees and to conventions the right and the duty to formulate general principles and policies, but it is not in the nature of government for those who assemble in party conventions to formulate the detail of governmental procedure. That is my view exactly. The question of whether this proposed alcoholic content is intoxicating or not has been fully discussed. Every phase has been discussed except the one to which I have sought to direct the judgment of the Members of the House.

I submit this question to you, regardless of your views. I submit it to you as legislators having a common interest and a common duty. Is it not in line with sound governmental procedure first to submit the question of repeal to the American people and take their judgment? When that judgment shall have been rendered, then we can proceed to enact any legislation which the judgment of the Congress believes should be enacted. Is that unreasonable or out of line with sane, statesmanlike procedure? There is everywhere at least a serious question as to this alcoholic content being intoxicating. There can be no stronger evidence of that belief than the fact that my distinguished friend from New York [Mr. O'CONNOR] indicates his apprehension of the submission of that question to a jury or to a court. He proposes to safeguard by putting into this bill language which would prevent inquiry into that question by a court or a jury which might otherwise have the opportunity to make inquiry. As I said before, the prohibitionists, by inaction, by going to sleep, were doing your work for you; and now you are helping them out, you are putting a mustard plaster on them and getting circulation started up. But there is a right way and a wrong way to proceed. I voted to have this Congress submit the repeal resolution. I would vote now for resubmission. We can not maintain this system of government if we do not have respect for the basic principles upon which it rests. If a majority of the people of three-fourths of the States favor repeal of the eighteenth amendment, the people have the right and the power to take it out, and they will take it out.

Let us take their judgment on that matter first. It is best for the country that that judgment be taken as far from a presidential election as possible, and as free as possible from every question and condition which could confuse the issue.

Mr. SCHAFER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. SCHAFER. What percentage of alcohol does the gentleman interpret the Democratic platform as promising if it is not 3.2 per cent by weight or 4 per cent by volume? The Democratic Party got millions of votes on that plank. What percentage did the Democratic fathers believe we should have under that plank?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CHINDBLOM. I yield four and one-half minutes to the gentleman from New Jersey [Mr. SEGER].



Mr. SEGER. Mr. Chairman, on December 16, 1925, I introduced House Joint Resolution No. 80, calling for the appointment by the President of a commission to investigate and determine what in fact constitutes an intoxicating beverage, the manufacture, sale, and transportation of which are prohibited by the eighteenth amendment to the Constitution of the United States. The resolution was referred by the Speaker to the Rules Committee, which gave it scant attention.

In 1925 it was not an altogether popular thing to cast reflections on the eighteenth amendment and the Volstead Act. However, I felt at that time, as I do now, that the Volstead Act was arbitrary and not factual, and this was also the outspoken contention of one whose views I always respected, the late Thomas F. McCran, attorney general of the State of New Jersey.

Less than a year ago former Gov. Alfred E. Smith, who led the hosts of Democracy in the 1928 campaign, declared it was time Congress determined from expert and scientific knowledge what in fact was intoxicating. And before the current session of the Congress the Democratic floor leader, Congressman RAINEY, as quoted by an interviewer, thought it not unlikely that Congress might provide for a joint commission to study the question of what alcoholic content made an intoxicating beverage. He said this had never been determined, and it might be deemed best to determine it.

Had the resolution I proposed in 1925 been adopted by the Congress, the House Ways and Means Committee would have obviated the difficulty experienced in arriving at a solution of this question. Possibly there would have been no minority dissent on its report, no threatened veto. However, I think it has arrived at a reasonable definition which will be sustained by the Supreme Court.

I regret we were unable to obtain a two-thirds vote so as to adopt the repeal resolution, but I feel we can make some measure of progress in adopting the bill before us to-day, which requires only a majority vote. The committee report states that in 1914, 66,000,000 barrels of beer were produced in the country. It proceeds to estimate that a tax of $5 per barrel would, under expected consumption, produce a revenue of $150,000,000 in the fiscal year of 1934. I am inclined to believe that last year there were brewed and sold in the country more than 50,000,000 barrels of beer, good and bad—probably most of it bad. A tax of $6 a barrel would have netted the Government $300,000,000.

This is a time when this revenue should accrue to the Government instead of the pockets of the racketeers and beer runners, a group certainly not in favor of this legislation. If for no other reason than this, I would have this measure pass when it comes before the House to-morrow. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield the remainder of my time to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Chairman, I can not add anything to this discussion to-night, and I do not want to add anything to it. I have been more troubled about this bill than any bill that has come before us since I have been a Member of this House. [Laughter and applause.] I was interested in the remarks of the gentleman from Texas [Mr. SUMNERS] a moment ago; and I believe if we could all approach this subject in the kindly manner in which the gentleman from Texas has, we would not have any trouble about it, and we could solve it. Like the gentleman from Texas, I belong neither to the rabid wets nor rabid drys, and I feel like saying, "Good Lord, deliver me from both sides." [Laughter.]

I consider that this last election was a mandate to me. It was a mandate that while I had been elected twice before by a very good majority, I was defeated this time 2 to 1, but my opponent stood for the Democratic platform of submission and repeal. I stood for repeal with safeguards and without modification until the question had been submitted, as suggested by the gentleman from Texas [Mr. SUMNERS].

I respected that mandate, and I voted for the immediate submission without any safeguards, although I would have preferred safeguards to be in it, but I respected the wishes of the people I represent to that extent. I wish I could do so in this instance, but I can not. The only thing that stands between that and my doing so is the Constitution of the United States.

I can let the people of my district and of the State I represent decide the submission question for me, but I can not let them decide the question of my conscience as to whether or not this is an infringement, a restriction of the Constitution of this country that I have sworn to support.

Now, I would like to take advantage of the tax that would flow from this bill and the employment it would give, and I would like to get the psychological advantage I believe this country will receive from it, but I am frank to say I can not see how I can do it until the amendment is repealed. Then I will be glad to vote for such a bill. I believe the gentleman from Texas is right. As long as I am a Member of this House and as long as the eighteenth amendment is in the Constitution, I shall support it freely and frankly.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Virginia. I yield.

Mr. McSWAIN. Of course, until the eighteenth amendment was repealed, this Congress would have no jurisdiction as to the intoxicating nature, or alcoholic content, of any beverage sold.

Mr. LANKFORD of Virginia. That is perfectly true; yet it is clear to my mind this bill provides for a beverage which is intoxicating in fact. While it is not very intoxicating, yet to my mind it does infringe, and I am not impugning anybody's motives; I am just as frank and honest about that as my friend, but I believe it does infringe the Constitution, and for that reason I can not support it.

Mr. STAFFORD. Will the gentleman yield?

Mr. LANKFORD of Virginia. I yield.

Mr. STAFFORD. Does the gentleman believe that the decretum in the Volstead Act that everything over one-half of 1 per cent by volume is intoxicating is a correct statement of fact?

Mr. LANKFORD of Virginia. No. As I say, I would be willing to increase that to 2.75 per cent, possibly.

Mr. STAFFORD. The gentleman will probably have an opportunity to vote for such an amendment, and then he will be able to support the bill.

Mr. LANKFORD of Virginia. I would be glad to be able to. I would not object to doing that at all.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Virginia. I yield.

Mr. BLANTON. If the alcoholic content were fixed at 2.75, does the gentleman from Virginia believe the gentleman from Milwaukee would drink any of the stuff?

Mr. STAFFORD. Well, the gentleman from Milwaukee has drunk a lot of 2.75 beer, and he will state that it is a good, palatable beer. I do not know whether the gentleman from Texas has ever been so liberal as to drink anything that bore the name "beer," whether it were sassafras beer, spruce beer, or rice beer.

Mr. LANKFORD of Virginia. The gentleman from Wisconsin is an expert on that. I will take his say-so on that. [Here the gavel fell.]

Mr. CHINDBLOM. Mr. Chairman, I believe I have four and one-half minutes remaining. I yield the balance of the time to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, it is a great honor to close the general debate for the wet Republicans of the House on this historical measure. For many years I have fought for legal beer and have taken and given many heavy blows in the cause.

Earlier this afternoon I had a colloquy with the gentleman from New York [Mr. O'CONNOR], who has just been gracing the chair, presiding over the House so admirably, with regard to section 7 of this bill.

Now, I shall support the bill, and I want to see the bill passed. I realize the danger of loading it down with amendments. But, very briefly, this section 7 has as its purpose the protection of the dry States, and it provides that any

person who orders or purchases one or more bottles of beer shall be subject to a fine of $1,000 or six months in prison, and that for a second offense of ordering one or more bottles of beer—and this is the terrible language in that section—it shall be mandatory that the man or woman or child be sent to jail for one year. Remember that a Federal jail sentence for a year or less is not parolable, and that is a cruel joker.

We wets justly criticize the ardent drys for their fanaticism in proposing cruel and excessive punishments and for defending and encouraging prohibition agents who murder innocent persons. There is an amendment to the Constitution relating to cruel and excessive punishments, stating they are not justifiable. The language of the eighth amendment is that no excessive fines nor cruel and unusual punishments shall be inflicted.

I submit that for a first offense of ordering or purchasing one bottle of beer and bringing it into a dry State a fine of $1,000 or six months' imprisonment is cruel and excessive. Mandatory imprisonment of one year in jail without the alternative of a fine for a second offense is cruel and excessive beyond the shadow of a doubt. Of course, some might say if one votes dry and lives in a dry State and then that person buys beer, give him the limit; but remember the minority in the dry States. There are some good people who are wets in dry States and who vote wet and who did not do anything to make the State dry.

They still want good beer, and this section punishes them terribly if they try to indulge.

It is a mean and a cruel provision.

Remember the infamous Jones-Stalker five years and $10,000 prohibition law. The penalties were applied to the manufacturer and seller of illegal liquors. But the penalties of section 7 are on the purchaser, or one who orders beer.

The gentleman from New York [Mr. STALKER] said to-day he was opposed to the bill, but surely the coauthor of the Jones-Stalker law did not read closely section 7, or he would understand that it would fill the prisons with pretty good people, as did the Jones-Stalker bill. But why ask good wet Members to vote for such a terroristic section?

We have heard this afternoon the usual sophistry and the usual hypocricy with regard to prohibition. We have some speakers here trying to make out that Christ, the founder of Christianity, was a dry, a prohibitionist, and a teetotaler, when every student of the Bible knows he was the exact antithesis of a prohibitionist and was a temperance man. Every student knows that the Pharisees were the drys and the prohibitionists of that time and that they called Him a wine bibber and mocked Him. Every student knows He made wine and drank wine of alcoholic content, and every student of the Bible knows that it was the prohibitionists and Pharisees who jabbed Him and put Him on the spot and lied about Him and had Him crucified.

It was the Pharisees who brought Him to trial and said he preached false and heretical doctrines.

The doctrine of the prohibitionist is an anti-Christian doctrine. It is now a Mohammedan doctrine coming from pagans and infidels, the depths of Asia, in pre-Christian times.

We have heard to-day Members of the House moan over possible nullification of the eighteenth amendment; men who do not protest at the violation of the fourteenth amendment through the disfranchisement of millions of colored people in the South and have been born and reared in an atmosphere of violation of that amendment. Neither one of the two great parties dares to say that they advocate the repeal of the fourteenth amendment, whereas both of them in one form or another have advocated the repeal of the eighteenth amendment, one being more pronounced than the other. Yet drys talk about the will of the people and the sacred Constitution with their tongues in their cheeks and weep crocodile tears.

We are discussing here constitutional grounds and trying to bring up technicalities for objections to legal beer when the supreme people gave an overwhelming mandate for it at the election November 8 last.

MY RECORD INDORSED

For at least nine years I have had my beer bills pending before Congress and have fought hard for a longer period of years to arouse the country to the support of these and similar bills, including my bill to repeal the eighteenth amendment. Therefore it is with great personal satisfaction that I greet the wet victory of November 8 last and the sled-length indorsement which the American people gave my arguments, even though it was a tardy and long-deferred acknowledgment. That victory is a sweet and healing ointment to many wounds which I received in the long-drawn-out war against nation-wide bone-dry prohibition.

Nor do I shed any tears over the fact that I became a casualty in the very hour of the overwhelming victory for which I fought and which victory I helped win in my city, my State, and my country. He who lives by battle must accept cheerfully the fortunes of war.

I appeared before the House Ways and Means Committee on December 9 of this year and urged a favorable report on this bill. I pointed out then, as I do now, the evils of prohibition and the benefits which will be derived from the legalization of good beer. It was most gratifying to me that the committee reported the Collier bill, which is similar to my bill, and brought it to the floor of this House. In my opinion, this bill, if passed, will produce about $300,000,000 per year in Federal revenue and will soon make it possible to kill or substantially decrease Federal sales taxes on automobiles, tires and tubes, radios, checks, pharmaceutical products, and on industries which are now suffering grievous discriminating burdens under unfair Federal sales taxes and which will become more prosperous when they are killed.

PROHIBITION PRODUCES CRIME

Legal beer will diminish crime, which is flourishing because of the eighteenth amendment and the Volstead Act, and which in the big cities at least has become unbearable and intolerable.

Four gangsters a few days ago entered a "blind pig" in St. Clair Shores, a village near Detroit, and killed an innocent man, William Marshall, a milkman. They also shot and wounded four other persons who were in the place. This was nothing but a routine killing to the police. They have become accustomed to it since 1918, when a marked increase in murder began with the enactment of prohibition.

The people of Michigan repudiated the State prohibition law on November 8 of this year. As a result of this police predict that there will be a marked decrease in homicides caused by the dry laws. It will also enable them, they say, to devote more of their time to other major crimes.

LIQUOR AND "BLIND PIG" MURDERS

These four gangsters who committed the murder a few days ago were said by police to be after another one of their kind in on the rackets which prohibition has made possible. They were waiting for the slot-machine man, whose machines are found in every one of Detroit's thousands of "blind pigs."

Shortly after the country went officially dry in 1918, Detroit gangsters' guns began to take each other's lives. Murders included policemen, bartenders, stool pigeons, and often citizens who happened to be in the vicinity of the shooting. Police records show that when men began to battle for the profits to be gained from illicit liquor as a result of prohibition there was a sharp increase of those who died violent deaths.

Inspector John I. Navarre, head of the Detroit homicide squad, said publicly a few days ago that frequently police can not tell whether the murder is due directly to the rackets which have sprung up during the last 14 years. He also said that at least 25 per cent of all homicides are due to prohibition in one way or another.

In 1918 there were 42 homicides in Detroit. There were 107 last year, and this year the murder list will pass 100. In 1926, 225 Detroiters were murdered.

The old stock of preprohibition liquor became exhausted in 1922, and immediately an increase in crime became apparent. Then cutting operations started. Alley breweries and underground distilleries began to flourish. Killings followed in mass numbers, with gangster highjacking and smuggling on a large scale. It was then that yearly murders in Detroit rose above 100 and remained there.

Included in the prohibition killings in the Detroit area are some of the most heinous crimes in police annals. Probably the most sensational and spectacular was the cold-blooded murder of Gerald E. (Jerry) Buckley, prominent Detroit radio announcer. He was "put on the spot" while sitting in the lobby of his hotel by three racketeering gunmen associated with Detroit's gangland. This sort of killing was scarcely known in my city before prohibition.

PROHIBITION AGENTS KILL INNOCENT PERSONS

Then there was the terrible murder of Henry Neidermeier, an innocent old letter carrier who was shot in the back by bullets from high-powered rifles fired by blood-thirsty prohibition-customs border patrolmen. The mail man was returning from a duck-hunting trip one afternoon on the Detroit River. As he neared the shore, two agents, hiding on the bank, shot him in the back from a distance of 30 feet. The old man lingered for three days and died. Not a drop of contraband was found in his duck skiff. I started the investigation that sent one of the patrolmen to prison.

I could go on to tell of scores of murders in my city which have been brought about by racketeers and gangsters who have grown up with prohibition.

FEARLESS PROSECUTOR TOY

Thanks to the fearless efforts of Prosecuting Attorney Harry S. Toy of Wayne County many of the leading killers are serving life sentences in prison. Some of them have met the fate at gangsters' hands they have meted out to others. But the most recent killings a few nights ago prove that gangsters' guns are still barking, and I say they will continue to bark until we do something about this vicious law. We should pass this beer bill now and set out immediately to repeal the eighteenth amendment in its entirety.

In a study just completed the Crusaders have estimated the cost of prohibition at $34,000,000,000 in the last 12 years, or a yearly cost in men, money, and materials of close to $3,000,000,000. Their findings also show that in 13 years 2,089 citizens have been murdered as a result of the prohibition law and 513 agents and their assistants have been killed.

Legal beer will cut the cost of maintaining prisons and courts and will make it possible to abolish Federal prohibition appropriations for the customs border patrol, the Coast Guard, and the land prohibition forces.

This saving alone of direct and indirect costs should result in a saving to the American taxpayer of over $50,000,000 per year.

Employment would be given to hundreds of thousands of workingmen who are now unemployed, and many industries would serve the brewing interests with many millions in raw and manufactured materials. Transportation companies and places of business would receive hundreds of millions of dollars for their services and facilities. For brevity's sake I will not elaborate on the above arguments.

HOW TO SELL BEER

The beer can be sold and served like soft drinks and other nonintoxicating beverages, in groceries, hotels, cafés, lunch rooms, restaurants, drug stores, and so forth. Beer would satisfy most people, and they would not want a more fiery drink. Beer thus would promote temperance.

The beer should be sold in bulk at 5 cents per glass and in bottles at 10 cents per bottle. As in Ontario, beer should be sold also in kegs of different sizes, such as eighth barrels, quarter and half barrels. This beer could carry a tax ranging from $5 to $6 per barrel, including both Federal and State taxes. If the tax is made too high, it will kill or sicken the goose that lays the golden eggs. It is becoming an axiom of sales taxation that too high a tax decreases the revenue gained by the Government. In this case exorbitant taxes would lead to illicit manufacture and decreased consumption of legal beer.

EVASIONS OF MALT AND WORT TAXES

The racketeer has lately scored a new triumph over the State and Federal Governments. In Detroit untaxed beer is supplied over 10,000 blind pigs and beer flats, cheating the State and Federal Governments out of millions of dollars in taxes.

The principal ingredient of beer, brewer's wort, goes from the wort breweries to the alley breweries untaxed and right under the noses of the inspectors. I predicted this would happen when I protested against this high malt and wort tax on June 4, 1932, in a speech in the House.

Although the inspectors see that the product going out bears stamps, they do not see that they are canceled. Stamps are used over and over again. The State has no direct means of knowing when a stamp is being used again, no serial numbers being on the stamps. The wort maker finds it profitable to use his stamps again. With his 5,000-gallon nightly output, this practice saves him $250. If he also evades the Federal tax, his cheating saves him $1,000.

An additional profit of $1,000 is made by charging the alley brewer on the basis of the tax which was supposed to have been paid.

Legitimate Michigan wort and malt factories have had to close down because they can not compete with other State products sent to the alley brewer and home brewer. In speeches on the floor of the House and in statements before Senate and House committees, I have advocated the beer-for-revenue idea, and I have frequently predicted increases in unemployment so long as the prohibition law remained on the statute books. In the past year 3,000 men have been thrown out of work in Detroit in malt and wort factories alone which were forced to close down. I predicted in speeches in Congress last session the evasion of malt and wort taxes and shutting down of factories.

One of Detroit's outstanding authorities on legitimate brewing points out that the stamp-tax method of collecting revenue from manufacturers of malt products has failed and that it is the easiest way for a dishonest manufacturer to evade the tax. He says that the past records of the Detroit office show that it has been a practice by numerous brewers to evade the stamp tax by using the stamps over and over again. He states, further, that he has no doubt but that the Detroit practice has been duplicated all over the United States and must amount to many millions of dollars' loss in revenue.

This Detroit expert also said:

> The absolute sure way which will enable the Government to get every dollar that it is entitled to is to tax the material at the source, there being but 15 or 16 maltsters in the United States and perhaps not more than a dozen dealers in rice and corn products used in the manufacture of malt products. It is easy to see how little work would be necessary to obtain the amount of material shipped to manufacturers, so as to enable the Government to have a complete check-up at very nominal expense. This method would eliminate at once the so-called wort manufacturer, alley brewer, and home brewer, as he would in this case be put on the same basis with the legitimate brewer and could not commit frauds and evasions which are now so greatly practiced, as has been shown by the court records.
>
> If you have followed up the matter of the malt-sirup tax in the various States, you must be aware of the fact that not alone are the stamps used over and over again but are also counterfeited and sold cheaply to the dishonest dealer and also wort manufacturers. The wort manufacturer and home-brewer can only be eliminated by putting him on the same basis with the legitimate brewer and taxing the material at the source. You are perhaps also not aware of the fact that a great many home-brewers do not alone manufacture beer for their own use but are selling it in their respective neighborhood to grocers and soft-drink stands in small quantities, although in the aggregate it amounts to a very stupendous figure.

It is our duty as representatives of the people who so overwhelmingly repudiated prohibition at the polls last November 8, to carry out their wishes and pass this bill.

I reiterate that it will swell the coffers of the United States Treasury and bring about a substantial relief of unemployment.

[Here the gavel fell.]

Mr. COLLIER. Mr. Chairman, I yield one-half minute to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, at the age of 14 I became a member of the Father Matthew Total Abstinence Society, of my home city of Lynn, Mass. At that time, upon my entrance into this society, I took a pledge to abstain from intoxicating liquors of any kind. I am pleased to say that I have never violated this pledge. [Applause.]

I intend to vote for this bill because I believe the bill is constitutional, and I believe that the modification of the Volstead Act will promote temperance among the people of the United States. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois [Mr. BEAM].

Mr. BEAM. Mr. Chairman, in the two minutes allotted to me it is impossible to advance any reason or make any extended argument in support of this measure. However, I wish to make this observation. For the last 10 years we have been living under unnatural circumstances. We have seen Federal agencies of our Government go into the homes and hamlets and ferret out men and try to criminalize and penalize them, and hold them up as criminals before the world because they had in their possession a bottle of beer or a glass of liquor. The time for such fanaticism is now passed. In no uncertain terms, on the last election day, there was a mandate given by the people of the United States when their sentiments were expressed in so forceful a manner to the great agencies of our Government. They demanded a new deal. They demanded repeal of these iniquitous practices, if you please, which have cost our Government billions of dollars, and have taken thousands of lives of citizens of the United States in an attempt to enforce a law repugnant to our institutions of free government.

Only yesterday we appropriated $30,000 to pay for the lives of two Mexicans. I may ask you, how many men have paid the penalty, American citizens, if you please, shot down by these Federal enforcement agents, and their families have not received one penny for the iniquitous action of these enforcement officers. The time has come now when the American people, through the great Congress of the United States, standing in the constitutional light of public sentiment, must take action; and public sentiment is more powerful than all the constitutions ever written, as anyone knows who is at all familiar with the history of the great nations of the world.

We can no longer deny to our citizens the right to personal liberty. We can no longer appropriate large sums of money for the enforcement of a law so un-American in its fabric and has resulted in such deplorable conditions to the people of the United States.

The passage of this bill, Members of the House, will tend in some measure to relieve the tenseness of the situation, reduce in a large measure the number of unemployed men, and bring into the Treasury of the United States a substantial sum of money for the maintenance of our Government.

Mr. COLLIER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, had come to no resolution thereon.

JUSTICE TO THE INDIANA LIMESTONE INDUSTRY

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, considerable publicity, favorable and unfavorable, has been given the Indiana limestone industry through various discussions on the floor of the United States House of Representatives. As one who has some acquaintanceship with that great industry, I ask leave to present to the House and to the country certain facts, to the end that obvious injustices may be corrected.

Last Tuesday afternoon, as you know, a proposal was offered in the form of an amendment to the Treasury appropriation bill, urging the advisability of instructing the Treasury Department to use nothing but construction materials native to the location of erection on all public buildings. Naturally, it goes without saying that such legislation was defeated, as serious reflection would forecast no other possible result. Many statements were made in the debate of an incorrect nature, and it seems to me a good deal of prejudice based on misinformation was evidenced against Indiana limestone. I feel that at least some of these statements should be met and refuted by actual facts, and it seems to me that a great national industry, such as we have in the State of Indiana, is entitled to a hearing.

The great oolitic stone deposit in southern Indiana is the only one of its kind on this entire continent. As a matter of fact, there is only one other like deposit, which is identical in chemical analysis and composition, and that is the famous Portland quarries of England, which have furnished the facing of the majority of England's monumental buildings for the past 1,500 years.

Nature has composed Indiana limestone in such a manner as to represent the sum of all the qualities which an architect, an engineer, and a prospective builder exercising their combined talents would ask for in a building material. It is beautiful in color and texture; it is extremely strong; it can be worked with great facility and perfection and is practically everlasting.

POPULARITY DUE TO MERIT

Indiana limestone does not owe its popularity to politics, either municipal, State, or Federal. During the years of 1920 to 1930, inclusive, when so-called public work represented a mere drop in the bucket of general construction activity, the Department of Commerce records show that the 10-year average for the use of this material registered 76 per cent against 100 of all architectural building stones. During this period, particularly, Indiana limestone became actually the Nation's building material. The most costly structures in every State of the Union and Canada, with few exceptions, were either faced or decorated with Indiana limestone.

A great hue and cry has been raised at various times in Congress to the effect that the Indiana limestone industry has enjoyed a disproportionate benefit from the Federal building program. The facts prove otherwise, for according to the last report of the Department of Commerce's records (1931) the position of Indiana limestone has receded from 76 per cent to approximately 47 per cent, and this tremendous drop is due entirely to the policy of the Treasury Department to distribute the benefits of the building program to as many interests as possible. We have many definite records of the Federal Government where, because of extreme employment emergencies, large preferences have been paid for the use of native material, even though the Bureau of Standards' records show such native material to be of inferior quality compared with Indiana limestone.

There have been many post offices erected in New England, the great majority of which have been constructed in whole or in part of native granite, in spite of the fact that without exception every New England State and municipality has heretofore used substantial amounts of Indiana limestone in its buildings because of the tremendous saving in the comparative cost of the two materials.

Take the State of Ohio, for example, where possibly 100 new Federal buildings have been erected during the past two years, and the records show 95 per cent plus to be constructed of native materials.

Representative TOM BLANTON, the brilliant and able champion of Texas stone, evidently was not in possession of up-to-date information when he made the statement that of all the fine building stones quarried in the State of Texas none of the material had been used in Federal work. I am informed that the records show that with two exceptions every new post office building erected during the current year in

Texas was constructed of native Texas materials, and in the past two weeks the new post office at Jacksonville, Fla., and the new post office at Alexandria, La., both substantial jobs, have been awarded on the basis of Texas stone for facing.

Information furnished to me by Indiana friends is that in 1931 no Indiana limestone was used in any Texas job. In that same year Texas stone was used in constructing 10 separate Federal buildings in Texas, requiring a total of 109,020 cubic feet. In addition, Texas stone was used that year in five other jobs in the States of Virginia, Mississippi, Louisiana, and Arkansas, totaling 5,637 cubic feet.

In 1932 Indiana limestone was used in two Texas Federal buildings requiring 17,610 cubic feet of stone. As against that, Texas stone in 1932 was used in six Federal buildings, aggregating 37,513 cubic feet. Texas stone also was used in 1932 in four jobs in Georgia, Louisiana, and Florida, aggregating 77,885 cubic feet. Texas, therefore, had made a very fine showing, and the distinguished Representative from that State [Mr. BLANTON] certainly has nothing to complain about.

LOCAL PRODUCT PREFERRED

On the Pacific coast I know of but two Federal projects which have been constructed of anything but native materials, and incidentally the native product was given a substantial preference over other satisfactory materials which the Government could have purchased from other than native sources. For example, on the post office at Portland, Oreg., Indiana limestone could have been furnished at a saving of $70,000 to the United States Government, to say nothing of $40,000 which would have been given to the great basic railroad industry for freight on the Indiana product. Not only this, but, according to the Bureau of Standards' records, Indiana limestone is a much superior building material to the native stone used, but I am advised the administration felt that the local employment emergency warranted this increased expenditure. This principle has been applied quite freely, so much so that our Indiana industry's anticipation of Federal contracts has been a distinct disappointment; and the inroads, in many cases of very inferior products, have reduced our market materially. The Indiana limestone industry has had to submit to a great deal of criticism for what some competitors consider too liberal use of limestone in the Washington Triangle development.

Politics had no bearing whatever in the selection of material for this Triangle. Secretary Mellon appointed a consulting group of architects, representative of the greatest in their profession from all sections of the country. This body made very intensive investigations into all building materials and, after a year's study, selected Indiana limestone as the facing material because of its cheapness, combined with its beauty and its wearing qualities. It was found that from the point of view of economy the accepted designs would require an approximate additional expenditure of three to one, as compared with Indiana limestone, that is to say, a similar marble or granite facing would cost approximately three times as much as limestone. This decision, however, did not eliminate the use of either marble or granite, as the lower part of the buildings consist of granite, and the interior trim of marble.

DISCRIMINATION UNFAIR TO TAXPAYERS

We who are best acquainted with the Indiana limestone industry resent so many current references voiced, particularly on the Hill, about politics having to do with the use of Indiana limestone in Federal work. We feel that the popularity of limestone is due primarily to the merits of the product itself, supplemented by the momentum given through the publicity of its wide use throughout the entire continent by the best architects, engineers, and builders in private practice covering a period of almost 100 years. Our Indiana material is rarely specified exclusively on Federal work, so that we are always in competition with other building materials, and the only way the Indiana limestone companies receive contracts for public work is to submit the lowest responsible bid. The United States taxpayer is entitled to the most he can get for his money, and if the use of Indiana limestone can save the Government millions of dollars, besides furnishing transportation to a great basic industry in urgent need of business, and at the same time supply a needed construction material far more meritorious than many native products, we can not see any just reason for discrimination due only to its location.

We feel that careful perusal of the records will prove that the Indiana limestone industry has been unjustifiably criticized for its percentage of Federal work and that actually it has suffered infinitely more than would have been the case had sound business judgment and sheer merit been the only measuring stick; and that politics, to the extent it has entered the equation, instead of improving the status of the limestone industry has actually retarded its progress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mr. MCGUGIN, indefinitely, on account of illness.

To Mr. FREE, indefinitely, on account of illness.

To Mr. HOLLISTER, indefinitely, on account of illness.

To Mr. BUTLER, indefinitely, on account of illness.

To Mr. MOBLEY, for several days, on account of important business.

EXTENSION OF REMARKS—THE BEER BILL

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that all Members of the House may have five legislative days within which to extend their own remarks on this measure in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CLARKE of New York. Mr. Speaker, both the Republican and Democratic Parties pledged themselves in their platforms to "prevent the return of the saloon," the former (Republicans) by a specific proposal to embody this pledge into any law or modification of the eighteenth amendment, the latter (Democrats) by political promises in their platform. The Democrats of the Ways and Means Committee have proven "broken promises" in the Collier beer bill before us, because in committee the motion to incorporate in the bill the necessary language to prevent the return of the saloon was defeated.

The greatest opportunity for squarely meeting the wet-and-dry issue is provided in the resolution of Senator GLASS. This preserves the gains for temperance, specifically provides against the return of the saloon, honestly meets the promises of both parties, can get the necessary two-thirds vote in the House and, I believe, in the Senate, so the people will have their chance to express themselves in the regular, constitutional way.

This Collier beer bill, with the policy proposed, means the inevitable return of the saloon, and I can not vote for it, as I assured my people before the primary and election I would vote for resubmission, which was as far as I would go. I will not break faith. The Collier beer bill does not meet the issue squarely.

To "help balance the Budget" by revenues based on a law of uncertain constitutionality is bad business, worse statesmanship, and political perfidy.

Since I voted against Speaker GARNER's gag procedure and repeal resolution, I have received a great number of threatening letters. Here are a few samples, copied exactly as they came to me, that seem to indicate that some of our papers are doing a bad job in inciting their readers into a most dangerous frame of mind on a national problem where people may honestly differ:

Traitors should be hung.

ARTHUR SEASTRAND,
378 E. 29th st., Brooklyn, N. Y.

DEAR CONGRESSMAN: I am a loss to understand your reason for Voting against the Garner Repeal. Bill after all the money belonging to the People. Remember that. Part that has been squandered and you might say Throwne away Drying to inforce the Bigest Bunch of Bunk that was ever put on the American People and after the People Spoke so Loud on election Day Denouncing that still you Stand Out and Try to Still Continue it with only one thing for you to gain and that is to put your Self in the Lame Duck class next Election Day. Who Will there be to greet you on

your Return Home Out Side of Pussey Foot Johnson he is from around Broome County to my notion you have ended your Public Life and can make up your mind to retire Gracefully.

T. H. KAVANAUGH,
Kensington Hotel, Cleveland, Ohio.

DEAR SIR: Your vote on repeal renders you a traitor to the wish of the people, a disgrace as a Congressman from the State of New York. Millions pray for you hypocrites from New York State. I can assure you you would not like to hear the prayer.

O. J. MASTRUP,
Box 41, Steinway P. O. Station,
Long Island City, N. Y.

DEAR SIR: You are a hypocrite to vote against the repeal of the 18th Amendment, and you ought to be ashamed of yourself.

Yours for repeal

W. F. METZGER,
1957 Bronxdale av., Bronx, N. Y.

Your negative vote to the Repeal measure which we "peepul" voted for in Nov. is insulting and puts you in a class of small persons and bullies.

LILIAN BALDWIN,
New York City.

DEAR MR CLARK: It is to bad you are going to be looking for a job after the 4th of March but if you had common sence you would be like the rest of the normal Congressmen and vote for repeal of the 18th Amendment the bootleggers are very glad to have people like you in and swelling there bank accounts while Uncle Sam is going broke and they wont lend him a cent either they even want the Bonus paid so the veto will blow it in with them and still you drys wont be able to get a job as bartender from them or the others dry fellows who helped you hold up the dry law when you loose your job in congress just come to N. Y. City and look it over and see the speakys and the guys out side on watch every door has one and if there aint between 2 and 6 bootlegges in every house apartment in N. Y. I don't know what I am talking about and U Sam not getting a cent of revenue.

Your friend

ARCHIE BUTTS,
721 Amsterdam av., New York City.

A glass of good beer never did anybody any harm, but the beer in the Collier bill has a "kick" in it, and it is the "kick" that is unconstitutional. When both the Republican and Democratic Parties pledge themselves to prevent the return of the saloon, why do not they keep faith in the bills they sponsor? I do not see why even politicians can not deal frankly with this question; as I say, I believe the people have a right to vote, and I am pledged to give them that chance in resubmission, preserving the gains for the temperance cause, as embodied in the Glass resolution.

When every milk producer in the New York milk shed is broke, when hundreds are threatened with the loss of their farms because of inability to pay taxes, when other hundreds are being carried by the banks—feed dealers, country merchants, in many instances as acts of mercy, are trying to help out our farmers—I can not feel this is the time for such a questionable procedure on beer.

After having promised my constituents before primary and election how far I was willing to go through resubmission to the people, I propose to stand unscared by the threats of political extermination from the readers of the yellow papers outside of my district and willing to submit my candidacy to the voters of my district, whom I represent, and who, even before the eighteenth amendment became a part of our Constitution, had in every township but two in my district voted dry. Put my votes and records to the acid tests of service and keeping faith with my constituents; I am willing to succeed or fail as that acid test is honestly applied.

Mr. HARLAN. Mr. Speaker, it is indeed very touching to hear and behold the scruples of the Members of Congress who are disturbed about the conflict between voting for the proposed bill and their oaths to support the Constitution. After listening to approximately 40 speeches, I have heard none of the conscientious objectors cite any authority of any competent court that would indicate that the present bill in any way violates the Constitution of the United States; and, until such a decision is made by a court, it would seem to me as almost apparent that it would be well for us to let the constituted judicial authority determine such questions while we, as legislative officers, proceed in the functions which we are elected to perform.

The gentleman from Illinois [Mr. CHINDBLOM], I believe, placed his finger directly upon the crux of our difficulties when he said that the eighteenth amendment was in reality a statute. That is exactly what it is—a statute without a definition of terms and without a penalty clause. It is a statute placed in our organic law, where it ought never to have been placed, and having been placed there, it has presented problems never before presented to any court in construing our fundamental charter of government.

Now, the people of the United States having adopted this statute and having failed to pass any terms of definition or any punitive clause in the statute, it becomes the responsibility of the Congress to define terms and fix the punishment. In performing this service, since there is no provision limiting the power of Congress, it is difficult for anyone who tries to keep his emotions subservient to his intelligence to be convinced that this Congress, in exercising its best judgment in the definition of terms and in the fixing of punishment, is in any way violating the Constitution.

Under the constitutional authority of the Federal Government over foreign commerce this Congress has passed certain acts pertaining to smuggling, and in those acts they have stated that the importation of certain minimum value in goods shall not be considered a crime. As the amount involved is not sufficient to seriously injure the revenue of the country, and by allowing a little latitude in the law, undoubtedly wholesale smuggling is at least curtailed.

Now, in the proposition before Congress, if in defining the term intoxicating liquor, which the people of the United States apparently after years of deliberation decided to leave undefined in the Constitution, this Congress should say that in anything like reasonable use a beverage containing 3.2 per cent by weight ought not be classed in the category of those intoxicating liquors referred to in the Constitution; and if this Congress should also say that, waiving that point whether it is intoxicating or not, the common sense of this body and the good government of the whole country require that no punishment shall be meted out to anyone who under proper regulations manufactures and sells a beverage containing this amount of alcohol, who is going to say that this Congress in exercising its power to impose or not to impose a punishment for a particular act is in any way, in any manner or form, violating the Constitution?

It was Secretary Seward, I believe, who, during the Civil War, said that there is a higher law than the Constitution. That higher law, of course, is the elemental principles involved in the self-preservation of free institutions, many of them set forth in the Magna Charta, the Bill of Rights, and the Declaration of Independence. When the people, under false leadership or emotional excitement, inject into this basic charter a regulation which, in order to give it a certain effect, would necessitate the violation of these express principles of free government, then I submit that the legislative body is but exercising its own functions when it so interprets the Constitution as to make it compatible with the self-preservation of government.

We have found in the last 12 years, that in order to give a drastic interpretation of the term "intoxicating liquor," it has been necessary for us to deprive the people of the right of trial by jury, to take from them their presumption of reasonable doubt, to place them twice in jeopardy for the same offense—to construe criminal statutes "liberally" to remove the presumption of innocence, and, in fact, to violate every law that our Anglo-Saxon civilization has developed for the preservation of free government.

Now, in the name of common sense, why would not this body be fulfilling its highest constitutional duty by adopting such an interpretation of intoxicating liquors as will not only reasonably comply with the Constitution but will tend to redeem to the people those rights which a radical and false interpretation of intoxicating liquor has taken away from them? There is no inforceable obligation on the legislative body to pass any law to enforce a provision of the Constitution, and this prerogative has been many times exercised by the Congress of the United States and the legislative bodies of the various States.

Section 3 of Article I in the Federal Constitution provides that there shall be a census of the United States taken every 10 years and representation in Congress regulated accordingly. There was no reapportionment provided in 1920 because the very group, the Anti-Saloon League, the Methodist association for the control of other people's morals, and others who are now so sanctimoniously, piously, and hypocritically trying to usurp the functions of the Supreme Court in deciding in advance constitutional questions and trying to intimidate and terrorize the Members of this Congress into carrying out their own interpretation of the Constitution were the ones who cracked the whip over Congress in 1920 and prohibited a law calling for this reapportionment. Why? Because in 1920 the rural population was represented in this Congress many times their proper and constitutional strength because of the rapid migration of people from the rural districts to the cities, leaving rural districts thinly populated and the city districts highly overpopulated.

In the State of Ohio to-day, for example, the voters in the tenth district, represented by a prohibitionist, have just four times the power of the voters in the twenty-second district, represented by an antiprohibitionist. Who was there in 1920 handing out pious cant about upholding the Constitution of the United States?

Again, we have the fourteenth and fifteenth amendments, the merits or demerits of which are decidedly beside the point in this discussion, and concerning which this Congress has never even made a pretense of trying to enforce; and the three Democratic gentlemen who filed the minority report on scrupulous constitutional grounds in this case come from sections of the country that pay no more attention to these two amendments to the Constitution than if they did not exist. The people in those sections obviously think that this is necessary for the protection of their institutions. They believe, with Secretary Seward, that there is a higher law than the Constitution of the United States, but it seems to me to be a little illogical for the representatives of those people to be so extremely touchy about the Constitution in one particular and so careless about it in another.

The Democratic platform promised the people of the United States a modification of the Volstead Act, and the people voted for the Democratic Party when they promised that modification, and they did not mean a modification which would give no real relief to the present problems. They meant such a modification which is set forth in this bill, and the people voted for the Democratic Party with confidence that they would carry out this promise. Now, the Democratic Party, particularly that element in the North and East, is asking their Democratic brothers from the South to help carry out that program. In the days of stress and strain, turmoil and oppression, that followed the Civil War the very Methodist Church that is now cracking the whip about your heads to subvert your vote on this question was advocating that the land of the southern whites should be divided up and given away to the negroes without any consideration. Then it was the Democratic Party in the North that stood as the only protection to the people in the South in the preservation of their rights. Now the people in my section of the country are confronted with a problem almost as serious as the one which then confronted the South. Our Government, particularly in the cities, is simply being undermined and is rotting at the base. The forces of anarchy and destruction are financed in many instances better than the forces of law and order.

Our sons and daughters are being tempted and debauched as they have never been before. We want to preserve our Government and our Constitution. We feel that we are asking from our fellow Democrats of the South a very small favor in comparison with the historical debt which you people of the South owe the Democratic Party.

A very good friend of mine from the State of Texas, the chairman of the Judiciary Committee, a kindly, thoughtful legislator, is disturbed about this bill because he says that it will remove the pressure for the repeal of the eighteenth amendment. Well, the only way that can happen is for this bill to stop the violation of law and to give the people what they want. If we can do that at this time, I would far rather start this country on the course of good government now than to wait five or seven years longer for the task to be performed strictly proper and 100 per cent perfect.

There are a great many other questions involved in this touching the economic relief afforded by the bill, the reduction of taxation, and the increase in revenue which have been so often and well discussed that repetition would not be proper.

Let us have this law as a fulfillment of a promise of the Democratic platform; let us have it as a common-sense fulfillment of our obligation to interpret and really enforce the provisions of the Constitution of the United States; let us have it as at least a step in the direction of giving the people in the larger cities of this country at least an even chance to bring their children up in fairly decent surroundings; and, finally, let us have it to try at this time, and not wait five years to take one step toward the destruction of those things which are now sapping the very vital strength of this Government.

Mr. BOYLAN. Mr. Speaker, we have a sadly depleted Treasury. The passage of this bill will help to restore it to a normal condition. The Secretary of the Treasury has stated that we receive a large amount of revenue from the tax on tobacco and that it is a very dependable and important source of revenue. The new source of revenue that the passage of this bill will open will be even greater than the tobacco revenue, and it will help to eliminate our present deficit.

How much would a beer tax provide? It has been stated that in the ordinary course it would provide a revenue of $300,000,000 a year.

This amount would easily cover the interest and amortization charges on a 20-year bond issue of $3,000,000,000 of 4 per cent United States Government bonds. In addition to this we will provide work for at least one-half million men now idle in this country, which would mean the support, housing, and clothing of at least 2,000,000 persons in the United States now without work of any kind.

In addition it would help the allied trades and industries. It would help the farmer restore his barley crop and increase his barley sales 100,000,000 bushels a year. It would help the cooperage industry to the extent of about 12,000,000 new barrels. It would help the steel industry. It would help the motor industry. It is estimated that 5,000 new trucks, costing $25,000,000 would be needed. It would help the electrical industry to the amount of about $40,000,000. It would help the glass industry which would require about 900,000,000 bottles a year and provide work for eight or ten thousand men. It would help the metal industry. It would help the refrigerating business to the amount estimated at about $20,000,000 a year. It would help the wooden-box manufacturers to the amount of approximately $40,000,000 a year. It would help the bottle-making machinery $10,000,000 a year, and it is estimated that the railroads would benefit to the amount of $50,000,000 a year. In addition to this new revenue the Government will be saved the staggering cost of arresting, trying, and convicting violators of the Volstead Act.

Surely in these days of depression we will not disregard the wonderful economic benefit that the passage of this bill will provide. In addition to this we will obey the special mandate of the people of this country as expressed by their votes of November 8 last.

Mr. FERNANDEZ. Mr. Speaker, representing the elements that look forward to a clear understanding of matters pending in Congress in which they are vitally interested, I wish to utilize this means to convey to the people of the first congressional district of Louisiana, which I have the honor to represent, my level interpretation at this particular time on the liquor question.

It was in April of 1917 that the Congress of the United States declared that a state of war existed between this country and Germany. And it was in December of that

same year that a joint resolution proposing an amendment to the Constitution of the United States to become valid when ratified by the legislatures of two-thirds of the States of the Union within seven years from the date of submission to the States, was approved by Congress. The proposed dry amendment was passed by a two-thirds vote of Congress on December 3, 1917, and the promulgation of the Secretary of State on January 29, 1919, showed that the eighteenth amendment, effective after one year from its ratification, or the beginning of 1920, was legally ratified by 36 States, including Louisiana.

The constitutional amendment so adopted prohibits the manufacture, sale, or transportation of intoxicating liquors in the United States, and prohibits the importation of intoxicating liquors, or the exportation thereof from the United States and all territory under the jurisdiction of the United States, for beverage purposes. It naturally followed that the national prohibition act by Volstead was enacted into law by a two-thirds majority vote by Congress on October 28, 1919, over the veto of President Woodrow Wilson. That great statesman and Democrat, President Wilson, in his veto message to Congress on October 27, 1919, said:

> It will not be difficult for Congress, in considering this important matter, to separate these two questions—

And I want to interject here, Mr. Speaker, that President Wilson differentiated between the drastic restrictions of the war-time prohibition and what he thought should be the gradual process of law in the matter of enforcement as authorized by the then new constitutional amendment, which was to take effect in January of the year 1920. And continuing with Woodrow Wilson's veto message, we find his own verbiage—

> * * * and effectively to legislate regarding them, making the proper distinction between temporary causes which arose out of war-time emergencies and those like the constitutional amendment of prohibition which is now part of the fundamental law of the country. In all matters having to do with the personal habits and customs of large numbers of our people we must be certain that the established processes of legal change are followed. In no other way can the salutary object sought to be accomplished by great reforms of this character be made satisfactory and permanent.

In conceiving the idea that prompted the veto message of Woodrow Wilson we now see the folly of clamping down as tightly as appropriations would permit from the very beginning of prohibition enforcement in January of 1920, and we now witness the rightful reaction of the great masses of our American Republic in repudiation of continuity of a drastic war measure from its very beginning—a war measure that was only designed to protect and conserve the grain and food supply, and to follow out a mode of military discipline for the duration of the great conflict that this country was plunged into. And during the war, when demand and scarcity of grain and food supplies was prevalent, our farmers did not care so much about farm relief, and our Congressmen did not have to scan here and yonder and worry about farm-relief-issue injections. Mr. Speaker, you have the words of that eminent and great statesman and Democrat, Woodrow Wilson, in his veto message. Translated, in effect, he told us that we were destined to fail in prohibition enforcement unless the introduction of such a drastic change in the economic structure of our life was handled from the basis of human understanding, with due regard for the personal habits and customs and the moral obligations of our people. Oh, yes, Mr. Speaker, his message went unheeded, and the country was thrown into the turmoil of the strictest kind of enforcement, with the Navy and the Coast Guard participating, and with the result that numerous innocent people were killed and at one time international relationship strained.

Now, Mr. Speaker, we have witnessed the so-called "noble experiment"—13 years of a brand of enforcement that has not lessened crime, but which has created a sinister chain of gang circles unparalleled in the annals of the criminal history of our country. It is true that the underworld existed long before enforcement of prohibition, but the prohibition calamity has contributed organized bootlegging and highly financed gangdom, and has contributed to more lawlessness and arrests.

Long before the verdict of nullification of the eighteenth amendment by the American people on November 8, the thought was widespread that it was a misgiving for Congress to legislate as to what a person should drink without specifying the conventional system whereby the people would have had a direct chance to accept or reject the dry amendment. Of course, they chose the alternative, by constitutional right, to lay the responsibility on the legislatures of the various States. And so it was that ratification was acclaimed. After January, 1920, we witnessed, in terms of legislation, a shattered wet minority. We witnessed the closing down of about 1,200 breweries, throwing out of work about 500,000 men. We saw the rice growers lose their chance to sell 125,000,000 pounds of their product per year. We saw the corn farmers lose their chance to sell 666,000,000 pounds of corn a year. We saw the malt (barley) people lose their chance to sell nearly 3,000,000,000 pounds of their product a year. We saw the hops people lose their chance to sell 42,000,000 pounds of their product a year. And we saw the cane growers lose their chance to sell their equivalent of 116,000,000 pounds of sugar and sirup a year. And we saw other producers lose their chance to sell about 18,000,000 pounds of their miscellaneous products each year. And, witnessing all of this, without the power to rise, was the pitiful wet minority. But, as "time stems tide," so did it stem the tide of congressional dry strength at the first session of the Seventy-second Congress, and it was at that session, the first of my participation, that the wets, after 12 years of forced silence in Congress, had finally mustered enough votes to compel a vote in both the House and Senate of the United States on this question. So, we had witnessed the first real threat at dry usurpation and an active part of the people throughout the Nation at large for some relief from the inequities of the eighteenth amendment.

In 1930, on a poll conducted by the Literary Digest, approximately 5,000,000 people voted. Out of that total nearly 3,500,000 voted for either repeal or modification, registering the vast majority of approximately 2,000,000 on the wet side. That was the first actual attempt by anyone to poll the American people on the liquor question.

The first session of the Seventy-second Congress met 20 months after promulgation of the result of that poll. And a year later, in 1931, when the Literary Digest just confined the issue to continuance and repeal of the eighteenth amendment, a majority of 2,000,000 was registered for repeal. And it followed that both national political parties injected a plank on prohibition into their platforms. The people, by the largest majority of all time, voted the Democratic repeal plank rather than the joking Republican plank that was dry if you wanted it dry or wet if you wanted it wet. And the people of Louisiana, at the same time, voted to nullify the Hood Act for local enforcement of the dry mandate, and by a vast majority, as well, voted to petition the Louisiana Legislature to memorialize Congress for repeal of the eighteenth amendment.

Leading up to the present session of Congress, we find that repeal lost out by the narrow margin of six votes in the House. Mr. Speaker, even though it would carry in the House, it is not believed that repeal could get the necessary two-thirds vote in the Senate. Now there is up for consideration, after extensive hearings before the House Committee on Ways and Means, the Collier bill for modification of the Volstead Act to permit the manufacture and sale of 3.2 beer. The bill stipulates an excise tax of $5 a barrel, which it is estimated will yield revenue anywhere from $125,000,000 to $300,000,000 per year. While I voted, and will continue to vote, on the wet side, I am frank in my opinion that no wet legislation will be enacted at this "lame-duck" session.

Even if a satisfactory amendment to the Volstead Act could be enacted, it is a known fact that litigation will be immediately instituted that will in all probability result in suspending the provisions of the new act as long as the

eighteenth amendment is hooked on to our Federal Constitution. For, beyond the shadow of a doubt, the amendment outlaws all intoxicating liquors, and just what percentage of alcoholic content it takes to constitute a drunkard could be argued from now until judgment day without any agreement; and, since the Volstead Act stipulates one-half of 1 per cent—and that's been law since 1920—even though Congress has the right to define the alcoholic content, judgment in the end will rest with the Supreme Court.

Therefore, Mr. Speaker, it appears to me that it will be squarely up to the Roosevelt administration to live up to the responsibility voted upon them by the people on November 8, and it will become their duty to give the American public outright repeal and restore to the American farmer a market of approximately 60,000,000 bushels of malt (barley), 50,000,000 bushels of corn, 2,000,000 bushels of rye, 42,000,000 pounds of hops, 190,000,000 gallons of molasses, and 6,000,000 gallons of glucose; and so that we may restore 2,000,000 people to work by contributing to the brewery industry with resultant advantage and profit to the railroads, automotive industry, machinery industry, cooperage industry, fixture and fitting industry, plate glass and bottle industry, printing and stationery industry, power industry, besides the creation of new outlets.

And in explaining my own vote on the wet side, Mr. Speaker, I venture to say I do this under the firm belief that I am not only fulfilling the wishes of the vast majority of my constituents but I am discharging a duty that I firmly believe the human thing to do. Primarily, true human morals are a pride and an asset and part of the character of the individual, mostly resulting from a firm and rigid religious basic structure in the character of the individual. I contend that the Government should not go into moral-control matters. It is plain to see that just because a man would partake of drink that he is not violating any moral code or committing any crime, is it not? Local governments, and in some cases the Federal Government, have rigid and enforceable law machinery for the arrest and prosecution of criminals. If a man should inadvertently commit some crime which some might attribute due to liquor, he comes within that purview. A check-up on most of our present-day criminal cases will show that most of the big crime being committed to-day is through the bootlegging racketeering, attributable to the eighteenth amendment, which, I believe, is an infringement on State rights. If certain States want prohibition enforcement, let their respective legislatures provide therefor. America has succeeded as a Nation, primarily, for traditionally embracing the ideals and fundamentals of our original Constitution—supposedly a guarantee for freedom. We should do all we can to keep America in her pace.

Mr. Speaker, since we undertook to legislate on the prohibition of liquors on one of the theories that this led to crime, then on the same theory how in this broad land of ours could it be consistent and in true accord to American standards and ideals to legislate against the origin of other crimes? Here we are in the land of plenty of everything, but without a market except a market for crime—with manufacturers of ammunition, explosives, knives, automobiles, gasoline, tools, and innumerable other contrivances—and how we can stand here and assume and say that we have a right to stop the manufacture thereof, and who will deny that these articles so manufactured and sold do contribute to crime? Perhaps this appears to be an absurd comparison, but I hold that the establishment of the eighteenth amendment is a bad precedent, and the quicker we get rid of it the better off we will be. Mr. Speaker, we should let moral matters beyond the point of crime in the hands of religion and the individual, and enforcement of such matters as the liquor question up to the local communities or States.

Mr. CASTELLOW. Mr. Speaker, much has been said upon the floor of the House respecting the obligation imposed upon its Members by the Constitution of the United States; also as to the duty of those Members who accepted the principles of the Democratic platform during the recent campaign. Though mindful of the obligations imposed by each respectively, I have experienced no difficulty in determining what I conceive to be my duty in the present situation, and that without regard to personal views on the question of prohibition. The Constitution prohibits the manufacture or sale of intoxicating beverages and the present platform of our party commits us only "to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." In the light of my experience as prosecuting attorney in my judicial circuit for practically 20 years, I am inclined to the opinion that a beverage containing 4 per cent alcohol by volume is intoxicating. Therefore, entertaining as I do this view upon the question, no course remains to me but to oppose the bill as submitted.

Mr. LUDLOW. Mr. Speaker, it is a matter of extreme regret to me that on this question of beer by statute my convictions are at variance with the convictions of many dear friends for whose honesty and sincerity of purpose I have as high respect as I have for my own, but I have given to the subject a great deal of study and thought, and I can only vote and act as my judgment and conscience dictate.

There is but one way the Constitution of the United States can be lawfully amended, and that is by the procedure outlined in the Constitution itself, which is by resubmission and ratification by three-fourths of the States. It can not be amended by merely passing a bill through Congress. To undertake to annul the constitutional provision against the manufacture and sale of intoxicating liquors by enacting a statute which purports to legalize the sale of beer is a proceeding so dangerous to American institutions, so fraught with evil possibilities that I believe we should take time to stop and thoroughly consider the question.

When I held up my right hand as the Representative elect of the Indianapolis district, I took the following oath:

> I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purposes of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

That oath means something. It is a solemn compact with the Nation, binding me to be true to the Constitution, which is the American citizen's only guaranty of security and freedom. I would not violate my oath of office for anything in the world. If I did so, I would consider myself untrue to my constituents, who have honored me with three elections to the Congress, and false to the Nation as a whole, for the Constitution I am sworn to support is the sheet anchor and safeguard of all our 120,000,000 people. I can not vote to nullify the Constitution I am sworn to defend.

It seems to me that those who feel tempted to support the plan of bringing back beer and wine by the quick and direct method of passing bills instead of awaiting the orderly processes of a constitutional amendment would do well to pause before they approve such a far-reaching precedent. If we are to change the Constitution merely by passing a beer bill through Congress by a majority vote, what is to hinder a bare majority in Congress from doing the same thing again and again, times without number? That would make the Constitution a mere scrap of paper.

To illustrate what might happen, the officials in charge of the Government Secret Services tell me communism is spreading in this country much more rapidly than people in general are aware. Suppose that by some turn of fate which we can hardly imagine but which may be possible the communists should come into temporary control of the national lawmaking body. They might decide to wipe out the entire Constitution by enacting statutes; and in reply to those who would protest such revolutionary proceedings, they could well say: "Back in December, 1932, Congress annulled part of the Constitution by passing a beer bill. We will now annull the remainder of it."

Or suppose a Congress should come into existence prejudiced against the colored race and it should undertake to annul the constitutional inhibition against slavery and in-

voluntary servitude. It would find here a convenient precedent. Or suppose in the years to come there should be a Congress prejudiced against women in politics. Then the nineteenth amendment in its turn might be annulled or emasculated by statute.

The evidence brought out before the Ways and Means Committee when this bill was being considered shows conclusively that beer of 3.2 alcoholic content or 4 per cent by volume is intoxicating in fact. The majority of the committee admits this when it says that it "would require considerable effort on the part of an average person to drink enough of it to become drunk." The Democratic national platform declared only for beer that is permissible under the Constitution. This bill goes far beyond that.

I asked Surg. Gen. Hugh S. Cumming, the great doctor at the head of the United States Public Health Service, last summer to advise me whether 2.75 per cent beer is intoxicating and he replied:

> It is one of those questions which can not be answered truthfully and comprehensively with either a positive "yes" or a negative "no."

If 2.75 per cent beer is intoxicating to some persons under some circumstances, as the head of the United States Public Health Service agrees, then a liquor that is 4 per cent alcoholic must be more generally intoxicating. I believe it is intoxicating in fact and the same type of beer that was quite generally manufactured and sold prior to prohibition.

Any beer bill that proposes to bring back intoxicating beer is an annulment of the Constitution; and if it does not provide for intoxicating beer, it is a stupendous fraud against the millions who are expecting real beer and who will be grievously disappointed with anything less. The pending bill is objectionable for another reason—in that it permits the return of the saloons. From any standpoint, therefore, I believe it would be unwise to pass a beer bill in advance of resubmission of the eighteenth amendment to the States. I do not believe that any person, whether he be wet or dry, wants to strike a blow at the Constitution of his country. I have but one desire and that is to do what is right; and I sincerely believe that in voting against this bill, I am serving the best interests of all of the people of the country and of posterity.

Mr. GARBER. Mr. Speaker, Members of the House, it is insisted that the repeal of the eighteenth amendment and the consideration of H. R. 13742, legalizing the manufacture and sale of beer to the exclusion of all other legislation, are justified upon the ground that it is necessary to fulfill party pledges and carry out the mandate of the people as expressed in the recent election.

DEMOCRATIC PARTY PLEDGED TO REPEAL OF THE EIGHTEENTH AMENDMENT AND MODIFICATION OF THE VOLSTEAD ACT

The platform of the Democratic Party pledges its membership—

First. To the repeal of the eighteenth amendment, with protection to the dry States and a prohibition against the return of the open saloon:

> We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal; we urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.
>
> We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

Second. It also pledges its membership to a modification of the Volstead Act within the prohibition of the Constitution:

> Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

THE REPUBLICAN PARTY PLEDGED TO RESUBMISSION OF THE QUESTION

The Republican platform pledges a resubmission of the question of the repeal of the eighteenth amendment with a retention of power in Congress to protect the dry States and prohibit the return of the open saloon.

THE EIGHTEENTH AMENDMENT

The eighteenth amendment provides:

> SECTION 1. After one year from the ratification of this article the manufacture, sale or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

The bill under consideration proposes to legalize the manufacture and sale of fermented liquors with an alcoholic content of 3.2 per cent by weight or 4 per cent by volume. If such alcoholic content is not intoxicating, then it is permissible under the eighteenth amendment and its manufacture and sale can be legally authorized. On the other hand, if it is intoxicating, it comes within the prohibition of the eighteenth amendment, would be in violation of the Constitution; and such fermented liquors, with such alcoholic content, can not be authorized by Congress. So long as the eighteenth amendment is in the Constitution, it is our sworn duty, and that of the private citizen as well, to support and defend it. Ours is a constitution of the people. They alone can amend, modify, or repeal. Thus far in our history, they have adopted 19 amendments, but in no case have they ever modified or repealed one.

In its convention at Chicago the Republican Party refused to adopt a plank pledging its membership to any modification of the Volstead Act by an increase in the alcoholic content. It took the safe ground that any such increase would be open to serious criticism on constitutional grounds and so serve to disturb and unsettle conditions generally as to be entirely unjustified; that the only safe procedure to take was the submission of the eighteenth amendment giving the people an opportunity to say whether or not they desired such increase in alcoholic content to be made. It is the declared policy, then, of the Republican Party to deal with the problem by submission of the question of increased alcoholic content direct to the people themselves in the resubmission of the eighteenth amendment; and while the Democratic platform declares in favor of modification of the Volstead Act, it is to be only to the extent "permissible under the Constitution," and no Democrat, abiding by the platform of his party, is under any obligation to support this bill if he believes that the alcoholic content to be authorized would make the beverage intoxicating and therefore in violation of the Constitution.

IS THE BILL UNCONSTITUTIONAL?

Upon the question as to whether or not such alcoholic content is intoxicating, there is some conflicting evidence in the record of the hearings; but, taken as a whole, it clearly shows by a preponderance and the greater weight of the evidence, that such content comes within the prohibition of the eighteenth amendment and is intoxicating. Mr. Adolph Busch claims that pre-war beer contained 4.2 per cent alcohol by volume, yet it is generally conceded by the brewers that 4 per cent by volume is equivalent to the alcoholic content of pre-war beer—that is the average beer consumed by the public generally. There is not any question but that such beer was recognized and conceded by the consumers to be intoxicating. It was so conceded by 17 of the States with prohibitory laws forbidding all malt liquor. It was so recognized by the courts generally to the extent that judicial notice was taken of such as an accepted fact. It was so recognized by the brewers' organizations supporting this bill and by the proponents of the bill, in that they provide for the prohibition of the transportation of such proposed 4 per cent beer into the dry States. If it is not intoxicating as they contend, why prohibit its transportation? Such prohibition in this bill is a confession that the alcoholic content authorized is intoxicating or that it may be, that there is at least a sufficient seriousness of doubt as to necessitate the prohibition of its transportation into the dry States. If it is not intoxicating, why not authorize its sale by the trade generally at restaurants, hotels, drug stores, and soda fountains in all the States, wet or

dry? We are firmly convinced by the record of the hearings on this bill that 4 per cent beer is intoxicating, and therefore its legalization for manufacture and sale would be in violation of the Constitution, of our sworn duty to protect and defend it, and therefore we can not support the bill.

THE PROHIBITION OF TRANSPORTATION WILL NOT PROHIBIT

The prohibition in this bill would not in fact prohibit the transportation of beer, ale, and porter in the dry States. Modern transportation makes this impracticable. Automobiles and trucks, crossing the unguarded borders at any place and time, day or night, loaded with intoxicating, fermented liquors, authorized in this bill, would nullify the law and make enforcement impossible.

IT WOULD NULLIFY THE CONSTITUTION AND LAWS OF THE STATE OF OKLAHOMA

In my State a prohibitory provision was incorporated in the constitution at the time of the admission of the State into the Union. Supplemental enforcement laws have been enacted. The saloons were abolished, and a generation has grown up without forming the appetite for intoxicating liquors.

True, there are violations of law. But of what law are there not violations? We have made the robbing of a bank a felony, with the death penalty, and yet there are bank robberies. There is no criminal law upon the statute books but what is violated, and yet their repeal is not advocated. Courts have been established and are maintained for the purpose of law enforcement.

On the whole, the prohibition laws of the State have been fairly well enforced. Crime has decreased, and the wholesome, beneficial effect is seen everywhere and generally recognized. But once legalize intoxicating liquors, and it will render the dry States helpless, their laws ineffective and unenforceable. It will practically compel repeal and resort to attempted regulation and control under a license or other system, which, of course, means the return of the open saloon.

THE DEMOCRATIC PARTY HAS SAID, IN EFFECT, "BEER IS MORE IMPORTANT THAN BREAD"

To authorize the manufacture and sale of beer will not relieve this depression. On the first day of this session, namely, on the 5th day of December, 1932, acting under directions of his party, the Speaker, under the suspension of rules, which is only resorted to in rare cases of emergency, attempted to jam through the House a proposal to repeal the eighteenth amendment. Such proposal was unaccompanied by any protection to the dry States or any prohibition against the return of the open saloon. But 40 minutes was granted for debate, and the privilege of amendment was denied. The House was fully justified in the defeat of such attempted spectacular, arbitrary exercise of power, claimed to be justified upon the plea that it was necessary in order to carry out the mandate of the people. Could not such an important proposal await the safeguards of orderly procedure? Such attempt smacks too much of the rush and bluff of the brewing interests of the country, which have ever become bolder and bolder in their demands as the time for action approaches.

THE PERSISTENT, INSIDIOUS CAMPAIGN OF THE BREWING INTERESTS

Such methods characterize the insidious, selfish, persistent campaign of the brewing and liquor interests against prohibition. And from the first day of this session until the present day, the 20th day of December, 1932, when we are called upon to vote to legalize beer, the program of this House has been made to conform to the program of the breweries to repeal the eighteenth amendment and to legalize beer at the earliest moment. By the adoption of such program the Democratic Party has declared to the country that beer is more important than bread to the hungry and unemployed millions. At a time when 10,000,000 laboring men are out of employment through no fault of their own, and our charitable organizations, institutions, and agencies throughout every section of the country are taxed beyond their limit to supply clothing and food for the needy and the hungry, it would seem that there were more important considerations for this body than the unauthorized legalization of beer demanded by the brewing interests of the country. It is an example of Nero fiddling while Rome burned.

NO JUSTIFICATION FOR THE MEASURE AS A REVENUE BILL

Of course, they seek to justify such haste upon the ground that it is a tax bill. The revenues to be derived from this bill, if it should be enacted, would be an infinitesimal amount compared to the increased expenditures and the damages which would naturally ensue. You can not deceive the public in your attempt to justify your precipitation of the brewery program into this session upon the ground that it is a bill for revenue. That is one of the least considerations. The primary, major consideration of this bill is beer! The evidence in the hearings clearly disproves the extravagant, preelection claims for revenue. Instead of a billion dollars or $750,000,000 or $400,000,000 annual revenue as claimed by the leading wets, it is now conceded that $75,000,000 would be the limit of revenue during the first year, with a possible increase to $125,000,000 or $150,000,000 annually as the appetites of the young men and women are developed and consumption increased. With an annual deficit of a billion dollars, what become of these clap-trap, demagogic, preelection claims that beer would balance the Budget? Beer would unbalance! Beer would contribute to the unbalancing of the budget of every consuming family of the country. It would do it stealthily, subtly, by exacting a toll of 5 cents at a time, gradually absorbing not only the loose change but a substantial portion of the earnings of the consumer.

THE BILL WOULD SACRIFICE THE HOME AND FAMILY FOR THE LIQUOR INTERESTS

It is now claimed for this bill that it would produce $300,000,000 revenue a year. But what would this mean? With a tax of $5 per barrel on beer, $300,000,000 in revenue would require the consumption of 60,000,000 barrels of beer; and if each gallon of the 31½ gallons in a barrel provided 12 drinks, 60,000,000 barrels would furnish 22,680,000,000 drinks! At 10 cents a drink, the cost of such consumption annually to the people would be $2,268,000,000! And who is to drink these 60,000,000 barrels of beer annually and pay this $2,268,000,000? "Why," they say, "the poor workingmen of the country! Beer is a poor man's drink." At a time when as never before every penny is needed for the necessities of life—food, education, clothing—we are urged to legalize beer, a temptation to extravagant waste to the extent of $2,268,000,000 annually, at the behests and commands of the greed and avarice of the beer and liquor interests; and, in the name of "revenue," to enact a measure which would give to the Treasury approximately one-sixth of the proceeds, the remainder to the brewers, and increased want and destitution to the families of our poor workingmen! But is not this claim typical of the brass rail of the preprohibition-day saloon? It is typically representative of the liquor philosophy of economy in the home.

THE "POOR WORKINGMAN" WILL PAY THE TAX

If it is the "poor man's drink" and necessary, why not give it to him without the tax of $5 per barrel? Why oppress him with further taxation at a time when so many are out of employment? Why add to his financial burdens with increased costs? The brewer will not pay the tax. The wholesaler will not pay the tax. The saloon keeper will not pay the tax. It will be "the poor workingman," for whom the beer interests have so much solicitude, and it is right that they should be solicitous of the workingman—"the poor workingman"—for whom they will make so many sacrifices. It was the "poor workingmen" in prosperous days who contributed the billions of dollars representing the plants and vast fortunes of the big brewery interests of the country. And this bill will give them a complete monopoly, a monopoly second only to the importers of oil for its effectiveness and power to levy upon consumption. For no one not a licensed brewer will be permitted to brew. The "poor workingman" will no longer be permitted to brew for home

use. He will be prosecuted to the limit of the law, fined, jailed—and the brewers will see to that, you may rest assured. They will see to the enforcement of the law against any competition in their business, even to the imprisonment of the "poor workingman," for they consider they are entitled to a daily contribution of his earnings.

LEGALIZATION OF INTOXICATING LIQUORS WILL AGGRAVATE OUR DIFFICULTIES

This bill, if enacted, will exact tremendous sacrifice from the homes and families of our Nation. Instead of decreasing, it will increase the number of bootleggers, speakeasies, and law violations, and add to our court expenses, industrial inefficiency and waste. It is proposed as a Christmas gift to the people, but if enacted, will be a veritable Frankenstein instead! Where prohibition administration has slain its hundreds, intoxicating, fermented liquors as herein authorized, uncontrolled and unlimited, will slay its thousands. Instead of a merry Christmas, it will be "the morning after" and a grievous disappointment! It will not cure the depression. It will not restore prosperity. It will not restore law and order.

THE CONSIDERATION OF THIS MEASURE MAY AROUSE DEFENSE OF THE EIGHTEENTH AMENDMENT

The enactment of this bill and the uncontrolled sale of the fermented liquors which it authorizes will enable the people to contrast conditions "before and after" and stir them to the defense of the eighteenth amendment, which the Democratic Party is pledged to repeal. Facing imminent danger, they will organize and fight for the ground gained as they never have done before. The 50 years' work of the Christian ministry and Christian people in building up a moral fabric as expressed in the eighteenth amendment will not be permitted to be junked overnight at the behests of those who are out solely for the money there is in it for them.

WHAT CAN WE EXPECT FROM REPEAL OR MODIFICATION?

While this bill may pass the House and the Senate, it will be vetoed by the President. It will never become a law. Yet we are not unmindful of the new Congress which will be convened in special session after March 4 and of the incoming President. They will authorize resubmission and modify or repeal the Volstead Act. And then the standards will be lowered, and we will again return to pre-war conditions when the monopolistic brewery interests of the country not only controlled, in violation of law, the manufacture and sale of their products but controlled the politics of the country by blackmail, boycotting, bribery. Their methods were fully investigated by a subcommittee in the Senate. Senate Document No. 61, Sixty-sixth Congress, first session, embodies the following summary of its report regarding the liquor traffic:

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

(b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.

(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of the several States.

(d) That they have exacted pledges from candidates for public office prior to the election.

(e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.

(f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.

(g) That they have created their own political organizations in many States and in smaller political units for the purpose of carrying into effect their own political will and have financed the same with large contributions and assessments.

(h) That, with a view of using it for their own political purposes, they contributed large sums of money to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) That they undertook through a cunningly conceived plan of advertising and subsidation to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country by the terms of which the brewing interests contributed two-thirds and the distilling interests one-third of the political expenditures made by the joint interests.

THE PEOPLE WILL DECIDE THIS GREAT QUESTION

The proposal to repeal the eighteenth amendment will be submitted to the people. At the ballot box they will decide the question of retention or repeal. It is for them to determine our policy and for all good citizens to abide by the result, whatever it may be—for, after all, under our form of government, the majority rules.

Mr. SCHNEIDER. Mr. Speaker, as one who has been a consistent opponent of prohibition from the very beginning, I shall take pleasure in giving the pending measure my support and in joining with the other Members of this body in taking the first step toward the undoing of the grave wrong that was committed when prohibition was foisted upon our country.

The bill before us proposes, among other things, to legalize the manufacture and sale of beer containing 3.2 per cent alcohol by weight. It comes to the House from the Committee on Ways and Means, and is designated as a revenue-raising measure because it imposes a tax of $5 per barrel, each barrel to contain no more than 31 gallons. The more conservative estimate of the amount of revenue the Federal Government should derive from this tax is $200,000,000.

We are confronted with the necessity of balancing the Budget, and it will take, it now seems, about $1,000,000,000 of additional revenue to do it. If $200,000,000 can be realized from the tax on beer, an appreciable start will have been made toward securing the amount needed for the balancing of the Budget.

Important as I readily concede this revenue to be, I shall vote for this bill not primarily because of the money it will raise. If it did not provide for the raising of a single dollar of revenue, if its only object was to restore to the American people an opportunity to have a palatable glass of beer, and thereby help end the many evils that have crept into our national life as a result of the prohibition experiment, I should regard the benefits to be gained from the enactment of the measure of sufficient value to give it my wholehearted support.

Personally, I should have preferred, Mr. Speaker, to have had this question decided on its merits, rather than to have it brought before us as a revenue-raising measure. When, in 1918, while the Nation was engrossed in the problems of a world war, the prohibitionists decided to impose their idea on the Nation. They based their appeal on the necessity of conserving grain, which they said was so badly needed for the winning of the war. It did not strike me then, although I was not a Member of the House at the time, as a fair method of securing the enactment of prohibition legislation.

Now that the tide has turned and it is clear to all except the blindest of fanatics that bone-dry prohibition is neither desirable, even if it were possible, nor possible, even if it were desirable, those of us who have championed the wet cause against tremendous odds when so many who are with us to-day were sitting on the side lines would prefer to vote our opposition to prohibition, regardless of whether it will result in any revenue being raised.

The question has arisen here, it was raised during the hearings held by the Committee on Ways and Means, and

it will be raised in the courts when, and if, the constitutionality of the act is tested in the courts, whether we have the power, under the Federal Constitution, to enact a measure providing for beer containing 3.2 per cent alcohol by weight, which beer the drys claim is intoxicating.

The situation, as I see it, is this:

The eighteenth amendment, more commonly known as the prohibition amendment, merely provides as follows:

> The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Section 2 of the amendment confers upon Congress and the several States the power to enforce this amendment by appropriate legislation.

It should be remembered that the eighteenth amendment is not self-enforcing, carries no penalties, and is a dead letter without legislation providing for its enforcement and penalties for its violation. If Congress had not passed such legislation, or if Congress should repeal such legislation completely, as it has a perfect right to do, no prosecutions could be instituted and penalties imposed under the eighteenth amendment. Without enabling legislation it has no teeth.

It was to provide such teeth that the Volstead Act, which derives its name from the author of the act, was passed by the Sixty-fifth Congress in 1918.

Since the amendment merely prohibits the manufacture and sale of intoxicating liquors, but does not define what constitutes an intoxicating liquor, the Volstead Act attempts to provide such a definition. The Volstead Act declares that to be nonintoxicating a beverage is not to contain more than one-half of 1 per cent of alcohol. Anything above that, according to the Volstead Act, would be intoxicating.

That was the opinion of the Sixty-fifth Congress, which was, of course, a dry Congress. Its definition as to what was intoxicating and what was nonintoxicating did not bind, could not bind, the next Congress, or any subsequent Congress. It certainly has no effect on the present Congress, which can decide for itself what liquors shall be deemed intoxicating.

The question which has been discussed before the committee and during this debate and which may affect the constitutionality of the act if it should reach the courts, is whether Congress—any Congress—can legalize the manufacture and sale of a beverage which is in fact intoxicating while the constitutional amendment prohibiting the manufacture and sale of intoxicating liquor for beverage purposes remains unrepealed. In other words, can we by law legalize what the Constitution prohibits?

I raise, or consider, this question, not because I am opposed to intoxicating liquors as such, and certainly not because I believe that they can be or should be outlawed by legislation. I raise it because I must be satisfied in my own mind that what I am doing, when I vote for this measure, is constitutional. Although not a lawyer, I have studied carefully the expert opinions of constitutional lawyers and am convinced that under the Constitution we can enact this bill.

I am led to that conclusion by the following reasons:

In the first place, the testimony of authorities on the subject convinces me that beer containing 3.2 per cent alcohol by weight is not intoxicating in fact. In the second place, if there is, as there undoubtedly is, considerable difference of opinion as to whether such beer is intoxicating, the Supreme Court of the United States, in accordance with the principles of constitutional construction which it has laid down in previous decisions, will be obliged to give great weight to the opinion of Congress as to what is intoxicating.

I do not propose, at this time, to take up at length or in detail the testimony of the large number of recognized authorities on whose views I rely in my belief that beer containing 3.2 per cent by weight is nonintoxicating. I have done so, in and out of this House, on previous occasions. Just a few observations will suffice.

Prof. Yandell Henderson, of Yale University, considered by many the greatest authority on poisons in the United States, testifying before the Committee on Ways and Means, pointed out that whether a beverage is intoxicating or not depends on a variety of conditions, such as the dilution of the intoxicant in the air or in water, the duration of time that a man is exposed to it and absorbs it, and the condition of the man, whether at rest, or working, fasting, or after a meal.

He testified that 4 per cent beer should not be regarded and should not be defined by law as intoxicating, if beer is drunk as beer is generally drunk. But if, on the contrary, a man rising in the morning were to drink a quart or 2 quarts of 4 per cent beer before breakfast his faculties would be impaired. On the other hand, the same man, tired at the end of the day's work, drink the same amount of beer with and after his dinner would not be appreciably impaired by reason of it. Instead he will enjoy a peace of mind which will contribute to a good night's rest and which in this respect is helpful for the next day's work.

A glass of beer is less intoxicating, under normal conditions, than a cigar. And it has been said on good authority that a glass of buttermilk may frequently contain 4 per cent alcohol. Beer of 4 per cent is not appreciably more intoxicating than an equal volume of coffee.

Dr. Alfred Stengel, another noted authority, gave testimony to the same effect. And there is a mass of other evidence pointing to the same conclusion.

We have as much, or more, justification for defining as nonintoxicating beverages containing 3.2 per cent alcohol by weight as the Sixty-fifth Congress had for declaring anything containing more than one-half of 1 per cent to be intoxicating.

I have said that if the Supreme Court of the United States will follow the principles of constitutional construction laid down in the past, this measure will be sustained. Those principles were summed up by Mr. Justice Sutherland in the case of Atkins against Children's Hospital to be as follows:

> The judicial duty to pass on the constitutionality of an act of Congress is one of great gravity and delicacy. The statute here in question has successfully borne the scrutiny of the legislative branch of the Government, which by enacting it has determined its validity, and that determination must be given great weight. This court, by an unbroken line of decisions from Chief Justice Marshall to the present day, has steadily adhered to the rule that every possible presumption is in favor of the validity of an act of Congress until overcome beyond rational doubt * * *.

When it is remembered, in addition to the foregoing, that the question as to whether the eighteenth amendment is to be enforced or not rests exclusively with Congress, which can repeal in its entirety the prohibition enforcement laws without having its action reviewed, it is fair to conclude that this act, which will determine to what extent the amendment can be enforced, is constitutional.

The other important provision involved in this measure is the tax it imposes of $5 per barrel. In 1914, when the Federal tax on beer was $1 per barrel, the revenue derived by the Federal Government from that source was $67,081,000. The largest amount of revenue we ever derived from the sale of beer was in 1918, when we collected $120,285,000, but in that year, and for the major part of that year, the tax was only $3 per barrel. For the remainder of that year it was increased until it reached $6 per barrel.

Conservative estimates, I have already said, place the Federal revenues to be obtained from a tax of $5 per barrel at $200,000,000 a year. That would presuppose a sale of 40,000,000 barrels, which would be considerably less than was sold prior to prohibition. It makes allowance for the changed economic conditions and the reduced purchasing power of the people. On the other hand, it is likely that many who are now resorting to strong liquor will come back to the use of beer. That was the tendency in the last few years before prohibition, and might have continued had not prohibition driven people to hard liquors because they were easier to obtain.

There has been some discussion about increasing the tax to $6 per barrel, and more. I hope it will not be acted on

favorably. Under the $5 tax the brewers assure us that they will be able to sell beer so that it will retail for 5 cents a glass, provided the States do not add prohibitive taxes. We shall get the largest revenue by encouraging the largest sale to the consuming public. Moreover, burdensome taxes increasing the cost to the public will render it more difficult to compete with bootleg beer, which will pay no tax and therefore have a certain advantage.

It would be unsound public policy, in my judgment, to first concede the right of the people to having a palatable glass of beer, and then impose such taxes as would make it inaccessible to the people in whose interest I am so anxious that beer should be restored.

This bill provides an occupation tax upon brewers of $1,000 a year. Whatever merit there may be to having such a tax included, I am opposed to a tax which is the same in the case of the brewer who producers 100,000 barrels or more and the brewer who has a small plant and produces 1,000 barrels. The tax enters into the cost of production, and the brewer producing 1,000 barrels will have an additional cost of $1 per barrel on account of this occupation tax, while the brewer producing 100,000 barrels will have a charge of only 1 cent per barrel.

The small brewer, like the small business man in other lines, has a right to exist. The small brewer, like the small business man, enters the economic struggle in competition with the big fellows severely handicapped by reason of the economies that large-scale production makes possible. It is not for us to add to the handicaps which the small fellow already suffers in competing with the larger ones.

The majority leader, in defending this flat tax of $1,000, cited as an argument that the tax would be in the nature of a guaranty that beer will be manufactured by those larger concerns which will be more disposed to observe the law. I do not think that lawbreaking is confined to the smaller fellows in business, although they are more likely to be caught and convicted than the larger ones. What is likely to happen under this tax is that those who want to violate the law will not be deterred by the tax of $1,000, while it will impose a hardship on the smaller brewer who is honest and law-abiding and who has the same right to live and compete as the large brewer.

In place of the occupation tax of $1,000 there should be a flat minimum tax of a much smaller amount, rising after that in accordance with the production of the brewery.

The benefits of this measure will extend in various directions. The brewers estimate that 300,000 people will be reemployed directly as soon as the industry gets into full swing. Others who have testified before the committee and who are identified with the industries that will be affected by the rehabilitation of the brewery industry predict that at least three times that number will be put to work in industries that furnish the products the brewers and others require. There will be a demand for bottles, hoops, barrels, cases, glassware, refrigerating equipment, and so forth.

It will take an expenditure of approximately $360,000,000 to provide the equipment, machinery, new buildings, and refrigeration the breweries will require, and that expenditure will be incurred within the next few years. That will be of some immediate value and will create some additional employment.

Agriculture should be one of the principal beneficiaries of this legislation. The evidence shows that a very considerable amount of malt, rice, corn and corn products, hops, sugar and sirup, and other grains will be used in the production of beer. The sale of all of these products began to decline with the advent of prohibition. If the production of beer should go to 40,000,000 barrels annually, as is expected, a vast market for these products will result, and in addition agriculture will share in the general benefits that accrue from an improvement in industrial conditions.

Above and beyond these gains, any one of which would be of sufficient importance to me and justify my support of the present bill, there are gains that can not be calculated in dollars and cents, that are even more important than any pecuniary advantages we could enumerate. We shall have taken a substantial step in the direction of a healthier social system. The racketeer and the bootlegger, the criminal and the politician who draw their power and income from the lower elements in our national life will have been dealt a body blow. We shall return to the days when respect for law was more general, and fabulous fortunes based on ill-gotten gains will be a thing of the past.

I am confident that all of this will come to pass, even though I know that neither the legalization of beer nor even the repeal of the eighteenth amendment will solve our economic ills. We shall not be able to drink ourselves into prosperity. We shall still have to raise a tremendous amount of money to balance our Federal Budget, and we shall have to do it without imposing additional hardships on those who already bear much of the national burden, the farmers and industrial workers. There will still be many millions of workers unemployed, many of them facing starvation in a land of plenty, hungry because there is a superabundance of the things that could make them comfortable and happy. In hundreds of thousands of farmhouses throughout the length and breadth of this Nation the savings of a lifetime will continue to be in danger of being lost by foreclosure proceedings unless adequate relief through legislation can be provided.

These problems are fundamental. They touch the roots of our political and economic structure. The application of more basic remedies will be needed to halt the concentration of wealth into the hands of a few and to end the many evils caused by the granting of special privileges.

In the meantime, this measure offers a temporary relief and promises to bring about a partial improvement in economic conditions. I hope that it will receive the approval of the Senate, and that the reports emanating from the White House threatening to veto are without foundation. The mandate of the people, expressed so unmistakably in the recent elections, ought to be respected as promptly and as effectively as possible.

As one who has been identified with the so-called wet cause from the day I began my service in this body, I take pride in being able to cast my vote for a measure which I hope marks the beginning of the end of the prohibition era. It was a long, uphill struggle, against tremendous odds that at times made some of us despair. The bills other Members and I introduced in each Congress during the 10 years I have been here, providing for modification and repeal were forever buried in the committees to which they were referred. It was impossible to even get a hearing on any of them, much less an opportunity to vote on them in this body. But the tide of opposition to prohibition continued to rise, gaining momentum as the people came to know prohibition by its fruits. From the handful that we were at the beginning our strength in this House increased year by year until in the first session of this Congress we had enough votes to compel a change in the rules, so that the bill providing for modification could at least be brought to a vote. Whatever the ultimate outcome—and there can be no doubt as to what it will be—the vote by which this bill will be approved by the House marks the consummation of a long and bitter fight, in which it has been a pleasure to me to take part.

Mr. WELCH. Mr. Speaker and gentlemen of the House, I am in favor of this bill, the purpose of which is to legalize 3.02 per cent beer by weight. The legalization of beer will render to the people of this country a threefold benefit.

First. The Government will receive a much needed revenue of approximately one-quarter of a billion dollars a year.

Second. The farmer will be benefited by the increased use of corn, hops, rice, sugar, barley, wheat, and other similar ingredients. In support of this statement I cite Treasury Department statistics issued in December, 1931, as follows:

Materials used in the production of fermented liquor, fiscal years 1915 to 1930, inclusive
[Statement in pounds]

Year	Malt	Rice	Corn and corn products	Hops	Sugar and sirup	Other grains [1]	Other materials [2]
1915	2,141,723,104	167,750,177	604,890,901	38,839,294	109,630,425	145,697,970	68,880,530
1916	1,961,254,980	141,249,292	650,745,709	37,451,610	77,038,573	113,712,783	24,756,974
1917	2,770,964,606	125,632,269	686,401,619	41,958,758	115,838,410	204,089,800	17,573,893
1918	1,227,301,264	78,942,550	459,842,338	33,481,415	64,930,019	68,693,042	5,491,879
1919	854,329,231	17,354,242	112,909,071	13,924,650	54,502,845	25,780,394	4,803,123
1920	292,423,712	9,357,608	48,551,910	6,440,894	23,354,072	483,477	4,822,391

[1] "Other grains" include grits, wheat, bran, and barley. [2] "Other materials" include acids, extracts, salt, yeast, etc.

Grain and other materials used in the production of cereal beverages containing less than one-half of 1 per cent of alcohol by volume, fiscal years 1921 to 1931, inclusive
[Statement in pounds]

Year	Malt	Rice	Corn and corn products	Hops and hop extract [1]	Sugars	Sirups	Other grains [2]	Other materials [3]
1921	248,772,628		31,388,698	5,988,982	28,468,242	(4)	17,336,423	4,530,058
1922	180,670,279		21,591,393	4,452,676	20,425,365	(4)	11,239,148	4,440,755
1923	184,616,502	7,279,924	29,146,936	4,555,759	24,999,096	(4)	1,114,745	894,084
1924	162,214,947	4,781,337	29,259,844	3,814,558	18,945,595	(4)	352,778	4,547,962
1925	150,007,867	12,435,525	16,552,276	3,255,945	20,276,583	(4)	408,740	4,215,653
1926	177,543,630	11,298,874	17,591,648	3,425,506	22,267,804	(4)	1,065,150	5,034,817
1927	164,601,529	4,704,488	11,466,599	3,148,527	21,328,863	(4)	5,968,385	6,636,427
1928	150,382,852	7,417,068	5,280,454	3,070,566	19,050,439	(4)	12,286,872	7,077,543
1929	136,634,312	5,463,750	6,629,193	2,734,606	8,609,350	(4)	11,288,710	6,388,948
1930	133,061,550	5,278,630	12,711,214	2,626,648	17,996,405	(4)	4,847,793	5,452,500
1931	110,574,529	4,522,060	9,494,297	2,196,506	6,795,113	18,640,355	----------	161,819

[1] "Hop extract" included in 1931 figures only. [2] "Other grains" include grits, wheat, bran, and barley. [3] "Other materials" include acids, concentrates, extracts, salt, yeast, honey, etc. [4] Included in "Sugars."

Third. Its effect on employment; Matthew Woll, first vice president of the American Federation of Labor, representing labor's national committee for modification of the Volstead Act, stated at the hearings before the Committee on Ways and Means that the legalization of beer would give employment to approximately 1,000,000 men not only in the brewing industry but in allied and kindred industries.

In 1919 there were over 1,000,000 workers engaged in the brewing and allied industries, which supplied machinery, material, and supplies to the brewing industry, embracing workers in the following trades and callings: Coopers, hoop makers, box makers, lumberjacks, carton workers, glass-bottle blowers, plumbers, plumbers' helpers, steam fitters, steam fitters' helpers, electrical workers, machinists, molders, patternmakers, boilermakers, boilermakers' helpers, elevator constructors, automobile mechanics, carpenters, painters, bricklayers, ironmakers, steel workers, cement finishers, engineers, firemen, oilers, coal passers, laborers, brewers, bottlers, teamsters, printers, pressmen, photo-engravers, lithographers, bookkeepers, stenographers, clerks, salesmen, and so forth. In addition to these there were the thousands of workers engaged in coal mining, in the transportation industry, and agricultural workers.

This bill is limited to beer only; it should, as did the original bill sponsored by the chairman of the Committee on Ways and Means, provide for nonintoxicating liquors made by the natural fermentation of fruit juices and cider without the addition of distilled spirits, with a tax of 20 cents per gallon.

Prohibition has paralyzed the grape industry of the United States, and the wine industry since the enactment of the Volstead law. It has reduced by at least 90 per cent the production of wines for Government tax purposes. It has increased illegitimately the consumption of wine for 13 years last past to an approximate figure of 100,000,000 gallons to 125,000,000 gallons, with no tax derived from it by the Government.

Mr. Speaker, the fight for modification of the Volstead Act has been based on the return to the people of those two wholesome and nutritious beverages, light wines and beer, and not the distinction that is made in this bill, which excludes healthful beverages of a vinous nature.

May I say of light wines that they were never barroom beverages; they were strictly a table beverage drunk with meals. Whatever may be said of the evils of the licensed saloon before prohibition, it has yet to be charged that light wines contributed in any degree to the evils referred to.

May I call the attention of my Democratic friends to the repeal and modification plank in their party platform as adopted by the Democratic National Convention held in Chicago in 1932, which reads in part as follows:

Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

The interpretation of which can not be construed as meaning anything less than light wines as well as beer. Although a Republican, I am absolutely in favor of this plank as contained in the Democratic platform.

Mr. Speaker, the people of this country have issued a mandate as to those two wholesome, nonintoxicating beverages, and we, their representatives, should do our part to return them to the people.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for one-quarter of a minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CONNERY. Mr. Speaker, to-day I submitted a resolution to the House asking disapproval of the transfer of the Federal Board for Vocational Education to the Bureau of Education. I wish to state that I put in this resolution at the request of the American Federation of Labor.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1863. An act to authorize and direct the transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge.

ADJOURNMENT

Mr. COLLIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 37 minutes p. m.), the House adjourned until to-morrow, Wednesday, December 21, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, December 21, 1932, as reported to the floor leader:

SHANNON SPECIAL COMMITTEE

(9.30 a. m.)

Continue hearings on Government competition with private enterprise.

NAVAL AFFAIRS

(10.30 a. m.)

Hearings on House Joint Resolution 500, authorizing the Secretary of the Navy to sell obsolete and surplus clothing for distribution to the needy.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

827. A communication from the President of the United States, transmitting letter for the consideration of Congress, and without revision, a supplemental estimate of appropriation pertaining to the Architect of the Capitol, for the fiscal year 1933, in the sum of $240,631.23 (H. Doc. No. 513); to the Committee on Appropriations and ordered to be printed.

828. A letter from the Acting Secretary of State, transmitting copy of the circular of the Nobel committee of the Norwegian Parliament, for the information of the House of Representatives; to the Committee on Foreign Affairs.

829. A letter from the Postmaster General, transmitting letter and a schedule of papers and documents which, pursuant to the act of February 16, 1889, are not needed in the transaction of public business and which, in the opinion of this department, have no permanent value; to the Committee on Disposition of Useless Executive Papers.

830. A letter from the Mount Rushmore National Memorial Commission, transmitting letter with the fourth annual report of the Mount Rushmore National Memorial Commission as provided by the act of February 25, 1929 (Public No. 805, 70th Cong.) (H. Doc. No. 514); to the Committee on the Library and ordered to be printed.

831. A letter from the Acting Secretary of Agriculture, transmitting report of the Department of Agriculture for the fiscal year 1932, submitted in accordance with the statutory requirements; to the Committee on Roads.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH of West Virginia: Committee on Mines and Mining. S. 4791. An act to amend the United States mining laws applicable to the city of Prescott municipal watershed in the Prescott National Forest within the State of Arizona; without amendment (Rept. No. 1805). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 13610. A bill for the relief of the Great American Indemnity Co. of New York; with amendment (Rept. No. 1803). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 4553. An act for the relief of Elizabeth Millicent Trammell; without amendment (Rept. No. 1806). Referred to the Committee of the Whole House.

Mr. WARREN: Committee on Accounts. H. Res. 325. A resolution providing for the payment of six months' compensation to the widow of Sigismond G. Boernstein (Rept. No. 1804). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DICKSTEIN: A bill (H. R. 13810) to provide correction of status of aliens lawfully admitted without requirement of departure to foreign port; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 13811) to amend section 23 of the immigration act of February 5, 1917 (39 Stat. 874); to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 13812) to amend the act of March 2, 1929, entitled "An act to supplement the naturalization laws, and for other purposes"; to the Committee on Immigration and Naturalization.

By Mr. DAVIS of Tennessee: A bill (H. R. 13813) to amend section 1 (a) of the act of March 2, 1929, entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. HOWARD (by request): A bill (H. R. 13814) to provide emergency financial assistance and Government direction and control necessary to adjust the unemployed to a system of commodity production and distribution needful to meet the effects of displacement of human labor through technical advances and other causes; to the Committee on Banking and Currency.

By Mr. WICKERSHAM: A bill (H. R. 13815) to authorize the incorporated town of Fairbanks, Alaska, to issue bonds in any sum not exceeding $150,000 for the purpose of constructing and equipping a public-school building in the town of Fairbanks, Alaska, and for other purposes; to the Committee on the Territories.

Also, a bill (H. R. 13816) to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes"; to the Committee on the Territories.

By Mrs. PRATT: A bill (H. R. 13817) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931; to the Committee on the Library.

By Mr. FULMER: A bill (H. R. 13818) to authorize the Reconstruction Finance Corporation to make loans to aid in financing projects for the construction of sewerage systems or sewage-disposal works; to the Committee on Banking and Currency.

By Mr. STEAGALL: A bill (H. R. 13819) to provide for the postponement of the payment of installments due on loans made by Federal land banks in certain cases, and to prohibit Federal land banks from accepting as security for loans any security other than mortgages on farm real estate and Federal land-bank stock; to the Committee on Banking and Currency.

By Mr. WILLIAMSON: A bill (H. R. 13820) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

By Mrs. ROGERS: A bill (H. R. 13821) to place deputy collectors of internal revenue in the classified civil service of the United States; to the Committee on Ways and Means.

By Mr. BRITTEN: Joint resolution (H. J. Res. 516) proposing an amendment to the Constitution of the United States relative to the eighteenth amendment; to the Committee on the Judiciary.

By Mr. EATON of Colorado: Joint resolution (H. J. Res. 517) authorizing the fixing of grazing fees on lands within national forests; to the Committee on the Public Lands.

By Mr. HART: Resolution (H. Res. 329) investigating farm lobbyists; to the Committee on Rules.

By Mr. CONNERY: Resolution (H. Res. 330) disapproving transfer of the Federal Board for Vocational Education; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Ohio: A bill (H. R. 13822) for the relief of Ceylon Gowdy, otherwise known as Ceylon G. Andrews; to the Committee on Military Affairs.





Also, a bill (H. R. 13823) granting a pension to Jessie Bell McElroy; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 13824) to correct the military record of and to issue an honorable discharge to Hubert Stopher; to the Committee on Naval Affairs.

By Mr. CELLER: A bill (H. R. 13825) to reimburse William McCool amount of pension payment erroneously deducted for period of hospital treatment; to the Committee on Claims.

By Mr. DOMINICK: A bill (H. R. 13826) granting an increase of pension to Mary A. Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13827) granting an increase of pension to Irene D. Arnold; to the Committee on Pensions.

By Mr. EVANS of California: A bill (H. R. 13828) granting a pension to Sarah Riley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13829) granting a pension to Ella Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13830) granting an increase of pension to Eleanor Ady; to the Committee on Invalid Pensions.

By Mr. FREAR: A bill (H. R. 13831) granting an increase of pension to Anna M. Elkin; to the Committee on Pensions.

By Mr. HOCH: A bill (H. R. 13832) granting a pension to Mary A. Beck; to the Committee on Pensions.

By Mr. HOOPER: A bill (H. R. 13833) granting a pension to Sylvia Campbell; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 13834) for the relief of Edmund Wydick and Peter Skladzien; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 13835) for the relief of Ladislaus Stepniak; to the Committee on Military Affairs.

By Mr. MOBLEY: A bill (H. R. 13836) granting a pension to Rufus E. Davidson; to the Committee on Pensions.

Also, a bill (H. R. 13837) granting a pension to Mrs. Carl Rainey; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 13838) granting a pension to Ivy Pitzer; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 13839) granting a pension to Lilla Tarpley Bright; to the Committee on Pensions.

By Mrs. ROGERS: A bill (H. R. 13840) for the relief of Isidore A. Tetreault; to the Committee on Military Affairs.

By Mr. SHREVE: A bill (H. R. 13841) granting a pension to Edward F. Smith; to the Committee on Pensions.

Also, a bill (H. R. 13842) to correct the military record of Leon M. Martin; to the Committee on Military Affairs.

By Mr. STRONG of Kansas: A bill (H. R. 13843) granting a pension to Sarah E. May; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 13844) for the relief of John E. Little; to the Committee on Military Affairs.

Also, a bill (H. R. 13845) authorizing Paul H. Goss, immigration inspector; Roy B. Newport; Ralph V. Armstrong; and R. H. Wells, patrol inspectors in the Immigration Servive of the United States, to each accept a gold watch presented to them by the governor of the northern district of Lower California, Mexico; to the Committee on Foreign Affairs.

By Mr. WILLIAMSON: A bill (H. R. 13846) granting an increase of pension to Anna B. Guptil; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9110. By Mr. BACON: Petition of sundry citizens of Queens County, N. Y., in opposition to legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on the Judiciary.

9111. Also, petition of sundry residents of Suffolk County, N. Y., urging the elimination of the count of aliens for apportionment purposes; to the Committee on the Judiciary.

9112. By Mr. BOYLAN: Resolution adopted by the Maritime Association of the Port of New York, opposing the abolishment of the United States Employees Compensation Commission; to the Committee on Expenditures in the Executive Departments.

9113. Also, resolution adopted by Federal Chapter No. 6, Disabled Veterans of the World War, protesting against the abolishment of the United States Employment Service; to the Committee on Expenditures in the Executive Departments.

9114. By Mr. BURDICK: Petition of Alfred V. Russell, of Newport, and 31 other residents of Newport, R. I.; of L. H. Callan, of Bristol, and 37 other residents of Bristol, R. I.; of Henrietta A. Purday, of Providence, and 63 other residents of Rhode Island; and of Lillian C. Driscoll, of Providence, and 92 other residents of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on Pensions.

9115. By Mr. CAMPBELL of Iowa: Petition of the Woman's Home Missionary Society of Ida Grove, Iowa, urging the enactment of a law providing for the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

9116. Also, petition of the Woman's Home Missionary Society of Ida Grove, Iowa, urging prompt action on the ratification of the World Court protocols and support of same; to the Committee on Foreign Affairs.

9117. Also, petition of Emma F. Young, of Lake View, Sac County, Iowa, and nine other citizens of Sac County, Iowa, urging support of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9118. By Mr. CANFIELD: Resolution of Mrs. W. Curtis Mahler and 17 other members of the Women's Home Missionary Society of Hamline Methodist Episcopal Chapel, of Lawrenceburg, Ind., asking that the American motion-picture industry be placed under a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

9119. By Mr. CARTER of California: Petition of Woman's Home Missionary Society of Oakland, Calif., urging the passage of Senate Resolution 170, regulating the moving-picture industry; to the Committee on Interstate and Foreign Commerce.

9120. By Mr. CONDON: Petition of Christopher Morley and 201 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows or dependents; to the Committee on World War Veterans' Legislation.

9121. Also, petition of John W. Wallace and 62 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows or dependents; to the Committee on World War Veterans' Legislation.

9122. By Mr. DeROUEN: Petition of First Christian Church of Lake Charles, La.; to the Committee on Ways and Means.

9123. Also, petition of First Church of the Nazarene of Lake Charles, La.; to the Committee on Ways and Means.

9124. By Mr. GARBER: Petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

9125. By Mr. HAINES: Petition of citizens of Gettysburg and Glen Rock, Pa., urging the passage of the stop-alien representation amendment; to the Committee on the Judiciary.

9126. By Mr. HARLAN: Petition of Florence Erbaugh, R. R. 1, New Lebanon, Ohio, and 52 other citizens of the third Ohio district, urging passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9127. By Mr. HOCH: Petition of various citizens of Marion and Peabody, Kans., urging support of the prohibition law and its enforcement; to the Committee on the Judiciary.

9128. By Mr. HOUSTON of Delaware: Petition of 44 women residents of Lewes, Del., favoring the stop-alien

representation amendment; to the Committee on the Judiciary.

9129. Also, petition of 19 residents of Harrington, Del., favoring the stop-alien representation amendment; to the Committee on the Judiciary.

9130. Also, petition of 52 residents of Laurel, Del., favoring the stop-alien representation amendment; to the Committee on the Judiciary.

9131. By Mr. LAMNECK: Petition of G. S. Pierce, John H. West, C. M. Odell, and numerous other citizens of the city of Columbus, Ohio, urging favorable action by Congress upon the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on Immigration and Naturalization.

9132. By Mr. LARRABEE: Petition of Melvin H. King and others, urging support of the legislative program of the American Legion; the petition bears the signatures of 85 residents of Elwood, Ind., and the immediate vicinity; to the Committee on World War Veterans' Legislation.

9133. Also, petition of G. W. M. Granahun and others, urging support of the stop-alien representation amendment to the United States Constitution; the petition bears the signatures of 49 residents of Anderson, Ind., and the immediate vicinity; to the Committee on Ways and Means.

9134. By Mr. LINDSAY: Petition of Labor's National Committee for Modification of the Volstead Act, Washington, D. C., favoring passage of the Collier bill; to the Committee on Ways and Means.

9135. Also, petition of the Federal Grand Jury Association for the Southern District of New York, New York City, favoring modification of the Volstead Act; to the Committee on the Judiciary.

9136. By Mr. PERKINS: Petition of Women's Home Missionary Society, of Washington, N. J., favoring the enactment of Senate Resolution 170, providing for the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

9137. Also, petition of Ladies' Auxiliary, Methodist Church, Ridgewood, N. J., submitted by Mrs. W. J. Tonkin and Miss I. L. Starkey, and containing the names of 24 members, favoring the enactment of Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

9138. Also, petition of 120 citizens of Bergen County, N. J., favoring an amendment to the Constitution of the United States to exclude aliens in the count for the apportionment of Representatives in Congress among the several States; to the Committee on the Judiciary.

9139. Also, petition of Women's Home Missionary Society of the Methodist Episcopal Church, Westwood, N. J., containing the names of 31 members, favoring the enactment of Senate Resolution 170, for the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

9140. By Mr. RUDD: Petition of the Federal Grand Jury Association for the Southern District of New York, with reference to the repeal of the eighteenth amendment and the modification of the Volstead Act should be decided upon without unnecessary delay; to the Committee on the Judiciary.

9141. By Mr. SPARKS: Petition of citizens of Milo, Kans., opposing the repeal of the eighteenth amendment and an amendment for wine or beer, submitted by Mrs. E. W. Clark and signed by 29 others; to the Committee on the Judiciary.

9142. Also, petition of citizens of Belleville, Rydal, Concordia, Jamestown, and Munden, Kans., favoring the passage of the stop alien representation amendment to the United States Constitution, submitted by J. J. Eastman and Rose M. Schull and signed by 13 others; to the Committee on the Judiciary.

9143. By Mr. STEWART: Petition of 100 residents of the fifth congressional district, opposing every legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9144. By Mr. STRONG of Pennsylvania: Petition of citizens of Corsica, Pa., and vicinity, in favor of the proposed amendment to the Constitution of the United States, to exclude aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9145. By Mr. STULL: Petition of 96 citizens of Johnstown, Pa., favoring the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9146. Also, petition of the Seventh Ward Booster Club, of Johnstown, Pa., favoring the passage of the Moore immigration bill; to the Committee on the Judiciary.

9147. Also, petition of 25 citizens of East Conemaugh, Pa., favoring the submission of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9148. Also, petition of Dale Council, No. 642, Junior Order United American Mechanics, of Johnstown, Pa., favoring the passage of the Moore immigration bill; to the Committee on the Judiciary.

9149. By Mr. SUTPHIN: Memorial of New Jersey State Chamber of Commerce, 605 Broad Street, Newark, N. J., resolving that there should be no advance payment of the so-called bonus; to the Committee on Ways and Means.

9150. By Mr. WASON: Petition of Edith B. Parker and 21 other residents of Peterboro and Hancock, N. H., urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9151. Also, petition of William H. Leith and six other residents of Lancaster, N. H., urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9152. Also, petition of Elon R. Gregg and 20 other residents of Sunapee, N. H., urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9153. By Mr. WATSON: Petition signed by residents of Trevose, Pa.; in opposition to including aliens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9154. Also, petition signed by members of the Rangers Club of Montgomery County, Pa., in opposition to including aliens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9155. By Mr. WEST: Petition of 107 members of the Evelyn Graham Woman's Christian Temperance Union, of Newark, Licking County, Ohio, urging passage of stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9156. By the SPEAKER: Petition of American Temperance Society of Seventh-Day Adventists, protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

WEDNESDAY, DECEMBER 21, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Monday, December 19, and Tuesday, December 20, 1932.

The VICE PRESIDENT. Without objection, that order will be made.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kendrick	Sheppard
Austin	Cutting	King	Shipstead
Bailey	Dale	La Follette	Shortridge
Bankhead	Davis	Lewis	Smith
Barbour	Dickinson	Logan	Smoot
Barkley	Dill	McGill	Steiwer
Bingham	Fess	McKellar	Swanson
Black	Frazier	Metcalf	Thomas, Idaho
Blaine	George	Moses	Thomas, Okla.
Borah	Glass	Neely	Townsend
Broussard	Gore	Norbeck	Trammell
Bulkley	Grammer	Norris	Tydings
Bulow	Hale	Nye	Vandenberg
Byrnes	Harrison	Oddie	Wagner
Capper	Hastings	Patterson	Walcott
Caraway	Hawes	Pittman	Walsh, Mass.
Carey	Hayden	Reed	Walsh, Mont.
Cohen	Hebert	Reynolds	Watson
Connally	Howell	Robinson, Ark.	Wheeler
Coolidge	Hull	Robinson, Ind.	White
Copeland	Johnson	Schall	
Costigan	Kean	Schuyler	

Mr. FESS. I wish to announce that the senior Senator from Oregon [Mr. McNARY] is necessarily absent on account of illness.

Mr. HARRISON. I desire to announce that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. SHEPPARD. I desire to announce the necessary absence from the Senate of the junior Senator from Louisiana [Mr. LONG].

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

NOBEL PEACE PRIZE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of State, transmitting copy of a circular of the Nobel Committee of the Norwegian Parliament regarding the proposals of candidates for the Nobel peace prize for the year 1933, which, with the accompanying paper, was ordered to lie on the table.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, transmitting, pursuant to law, a schedule of papers and documents on the files of the Post Office Department not needed in the transaction of public business and having no permanent value or historical interest, and asking for action looking toward their disposition, which, with the accompanying list, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. ODDIE and Mr. McKELLAR members of the committee on the part of the Senate.

REPORTS OF THE SECRETARY OF AGRICULTURE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, several reports for the fiscal year 1932, which were referred as follows:

Report on Federal-aid road work; and

Report on national-forest roads and trails; to the Committee on Post Offices and Post Roads.

Report on the sale of waste paper in the Department of Agriculture; to the Committee on Appropriations.

SIZES OF STORES OF RETAIL CHAINS (S. DOC. NO. 156)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 224, Seventieth Congress, first session, a report of the commission entitled "Sizes of Stores of Retail Chains," which, with the accompanying report, was referred to the Committee on the Judiciary and ordered to be printed.

SENATOR FROM SOUTH CAROLINA

Mr. BYRNES. Mr. President, I present the credentials of my colleague, Mr. SMITH, and ask that they may be read and placed on file.

The credentials were ordered to be placed on file, and were read, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, E. D. SMITH was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1933.

Witness: His excellency our governor, I. C. Blackwood, and our seal hereto affixed at Columbia, this 25th day of November, A. D. 1932.

I. C. BLACKWOOD,
Governor.

By the governor:
[SEAL.]

W. P. BLACKWELL,
Secretary of State.

PETITIONS AND MEMORIALS

Mr. FESS presented a resolution adopted by delegates to the Interclub Council, Lorain, Ohio, favoring the making of an appropriation for improvement of the harbor at Lorain, Ohio, which was referred to the Committee on Commerce.

Mr. BARBOUR presented the petition of the Woman's Home Missionary Society of Washington, N. J., praying for the passage of legislation to regulate the motion-picture industry, which was ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society of Washington, N. J., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Fulton Market Fish Mongers' Association, New York City, N. Y., favoring the retention of Mr. Henry O'Malley and Dr. Lewis Radcliffe in the service of the Bureau of Fisheries, which was referred to the Committee on Commerce.

He also presented resolutions adopted by the board of directors of the Albany, N. Y., branch of the League of Nations Association, favoring the making of an adequate appropriation for the expenses of the American delegation to the general disarmament conference in Geneva, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the International Cooperation Study Group of the League of Women Voters, of Schenectady, N. Y., favoring the exercise of restraint and considered action and a less rigid attitude in Congress toward the problem of intergovernmental debts, which was referred to the Committee on Finance.

He also presented memorials numerously signed of sundry citizens of the State of New York, remonstrating against the adoption of measures to legalize liquors with an alcoholic content stronger than one-half of 1 per cent, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by Saratoga County Council, Boy Scouts of America, at Mechanicville, N. Y., favoring the early acquisition and perpetuation by the United States of the Saratoga battlefield as a national shrine, which was referred to the Committee on Military Affairs.

He also presented the petition of the Wesleyan Service Guild of the Methodist Episcopal Church of White Plains, N. Y., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented the petition of the Wesleyan Service Guild of the Methodist Episcopal Church of White Plains, N. Y., praying for the passage of legislation to regulate the motion-picture industry, which was ordered to lie on the table.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR:

A bill (S. 5254) for the relief of the George A. Fuller Co.; to the Committee on Claims.

By Mr. LA FOLLETTE (for Mr. BROOKHART):

A bill (S. 5255) for the relief of R. R. Atchison, administrator of the estate of Elizabeth Mary Atchison, deceased; to the Committee on Claims.

By Mr. SMOOT:

A bill (S. 5256) granting a pension to Eliza Beagley (with accompanying papers); to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 5257) granting a pension to Lucy Copeland; to the Committee on Pensions.

A bill (S. 5258) for the conservation of oil and gas and protection of American sources thereof from injury, correlation of domestic and foreign production, and consenting to an interstate compact for such purposes; to the Committee on the Judiciary.

By Mr. NYE:

A bill (S. 5259) to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto; to the Committee on Public Lands and Surveys.

By Mr. HARRISON:

A bill (S. 5260) granting the consent of Congress to the Board of Supervisors of Marion County, Miss., to construct a bridge across Pearl River; and

A bill (S. 5261) granting the consent of Congress to the Board of Supervisors of Monroe County, Miss., to construct a bridge across Tombigbee River; to the Committee on Commerce.

By Mr. GEORGE:

A bill (S. 5262) to amend subdivision (a) of section 1001 of the revenue act of 1926, as amended, with respect to review of certain decisions of the Board of Tax Appeals; to the Committee on Finance.

A bill (S. 5263) to amend section 201 of the emergency relief and construction act of 1932 to provide for certain loans by the Reconstruction Finance Corporation to aid in the support and maintenance of public schools; to the Committee on Banking and Currency.

By Mr. HASTINGS:

A bill (S. 5264) to correct the naval record of John Joseph Collins; to the Committee on Naval Affairs.

By Mr. JOHNSON:

A bill (S. 5265) granting a pension to Robert E. McCann; to the Committee on Pensions.

By Mr. DAVIS:

A bill (S. 5266) granting a pension to Henrietta V. W. Owen; to the Committee on Pensions.

By Mr. SCHUYLER:

A joint resolution (S. J. Res. 221) authorizing the Secretary of Agriculture to suspend, reduce, remit, release, or postpone the payment of grazing fees; and

A joint resolution (S. J. Res. 222) providing for extension of time of payment of notes given to procure loans for seed by borrowers in regions affected by drought; to the Committee on Agriculture and Forestry.

By Mr. GEORGE and Mr. COHEN:

A joint resolution (S. J. Res. 223) establishing the United States Georgia Bicentennial Commission, and for other purposes; to the Committee on the Library.

FIVE-DAY WEEK AND SIX-HOUR DAY

Mr. BLACK. Mr. President, I desire to introduce a bill and ask that it may be referred to the Committee on the Judiciary; but since the bill relates to interstate commerce I have thought that it would be better to have it read, as it is very short. I am asking that it be referred to the Committee on the Judiciary by reason of the fact that certain legal questions will be raised.

The VICE PRESIDENT. Is there objection to reading the bill?

There being no objection, the bill (S. 5267) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than five days per week or six hours per day was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That no article or commodity shall be shipped, transported, or delivered in interstate or foreign commerce which was produced or manufactured in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States in which any person was employed or permitted to work more than five days in any week or more than six hours in any day: *Provided*, That this section shall not apply to commodities or articles produced or manufactured before the enactment of this law.

SEC. 2. Any person who ships, transports, or delivers, or causes to be shipped, transported, or delivered in interstate commerce, any commodities or articles contrary to the provisions of section 1 of this act shall be punished by a fine of not less than $200 or by imprisonment for not more than three months, or by both such fine and imprisonment, in the discretion of the court.

The VICE PRESIDENT. Without objection, the bill will be referred to the Committee on the Judiciary.

BANKING ACT—AMENDMENTS

Mr. METCALF submitted three amendments intended to be proposed by him to the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. NYE submitted an amendment providing that $300,000 of the sum of $19,000,000 appropriated for the inland transportation of mail by aircraft, under contract as authorized by law, etc., be expended for extending air mail service from Mandan and Bismarck, N. Dak., to Helena, Mont., intended to be proposed by him to House bill 13520, the Treasury and Post Office Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1863) to authorize and direct the transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge, and it was signed by the Vice President.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

The Senate resumed the consideration of the motion of Mr. AUSTIN that the Senate proceed to the consideration of the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

Mr. AUSTIN. Mr. President, I wish to submit a request for unanimous consent after making a brief statement to the Senate regarding the pending motion.

Over night a tentative agreement was entered into between all the parties interested in the pending merger joint resolution, agreeing in principle upon all points. They are now at work setting up the language of the agreement or proposal. The distinguished Senator from Wisconsin [Mr. BLAINE], who has the floor, and myself and other members of the committee require some time in which to consider the proposal when reduced to writing.

Therefore I ask unanimous consent that upon the conclusion of business to-day the Senate take a recess until 12 o'clock meridian to-morrow, with the pending motion to proceed to the consideration of the merger joint resolution as

the unfinished business to be taken up on the reconvening of the Senate to-morrow.

Mr. COPELAND. Mr. President, I realize how anxious Senators are to have the business of the country go forward. We have had pending before this body for 10 years that I know of the question of a merger of the street-car lines of the District of Columbia. At last it seems that all parties in interest are agreed, but there is certain language that must be formulated. It will take a few hours this afternoon to complete the amendments to the measure.

It is my opinion that we shall gain time if we agree to the request of the Senator from Vermont and let the matter go over until to-morrow. It is my opinion that at that time we may have before us a measure which will protect the interests of the people of the District and at the same time satisfy those who have been pressing for the merger legislation.

Mr. BARKLEY. Mr. President, it is not proposed that we shall recess now until to-morrow?

Mr. COPELAND. I do not so understand. The request was that a recess be taken at the conclusion of business to-day.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. Certainly.

Mr. ROBINSON of Arkansas. It appears there is no important legislation with which the Senate is ready to proceed at this time. I think it unfortunate that we should apparently be wasting time. In a sense the decks were cleared for the disposition of the measure known as the street-car merger joint resolution, and yesterday the Senate took a recess at an early hour in order to enable those especially interested in the subject to reach an agreement, if possible.

Of course, nothing would be advanced by insisting upon proceeding with the merger joint resolution when it is apparent that an agreement is about to be reached. I do not know of any and I have not been informed of any legislation of any very great consequence that is ready to be taken up. That is exceedingly regrettable.

Mr. BARKLEY. Mr. President, if the Senator will yield, let me say that I concur in that viewpoint. Everybody understands that when we met at this session it was the hope that certain important legislation would be enacted that might obviate the necessity of an extra session of Congress. The Senate is not responsible for the fact that it has no important legislation on the calendar at this time; but it is unfortunate that we are to take a recess on Friday, as I understand, until the 3d day of January, and that all we have done since we have met here is to pass the Philippine bill. We have not dealt at all with any domestic problems. I am not attempting to say that anybody particularly is to blame for that, but it is regrettable that we have not been able to do more in the way of legislation for our domestic affairs than we have been able to accomplish at this session.

Mr. ROBINSON of Arkansas. I concur in that statement. I do not object to the request of the Senator from Vermont. Other Senators desire to bring forward measures, but my information is they can not be speedily disposed of, and they are all relatively unimportant.

Mr. CAPPER. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Kansas?

Mr. ROBINSON of Arkansas. I yield to the Senator from Kansas.

Mr. CAPPER. There is one measure on the calendar which has been there for some time, and which I understood could be taken up to-day. I refer to Senate bill 97, being Calendar No. 463, known as the fair trade bill. I am anxious to see it brought to a vote at the earliest moment.

Mr. ROBINSON of Arkansas. The Senator well knows that there is much division of opinion concerning the measure he proposes to take up and that there is no possibility of disposing of it prior to the time when the merger joint resolution will come back before the Senate to-morrow.

I think we are all cooperating to bring forward important measures as fast as possible. Such measures can not be worked out immediately. It is important that the committees vested with jurisdiction have an opportunity of considering the details of proposed legislation and some additional time undoubtedly will be required before bills of first importance can be brought forward.

There has been, so far as I know, no complete arrangement with respect to our holiday recess. The Senator from Oregon [Mr. McNARY] and I think the Senator from Indiana [Mr. WATSON] and I have tentatively agreed that the Senate may take a recess, in effect from next Friday evening, December 23, until Tuesday, the 3d of January, with the understanding that the House may proceed with its work at its pleasure and that the Senate may be in recess for three days at a time until it is ready to take up important business. What I wish to impress is the importance of getting measures of primary significance out of the committees and before the Senate as soon as possible. The calendar has been sifted over and over until it appears there is nothing on the calendar that can be disposed of under unanimous consent; it will require a motion. I do not, of course, object to any Senator making a motion when he can get the floor for that purpose.

Mr. CAPPER. That is what I had in mind.

Mr. COPELAND. Mr. President, I myself can see no objection to the Senator from Kansas presenting his argument on the Capper-Kelly bill, but I think it would be most unfortunate if we did not agree to the unanimous-consent request proposed by the Senator from Vermont.

Mr. ROBINSON of Arkansas. I do not wish to be understood as raising any objection to that request. I consent to it because I believe that it will promote a decision respecting the so-called merger joint resolution. Senators representing both sides of the controversy have stated to me privately that they confidently expect an agreement in time to proceed with the measure to-morrow. If that be true, certainly it would be a waste of time to proceed with its discussion to-day.

The VICE PRESIDENT. The Chair would like to suggest that the unanimous-consent agreement be modified. He doubts that the motion by unanimous consent can be made the unfinished business. Therefore the request should be modified so as to provide that the consideration of the motion shall be continued to-morrow morning.

Mr. ROBINSON of Arkansas. My understanding was that was the request.

The VICE PRESIDENT. The request includes making the motion the unfinished business. I think that part ought to be stricken out, and that it should be in the form of a request that the motion to proceed to the consideration of the measure be taken up again to-morrow morning.

Mr. ROBINSON of Arkansas. I am sure the Chair is correct, but the merger bill will be the unfinished business when its consideration is resumed under the agreement.

Mr. BLAINE. Mr. President, I desire to state that I concur in the request of the Senator from Vermont. I think the granting of his request will be in the interest of expedition of legislative business, and I hope that the request will be granted.

The VICE PRESIDENT. Is there objection to the modified request?

Mr. BORAH. Mr. President, if the request be granted, will it interfere with the effort of the Senator from Kansas to bring up the bill to which he has referred?

The VICE PRESIDENT. It will not if the Senator from Kansas shall be recognized and shall make the motion.

Mr. CAPPER. I want to make that motion as soon as it is proper to present it.

The VICE PRESIDENT. The Chair will try to recognize whoever may be first on his feet.

Mr. CAPPER. I am in favor of the motion made by the Senator from Vermont temporarily to lay aside the motion now pending. Then I want to make a motion to proceed to the consideration of Senate bill 97.

The VICE PRESIDENT. The Chair will inquire if the Senator from Vermont modifies his request by striking out the words "the unfinished business"?

Mr. AUSTIN. Yes, Mr. President.

The VICE PRESIDENT. Is there objection to the modified request for unanimous consent submitted by the Senator from Vermont? The Chair hears none, and the unanimous-consent agreement, as modified, is entered into.

PROPOSED NATIONAL POLICY COMMITTEE OF THE SENATE

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to present, out of order, a Senate resolution, and, pending the presentation of the resolution, I ask unanimous consent to use just two or three minutes in explanation of the conditions which suggest the resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator is recognized.

Mr. THOMAS of Oklahoma. I regret that conditions, known to all, impel me to make this statement and to suggest a course of action.

A pestilence, charitably called a depression, has been with us for more than three years, and, in my opinion, is growing worse day by day. In December of 1930, more than two years ago, I proposed by resolution the creation of a special committee to be composed of the admitted leaders of the Senate to deal with the causes of our troubles and to suggest relief for our people; but after debate the Senate answered by saying that there was no depression, hence no occasion for such a committee.

Now, after three years of personal, industrial, and economic famine the President says that we are suffering from the worst depression in history.

What are the conditions to-day? Millions are unemployed; hunger and suffering are widespread; the people can not pay their taxes; money has ceased to circulate; trade and barter have been revived; defaults and foreclosures grow in number; the business index continues to fall; deflation is unchecked, and as the value of the dollar goes up, thereby placing unearned value in the hands of those who do not work, prices of all kinds come down, thereby taking the savings from the pockets of those who toil.

The people have just passed judgment on present conditions. This judgment defeated a President, wrecked an administration, and injured, if it did not destroy, a political party.

It is alleged by some that this depression has already bankrupted the greatest, strongest, and richest nation of the earth; and amidst this wreckage bankers, business men, and some Senators will not even listen.

We are now in the third week of the last session of the Seventy-second Congress. What has been done, what is being done, and what is proposed to be done to help the people?

In one branch of the Congress time is being consumed in an effort to relieve the people by providing for them what has been aptly called "dog wash."

In the Senate the first two weeks were devoted to debate over our attitude toward a people some 7,000 miles away and a generation in the future; and now, while millions freeze and starve, we are debating whether we will permit the merger of two ancient transportation systems here in the District of Columbia.

Some Senators and Congressmen may philosophize that they did not bring about present conditions, and some may not be conscious of any special responsibility resting upon them for trying to end the depression and bringing about relief for existing distress.

Mr. President, who or what governs the United States? Who or what makes our policies? Who or what levies the taxes, allocates expenditures, makes the chart and plats the course the ship of state is to travel?

In making of the Constitution the legislative branch was placed first, and 65 per cent of the text was devoted to the powers and duties of what must have been considered the most important branch of the Government. The balance of the text, 35 per cent, was divided among the executive, the judiciary, and the special powers of the Government. If under the Constitution the legislative branch is the real governing power, then there is no escaping the conclusion that the Congress is responsible for the conditions existing to-day.

In one branch of the Congress three Members—the Speaker, the majority leader, and the chairman of the Rules Committee—have power to make a program, and then to bring forth such program at will, for the consideration of the body.

In the Senate we have no such centralization of power. Of course, a majority, in time, can always act; but to-day we have no majority, and while the people freeze and starve the Senate drifts.

Long experience has demonstrated that the Senate can act efficiently only through committees. In great emergencies, if not at all times, the Senate needs an additional committee, a committee in which, during times like the present, may be centralized the power and the responsibility of the Senate.

Because of rapid means of transportation and communication the world has become relatively small; because of our increased interest in and dependence upon world affairs our Government must be always ready to meet any emergency; and because of the centralization of the Government at Washington we must have some competent and continuing tribunal always organized and always planning for the best interests of our country.

Presidents come and Presidents go. One House of the Congress comes into existence, lives two years, and then passes away. The Senate was organized and came into being some one hundred and fifty years ago, and still lives. Our organization, supported by two-thirds of our membership, is always alive, and will continue to live so long as our Government endures.

Mr. President, the growth of our country and the condition of the times make mandatory the creation of a new, permanent, and standing committee of the Senate. I propose, by resolution, the creation of such a committee, to be known as the national policy committee.

I present such a resolution and ask that it be read for the information of the Senate and that it may lie on the table.

The resolution (S. Res. 308) was read and ordered to lie on the table, as follows:

Resolved, That a permanent standing committee of the Senate be created as follows:

Such committee to be designated national policy committee, and to consist of the 11 members as follows:

The majority leader, who shall be chairman.
The minority leader.
The chairman of the Committee on Finance.
The ranking minority member of Committee on Finance.
The chairman of the Committee on Appropriations.
The ranking minority member of Committee on Appropriations.
The chairman of the Committee on Foreign Relations.
The ranking minority member of the Committee on Foreign Relations.
Three members to be elected by the Senate.

The jurisdiction of the national policy committee shall embrace such bills, resolutions, and matters as may be by the Presiding Officer referred to it, and such committee shall have power to prepare and propose bills and resolutions, and to make recommendations upon any subject within its discretion.

PROPOSED FAIR-TRADE LEGISLATION

Mr. CAPPER. I now move that the Senate proceed to the consideration of Senate bill 97, being Calendar No. 463.

The VICE PRESIDENT. Let the bill be reported by title.

The CHIEF CLERK. A bill (S. 97) to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name.

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas, which is subject to debate.

Mr. COUZENS. Mr. President, I inquire what will be the status of this bill if the motion shall be agreed to?

The VICE PRESIDENT. If it should be discussed the remainder of the day, and an adjournment then be taken, it would become the unfinished business, subject to be laid aside to-morrow morning under the unanimous-consent

agreement to consider the proposed merger joint resolution; and on the disposition of that question, the bill would again come up.

Mr. COUZENS. Mr. President, I think that is a very unsatisfactory parliamentary situation. This bill went to the Committee on Interstate Commerce, which held very extensive hearings on the measure. Following the conclusion of the hearings, the committee, in executive session, took the bill up for consideration and, if I recall correctly, there was only one vote in the committee to report it favorably. All the other members of the committee were opposed to it, but out of consideration for some members of the committee it was agreed to report the bill without recommendation, either affirmatively or negatively. Obviously, Mr. President, this bill can not become a law at this session of Congress; obviously it will take days and days to debate it, because it is a very controversial bill, and the wisdom of its enactment is very much in question. Therefore, if this bill should become the unfinished business at any time during this session, and it should be insisted upon that no other legislation should take its place, I venture to say that our legislative program will be blocked. I hope, Mr. President, for that reason, that the Senate will not, in any sense, make the measure the unfinished business.

Mr. BORAH. Mr. President, does the Senator from Michigan yield the floor?

Mr. COUZENS. I yield the floor.

Mr. BORAH. Mr. President, the bill could be displaced at any time by a vote of the majority of the Senate, and I do not see why the Senator from Kansas should not be permitted to go forward with the measure, in view of the fact that no other Senator has anything else to propose. It is true that it is a controversial question, but I do not know why we should not begin the controversy to-day if it is the only matter to be dealt with, and, as I have said, we can displace it at any time when the Senate desires to do so.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I yield the floor.

Mr. WATSON. Mr. President, the Senator from Michigan is quite correct in his recital of events so far as the committee is concerned, and it is my judgment, I will say to my friend from Kansas, in the interest of his bill, that he had better endeavor to bring it up at a time when it will be possible to have something in the nature of continuous discussion. If he brings it up to-day, it can only run during the day, in the ordinary course of events; and if an adjournment is to be taken on Friday, he would have scant time in which to discuss it at all, and then it will be set aside from time to time by other measures. So I think it would be better for the Senator to wait and not bring it up to-day in the condition in which the Senate now finds itself. I think it would be better to bring it up after the recess, at a time when there may be something in the nature of continuous discussion of the measure.

Mr. BORAH. What has the Senator from Indiana proposed to take up the time of the Senate to-day?

Mr. WATSON. There is nothing. The Senator from Oregon had a bill that he was very anxious to bring up to-day, but he is ill at home and can not be here. There was another bill which a Senator on the other side—I think the Senator from Wyoming [Mr. KENDRICK]—wanted to bring up; but that bill, I understand, is not now ready.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. WATSON. Yes.

Mr. ROBINSON of Arkansas. The Senator from Wyoming has a bill that he was anxious to bring forward, but like the merger joint resolution, there are negotiations in progress which it is thought may result in speeding a conclusion respecting that measure when it is brought forward, so that it is not ready.

Now, if I may make the suggestion to the Senator from Idaho, the pending question is the motion of the Senator from Kansas to proceed to the consideration of Senate bill 97. I understand under the present parliamentary status he is at liberty to discuss that motion at this time, but I concur in what has been said by the Senator from Michigan [Mr. COUZENS]. This bill was reported by the Committee on Interstate Commerce without recommendation. Manifestly that was merely a process by which the committee absolved itself of its normal responsibility and "passed the buck" back to the Senate. I make no criticism of its action, if it was unable to reach an agreement touching the measure; but the Senate is really, as I see it, entitled to an expression of opinion on the part of the committee, having referred the bill to the Committee on Interstate Commerce.

I shall vote against the motion to proceed to the consideration of the bill because as I understand it I am against the bill. I have no objection to a discussion of the bill, which, as has been stated, is permissible under the procedure prevailing in the Senate, but I am satisfied there is no possibility of reaching a conclusion in this matter very quickly.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. VANDENBERG. Is there not an agreement to proceed with the Glass banking bill, S. 4412, when the Senate reconvenes in January?

The VICE PRESIDENT. It was made a special order for the 5th day of January.

Mr. VANDENBERG. Then, under the existing situation in which we find ourselves, we will take up the Capper-Kelly bill to-day, lay it aside to-morrow for the merger, recess, reconvene, take up the Capper-Kelly bill for one day, and then proceed with the Glass banking bill?

The VICE PRESIDENT. The Chair will state that under the rules the unfinished business would have precedence over the special order, and the special order would not come up until the unfinished business was disposed of.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry supplemental to the one previously made.

The VICE PRESIDENT. The Senator will state it.

Mr. VANDENBERG. Is it, then, the Chair's ruling that the adoption of the motion made by the Senator from Kansas would postpone consideration of the Glass banking bill under the special order if the Capper-Kelly bill should not be out of the way on January 5?

The VICE PRESIDENT. Unless displaced by motion. That is the rule of the Senate.

Mr. KING. Mr. President, will the Senator yield?

Mr. CAPPER. I yield.

Mr. KING. I desire to make just one observation. The taking of a recess to-day does not mean that legislation will be postponed. A number of committees are in session, or will be; and, as Senators know, during discussions when bills are under consideration a large number of the Senators, frequently a great majority, are at work in committee rooms upon measures there pending. It is important that the measures now before the various committees be reported as early as possible.

Speaking for myself, and I think for the Senator from Kansas, we have before the District Committee a number of measures that ought to receive consideration. I am sure that if we should take a recess it would expedite the consideration of measures that are pending before the committees and bring them to the bar of the Senate at a much earlier date than they would be brought to our attention if we did not have the recess.

Mr. CAPPER. Mr. President, there is widespread interest in this measure. It has been on the calendar for months, and I have been trying very hard to get consideration of it.

Regardless of the judgment of the Committee on Interstate Commerce, which had the bill before it and voted to report the bill without recommendation, I think a large number of Senators—I believe a majority of the Senators—are at this time favorable to the passage of the bill. I think it ought to have consideration. I think it ought to be brought before this body without further delay that we may

have a discussion of the merits of the bill and then bring the question to an issue.

I shall not insist on pressing the matter at this time if I can have some assurances from the Senator from Indiana [Mr. WATSON] and the Senator from Arkansas [Mr. ROBINSON] that the measure will have a chance. I should like to have some assurances along that line.

Mr. BORAH. Mr. President, of course, the Senator can not get any assurance of that, because when we come back here on the 5th of January we will have the appropriation bills and other matters before us, and I think it will be impossible.

I am not particularly concerned about the matter. I know that a great many people are interested in this measure, whether it is wise or unwise; and, in view of the fact that we have nothing else to do to-day, I thought perhaps we might occupy the time by discussing it.

Mr. COUZENS. Mr. President, will the Senator from Kansas yield to me?

Mr. CAPPER. I yield.

Mr. COUZENS. I should like to suggest to the Senator from Kansas that he go ahead and present his case on his motion to take up the bill, and when he is through I will proceed to discuss the other side of the matter, and we will get the case before the Senate just as fully as though the pending motion were agreed to. I do not think that is an unusual practice. I should like to hear the Senator from Kansas.

The VICE PRESIDENT. Under the rule, a motion to take up a bill is debatable after 2 o'clock.

DISPOSAL OF SURPLUS NAVY SUPPLIES

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from California?

Mr. CAPPER. I yield.

Mr. SHORTRIDGE. I ask that by unanimous consent the Senate take up for immediate consideration Senate Joint Resolution 220, authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy.

The VICE PRESIDENT. Does the Senator from Kansas yield for that purpose?

Mr. CAPPER. I yield to the Senator from California for that purpose, with the understanding that the measure will not lead to controversy.

The VICE PRESIDENT. The joint resolution has not been reported, so the Chair is advised.

Mr. SHORTRIDGE. A copy of the joint resolution is on the desk. I ask that it be reported.

The VICE PRESIDENT. Does the Senator from California desire to report the joint resolution?

Mr. SHORTRIDGE. I certainly do. I thought it had been reported yesterday.

The VICE PRESIDENT. The report will be received and go to the calendar.

The CHIEF CLERK. The Senator from California reports back favorably, without amendment, Senate Joint Resolution 220, authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy.

Mr. SHORTRIDGE. I now ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Does the Senator from Kansas yield for that purpose?

Mr. CAPPER. I yield.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from California if this is a relief measure?

Mr. SHORTRIDGE. Yes, Mr. President.

Mr. ROBINSON of Arkansas. Why is a nominal charge made?

Mr. SHORTRIDGE. I will answer his question, if the Senator will permit me, by reading a letter addressed to the Committee on Naval Affairs by the Navy Department.

Mr. ROBINSON of Arkansas. I thought perhaps the Senator could answer the question without reading letters.

Mr. SHORTRIDGE. From experience of the War Department—the Secretary of War having the same power that we seek to give to the Secretary of the Navy—it has been found that a nominal charge results in a more equitable disposition of the surplus or obsolete articles referred to, the nominal charge to be fixed by the Secretary, and the distribution of the articles to be made without any charge whatever to the recipients. From experience, it was thought that it would be wise to make a nominal charge, so that different organizations might present their claims the better, and receive the more equitable distribution of the goods referred to in the joint resolution.

Mr. ROBINSON of Arkansas. Mr. President, I can not understand why the imposition of a "nominal charge," as it has been termed, would promote the more equitable distribution of the charity. That is the point about which I am inquiring. Why is that true? What will be done with the proceeds of the sales of these articles?

Mr. SHORTRIDGE. Ultimately, they will be covered into the Treasury of the country.

Mr. ROBINSON of Arkansas. How is it that to sell them for a mere nominal amount will promote their better distribution?

Mr. SHORTRIDGE. Frankly, I put the very same question to a gentleman from the Navy Department, and the only explanation I could receive was the one I have briefly stated. He replied by saying that to charge a nominal amount would result in a more equitable distribution. I said, "How is that? Why is that so?" Then he gave me the experience of the War Department, that they had so found, and that that was the rule in that department.

Frankly, to repeat myself, I can not see the force of that objection; but, inasmuch as they have insisted upon it and urged it, I have yielded to their view.

Mr. SWANSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Virginia?

Mr. CAPPER. I do. I assume that this will not lead to controversy.

Mr. SWANSON. No, Mr. President.

As I understand, a nominal charge is made to pay the expenses of distribution. My understanding is—I may be mistaken about it—that the Navy Department has no money to pay for the distribution of these articles throughout the entire country; and it was thought that the people in Arkansas, the people in Virginia, and the people in other sections should have the expense of transportation paid, so that they could have a distribution equal to that of the people located immediately where the supplies are. The experience of the Army was that in the absence of such an arrangement the supplies were taken entirely by the people of the section where the supplies were.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Arkansas?

Mr. CAPPER. I do.

Mr. ROBINSON of Arkansas. The Senator from California [Mr. SHORTRIDGE], in answer to that question, stated that the proceeds of the sale were to be covered into the Treasury. That would contradict the statement of the Senator from Virginia that the proceeds were to be used to pay the expenses of distribution.

Mr. SWANSON. No; they will simply put on a nominal charge which will cover the expenses of transportation, so that people in the middle section of the country can get as much of these supplies as the people in the immediate locality where the supplies are.

As I understand, there is no appropriation to pay for the distribution of these supplies to the country, and it was thought that all sections of the country should have equal opportunities to obtain the supplies and that a merely nominal charge which will about cover the expenses of

transportation should be made. If we want these articles to go free, and let them be distributed to people who will come after them and who have not any funds to pay the transportation express and expenses of distributing them, I have no objection. The nominal charge is simply to cover that, as I understand.

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the Secretary of the Navy is hereby authorized, under such regulations as he may prescribe, to sell, at nominal prices, to recognized charitable organizations, to States and subdivisions thereof, and to municipalities, such nonregulation and excess clothing as may be available and required for distribution to the needy.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SHORTRIDGE. I ask unanimous consent to have printed in the RECORD two letters bearing on this subject—one from the Paymaster General of the Navy and the other from the chairman of an American Red Cross chapter of Lake Providence, La.—and a list of the clothing to be disposed of.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
BUREAU OF SUPPLIES AND ACCOUNTS,
Washington, D. C., December 19, 1932.

Subject: Recommendation for legislation to permit sale of obsolete and surplus clothing at nominal prices to charitable organizations.

CHAIRMAN SENATE COMMITTEE ON NAVAL AFFAIRS,
United States Senate, Washington, D. C.

SIR: There is on hand at the naval supply depot, Brooklyn, N. Y., a considerable quantity of nonregulation and excess clothing, which is not required for the Navy's needs but would be of value in caring for the needy, if authority existed for its sale at nominal prices and without competition. At the request of the Navy Department House Joint Resolution 500, dated December 10, 1932, was introduced by Mr. VINSON of Georgia. The following is a copy of this resolution:

"Joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy

"Resolved, etc., That the Secretary of the Navy is hereby authorized, under such regulations as he may prescribe, to sell at nominal prices to recognized charitable organizations, to States and subdivisions thereof, and to municipalities such nonregulation and excess clothing as may be available and required for distribution to the needy."

The War Department disposed of quantities of excess clothing last winter at nominal prices to charitable organizations, with the stipulation that the clothing should be given away absolutely free to destitute and needy persons. It was found by experience of the Army that it was advisable to charge a nominal price for the clothing to charitable organizations in order to distribute properly among different organizations the excess clothing. This nominal price is about 10 per cent of the cost, as shown on the attached table.

The attention of the chairman is invited to the fact that the essence of this joint resolution is that the clothing be available for distribution to the destitute and needy as soon as possible. If the final passage of the joint resolution is not accomplished in the very near future, the winter season will have advanced so far that the benefit to destitute and needy persons will be greatly reduced. For this reason it is respectfully requested that the most expeditious action be taken on this resolution in order that the distribution can be commenced.

Respectfully,

J. J. CHEATHAM,
Paymaster General of the Navy.

EAST CARROLL PARISH CHAPTER,
AMERICAN RED CROSS,
Lake Providence, La., December 16, 1932.

Hon. FREDERICK HALE,
United States Senate, Washington, D. C.

MY DEAR SENATOR HALE: I saw in the newspaper a few days ago that the Secretary of the Navy has transmitted to the Congress a draft of a proposed joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy.

I understand that this resolution was referred to the Committee on Naval Affairs December 7. I want to ask you to do whatever you can for a prompt adoption of this resolution. This chapter has within its jurisdiction a large number of people who are in terribly bad circumstances, without work, without food, and without clothes. We want to try to procure some of this clothing as soon as we can, and for that reason I am appealing to you in this matter. Louisiana has no Senator on the Committee on Naval Affairs, and that is the reason I am writing to you. However, the Congressman from the first Louisiana district, Hon. J. O. FERNANDEZ, is a Member of the House Naval Affairs Committee, and I have written to him to-day on this same subject.

With all good wishes, I am, very sincerely yours,

J. M. HAMLEY, *Chairman.*

Clothing for sale

Article	Quantity	Present issue price	Total	Disposal price	Total
Drawers, heavy, cotton and wool, white	15,000	$1.00	$15,000.00	$0.10	$1,500.00
Gloves, wool, winterfield shade	13,000	.25	3,250.00	.05	650.00
Jerseys, wool, dark blue	75,000	2.60	195,000.00	.25	18,750.00
Jumpers, dungaree, blue denim	38,000	.85	32,300.00	.10	3,800.00
Overcoats, 30-ounce blue cloth, double breasted, knee length and short	84,500	7.26	613,700.00	.75	63,375.00
Raincoats, dark blue, waterproof	700	4.50	3,150.00	.35	245.00
Shirts:					
Blue flannel	300	4.50	1,350.00	.25	75.00
Chambray, cotton, blue	9,000	.50	4,500.00	.05	450.00
Shoes:					
Leather, black, high	47,000	3.55	167,000.00	.25	11,750.00
Leather, black, low	10,000	3.50	35,000.00	.25	2,500.00
Trousers, dungaree, blue denim	30,000	.95	28,500.00	.10	3,000.00
Undershirts, heavy, cotton and wool, white	7,000	1.00	7,000.00	.10	700.00
Total			1,105,750.00		106,795.00

MONONGAHELA RIVER BRIDGE, PITTSBURGH, PA.

Mr. VANDENBERG. From the Committee on Commerce I report back favorably, without amendment, Senate bill 5183, granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa., and I submit a report (No. 1009) thereon.

This is a bridge bill in the regular form. Two similar bridge bills in regular form were reported yesterday on behalf of the Senator from Georgia [Mr. GEORGE] and the Senator from Vermont [Mr. AUSTIN]. These measures are in the nature of preliminary steps in a make-work program. There is no controversy respecting them; and I ask for the present consideration of the bill just reported. Subsequently, I shall ask for the consideration of the other two bills.

The VICE PRESIDENT. Let the bill reported by the Senator from Michigan be read for the information of the Senate.

The bill (S. 5183) granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa., was read, considered by unanimous consent, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge and approaches thereto across the Monongahela River, at a point suitable to the interest of navigation, between the city of Pittsburgh and the borough of Homestead, to replace what is known as the Brown Bridge, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same,

and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

LAKE CHAMPLAIN BRIDGE, ROUSES POINT, N. Y.

Mr. VANDENBERG. I make the same request in respect to Senate bill 5059.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The bill (S. 5059) to extend the time for completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt., was read, considered by unanimous consent, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time for completing the construction of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt., authorized to be built by Elisha N. Goodsell, of Alburgh, Vt., his heirs, legal representatives, and assigns, by an act of Congress approved February 15, 1929, is hereby extended three years from February 15, 1933.

SEC. 2. The right to alter, amend, or repeal this act is hereby reserved.

SAVANNAH RIVER BRIDGE, LINCOLNTON, GA.

Mr. VANDENBERG. I make the same request in respect to Senate bill 4972.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The bill (S. 4972) granting the consent of Congress to the State of Georgia to construct, maintain, and operate a highway bridge across the Savannah River near Lincolnton, Ga., and between Lincolnton, Ga., and McCormick, S. C., was read, considered by unanimous consent, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Georgia to construct, maintain, and operate a highway bridge and approaches thereto across the Savannah River at or near Lincolnton, Ga., and between Lincolnton, Ga., and McCormick, S. C., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The VICE PRESIDENT. The question now is on the motion of the Senator from Kansas [Mr. CAPPER].

PROPOSED FAIR-TRADE LEGISLATION

Mr. CAPPER. Mr. President, I rise to urge consideration of Senate bill 97, known as the fair-trade measure.

In the closing days before adjournment last July I gave notice that at this time I would, to the limit of my powers, press for immediate consideration of this bill. With full appreciation of such prominent questions as the farm problem, which is as close to my heart as to that of any other Member of this body, our Budget and taxation questions, and the attention they will receive here, I hold that we can not forever go on dealing with public matters on an emergency basis to the neglect of a great fundamental economic problem without inevitably breeding more emergencies later on.

The unfortunate stagnation of business and price deflation which now oppress the country are aggravated, prolonged, and rendered more difficult of solution by the omission of the very legislation which is offered in the bill for which I bespeak your consideration. Can anyone doubt, when 1,250,000 proprietors of the stores which constitute the backbone of the main streets of every village, town, and city in this country, state that they are hampered by deceptive cut-throat, competitive methods on the part of predatory chain stores, that the effect in the sum total is paralyzing the industry of the factories, from which they consequently buy less, thus throwing factory workers out of employment?

These independent retail store owners comprise 1,340,000 stores of a total of 1,550,000 in the United States, 87 per cent of all our merchants. They handle the bulk of all the goods made in all our factories. Across their counters the bulk of all our farm products find their way to consumers. This great body of merchants, through their representative national associations of grocers, hardware men, druggists, jewelers, and other leading lines of business have petitioned Congress year after year for relief ever since the Supreme Court, in the Miles case, in 1911, in the absence of definite legislation, declared what it considered our public policy ought to be, a 5-to-4 decision which Mr. Justice Holmes denounced at the time in a ringing dissenting opinion, and which Mr. Louis D. Brandeis, before going upon the Supreme Court bench, characterized as an unfortunate, inadvertent decision, which should be corrected by the regularly constituted law-making department of the Government. This can be done through the passage of Senate bill 97.

The chief objective of the bill is to restore the equality of opportunity for the smaller business man in his competition with the big corporation. We simply make it permissible for the owner or producer of branded goods to enter into agreement with his distributors that his name or his brand shall not be made the cat's paw to pull trade away from his many smaller dealers by using his goods as loss leaders or bargain bait.

The bill proposes to restore to producers and distributors the liberty of contract of which they were deprived in 1911 by a 5-to-4 decision of the United States Supreme Court in the Doctor Miles medicine case. It is a right enjoyed by the business men of all other countries.

The bill attempts to stop cut-throat practices that are uneconomic and destructive to legitimate business. It is a step forward in the direction of fair competition.

In 1925, during the Sixty-ninth Congress, the bill known as the fair trade bill, to legalize resale price agreements, was introduced by myself in the Senate and by Representative CLYDE KELLY, of Pennsylvania, in the House of Representatives.

In 1926, the Committee on Interstate and Foreign Commerce in the House held extensive hearings at which abundant opportunity was given to proponents and opponents.

As a result of these hearings a subcommittee was appointed to make a careful study of this important business problem. This subcommittee, in 1927, reported that such legislation is in the public interest and should be enacted.

In 1929 the Committee on Interstate and Foreign Commerce again considered the bill, and on January 27, 1930, made a favorable report urging that prompt action be taken.

The Rules Committee of the House made the bill a special order, and it was passed by the House of Representatives with amendments on January 29, 1931.

The Senate found it impossible to act during the short period before adjournment on March 4.

The measure was reintroduced on the first day of this Congress. The Interstate Commerce Committee of the Senate held hearings early in the session and reported the bill to the calendar. Surely there should be no further delay in acting. For 10 years at least there has been need for its enactment, but no action has been taken. During that period at least 400,000 independent merchants have been destroyed by the predatory competition this measure seeks to prevent.

This measure is intended to protect the manufacturer, the retailer, and the consumer against the predatory and deceptive price cutter who advertises to sell a nationally known article of merchandise at less than its retail value, frequently less than cost, as "bait" to catch consumer trade.

Of course, the predatory price cutter does not intend to allow the customer to escape with goods purchased at less-than-cost prices. He expects to sell him other goods at good prices, frequently at higher prices.

The "bait" is sacrificed to catch the consumer's interest.

The "bait" also is sacrificed for the purpose of getting customers away from a competitor.

Predatory price cutting deceives the customer; it is used unfairly to ruin competitors. It destroys the value of the nationally advertised and nationally known article used as bait.

It is being used to drive the home-town merchant out of business by the chain stores, and tends to national monopolies that concentrate wealth in the big centers.

In its baleful effects and malevolent designs predatory price cutting is even worse than the racketeering which collects a percentage from the merchant under threat of violence. For the racketeers must leave their victims enough profit to keep them in business. The predatory price cutter, through cutthroat competition, aims to kill competition and competitors entirely. Then the consumer will be at his mercy.

For a number of years—more than a decade now—there has been a constantly growing nation-wide protest against the cutthroat competitive practice of certain great merchandising corporations in advertising standard, trademarked products at ruinous prices in order to delude the buying public into believing that all goods are sold at the same bargain prices.

We know that this can not be true. No merchant can do business at a loss and remain long in business. He must sell at a profit.

So long as we have competition, that competition will keep profits down to a reasonable basis and protect the consumer as well as allow the business to live and profit.

Destroy competition and the consumer is left at the mercy of the survivor. The destroyed competitor joins the economic bread line.

Before going farther there is a point I wish to make plain; a point that has been more or less lost sight of.

There are those, without a complete understanding of the history of merchandising in this country, who regard the Capper-Kelly fair trade bill as a revolutionary measure. They honestly believe it is a departure in business practice; something that will overturn an established policy of American business built up through decades of development.

This is not true. Exactly the opposite is true. Enactment of the fair trade bill will reestablish a sound principle of retail merchandising which was in effect up until 1911, when the United States Supreme Court, in the Miles case, declared resale-price contracts invalid.

The rapid growth of this monopolistic practice of predatory price cutting of standard articles—used merely as bait or for the purpose of ruining a competitor by unfair means—dates from this Miles decision.

Now, the simplest, least expensive way of ending unfair price competition on standard goods is through a free contract between the manufacturer of such goods and his distributors. Until the Doctor Miles Medical Co. decision this was the method which had been declared valid by the Federal courts.

However, the Miles decision declared that such a contract was in violation of the Sherman antitrust law. That decision started a period of jungle competition which has lasted until the present time.

Dating from the Doctor Miles decision, great distributing combinations—the chain stores and some large department stores in the great cities—have been growing like mushrooms and are having, in my judgment, a menacing effect upon the business and social life of America.

In so far as they thrive on predatory price cutting on standard goods they are endangering honest business. They are destroying the independent retailer, the home-town business man.

The independent business man is not entitled to special favors. But he is entitled to a fair field. He is entitled to protection against unfair competition, as a matter of sound public policy. He should be able to protect himself against price-cutting profiteers.

The independent business man, whose numbers have been reduced from 1,600,000 to something over 1,300,000 in the last two decades, is not getting a square deal under present conditions. He is being destroyed by unfair competition, by huge combinations, by the chain stores, by predatory business methods, including predatory price cutting which the Capper-Kelly bill seeks to end.

The Supreme Court of the United States did not hand down a unanimous decision in the Miles case. Mr. Justice Holmes had a clearer vision of the economic problem involved than a majority of the court. Justice Holmes, in his dissenting opinion, said:

> I can not believe that in the long run the public will profit by this course, permitting knaves to cut reasonable prices for mere ulterior purposes of their own, and thus to impair, if not destroy, the production and sale of articles which it is assumed to be desirable the people should be able to get.

Justice Louis Brandeis, of the United States Supreme Court, when a member of the Massachusetts bar, made the following significant statement as to the general policy of predatory price cutting:

> Americans should be under no illusions as to the value or effect of price cutting. It has been the most potent weapon of monopoly—a means of killing the small rival to which the great trusts have resorted to most frequently.
>
> It is so simple, so effective. Far-seeing, organized capital secures by this means the cooperation of the short-sighted, unorganized consumer to his own undoing. Thoughtless or weak, he yields to the temptation of trifling, immediate gain, and, selling his birthright for a mess of pottage, becomes himself an instrument of monopoly.

That from Justice Brandeis. Could it be stated more clearly? No would-be monopolist ever undertook to build his sinister power by stabilizing prices. His method has been to cut prices and destroy independent competitors.

I am perfectly willing to stand on the opinions and judgment of such men as Justices Holmes and Brandeis as to the sound public policy of the bill.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Kansas yield to the Senator from Kentucky?

Mr. CAPPER. I yield.

Mr. BARKLEY. It ought to be stated in fairness to Justice Brandeis that in issuing that statement he was not issuing it as a judge of the court, but as the employed attorney for the parties interested in this legislation.

Mr. CAPPER. I stated that he was a member of the Massachusetts bar at the time he made that statement.

Mr. BARKLEY. Yes; but he was also the employed counsel of the advocates of this measure.

Mr. CAPPER. That is true, and I do not think he has changed his views. We have had no statement from him to that effect.

Mr. BARKLEY. I am not sure about that, but I think the fact I have stated ought to appear in the RECORD.

Mr. CAPPER. Mr. President, I earnestly hope that every Senator who was not in the Chamber when our colleague from Ohio [Mr. BULKLEY] submitted his very illuminating discussion of this measure and the evils it is designed to counteract will read his speech and the included citations of decisions and quotations of opinions. These can be found on pages 482 and 483 of the RECORD, under date of December 15. The discussion and the quotations deal directly and very effectively with the subject matter of this measure—S. 97—and I commend them to the attention of the Senate and the country.

Having pointed out the evil the bill is designed to correct and that the evil results largely from a decision of the Supreme Court, which can be reversed by that body or corrected by Congress, perhaps I should call attention to one other phase of the matter,

Just bear in mind that this measure, like other legislation, is only important as the means to an end. The end in this case is the protection of the manufacturer and independent

retailer against predatory price cutting and the protection of the consumer against the evils of monopolistic combinations.

One may ask, How is it that some big manufacturers, like Henry Ford, for instance, can maintain standard prices?

The Supreme Court, neither in the Miles case nor in any of the succeeding cases involving maintenance of resale prices, has never said that a manufacturer does not have the right to fix the resale price on his product. That right of itself is not in question.

What the court has held is that under the Sherman Anti-trust Act the resale price can not be fixed by agreement. The manufacturer can fix the price by selling on consignment, but obviously that is out of the question for the ordinary manufacturer and retailer.

In effect the Supreme Court has said: Maintenance of the retail price is perfectly legal; we admit that right; but that power can be exercised under the laws as they stand only by corporations that have enough capital to establish resale agencies everywhere or to wait until the goods are sold and title transferred under consignment. Done by these methods, maintenance of retail price is perfectly valid and entitled to governmental and judicial benediction.

But, on the other hand, if any little independent manufacfacturer who is in competition with perhaps hundreds of other manufacturers, who has established a trade name for his product at perhaps heavy cost, desires to put out his product in the regular channel through wholesaler and retailer, he is debarred from having control over the price.

It seems to me and to the many who understand the purposes of and believe in this measure that if we are to interfere with the freedom of contract, as we have done, then we should make that interference apply to all alike. It should apply to Henry Ford as well as to the little independent manufacturer. That is all this bill is intended to do—put them all on as nearly the same basis of opportunity to compete and survive as is possible by law.

It is not proposed to extend any new and dangerous power to the little manufacturer. Nothing of the sort.

Mr. President, this bill does not deal directly with agriculture; yet, as one who comes from the great farm area, I know that there can be no prosperity for agriculture while other sections of the population have not the means to purchase the products of the farm. This bill is not designed primarily for employment relief, yet it holds within its effects possibilities for the starting of the wheels of industry, which means jobs rather than doles.

Sad the day for any nation, Mr. President, when the farm-owning farmer is turned into a peasant, the mechanic into a proletarian, and the merchant into a clerk! Yet, unless something happens very soon to alter the current, the middle class in the United States is going to be wiped out—not from inferior ability to serve the public but from unjust and artificial handicaps. I find small realization of the desperate importance of the issue of the small business man.

Most of what is raised by agriculture, dug from mires, or made in factories finds its way into use by the consumer across the counter of the retail store.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Kentucky?

Mr. CAPPER. I yield.

Mr. BARKLEY. In connection with the Senator's suggestion that the bill will aid in the unemployment situation, I would like to ask him if it is not true that if the bill will have any effect at all upon business it will be to increase the prices of products to the consumers?

Mr. CAPPER. I think not.

Mr. BARKLEY. If it will not do that, how will it help those who are sponsoring the measure?

Mr. CAPPER. Under present conditions competition is stifled by the big combinations, and the smaller manufacturers and dealers are put out of business.

Mr. BARKLEY. And this bill is intended to increase prices so that there will be less competition.

Mr. CAPPER. Not at all. In a few cases some prices are now reduced, but only as a result of unfair methods.

Mr. BARKLEY. If the unfair methods are eliminated, of course, then the public who buy the products will pay more for them than they now pay under the influence of competition and reduction in prices. What I am driving at is how does that help the unemployment situation? If any measure under present conditions increases the price of any product and, therefore, compels the purchasing public to pay more for it, how will that help the unemployment situation? Will it not make it even more difficult for people to buy that which they can buy now cheaply?

Mr. CAPPER. I think not. I say the enactment of the bill will stimulate business. It will encourage fair competition and lower prices in the long run. It will aid the smaller manufacturers.

Mr. BARKLEY. In what way?

Mr. CAPPER. I say it will mean fair competition and fair prices.

Mr. BARKLEY. In what way will it aid the small manufacturers?

Mr. CAPPER. It will give them the chance to stay in business. This they do not have now because they are up against the ruthless competition of the big concerns which consign their goods to their own dealers, and sell a few leaders at cut-throat prices as a bait. This practice results in putting the smaller manufacturer and the smaller dealer out of business.

Mr. BARKLEY. Is not the effect of this measure limited to articles the manufacturers of which have been large enough and strong enough and have had sufficient capital to advertise over a period of years and thereby claim that the product is standardized? In other words, will not the effect of this bill be that it will apply exclusively to those products which have been so well advertised over the country by concerns that have the money with which to advertise them in the Saturday Evening Post and other weekly and monthly magazines, that they have become standardized because they have been advertised?

Mr. CAPPER. It is true that the bill would apply in a large way to nationally advertised goods which have become popular by reason of the large sums spent in creating a demand for such goods.

Mr. BARKLEY. The small manufacturer has not been able to indulge in that advertising competition.

Mr. CAPPER. And he never will be so long as he is up against the present unfair competition of a few monopolistic concerns.

Mr. BARKLEY. If this bill is intended to aid the big manufacturer who has the money to advertise, whereas the little manufacturer has not been able to do so, how will that help the little man?

Mr. CAPPER. The bill is intended to put them both on an equal footing; the big chain concern has all the advantage now.

Mr. BARKLEY. In other words, will this bill, when it is passed, enable the small manufacturer to have money enough to advertise in competition with the big manufacturer and therefore offset the benefits intended to be conferred upon the big manufacturer by the bill?

Mr. CAPPER. It will give the little fellow a chance.

Mr. BARKLEY. What chance?

Mr. CAPPER. A chance that he has not now at times because of the cutthroat competition of the big fellow. Competition, furthermore, which is not in the interest of the consumer.

Mr. BARKLEY. It is going to make the little fellow big so that he will be as big as the big fellow?

Mr. CAPPER. It will help keep the little fellow on his feet in his fight to overcome the encroachment of the chains.

Mr. BARKLEY. Where would the little man be who is not engaged in manufacturing? I want to know something about him.

Mr. CAPPER. The principle of the bill is simply to provide equal opportunity and honest competition, which for years we had in this country, and which every business man and manufacturer in all other countries have at this time.

Mr. BARKLEY. The real object of this measure is to reverse a decision of the Supreme Court?

Mr. CAPPER. It undertakes to correct by law a condition resulting from a Supreme Court decision.

Mr. BARKLEY. A mistake which the Supreme Court made?

Mr. CAPPER. A condition brought about by the 5-to-4 decision of the Supreme Court.

Mr. BARKLEY. I know of a number of decisions which were rendered by such a vote. The income-tax decision was by a 5-to-4 vote, and we had to amend the Constitution in order to get around it. Until it is reversed the decision referred to is just as binding and is as much a law as if it had been rendered by a unanimous court.

Mr. CAPPER. Mr. President, the retail business of the country amounts to more than $50,000,000,000 annually. Whoever controls this market holds in his hands the destiny of both the producer and the consumer. Our long-time progress has depended upon fair and active competitive conditions among retail stores.

Everyone has noted the rapid concentration of retailing in many lines of business into mammoth chains. Few have analyzed the cause or understood the threatening significance to us as a people. Many have regretted the development for sentimental or emotional reasons. Few perceive how it reaches back to the farm, the wage earner, and the manufacturer as the market is narrowed into the control of fewer and fewer hands.

Yet, Mr. President, the situation has not, as some of my colleagues believe, gone so far as to be irretrievable. Over 78 per cent of the retail trade is still in the hands of independent dealers, shared by some 1,300,000 merchants. The remaining 22 per cent is done by about 7,000 corporations, the largest of which operates about 20,000 grocery stores, and does a business of over $1,000,000,000 annually—more than enjoyed by such industrial giants as the United States Steel Corporation or the General Electric Co.

In the five years from 1924 to 1929 the growth of these chains absorbed from the total business done at retail an added 7 per cent of the country's sales. In other words, they did 14 per cent of the total in 1924 and over 21 per cent in 1929. The chains' own increase was more than 50 per cent during these five years. At this rate how long before the independent will become extinct?

If this chain-store development was the result of better value giving or superior merit of any sort, as is superficially assumed by some, we might view the declination of our independent fellow citizen with complacency. But when it is accompanied by cruelly artificial and unfair tactics no right-spirited man who sees what is going on, and why, can remain passive. We allow a corporation which owns 2 stores or 10 stores in a town or neighborhood, and which if owned separately by individuals would be considered competitors, to establish a uniform price on any or all articles in its different stores, while we make it illegal for the independent competitors to reach any understanding about uniform prices but compel them to fight each other and the chains. Ownership, which large capital permits over many stores, gives privileges denied the smaller man. Is that the equal opportunity our country was dedicated to afford?

Again, take the small manufacturer as against the great one. Our law permits the great concern to consign its merchandise to the dealers, calling them its agents. It owns the goods in its dealers' stores. It can then direct them as to the prices at which these goods may be sold. The dealer can not cut prices on goods that belong to the manufacturer. That manufacturer is saved the disaster of a cut-price war among his dealers. They can make a living profit on his goods. They will push them to the public in preference to the goods of other factories on which they must meet prices of competing dealers. The small manufacturer is not allowed to enter into arrangements with his dealers to whom he sells his goods for distribution. One dealer cuts. Others must meet him. Profits are gone. There is no incentive to handle. The small manufacturer is the victim of competition on his own goods among his dealers and loses business. If he were big enough and had capital enough to be able to consign his goods and own them in the retail stores, he would escape this penalty. What a travesty on equality of opportunity to permit the wealthy corporation to accomplish legally what we forbid the smaller competitor to accomplish at all.

These restrictions have fostered many unsound consolidations and mergers. Giant chains fighting each other are being merged. Great factories absorb smaller competitors. We are forcing consolidations that lead to monopoly. We are sick industrially and commercially to-day because of the unhealthy environment our false course has bred.

Let me not be misunderstood, Mr. President. I am arguing for, not against competition. But let it be fair, honest, and genuine, not deceptive and ruthless. The small dealer is being extinguished not because he can not compete, but because he is made to appear to be unable to do so.

The chief device which accounts for this deceptive appearance is the offering of so-called "loss leader" bargain bait to the public at cut prices. In a sense it is trick merchandising. The trick is this: The big outlets, which can afford to stand temporary losses, take well-known standard articles, such as Campbell's soup, or Colgate's tooth paste, or kodaks, or the Ingersoll dollar watch, and advertise them at great reductions in conjunction with other articles of unidentified origin but ostensibly representing the same reduction below market values. Amidst a newspaper page of items, all purporting to be perhaps a third below real worth, will be sprinkled a few genuine bargains on standard articles whose values are known in every household. In other words, the names and public confidence of these nationally accepted goods are utilized to give credence to the claims for unknown goods, much as the old-time huckster packed his best apples on the top of the basket. Often, indeed, usually this amounts to misrepresentation by using the good names earned by others to cover doubtful transactions.

Mr. BARKLEY. Mr. President, will the Senator yield there?

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Kentucky?

Mr. CAPPER. I yield.

Mr. BARKLEY. If this bill should be enacted into law, the Great Atlantic & Pacific Tea Co., which is engaged in the grocery business, would not be able to sell a package of Post Bran or Shredded Wheat or Campbell's soup for any price except that which was fixed by the concern that made it originally; nobody could buy a package of Colgate's tooth paste to keep his teeth clean except by paying the price fixed by the manufacturer; and when a customer in the rural sections of Kansas went into a country store which had no overhead expenses and no large clerk hire and no house rent to pay he would have to pay the same price for that article as would a customer in the city of New York or Chicago or Atlanta in a store with high rent, heavy clerk hire, and large overhead expenses. In other words, if this bill should be enacted, and should work as it is intended to work, nobody in any part of the country would get any advantage of any local commercial conditions due to a difference in the cost of operating business; everything would be standardized from the Atlantic to the Pacific, and all purchasers would pay the same price for a given article, regardless of the fact that a merchant in one community might be able to sell cheaper and at the same time make as much profit as a merchant in a larger community; but, because of the enactment of this proposed legislation, he could not give his customers the benefit of any advantage that he enjoyed by reason of his smaller outlay in doing business. Is that correct?

Mr. CAPPER. No; it is not correct.

Mr. BARKLEY. If that is not correct, then those who advocate this measure are certainly mistaken as to what it is going to do for them.

Mr. CAPPER. The provisions of the bill are simply permissive, making it possible for a manufacturer of certain trade-marked goods to enter into a voluntary agreement

with the dealer who wishes to handle his goods and who agrees that he will not sell at cut-throat prices.

Mr. BARKLEY. So the man living in Elmira, N. Y., who wanted a Stetson hat, regardless of the cost of doing business in that community, regardless of clerk hire, regardless of house rent, and regardless of interest at the bank, would have to pay the same price for that hat as that paid by a man in the city of New York on Fifth Avenue purchasing it from a concern which had to meet high rent and high interest rates and high clerk hire.

Mr. CAPPER. Oh, no; if the manufacturer and the dealer had entered voluntarily into an agreement that between themselves——

Mr. BARKLEY. In other words, the manufacturer and the dealer under this permissive law—which was the thing which the Supreme Court passed on—will enter into an agreement as between themselves as to what shall be the retail price of a particular article to the ultimate consumer without regard to the welfare and the interest of that consumer, without whose custom neither the retailer nor the manufacturer can do business.

Mr. CAPPER. In the long run, though, the consumer will pay more money for his purchases if these cut-throat practices are permitted.

Mr. BARKLEY. Under this bill?

Mr. CAPPER. No; under the practice that the Senator suggests.

Mr. BARKLEY. I am not suggesting any practice; I am talking about the results of this bill. I am trying to find out what is going to happen. I know, as a matter of fact, and the Senator from Kansas knows, that if it is not going to result in an increase in prices, or, at least, in the inability on the part of any merchant to reduce prices of anything he sells, it is not going to work the miracle that its advocates contend that it will. I think we might as well be frank about it. The object of this measure is to prevent any merchant from reducing the price of anything below what some other merchant is willing to agree with the manufacturer that it shall bring.

Mr. CAPPER. That is not the object at all.

Mr. BARKLEY. That is what it will do, and I think that is its object. The complaint is that a merchant on one side of the street will reduce Kolynos tooth paste or Pond's cream or a toothbrush or Listerine or a Stetson hat below the price at which a merchant on the other side of the street is willing to sell. The object of this bill is to prevent a merchant on one side of the street from reducing the price of his goods below that for which a merchant on the other side of the street sells them, under a contract with the manufacturer that he shall not sell them except at the price fixed by the manufacturer.

Mr. CAPPER. Mr. President, the owners of these names under the decisions of our courts are powerless to prevent these abuses. The makers of these articles which have earned public acceptance are forbidden to protect the multitude of independent dealers against the oppressive misuse of their good names in deceptive price cutting. Their trademarks and good will may be employed against their will by big distributors who have no interest in them, but by predatory price cutting undermine the multitude of independents who wish to handle their products wholesomely and at reasonable but not ruinous prices. It is the underselling on these recognizable articles that is largely responsible for the notion that the chains give better values than the independents on everything. People have no way of knowing that the losses are recouped on bulk merchandise which they can not definitely compare. It is somewhat analagous to the practice by which the oil monopoly was established, when competitors were destroyed by selling at a loss in a given area while the losses were recouped through excessive prices in areas where competition had been eliminated. We have since then passed statutes forbidding these practices.

There is an impression that the big outlets can undersell because they can underbuy through quantity purchases. They can not and do not undersell in the main. To-day the independents in large measure have established cooperative joint purchasing agencies to get the benefit of bottom quantity prices. But apart from this the heavier overhead expenses of the chains offset most of their buying advantages. The average operating expense of the chain grocery is 18.2 per cent of its sales, according to the Harvard University Bureau of Retail Research. The ordinary service grocery runs at 13.8 per cent expense, or 4.4 per cent below the chain, according to the Alexander Hamilton Institute report. Similar advantages are found for independent shoe, drug, and other retailers over chains.

Dr. R. S. Alexander, professor of marketing, Columbia University, who conducted an investigation of the comparative values given to the public by chain stores and independent stores, says in a report of findings:

> On the whole * * * our survey indicates * * * that neither chains nor independents have any material price advantages.

Mr. President, it is a shame which we should not tolerate, that tens of thousands of small business men are being driven to the wall or turned into hired clerks for absentee-owned stores by practices which are socially and economically harmful.

Like the proverbial snowball, this movement has gained enormous momentum in the past five or six years. Its destructive force, the speed of its spread is increasing with every passing day. The important truth, however, is that the situation can be corrected. Seventy-eight per cent of the country's $50,000,000,000 annual retail business is still in the hands of over a million and a quarter of independent retail merchants. If we act promptly, we can arrest the threatening tendency. We can preserve the business sections of our towns and cities in the hands of self-respecting and independent citizens. We can make it possible for the moderate-sized manufacturers permanently to find outlet for their products to the public without submitting to the terms imposed by monopolistic middlemen. We can assure the public that the avenues of trade will be kept open so that people may continue to have a free choice among the market's varieties.

It is the chief objective of the Capper-Kelly bill, Senate bill 97, to restore the equality of opportunity for the smaller business man in his competition with the big corporation. We take nothing from the big concern, but we do put the small man on an equal footing in one important respect.

We simply make it permissible for the owner of trademark brands to enter into agreements with his distributors that his name shall not be made the cat's-paw to pull trade away from his many small dealers by using his goods as loss leaders and bargain bait.

We stop one of the unwholesome deceptions of business, which is not only working havoc among retailers by the thousands but is building monopolistic middlemen, who hold the welfare of the moderate-sized manufacturers and the wage earners in their factories in their power as well as the buying public. We want no middlemen in such a position of power.

When this bill has become law, the man with one store or a hundred men each owning a store will not be at a disadvantage in competing with the corporation operating a hundred stores in respect of branded merchandise. The moderate-sized manufacturer will no longer be at a disadvantage as compared with the industrial giant with capital enough to consign its goods and use the dealers as agents. He will accomplish equality by means of contracts instead of capital. This is genuine economy which public policy ought to encourage. As Professor Seligman, of Columbia University, puts it, we will have taken one more forward step in the direction of fair competition. We will have wiped out more blot from our commercial escutcheon.

Mr. President, year after year responsible delegations of the business men whose joint welfare is the welfare of the whole country have come here to appeal for this relief. By the tens and hundreds of thousands they have written and wired their appeals. Meanwhile, several hundred thousand have been driven out of business, contributing to the condition now prevailing in America.

In making an appeal for action I should like to say again that I am speaking for 1,250,000 independent American merchants. Through their national and State associations they have registered their resolutions. They represent over 87 per cent of all retail establishments. These merchants, according to the report of the Department of Commerce, handled merchandise worth in excess of $50,000,000,000 in 1929. This is 78 per cent of all the consumer goods purchased by the American public. It amounts to about four times the value of all the products of all our farms. It accounts for the greater part of all the goods produced by all our factories. It represents most of the labor of all our wage earners and most of the freight transported by our railways.

These merchants distribute over $100,000,000 weekly in pay roll, normally, over $5,000,000,000 yearly. They employ over 6,000,000 workers out of our total of 48,000,000 gainfully employed; and, with their immediate families, they represent 14,000,000 people directly dependent upon their activities. Their orders keep the wheels of industry turning, workers employed, farm products consumed. Permit unfair competitive conditions which sap the confidence and energies of this great body of business men, and you paralyze the Nation. When ruinous price cutting and deceptive trade conditions are driving these men by the thousands to the wall, how can business revive? Factories can not run when they are afraid to buy their products.

Let the retail dealers buy merchandise without the threat of having their trade baited away by the notorious loss-leader deception of the monopolistic chain stores. Trust the multitude of self-respecting independent merchants to do a real job of breaking the business jam instead of waiting for the big fellows who can not do it. The great mass of common men should be the reliance of a democracy.

To those who are in doubt as to the ability of the independent merchant to serve the public with values equal to the big companies, I invite attention to the charts which I have had prepared and which are hanging in this Chamber. Those are all questions which can be thrashed out when the bill is before us, and upon which you must be satisfied if you are not already informed. Some, I know, are misled by the very influences which are ruining so many dealers unjustly in public estimation. Join me, my colleagues, in preventing the further unmerited extension of the chain stores. Let them survive by fair means if they can, but lop off their parasitic and uneconomic privileges. Give the independent a fair fighting chance and observe whether the individual initiative of the average citizen can not outstrip the inertia of size. Try, in practice, the doctrine of equal opportunity for all, and see whether the foundations on which our fathers builded were not sound. Do not let democracy go by default. Help to preserve the free and independent character of our towns and cities by stopping the spread by trick merchandising of the chain-store system. Let these earn their way by fair and honest methods. Dispel the discouragement which lays the foundation for the racketeer. Give business and employment new impetus by responding to the overwhelming demand of the business community for action upon the bill—S. 97—which I am now asking to have placed before the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas.

TRAIL SMELTER FUMES

Mr. DILL. Mr. President, since the Senate is not busily engaged in any legislative business, I shall take this occasion to discuss a subject which at the moment affects only the State of Washington but which, because of the precedents that are being set in this matter, may become of vital importance in the future to every other State that borders either Canada or Mexico.

I propose to tell the story of a tragedy. It is a tragedy consisting of a series of small tragedies that accumulate with the years. It is not a tragedy caused by some great outbreak of the forces of nature, such as an earthquake, a volcano, a storm, or a pestilence. If such an act of God had caused this tragedy, it would have ended long ago, because God is that merciful. This tragedy, being man made, continues year by year.

This tragedy has resulted from the diplomatic delay, the official indifference, and the international red tape involved in the unequal struggle of a few hundred poor farmers to save their homes from destruction by a great foreign corporation in Canada.

If I were a poet, I could write a song of sorrow about it. That song might not live with Longfellow's Evangeline, but it would be more pitiful, because this eviction of these people from the land they love is being accompanied by the destruction of its production and the fertility of its soil.

If I were a musician, I could compose a dirge to commemorate this cruelty. It might not rank in musical history with Chopin's Funeral March, that commemorated the partition of Poland; but it would be more sad, because this partition is of families and communities, not by more powerful foreign nations, but under their own Government, the strongest on this earth, by a foreign corporation creating a poison foe from which they can not escape, since it fills the air they breathe and thereby attacks and impregnates everything they produce or possess subject to chemical action by air.

If I were a historian, I could paint a vivid word picture of this invasion. It might not be as stirring as the stories of Napoleon's advance on Moscow or the Kaiser's rape of Belgium; but it would be more shocking, because this invasion is not to gratify a war lord's lust for power—this is the cold, silent, irresistible advance of life-destroying fumes poured into the air as the result of a greedy, soulless corporation's efforts to pile up profits, while the suffering and destruction which follow are in reality the tribute which the victims pay for having happened to live in the path of ruin.

But, sir, not being a poet, not knowing how to immortalize great suffering in music, and being without genius as a writer, all I can do is to tell this tale in its naked reality, and hope that those who listen or read it will catch the terror of the truth and help me secure action from those who have the power to give some small measure of redress.

This tragedy did not happen in some far-away country of another civilization. It is here at home, in our own country. It began nine years ago. It continues now along our northern boundary line—a boundary line 3,000 miles long, and of which we have boasted that for more than a century along its course no forts have frowned, no big guns bristled, and no men-of-war floated.

No private Canadian citizen or group of Canadian citizens would do this as individuals; it is the work of that creation of the law called a corporation. This organization, called a corporation, greedy for profits, greedy for gold in Canada, as in our own country, too often takes its toll of profits regardless of the suffering and ruin it may cause in the lives of individuals. In this case, this great corporation has barricaded itself behind legal technicalities, and taken advantage of international red tape, and made much use of what Shakespeare called "the law's delay," to avoid its full responsibility, until to-day a once beautiful, productive country along the upper course of the majestic Columbia River of the far Northwest is fast becoming a barren waste, its inhabitants being evicted, and its civilization vanishing into a memory.

Some may say that such delay is always the result when there is an attempt to protect private rights by diplomatic methods, but let me call attention to the difference in methods which our State Department used in protecting the interests and rights of a few hundred poor American farmers within our own borders, and in safeguarding the interests of a great American corporation in a foreign land.

It took us more than four years to induce our State Department to have the wrongs and damages done to these farmers even considered by the International Joint Commission. It took another two years for the commission to reach a decision. Now nearly two years more have passed since the decision was reached, and our State Department has done absolutely nothing about the matter. During all of this time the destruction and ruin caused by this foreign corporation have continued, and continue at this hour.

What did the State Department do when the Spanish Government proposed to take over the property of the International Telephone & Telegraph Co. by nationalizing the telephone system of Spain? Did they refer it to a commission? They did not. Did they resort to diplomatic discussions? They did not. The Secretary of State let it be known that this country would probably break off diplomatic relations with Spain if the Spanish Government dared to interfere with the privilege of an American corporation to make profits in that country. There was no proposal to confiscate property. Of course, the Spanish Government would have paid for that property, but it would have made it impossible for the American corporation to continue to make profits in a foreign land. With that proposal in front of them, the State Department let it be known that they would probably break off diplomatic relations.

Yet we have been waiting for nine years for some relief for these farmers of the Northwest, two years of that time after the International Joint Commission has made a report and recommendation for action, and all those farmers have in the world is being destroyed. After they have spent their lives to secure their little homes, they are being driven out one by one, the productivity of their lands ruined, everything they have lost, and the country being made a barren waste.

These different methods in handling the rights and interests of these poor farmers and in handling the rights and interests of this great American corporation under a foreign flag are in such striking contrast that I need not comment at length upon what it implies. The State Department would break off relations with a foreign government because an American corporation's rights to make profits were to be interfered with. Yet nearly eight years have passed and the devastation and ruin of American property within our own borders, resulting from the acts of a foreign corporation in Canada, continue.

Now, let me tell the story of this tragedy. About 30 years ago at the town of Trail, British Columbia, 6 miles north of the international boundary line on the Columbia River, the Consolidated Mining & Smelting Co. built a small smelter. It gradually enlarged that institution and in 1915 added a zinc-smelting plant to what already existed.

When this smelting plant smelts lead, zinc, iron, and copper sulphides, it pours into the air literally millions of tons of deadly SO_2 gas, commonly known as sulphur dioxide. This gas amounts to more than a million pounds per day, or 470,000,000 pounds per year, and is two and one-half times as heavy as air. When mixed with the moisture of the air it forms sulphuric acid, and the SO_2 poured into the air at Trail is equal to 1,000 tons of sulphuric acid every 24 hours.

The prevailing winds there blow from the northeast and carry this air, laden with poison fumes, down the narrow valley of the Columbia into Stevens County, Wash. The average rate of the wind is only 4 miles per hour, so that it does not dilute the poison gas with the air sufficiently to prevent its falling on the earth and attacking everything it touches. The mountains on both sides of the river for 40 miles below the boundary line make the Columbia River Valley a sort of conduit for these fumes.

If you go into the valley, you can smell and taste this poison in the air. It kills the timber on the mountain sides; it blights the wheat, the oats, the alfalfa in the fields; it stunts the fruit on the trees; it discolors the berries and gives them a bitter taste; it causes rust upon all farm implements and upon wire and iron in every form; it burns the throats of livestock and also of human beings and often results in their illness and a generally weakened physical condition.

While these fumes did some damage as early as 1918 on the American side of the boundary, it was not until 1923 or 1924 that the farmers found the damages so serious that they made complaint both to the smelter company and to our own State Department. It was not until 1927 that we were able to induce the State Department to take official steps to have the Canadian Government take cognizance of this situation.

Let me point out here that our American farmers are absolutely helpless to do anything to protect themselves. They can not go into the Canadian courts. Our own courts have no jurisdiction over this Canadian corporation. The only peaceful method of protecting their rights is through the Government here at Washington.

What has enraged the farmers most and makes the continuation of this destruction of property so indefensible is that it is all entirely unnecessary. There are smelters all over this country. They have provided equipment to take the poison from smelter fumes. They have done that at Tacoma, Butte, Salt Lake, and in many other parts of the country. They can do it at Trail, but it will cost considerable money.

This Consolidated Mining & Smelting Co. can well afford to spend the necessary money. They have been making tremendous profits during the years they have been destroying the properties of American citizens. They increased their net profits from $3,000,000 in 1924 to $11,000,000 in 1927. In 1928, when their net profits were more than $10,000,000, they spent $125,000 to take the poison out of the fumes. They came across the line and negotiated with our farmers who were complaining, and who were desperate, for enough money to live upon, and finally made settlements with individual farmers amounting to $4,400. During that year the dividends to stockholders amounted to $6,366,000. This was a 10 per cent dividend in addition to the bonus of $10 per share on all their stock.

We contend that any corporation making such enormous profits should be compelled to spend the necessary amount of money to prevent poisonous fumes from contaminating the air and destroying the property of small home owners who have spent their lives in accumulating the small holdings they now have. Unless these fumes are stopped from coming into the United States, the entire valley of the Columbia River 30 or 40 miles south of the boundary, in Stevens County, Wash., will soon be a barren waste, all because this foreign corporation is bent on making enormous profits from the smelting business without giving protection to those who can not legally compel protection.

Mr. President, we have not been lax in our efforts to have our own State Department take steps to protect these people. As early as 1926 I insisted that the Secretary of State should take some action. On January 8, 1927, I wrote a letter to the Secretary of State calling attention to the treaties with Canada preventing the pollution of waters which run from one country into the other and to the treaty which relates to destruction by fire from either side of the border. I insisted that Canada should be required to protect these farmers against damages resulting from the poison smoke fumes from the smelter at Trail, British Columbia.

On February 5, 1927, Joseph C. Grew, Acting Secretary of State, wrote me a letter in response to this demand, a copy of which I ask to have printed in the RECORD at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, February 5, 1927.

The Hon. C. C. DILL,
United States Senate.

MY DEAR SENATOR: I take pleasure in acknowledging the receipt of your letter dated January 8, 1927, in which you call attention to very serious damage which you state is being done to crops and fruits on farms in the vicinity of Northport, Wash., as a result of smoke fumes that drift over the mountains from the smelter at Trail, British Columbia. You state that you understand this Government has concluded a treaty with Canada preventing the pollution of water which runs from one country into the other, that there is also a treaty relating to destruction by fire, and that, therefore, it seems to you this country would be justified in requesting the Government of Canada to negotiate a treaty to protect the two countries against the pollution of the air by poisoned fumes. Accordingly you suggest that I consider the advisability of bringing this matter to the attention of the ambassador of Great Britain at this Capital.

The department has had under consideration for more than two years the question of the damages which it is alleged are being caused by smoke fumes from the smelter at Trail, British Columbia, and steps are being taken with a view to having officers of the Department of Agriculture make a careful investigation and



report in regard thereto. The Secretary of Agriculture has informed me, however, that his department does not have available sufficient funds for this purpose and that it will be necessary to obtain a special appropriation for the purpose.

I am transmitting a copy of your letter to the Secretary of Agriculture, and I am asking him whether he would be disposed to make an appropriate recommendation to the Congress so as to obtain sufficient funds to pay the expenses incident to the proposed investigation.

I shall be pleased to keep your request before me, and, if the report which may be made in this connection seems to warrant, your request will be given careful consideration.

I am, my dear Senator DILL, sincerely yours,

JOSEPH C. GREW,
Acting Secretary of State.

Mr. DILL. Mr. President, I want to call attention to the fact that Mr. Grew recognizes that something should be done but complains that they have not any positive information on which they can rely, and that they must have the Secretary of Agriculture secure this information, and he says there is no appropriation available for that purpose.

On May 18, 1927, at Spokane, Wash., the farmers of this valley, the county commissioners of Stevens County, attorneys representing the farmers and the smelter company, and officials of the smelter company, together with Congressman SAM HILL and myself, held a meeting at which this whole situation was fully discussed.

On May 19, 1927, I sent the Secretary of State the following telegram:

MAY 19, 1927.

Hon. FRANK B. KELLOGG,
Secretary of State, Washington, D. C.:

Poison fumes from smelter of Consolidated Mining & Smelting Co. at Trail, British Columbia, are fast destroying farm lands of Stevens County along Columbia River, and unless stopped will entirely destroy all vegetation on these lands. Constitution of this State forbids ownership of land by foreign corporation, and farmers are helpless in efforts to get damages. At meeting here yesterday of farmers, county commissioners, attorneys, and Congressman HILL of Washington and myself, with officials of smelter company, it was agreed nothing could be done to protect these lands. Judge George Turner, formerly a member of International Joint High Commission, insisted that this case comes under treaty of 1909 and should be referred to that commission. Do you agree and will you refer this case to that commission on presentation of data showing devastating destruction by these smelter fumes? Surely this Government must take action to protect the property of its own citizens in our own land from destruction by a foreign corporation located in a foreign country. This situation is becoming desperate for citizens who have spent their lives developing these lands and making homes for themselves. If this smelting company should plant guns on the Canadian side and shoot shells across the border, the destruction might be more spectacular and rapid, but not as completely effective as is being caused by the shooting of these poison fumes from 500-foot smelter stacks. If this case can not be handled under treaty, this Government should present a bill for damages and also ask for a new treaty under which the rights of American citizens can be protected. This case has been before the State Department for some time, and I urge immediate action.

C. C. DILL.

On May 23 Mr. C. V. Savidge, the State land commissioner of the State of Washington, sent a letter to the Secretary of State explaining the interests of the State in this matter because of State timberlands; and I should like to have that letter inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF PUBLIC LANDS,
Olympia, May 23, 1927.

Hon. FRANK B. KELLOGG,
Secretary of State, Washington, D. C.

SIR: Fumes from the smelter of the Consolidated Smelting Co. at Trail, British Columbia, are destroying vegetation on lands along the Columbia River, extending many miles into the State of Washington.

Because the constitution of this State forbids the ownership of land by foreign corporations, the State of Washington and its individual citizens whose property has been damaged are unable to secure payment for the damage done.

At a meeting held in Spokane on Wednesday, the 18th, and attended by county officials, landowners, Senator C. C. DILL, Congressman HILL, and myself, on behalf of the State of Washington, together with the officials of the smelter company, it was impossible to find a solution of the problem. However, Judge George Turner, a former member of the International Joint High Commission, advised the meeting that this matter came within the provisions of the treaty of 1909 and should be referred to that commission.

Within the area subject to destruction by the smelter fumes are valuable timberlands belonging to the school grants of the State of Washington. As the duly elected commissioner of public lands of the State of Washington, I am therefore requesting that you refer this matter to the commission as provided in the treaty of 1909.

Aside from the damage done to the property of the State of Washington, this is a very serious matter for many citizens of this State whose lands are being rendered barren by these fumes. Surely this matter is worthy of your attention, and I trust that you will decide that it comes within the provisions of the treaty referred to.

Very respectfully,

C. V. SAVIDGE, *Commissioner.*

Mr. DILL. Mr. President, on May 28 I received a telegram from the Secretary of State, Mr. Kellogg. Mind you, this was some four years after we first began protesting, and urging that something be done. That telegram was as follows:

WASHINGTON, D. C., *May 28, 1927.*

The Hon. C. C. DILL,
Spokane, Wash.:

Your telegram May 19 regarding smelter fumes. Department is taking up matter with Canadian Government. Meanwhile I would be glad to receive from you data to which you refer showing effect smelter fumes. Principal statements should be under oath.

FRANK B. KELLOGG,
Secretary of State.

That was on May 28, 1927. The negotiations continued for more than a year before we finally secured an agreement with the Canadian Government to have this matter advert to the International Joint Commission. On August 7, 1928, such an agreement was reached. On August 11 the Secretary of State wrote me a letter explaining that action had been agreed upon between the two Governments under Article IX of the treaty of January 11, 1909, for the purpose of determining the extent to which the property had been damaged, the amount of indemnity that would compensate those interested in the case, the effect in Washington of future operations, and any other problems that might arise.

Then the commission began to hold hearings and take charge of the work. On October 9 and 10, 1928, the commission held hearings at Northport, Wash., which is the principal town in the valley affected by the poisonous fumes.

On April 2, 12, and 13, 1929, the commission held hearings at Washington, D. C.

On November 4, 1929, the commission held a meeting at Nelson, British Columbia.

On January 22 to February 12, 1930, the commission held final hearings at Washington, D. C., and then deliberated over the case for more than a year.

On February 28, 1931, the commission made its report, and on March 6, 1931, the Secretary of State released the report with the statement that it would be considered sympathetically with a view to its acceptance or rejection.

Mr. President, I ask to insert in the RECORD at this point as a part of my remarks a copy of the statement issued by the Secretary of State and also the report of the commission.

The VICE PRESIDENT. Without objection, that order will be made.

The statement and report are as follows:

DEPARTMENT OF STATE,
March 5, 1931.

STATEMENT BY THE SECRETARY OF STATE REGARDING THE REPORT AND RECOMMENDATIONS OF THE INTERNATIONAL JOINT COMMISSION, UNITED STATES AND CANADA, REGARDING FUMES FROM SMELTER AT TRAIL, BRITISH COLUMBIA

The complaint regarding damages in the State of Washington, caused by fumes from the smelter of the Consolidated Mining & Smelting Co., of Trail, British Columbia, was referred to the International Joint Commission, United States and Canada, on August 7, 1928, for investigation, report, and recommendation, pursuant to Article IX of the treaty of January 11, 1909, between the United States and Great Britain.

The commission held a meeting at Northport, Wash., in October, 1928, and at Nelson, British Columbia, in November, 1929. In January and February, 1930, an extensive hearing on the reference was held in the city of Washington, when the testimony of scientists from the Department of Agriculture, who had been sent to Stevens County, Wash., to investigate the fumes problem; the testimony of scientists of the Canadian Government, who had studied the problem; and the testimony of representatives of the

smelting company and of residents and officials of Stevens County was presented to the commission. Since that time briefs in behalf of the Government of the United States and the Government of Canada, of the complainants, and of the smelter company have been filed with the commission.

On February 28, 1931, the commission reached a unanimous agreement at Toronto, Canada. In the agreement the commission makes a finding as to the region affected by the fumes and determines the damages up to January 1, 1932, to be $350,000. The commission finds that the damage from fumes will be greatly reduced, if not entirely eliminated, by the end of the present year if the company proceeds with remedial work which is in process of installation.

The agreement provides that upon complaint of any person that damages have been suffered subsequent to January 1, 1932, and the claim for damages is not adjusted by the company with the claimant within a reasonable time the Government of the United States and the Government of Canada shall determine the amount of damages due and the amount so determined shall be promptly paid by the company.

The commission describes the remedial works which the company has installed and is in process of installing and recommends that the company be required to proceed as expeditiously as may be reasonably possible with the works referred to and that it be required to erect with due dispatch such further units and take such further other action as may be necessary, if any, to reduce the amount and concentration of sulphur fumes to a point where no damage will be caused in the United States.

The commission recommends that scientists of both Governments observe the works erected by the smelter company to control the fumes and to report from time to time to the two Governments such further works or action, if any, which the scientists consider the company should adopt.

A method of disbursing among claimants the amount awarded is recommended by the commission.

As has been indicated above, the commission has jurisdiction to make recommendations. The recommendations have been submitted. It now becomes the function of the Government of the United States and the Government of Canada to determine whether the recommendations shall be accepted.

I only now wish to say that I am very much gratified by the following features of the report as it appears to me. The Government has not yet had time to consider its action entirely. In the first place it is a unanimous report concurred in by all of the commissioners, not only of this country but of Canada. Every such decision, particularly on such an important problem as this has been, should conduce strongly to the good relations of the two countries.

The commissioners in their decision have attempted not only to cover the question of past damages but to provide for the permanent solution in the future of this problem, and it is gratifying that they should have reached unanimously such a decision.

In reporting upon the actual damages which have been now incurred the commission have awarded to the American claimants a very substantial sum, and report that they have eliminated only those damages which they considered too remote or too indefinite for judicial determination.

A decision with these elements will be sympathetically considered by this Government in reaching its decision as to whether to accept the report or not.

A copy of the joint commission's report follows:

REPORT OF THE INTERNATIONAL JOINT COMMISSION, UNITED STATES AND CANADA, ON QUESTIONS CONTAINED IN REFERENCE DATED AUGUST 7, 1928, TRANSMITTED TO THE COMMISSION BY THE GOVERNMENTS OF THE UNITED STATES AND CANADA PURSUANT TO THE TERMS OF ARTICLE IX OF THE TREATY OF JANUARY 11, 1909, BETWEEN THE UNITED STATES AND GREAT BRITAIN, THE REFERENCE IN QUESTION RELATING TO INJURY TO PROPERTY IN THE STATE OF WASHINGTON BY REASON OF THE DRIFTING OF FUMES FROM THE SMELTER OF THE CONSOLIDATED MINING & SMELTING CO. OF CANADA (LTD.), IN TRAIL, BRITISH COLUMBIA

In the matter of the reference relating to damage in the State of Washington caused by fumes from the smelter at Trail, British Columbia, operated by the Consolidated Mining & Smelting Co. of Canada (Ltd.), hereinafter called the company, the commission begs to report that the following are respectively the questions submitted to it by the Governments of the United States and the Dominion of Canada, and its findings thereon:

1. (1) Extent to which property in the State of Washington has been damaged by fumes from smelter at Trail, British Columbia.

The territory affected is to be found within the three zones shown on the map accompanying this report and for the purpose of identification marked with the letter A.

(2) The amount of indemnity which would compensate United States interests in the State of Washington for past damages.

In view of the anticipated reduction in sulphur fumes discharged from the smelter at Trail during the present year, as hereinafter referred to, the commission therefore has deemed it advisable to determine the amount of indemnity that will compensate United States interests in respect of such fumes up to and including the 1st day of January, 1932. The commission finds and determines that all past damages and all damages up to and including the 1st day of January next is the sum of $350,000. Said sum, however, shall not include any damage occurring after January 1, 1932.

(3) Probable effect in Washington of future operations of smelter.

Provided that the company having commenced the installation and operation of works for the reduction of such fumes proceeds with such works and carries out the recommendation of the commission set forth in answer to question (5), the damage from such fumes should be greatly reduced, if not entirely eliminated, by the end of the present year.

(4) Method of providing adequate indemnity for damages caused by future operations.

Upon complaint of any person claiming to have suffered damage by the operations of the company after the 1st day of January, 1932, it is recommended by the commission that in the event of any such claim not being adjusted by the company within a reasonable time, the Governments of the United States and Canada shall determine the amount of such damage, if any, and the amount so fixed shall be paid by the company forthwith.

(5) Any other phase of problem arising from drifting of fumes on which the commission deems it proper or necessary to report and make recommendations in fairness to all parties concerned.

(a) The commission deems it proper and necessary in fairness to all parties concerned to report and make recommendations with reference to the reduction of the amount and the concentration of SO_2 fumes drifting from the smelter of the company into the United States.

The company has erected and put in operation the first of three sulphuric-acid units, each with a capacity of 112 tons per day, which it proposes to erect for the purpose of reducing such fumes.

The company has represented to the commission that said units, together with a pilot plant with a capacity of 35 tons per day, which has been in operation for some time, will produce 147 tons of acid per day thereby reducing the amount of sulphur discharged from the stacks of said smelter by 49 tons per day.

The company has further represented to the commission that it will have a second 112-ton sulphuric acid plant in operation in or about the month of May, 1931, and a third unit of like capacity in or about the month of August, 1931, and that when said units are completed as aforesaid, they, together with said pilot plant, will be using 123.6 tons of sulphur extracted from said fumes, thereby extracting approximately 35 per cent of the total sulphur content of the fume discharged from said stacks.

The company has further represented that the plants and works constructed and contemplated by it as aforesaid will necessitate the expenditure of a sum in excess of $10,000,000, the greater part of which has already been expended.

The commission therefore reports and recommends that, subject to the provisions hereinafter contained, the company be required to proceed as expeditiously as may be reasonably possible with the works above referred to, and also to erect with due despatch such further sulphuric acid units and take such further or other action as may be necessary, if any, to reduce the amount and concentration of SO_2 fumes drifting from its said plant into the United States until it has reduced the amount by some means to a point where it will do no damage in the United States.

(b) The commission further recommends that the Governments of the United States and Canada appoint scientists from the two countries to study and report upon the effect of the works erected and contemplated by the company as aforesaid on the fumes drifting from said smelter into the United States and also to report from time to time to their respective Governments in regard to such further or other works or actions, if any, as such scientists may deem necessary on the part of the company to reduce the amount and concentration of such fumes to the extent hereinbefore provided for.

(c) When the company has reduced the amount and concentration of SO_2 fumes emitted from its plant at Trail, British Columbia, and drifting into the territory of the United States to a point where it claims it will do no damage in the United States, then it shall so notify the Government of Canada, which shall thereupon forthwith notify the Government of the United States, which may then take up the matter with the Government of the Dominion of Canada for investigation and consideration to determine whether or not it has so reduced the amount and the concentration of SO_2.

(d) The question of whether or not the company is proceeding with expedition as aforesaid may be taken up at any time by the Government of the United States with the Government of Canada for further consideration.

(e) This finding and recommendation under question (5) must be read in connection with questions (1), (2), (3), and (4); that is to say, if these conditions as above stated under question (5) are fully met there will be no future indemnity to pay, that being included in the amount of damages embraced under question (2), except as hereinafter provided.

(f) Any future indemnity will arise only if and when these conditions and recommendations stated under question (5) are not complied with and fully met, and then only in respect of any damage done after the 1st day of January, 1932, as hereinafter provided.

(g) The word "damage," as used in this document, shall mean and include such damage as the Governments of the United States and Canada may deem appreciable and, for the purposes of paragraphs (a) and (c) hereof, shall not include occasional damage that may be caused by SO_2 fumes being carried across the international boundary in air pockets or by reason of unusual

atmospheric conditions. Provided, however, that any damage in the State of Washington howsoever caused by said fumes on and after January 1, 1932, shall be the subject of indemnity by the company to any interests so damaged, and shall not be considered as included in the answer to question (2) of the reference, which answer is intended to include all damage of every kind up to January 1, 1932.

2. It is further recommended that the amount of the indemnity specified in question (2) shall be paid into the Treasury of the United States and shall be held as a trust fund for the use and benefit of persons having suffered damage as hereinbefore mentioned; and upon the appointment by the Governor of the State of Washington of a responsible and bonded administrator, or such other person as may be appointed, he shall confer and advise with the members of the United States section of this commission, and shall have access to all claims and other information in the custody of said section, and such administrator or other person shall make a detailed list of awards to the various persons damaged by said fumes, and he shall allot to each individual claimant that part of the total sum of $350,000 to which such individual is entitled. Said administrator or other person shall be the sole and final judge of all questions referred to him, and no appeal shall lie from his decisions; and, having perfected his list of awards as aforesaid, he shall distribute the fund by check drawn against said trust fund and take and accept proper receipts therefor, which said receipts shall be a full and complete release of the parties signing the same to all claim upon said fund.

3. The said sum of $350,000 does not include any allowance for indemnity for damage to the lands of the Government of the United States. No claim was presented to the commission in respect thereof, and counsel for the Government of the United States at the last public hearing announced that any claim in connection with such lands was withdrawn. The commission, therefore, finds that any claim of the Government of the United States for past damages in respect of said lands has been waived.

4. The commission further finds and recommends that Stevens County is entitled to compensation for damage to property owned by it within said zones, but that said county is not entitled to indemnity for alleged loss of taxes by reason of such fumes, such claim being regarded by the commission as too remote and indefinite to permit of adjudication herein.

5. The commission does not recommend any indemnity for alleged loss of trade by business men or loss of clientele or income by professional men resident in the city of Northport, within the said zones, such claims being regarded by the commission as too remote and indefinite to permit of adjudication herein.

Signed in the city of Toronto on Saturday, February 28, 1931.

C. A. MAGRATH.
JOHN H. BARTLETT.
W. H. HEARST.
P. J. MCCUMBER.
GEO. W. KYTE.
A. O. STANLEY.

Mr. DILL. I shall not go into a discussion of the details of the report at this time. The report was unanimous. It proposes to pay $350,000 to the farmers for damages and then makes certain provisions as to future damages which we believe give practically no protection at all. My complaint is directed not so much at the amount of damages, although I think they are exceedingly low, as to the failure of the commission to forbid, absolutely, a continuation of these fumes coming into this country. Especially is my criticism directed at the Secretary of State for allowing almost two years to pass without action, while these fumes continue to come across the border and one by one drive these poor families out of that territory. I know there are not many in number—a few hundred at most. I know their lands are not vast nor of as great production as in some sections of the country. But they are citizens of this country and they have a right to expect that their Government will protect them against the ravages of a foreign corporation against which they can not peacefully protect themselves.

I have been to the State Department again and again, and again, asking the Secretary of State to take some action. If he does not want to approve the report, then let him refer it back to the commission or take up its amendment. It has been suggested that the matter be referred to arbitration. What I want is that something shall be done. What we insist now is that something shall be done in order that our own citizens shall not further suffer at the hands of a greedy corporation that will not consider their rights as they should be considered.

The Senator from South Carolina [Mr. SMITH] asks me sotto voce if the fumes are still coming across the border. I may say to the Senator that the report of the commission which was made last year provides that by January 1, 1932, the smelter shall equip its plant so that no more poison fumes of sufficient amount to injure the production on the American side of the border shall be possible, and yet this summer, in 1932, I was informed by those who live there and those who visited there that the destruction continues even worse than before. That it can continue in a country like ours with a friendly neighbor seems almost beyond belief, and yet I can not blame the Government of Canada for doing nothing when our own officials sit silent and motionless while our own people are driven out one by one and that country becomes a waste, ruined forever, because this poisonous gas settles on the land, settles in the timber and on the crops, and works its way into the very soil and is absorbed there, and it will take a number of years to bring the land back to decent productivity even if we stop absolutely the coming of the fumes at this time. If this smelter plant were in our own country, the courts would compel the company either to pay full damages for property they did not own or to put a stop to the sending of the fumes into the air.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. DILL. Certainly.

Mr. KING. May I say to the Senator that I have listened with interest to his observations. I think the smelting company at an expenditure not too great might prevent a repetition of these wrongs.

If I may be pardoned a personal allusion, a number of years ago we had four smelters operating in the valley in which I live. I, with another attorney, was employed by the farmers in order to stop the dissemination of the poisonous gases. We brought an injunction suit. The case was carried to the Supreme Court of the United States. We obtained injunctive relief as well as damages. The smelters were inhibited from continuing operations until and unless there were installed as a part of their mechanical plant such necessary improvements as would arrest not only the gases but the solids and other poisonous substances which emanated from the smelter. Later we modified the decree with respect to two smelters. Two of them were torn down and moved away. As modified the decree permitted the smelters to operate provided they would install devices to arrest the arsenical and other solids that were distributed from the smelter. This was done and two of them have been permitted to operate.

The smelters operating in Canada could very easily install all necessary appliances to prevent a continuation of this condition. It seems to me our Government has been derelict in failing to insist upon ample protection for American citizens.

Mr. DILL. I thank the Senator for that statement. Our Secretary of State has been especially derelict in not taking some steps to see to it, after the commission had made its report, that the report is not accepted or some amendments made which would enable the department to accept it.

At this point, Mr. President, I ask permission to insert in the RECORD the protests of the representatives of the farmers of that section who are afflicted, calling attention of the Department of State to the failure of the report to give them proper relief.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

COLVILLE, WASH., *March 21, 1931.*

Re: Trail smelter reference.

The honorable the SECRETARY OF STATE,
Washington, D. C.

SIR: The undersigned, representing the major portion of claimants in the matter of damage in the State of Washington caused by the fumes from the smelter of the Consolidated Mining & Smelting Co. of Canada (Ltd.), desire to present and file herewith their objections to the acceptance by the Government of the United States of the report of the International Joint Commission under date of February 28, 1931.

I. (1) EXTENT OF DAMAGE

The commission limits the extent of damage to what is known as the Hedgcock zones as determined by investigations conducted

in 1928 and 1929. At the final hearing in Washington in January, 1930, Doctor Hedgcock testified that some of the area outside of his zones appeared to be injured but were not investigated owing to lack of time, and such areas were indicated by question marks which appear on the map filed with the commission. (Hedgcock, p. 277.) In 1930 these areas were checked by Doctor Hedgcock, and his 1929 zones were extended. Inasmuch as the commission has gone outside of the record and awarded damages for 1930 and 1931, the Hedgcock map as completed in 1930 should have been accepted by the commission as a basis upon which to award damages up to January 1, 1932.

Mr. S. W. Griffin, United States chemist, found significant concentrations of SO_2 outside of the Hedgcock map of 1929. (Griffin, Exhibit 2a.) Dr. M. C. Goldsworthy, United States pathologist, discovered visible crop markings from SO_2 beyond the Hedgcock zones of 1929. (Goldsworthy, No. 4.) In 1930, it is understood, Doctor Goldsworthy found severe crop burns from SO_2 over a greater area than in 1929. Uncontradicted affidavits of claimants beyond the Hedgcock zones established in 1929 clearly indicate SO_2 injury. It is thus apparent that the area fixed by the commission falls considerably short of that determined at the Washington hearing and by subsequent scientific investigation.

(2) AMOUNT OF INDEMNITY FOR PAST DAMAGES

The commission reports that in view of proposed fumes reduction in 1931, damage up to January 1, 1932, should be fixed at $350,000. This does not include any damage after that date. The propriety of awarding past damages as a final and complete settlement unless and until it is established that such drainage will definitely and ultimately cease is open to serious objection. There is no assurance, based on the record herein, that SO_2 damage will cease within any given time. The probabilities, based on the record, are that SO_2 damage will continue in Stevens County for an indefinite future time. If the damage is to continue indefinitely into the future, as will be shown later, then there is no legal standard whereby past damages can be measured in this class of injury. The law declares that such damage is immeasurable and irreparable.

The award of $350,000 is less than 10 per cent of the values affected in the zone of damage fixed by the commission. Under the record herein, it is wholly inadequate. Injury to some of the property in upper Stevens County had commenced at least 15 years ago; in most of the balance of the area damage has been apparent for 7 years last past. Much of the area in Hedgcock zone 1 is totally ruined, even though SO_2 fumes were now wholly stopped, which has not been done. Arrested development, loss of market values, ruined reputation of the area, continuing hazard, prospective fruitless litigation, and other elements of damage recognized by law, have obviously been ignored. If the report of the commission is accepted, the usual remedy of injunction or immediate curtailment is definitely denied. The company is thus permitted to appropriate lands in Stevens County for an indefinite future period, in addition to the time already elapsed. Claimants are left, therefore, without effective, adequate or speedy remedy. An award of past damages alone is wholly inadequate. There should be a full and complete legal award at this time in an amount sufficient to compensate claimants for all elements of damage.

(3) PROBABLE EFFECT OF FUTURE OPERATIONS OF THE SMELTER

The commission reports that if the smelter company proceeds with fertilizer units and carries out the recommendations under subdivision (5) hereunder that SO_2 damage in Stevens County should be greatly reduced, if not entirely eliminated, by the end of 1931. This conclusion, it is submitted, is contrary to the facts revealed by the record in this reference. A full discussion of this point will be found under (5) hereafter.

(4) METHOD OF INDEMNITY PROVIDED FOR DAMAGES CAUSED BY FUTURE OPERATIONS OF THE SMELTER

The commission recommends that if a damage complaint is made after January 1, 1932, if the claim is not adjusted by the company within a reasonable time, then the Governments of the United States and Canada shall determine the amount of damage, and the amount so found shall be paid by the company forthwith. That there will be damage after January 1, 1932, can not be successfully denied. There were claims of damage in 1923 or 1924, according to Mr. Blaylock, when there was much less than one-half of the present sulphur emitted, and at a time before the stacks were elevated. Claimants do not wish to submit to future damages or the constant threat thereof. They desire present relief, either in the immediate stoppage of harmful SO_2 fumes settling upon their lands or by a present award of adequate compensation, so that if the fumes are to continue they might go elsewhere, reestablish themselves, and live under normal conditions. They have struggled for years in an effort to gain redress through their Government and the commission. Claimants do not desire to be subjected to further prolonged disputes with this company as to the fact and amount of damage, especially in view of the limitations and conditions sought to be imposed upon them for the future. They have already had ample controversy and, we respectfully submit, with most unsatisfactory results. From past experience it is evident that the company and claimants can not agree to fact and amount of damage. It will then become necessary for our Government to conduct further scientific investigations, and the commission will doubtless make further awards. Hundreds of American citizens should not be required against their will to submit to this unbearable situation. The position of claimants in this respect was stated to the commission by Attorney John T. Raftis at the Northport hearing in October, 1928, in the following language:

"The members of this association are not primarily interested or concerned with the question of damages. They have not created, nor have they in any way encouraged, this present situation. They have protested against it with vigor since the first sign of fumes and smoke damage began to appear. They have taken up homesteads or purchased property here; they own this property; this is the abode of their choice as free citizens; here they have built their homes and have raised or are raising their families, and they have many tender memories and associations among these hills and valleys, and they feel that they have every right to protest and to deny to this smelter company the privilege, in the name of private gain, to partially or wholly destroy their property and natural and human rights, simply because dividends might be less if proper construction and operation are provided to control these gases and fumes, or because it might work some hardship on the smelter company, which alone is responsible for the present dispute. This association wishes the question settled at this time once and for all. Its members do not care to pass the hat from year to year for crop or seasonal damages, and this method of handling the question is not acceptable in any degree."

At the conclusion of the Washington hearing in 1930, counsel for the Government of the United States made use of this very appropriate expression:

"Economic damage is but a small part of the problem. The farmers desire to operate their farms without trespass or interference. They do not desire to labor under the burden of having their crops injured, even though some compensation may be made therefor; nor do they desire to face a future holding unknown factors such as the possibility of fatal crop injuries, inadequate compensation, prolonged negotiations. They desire to pursue their duties free from hindrances except those arising naturally from conditions subsisting in their vicinity, and they have a right to do so. Facing the menace of these fumes, they are uncertain whether when they sow they shall reap. They are subject to mental turmoil and interference with home and community life. They are under the necessity continuously to reckon with sulphur dioxide. They must be constantly on the alert to observe the effects of the intruder. The constant menace of fumes unquestionably causes substantial injuries to these people. The smelter company has for several years maintained a corps of experts to determine the extent of damage caused to property in the State of Washington. The Government of the United States is spending many thousands of dollars on this problem.

"Is this to continue indefinitely? How are these people to show what their losses actually are day after day and year after year? How can the damages resulting from the loss of credit and the destruction of the market value of their property be determined? How can the property owners be indemnified for unmerchantable timber, injured trees, ornamental shrubbery, and flowers? Etc."

(5) RECOMMENDATIONS MADE IN FAIRNESS TO ALL PARTIES CONCERNED—FUTURE CONTROL OF SO_2 FUMES

We wish to consider now the all-important phase of this reference. In substance, the commission reports that there is now in operation at Trail a fertilizer unit and a pilot plant whereby the sulphur output is reduced by 49 tons per day. It is stated that the company has represented to the commission, obviously since the Washington hearing, that a second fertilizer unit will be in operation in or about May, 1931, and a third unit in or about August, 1931; and that when same are in operation there will be removed exactly 123.6 tons of sulphur daily, or about 35 per cent of the total sulphur output. It is stated that the above will cost over $10,000,000, most of which has been spent. The commission then recommends that the company be required to proceed "as expeditiously as may be reasonably possible" with the above works, and also to erect "with due despatch" such further units and take such further or other action as may be necessary to reduce SO_2 concentrations to a point where there will be no further damage in the United States.

It is then recommended that when the company has reduced the harmful SO_2 to a point where it claims it will do no further damage in the United States, the company shall then notify the Government of Canada, which shall forthwith notify the United States Government, which may then take up the matter with the Canadian Government to determine if the SO_2 has been so reduced. The question of whether the company is proceeding "expeditiously" may be taken up at any time by the United States Government with the Canadian Government. If the conditions herein are fully met, there is to be no future indemnity, except as below provided. The commission then defines "future damage" to mean only "appreciable" damage, and, for the purpose of considering the efficacy of fumes control, this does not include "occasional" damage caused by "air pockets" or "unusual atmospheric conditions."

Inasmuch as the reports of the commission on (3) and (5) are closely related, it is proposed to discuss them together.

In its recommendations upon (3), the commission says:

"*Provided*, That the company having commenced the installation and operation of works for the reduction of such fumes, proceeds with such works and carries out the recommendation of the commission set forth in answer to question (5), the damage from such fumes should be greatly reduced, if not entirely eliminated, by the end of the present year."

In our view, there is no convincing testimony which justifies the conclusion that the damages will be greatly reduced or elim-

inated by the end of the year 1931; and, hence, an award of damages at this time, based upon such assumption, is unjustified and contrary to the record evidence. Mr. Blaylock testified (pp. 3564–5) that the present output of sulphur from the stacks of the smelter is from 300 to 350 tons daily, or 600 to 700 tons of SO_2. The only basis for the belief of the commission that the damage will cease by 1932 is the testimony of Manager Blaylock as to the present plans of the company for reduction of sulphur output by the construction of fertilizer or acid plants, and his opinion, or hope rather (as he makes no assurance), of the probable effect of such construction.

This is the installation referred to on page 3 of the commission's report, whereby 35 per cent of the fumes are to be extracted in or about August, 1931. Now, this is the only installation contemplated by the company in 1931, and, hence, it must be upon this installation that the commission bases its opinion that the damage will be greatly reduced, if not entirely eliminated, by the end of 1931. Mr. Blaylock testified (p. 3572) that nothing is being done with reference to further installation, and that unless the company can sell the fertilizer produced by this first installation further units are not contemplated (pp. 3640, 3745), and a further installation by the end of 1931 would be improbable.

There is no reason based on the record herein that this first installation will remove SO_2 damage in Stevens County, or even greatly reduce such damage. Mr. Blaylock himself testified that he can not guarantee that there will be no further damage (p. 3715). While he stated that he believed that the hazard would be eliminated, yet he stated that it was absolutely theoretical (pp. 3575–6).

Furthermore, positive proof in the record shows that such damage will not cease. The commission reports that this first installation will remove 35 per cent, or 123.6 tons of sulphur daily, still leaving an emission of 229.4 tons of sulphur daily, or 83,731 tons per year. The sulphur tonnage emitted would then be reduced to about that of 1925, when it was 83,090 tons (p. 3610). This was before the effects of the high stacks became apparent; yet there was complaint of damage as early as 1924 (pp. 3671, 3680, 3692), at a time when there was but 61,000 tons yearly with low stacks (p. 3612).

Mr. Blaylock testified that taking out a certain per cent from the stacks does not mean that there will be a less per cent of SO_2 over the entire area (pp. 3575–6). Even granting this were true, it is instructive to examine some of the concentrations found in Stevens County, in the light of the proposed reduction of 35 per cent.

A concentration of 1.16 parts of SO_2 per million parts of air by volume was found by Mr. S. W. Griffin, United States chemist (p. 3574). The following question was asked of Mr. Blaylock by Mr. Kyte of the commission (p. 3575):

"Mr. KYTE. When your present unit is working and you have extracted 30 per cent of the SO_2, will you tell us how and in what proportion that 1.16 will be divided?

"Mr. BLAYLOCK. Of course, that is almost impossible. It is impossible to state because you may get a wind pocket that can do pretty nearly anything, but the mathematical average will give you a fair indication of what you can expect. I would imagine that, generally speaking, your concentrations will be largely in proportion to the amount of sulphur emitted. That does not necessarily follow, because a wind pocket can take smoke along, but it is less likely to do that to that extent, I think. But that is absolutely theoretical."

But, granting that a 35 per cent reduction in the smelter stack emission is brought about, we will still have a damaging concentration throughout the area. The 1.16 parts per million would be reduced to 0.75 parts per million. The concentration found by Doctor Neidig at Northport on August 28, 1928, would be reduced to 1.43. At point or station 26 on Griffin Exhibit 2a, at the Rettinger place near Bossburg, the concentration of 0.58 would still be 0.377. The concentration of 0.96 found by Doctor Whitby on Deep Creek would still be 0.624, and the concentration of 0.64 South of Marble would still be 0.416, at a point more than 30 miles south of Trail by the Columbia River. At station 13, northwest of Northport, the concentration of 1.00 found by Mr. Griffin would still be 0.65. There is absolutely no assurance that any or all of these concentrations will not increase at any time, as there is no way by which same can be forecast.

It will be noted that the experiments conducted by Mr. Griffin and Doctor Fisher at Wenatchee, Wash., revealed injury with a concentration of but 0.40, or in an amount not greater than the concentration that will exist after the installation of the acid plants and their reduction by 35 per cent of the sulphur emission at Trail. It is believed that experiments conducted at Wenatchee since the Washington hearing may reveal positive damage at a less concentration than 0.40, though we are not advised of such findings.

There is another significant fact which demonstrates that the proposed installation in 1931 will not remove damage in Stevens County. There will still be an emission of 229.4 tons of sulphur per day, with high stacks, and the prevailing winds are down the river toward Stevens County, the international boundary being about 11 miles along the Columbia River from Trail. The stacks were raised 409 feet in 1924 and 1925, and this increased height, in the words of Mr. Griffin (p. 45) "transferred an acute problem from the immediate locality to a locality farther removed from the smelter"—in other words, to the farmers and landowners of Stevens County.

There is no security, no definite promise or assurance of any positive reduction of fumes, and the curtailment plan suggested by the commission, with the limitations and conditions imposed, affords no present relief or the promise of anything definite for the future.

There is another salient feature disclosed by the record, which supports the view that, even with the present proposed installation of acid plants removing 35 per cent of the sulphur emitted from the smelter stacks, there will still be damage in Stevens County, and that is this:

Between the years 1916 and 1921 there was in operation at Northport a small smelter, known as the Northport Smelter (pp. 2069, 2733). This smelter, in the opinion of Mr. Blaylock, emitted not to exceed 75 tons of sulphur per day (p. 3734), and probably less. With this amount, Mr. Lathe found damage to timber at the boundary, north of Northport, 9 miles from the Northport Smelter, and against the prevailing winds (pp. 2135, 2139, 2175). Now, in the face of a small smelter, with low stacks, emitting not to exceed 75 tons of sulphur per day, causing damage 9 miles distant against the prevailing winds, how can it reasonably or consistently be expected that a huge smelter, only 11 miles from the boundary by the river route, and much closer by direct line, with stacks 409 feet high, emitting, after the installations proposed in 1931, 229.4 tons of sulphur daily, or over three times that of the Northport Smelter, will not cause continued and serious damage in Stevens County, with topography and prevailing winds ever favorable to such damage?

There is no reason to expect that the proposed installations will remove the damage in Stevens County, and they are the only installations proposed for 1931, and no more could be erected in that year, as the evidence will show that it has been over two years since the company first determined to construct the installations now in contemplation, and they are not as yet completed or in operation. Mr. Blaylock states that no more units will be built unless the products of the first units can be sold (pp. 3572, 3573, 3594), and he gives no assurance that these first units will remove injury in Stevens County—he gives expression only to a theory or an opinion which, in the light of the facts heretofore referred to, can amount to no more than a hope.

The commission recommends, in answer to question (5) that the said works now proposed for 1931 be constructed "as expeditiously as may be reasonably possible," and that such other works be erected as may be necessary to prevent fumes damage in the United States, and that the respective Governments appoint scientists to report on the progress of the work and what further steps, if any, may be necessary to prevent such damage.

The attitude of claimants has always been, and now is, that they desire these damaging fumes stopped; this is their legal right under the laws of their State and of the United States, yet the fumes continue as the years roll by. The difficulty with the commission's recommendation is that it offers no hope of any stoppage within any definite or reasonable time, and this is especially true when the language in paragraphs (c) and (d) under question (5) is considered. The scientists to be appointed by the two Governments to report upon the progress of the work and what further steps are necessary may not agree either on, first, what constitutes "reasonable" progress; or, second, what further steps are necessary. And though it were possible for them to agree, yet if past experience is any criterion, it may be only after the lapse of a long period of indeterminate time, during which damage in Stevens County will doubtless continue.

And then, again, whenever, in the judgment of the smelter officials, their installations are adequate to prevent further damage in the United States—and the evidence shows that such claim will be made upon the completion of the units now in construction, for Mr. Blaylock says he believes they will remove such damage—then the fact must be determined by prolonged scientific inquiry by the two Governments, and so on ad infinitum after the delayed installation of any recommended unit agreed upon after interminable scientific investigation.

But to add to the difficulties and to further make the cessation of the fumes a problem utterly incapable of solution within any time at all reasonable to the minds of thinking men, the commission in paragraph (g) of their answer to question (5), states that the word "damage" as used in the report shall mean and include such damages as the Governments of the United States and Canada may deem "appreciable," and for the purposes of paragraphs (a) and (c) shall not include "occasional" damages that may be caused by SO_2 fumes being carried across the boundary line in "air pockets" or by reason of "unusual atmospheric conditions." In other words, and in effect, declaring that such damages, even though they be found "appreciable," yet if only "occasional" or due to "unusual atmospheric conditions" or "air pockets" shall not be considered in determining the efficacy of any installation to stop the damage. This leaves the whole matter of curtailment so uncertain and indefinite that no claimant can ever hope to see assured stoppage of damaging SO_2 fumes in Stevens County.

In the first place, any damage occurring may be considered by the company as not "appreciable." This at once gives rise to a controverted question which must be determined by the two governments after scientific investigation. If determined to be appreciable, then it must be asked, "Was it due to unusual atmospheric conditions or to an air pocket?" and thus additional prolonged scientific investigation.

What constitutes "unusual atmospheric conditions"? What constitutes a "wind pocket" or an "air pocket"? How, if certain damage is found to be appreciable, can it be determined,

after the damage has been inflicted and the damaging agency is gone, if, at that particular time, a wind pocket existed? Or that unusual atmospheric conditions prevailed?

Just to illustrate the difficulty: What are unusual atmospheric conditions? Mr. Blaylock stated in answer to a question by Chairman Bartlett (p. 3587):

"Chairman BARTLETT. To be sure that you would not get any SO_2 greater than half of a per cent down below the boundary, how much do you think you would have to cut down?

"Mr. BLAYLOCK. That goes back to really where we began, because you could not get any SO_2 to-day were it not for extreme conditions of wind. You would have to shut down entirely."

The record shows that there is SO_2 in Stevens County two out of every three days, and Mr. Griffin testified the gas is well mixed with the air a distance from the smelter, and that the stream is quite constant (p. 262). The record further shows that the damage in Stevens County is mainly from repeated fumigation of SO_2 in relatively low concentrations, which has been verified by the experiments conducted at Wenatchee.

Yet Mr. Blaylock asserts that the only harmful SO_2 in Stevens County is due to extreme conditions of wind, and the commission apparently accepts this view. If this be true, what in the face of extreme conditions of wind are to be considered unusual atmospheric conditions? Is the extreme wind to which the presence is now attributed by Mr. Blaylock an unusual atmospheric condition? How is it ever to be ascertained when a burning by SO_2 takes place and damage occurs whether an unusual atmospheric condition was present at the time? And if unusual atmospheric conditions, such as the extreme winds mentioned by Mr. Blaylock, are frequently present, why should not they be considered in determining the efficacy of the control measures?

And likewise with wind pockets. If a burn takes place and is afterwards discovered, who can later determine that it was a wind pocket that brought down the visiting concentration causing the injury, whether a wind pocket was at the time present? Will it be said that if at any time a burn takes place where burns had not occurred before it must be due to a wind pocket? Damage does not always occur in the same spot.

If the report is accepted as rendered, the result is interminable investigation, dispute, and controversy that can never be settled. The claimants are still left to hazard and uncertainty. If our Government determines that it has no alternative but to accept this report, then it is the duty of our Government to first see that its citizens are not deprived of their rights and property without just compensation or due process of law. To merely say that damages suffered after January 1, 1932, will be paid for does not suffice, as no unoffending citizen should be required against his will to plant a crop to harvest a claim for damages to be awarded after prolonged scientific dispute and investigation, and most likely in an amount not worth the effort required to secure it. To leave the lands of these claimants subject to such future hazards and uncertainties is to destroy their beneficial use and market value, as no normal person will purchase or attempt to hold lands subject to such burdens.

II. METHOD OF DISTRIBUTION OF AWARD

The commission recommends that the sum of $350,000 awarded be paid into the Treasury of the United States as a trust fund for damaged claimants; that upon the appointment by the Governor of the State of Washington of a bonded administrator, or such other person as may be appointed, such appointee shall confer with members of the United States section of the commission, and shall have access to claims and all information, and he shall make a detailed list of awards and allot same to individual claimants. He shall be the sole and final judge of the questions referred to him, with no right of appeal. After the awards are made, he shall draw checks upon such fund, and take receipts therefor, which shall be a complete release upon such fund.

Assuming that an adequate award had been made herein, the method suggested for distribution is unworkable and unsatisfactory. On the face of the commission's report, it would appear that a lump sum award of $350,000 had been agreed upon by the commission. This no doubt was arrived at either by a general blanket award, or by first assessing and totaling the damage suffered by each claimant. If the award was determined by a lump sum method, it is submitted it is without basis in fact as revealed by the record. If it was determined by first assessing the damage suffered by each claimant, then it would appear that the commission should itself have announced the award made for each claimant. It is assumed that the commission made a thorough analysis of each claim filed. The commission asks that a person now be appointed to make an allotment to the claimants of this award, working through the American section of the commission.

From the report it appears that this appointee must furnish bond. He will doubtless be paid a salary and necessary expenses in making the allotment of the award. He will doubtless have to investigate and appraise each claim filed. Appraisals in the area may be necessary, which will require assistance and expense. No method is provided for payment of these contingent items, and they will no doubt be paid from the $350,000 award.

If the Governor of the State of Washington appoints such administrator, the appointment will be publicly regarded as political. The person appointed will unquestionably be subjected to pressure and influence from opposing interests. The net result will be that the claimants themselves will finally be drawn into unpleasant controversy and dissension concerning appraisals, values, and individual awards. It is submitted that the commission itself, which has heard and studied this question, is the logical agency to make any adequate award which finally is made herein.

To point out the hopelessness of this appointee's making a satisfactory distribution of this or any award we need but consider the following: Claims were filed by the Upper Columbia Co. for about $600,000, by S. W. O'Brien for $300,000, by Dr. A. Sophian for $500,000, by Stevens County for about $250,000, by the Long Lake Lumber Co. for about $200,000, and by other persons and agencies for proportionately large amounts. Much of this property is in the worst damaged zone of injury as reported by the commission. Practically undisputed law and evidence have been submitted in support of these various claims. Then there are in the neighborhood of 700 individual claimants. If SO_2 fumes are to drift in and upon Stevens County indefinitely, as now appears, it is beyond understanding how this appointee can distribute this $350,000 or any award on an equitable or reasonably satisfactory basis.

III. CLAIM OF THE UNITED STATES

The commission reports that the $350,000 award does not include any allowance on lands owned by the United States, such claim being deemed waived. This is the concern of our Government, and any comment on our part is deemed inappropriate.

IV. CLAIM OF STEVENS COUNTY, WASH.

The commission recommends that Stevens County should recover damage to property owned by the county, but not for loss of taxes and revenue. The county is represented by other counsel, and no comment is made in this regard.

V. TRADE AND BUSINESS LOSSES

The commission recommends that no indemnity be allowed for loss of trade or income by business and professional men of Northport.

The record clearly demonstrates that financial losses have been and will be suffered by business and professional men in Northport due to arrested development, abnormal depression, and hardship brought about by this long-continuing fumes situation. If damage were definitely stopped at this time and the future made secure, there would be some hope in the future for those persons engaged in legitimate enterprises which depend upon the economic life and growth of the area. With a continuing nuisance and hazard, the area is almost certain to be rapidly depopulated, with consequent loss of business and trade.

IN CONCLUSION

In view of the foregoing, the undersigned, speaking on behalf of those whose rights they represent, respectfully request that the Government of the United States do not accept or accede to the report of the International Joint Commission as rendered, and that such Government take steps to protect and safeguard the rights and property of its citizens in accordance with law and the facts as revealed by the record in this reference. Claimants can not abide by the report or the award stated therein.

JOHN T. RAFTIS,
F. M. TURNER,
WENTZ & BAILEY,
Attorneys representing various claimants herein.

Mr. SMITH. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from South Carolina?

Mr. DILL. Certainly.

Mr. SMITH. The findings of the commission are embodied in the report, I understand.

Mr. DILL. Yes.

Mr. SMITH. The report was joined in by the Canadian commissioner?

Mr. DILL. Yes.

Mr. SMITH. In order to make it effective, what steps are necessary?

Mr. DILL. The Secretary of State must accept it, and it would probably involve a treaty agreement between the Canadian Government and this Government, but we can do nothing until the Secretary of State acts. It is of his delay that I complain. I may say to the Senator that there was a period of seven years—from 1924 to 1931—spent in getting even a recommendation from an international body for settlement, and nearly two years have passed since such a report was obtained without any action on the part of the Department of State. During these nine years the fumes have continued to float across the boundary and destroy the lands, the livestock, the homes, the very lives of American citizens. They have petitioned and protested. They have hoped and prayed. One by one they have been forced to desert all they have been able to accumulate during the years they lived, and all in the name of profits of a foreign corporation bent on dividends, and still more dividends, for its stockholders.

I have been to the State Department repeatedly. The report was made public in March, 1931. I have a letter

from Secretary of State Stimson dated April 13, 1931, in which he refers to my letter to him and saying that they are giving the matter earnest attention and that they are going to give the matter consideration and act on it. Then on March 25, 1932, this present year, I had another letter from Secretary of State Stimson saying that they would take action in the near future; but some nine months have elapsed and still nothing has been done.

During the summer, on August 18, 1932, I wrote the President of the United States and called attention to the fact that a year and a half had passed since this report had been made, that the Secretary of State had done nothing, and appealing to the President in the name of these citizens to ask the Secretary of State to take some action. I did not give the letter to the press because it was in the midst of the campaign and I did not want to make any political propaganda of it. I wanted some results for those people. That letter was written August 10. Under date of August 18 I had a letter from the President stating, "I have your letter of August 10. I am taking the matter up with the State Department." I assume that he did so, but we have had no results. My letter to the President was as follows:

SPOKANE, WASH., *August 10, 1932.*

Hon. HERBERT HOOVER,
President of the United States,
White House, Washington, D. C.

DEAR MR. PRESIDENT: For the last five or six years the people of the northern part of Stevens County, in the State of Washington, have suffered tremendous damages to their crops and their property generally because of the poison fumes from the smelter at Trail, British Columbia.

Through the State Department this matter was referred to the International Joint Commission, and the commission made a recommendation about a year and a half ago proposing an award of $350,000 to those whose property had been damaged, and also providing that the smelter should stop the fumes from coming across the line to such an extent as to protect property of American citizens from further destruction.

The State Department has postponed action on this matter from time to time. I have repeatedly called upon officials in the department, and I have talked especially with Mr. Stimson and Mr. Castle about it. Under the terms of that report the smelter was to extract the poison from the fumes to such an amount as to stop destruction after January, 1932. People from that region tell me that the destruction has not only not stopped but is worse than it previously was. While the people affected think the recommendation of the payment of $350,000 for damages is too small, they are most disappointed and injured by no action being taken by the State Department.

A few days ago I appealed to Secretary Stimson for confirmation of a report made to me by my secretary that the State Department would take no action on the recommendation because the people of the State of Washington were opposed to it. I have a telegram from William R. Castle, acting Secretary of State, in which he says that the department has made no ruling and indicated no views on it, and then adds, "Early action has not been considered advisable pending developments, but the case is receiving constant attention."

This means more delay. One by one the families in that region are being driven out because of the destruction of their crops by the fumes. It seems to me indefensible that the State Department should delay and delay action until our citizens are all forced out and the country is a barren waste.

I appeal to you as President to call this matter to the attention of Mr. Stimson and his assistants and have them take action one way or another regarding this report. American citizens who have been damaged have waited long enough. Surely justice demands some action now.

Trusting you will give this matter your personal attention, I am,
Sincerely yours,

C. C. DILL.

When I arrived in Washington from my home to attend the opening of this session of the Congress I again took up the matter with officials of the State Department, and still they do not indicate when they are going to act. They are still waiting while our people are suffering and have no protection and no damages.

I insist there is no defense for a continuation of this delay. I believe that the negligence, the indifference of the State Department to the wrongs and sufferings of the people of the State of Washington, for whom I speak here, make it incumbent eventually that those people shall be paid the damages they have suffered, and if our Government is unable through diplomatic methods to secure the money from the smelter company which is making these millions of profits, then it ought to be taken from the Treasury of the United States. It is not American that any citizen should suffer at the hands of a foreign corporation as these people have suffered and waited and hoped without avail.

On December 21, 1931, I introduced a resolution (S. J. Res. 67) providing that the Government of the United States should make additional payments over and above the $300,000. I have not asked the Foreign Relations Committee of the Senate to consider it because it would not be fair to expect action on it until the State Department had acted in this matter.

Mr. President, I shall not take time to-day to discuss the many phases of this unequal struggle of these poor farmers to save their land and homes against destruction, but shall only mention a few of them. As I have already pointed out, the Consolidated Mining & Smelting Co. is a wealthy corporation, making immense profits. From the beginning of this struggle it has hired American experts, American attorneys, and American newspaper writers to assist them in justifying their course and making public opinion as favorable as possible.

In the very beginning of this fight they hired Mr. Lon Johnson, who at that time was Lieutenant Governor of the State of Washington, as an attorney to assist them against these farmers. The fact that the lieutenant governor lived in the county seat of Stevens County made this a doubly hard blow for these farmers to bear.

I have in my files a letter from Mr. John Leaden, president of the Farmers Protective Association, of Northport, Wash., written at that time, asking if the farmers could employ me to act as their attorney. In private conversation he explained that they had left but little money on which to live, but they felt that only a United States Senator could compete in official influence with the second highest official of the State government.

When I explained to him I could not under the law act as attorney in any case which involved the United States Government, he plead for a new law which would prevent a lieutenant governor from assisting a corporation of a foreign land when the actions of that corporation were destroying property of American citizens. He and his neighbors could not understand why it should be lawful for the second highest official of the State government to fight them while officials of the Federal Government could not fight for them as attorneys, especially when these citizens were farmers who had spent their lives in creating their little homes which were being destroyed.

Another great handicap to the farmers has been the fact that we have found it necessary to have Congress appropriate money so the Department of Agriculture could investigate the damages, while the Smelter Co. always had plenty of funds to hire all the experts they wanted for that purpose. In 1928 Congress appropriated $40,000 in the deficiency bill for that purpose. We have appropriated the same amount each year since 1928 until last year, when it was cut to $20,000.

In 1931 the Congress appropriated $16,000 for the use of the Public Health Service to study the effects of these fumes on the health of the people, and in 1932, $10,000 was appropriated for the same purpose, but these appropriations were not spent.

The smelter company has not only hired experts to study damages in the valley, but year after year it has leased certain tracts of land and had them intensively cultivated, using an abundance of fertilizer and irrigation water to disprove the claims of the farmers that these fumes were destructive to crops. They were trying thereby again to build up public sentiment against the claims of the farmers.

Ever since these fumes began destroying the productivity of these lands the Federal land bank has refused to loan money to the farmers in this valley, and that, of course, has been another handicap to them. One by one they have been forced to leave, and slowly but surely the production, the population, and even the civilization itself of this valley are being exterminated.

Mr. President, there is one other phase of this question to which I desire to call attention. Early in the struggle of these farmers I urged the Secretary of State to take up with Canada the advisability of negotiating a treaty that would in the future prohibit any corporation on either side of the line building a poison-fume-producing plant without having the consent either of the Government on the other side or of the joint commission, as the treaty might provide. It happens that the valley which is being ruined grows only the ordinary farm crops, with only a few orchards, but there are other valleys running from Canada into the State of Washington and from Canada into other States along the border where, if a poison-fume plant were built and the fumes floated across, as they have here for the last nine years, there would be destroyed literally millions and millions of dollars worth of property. Yet to this hour the Secretary of State has not made even a move toward securing a treaty that would make impossible a repetition of the tragedies that have been occurring in this section as the result of the building of this smelter plant.

I wish to comment upon one other phase of this struggle. Officials of the smelting company have complained that they can not, under the laws of the State of Washington, buy our land, because no foreigner may hold land in the State of Washington. We take the position that nobody in a foreign country has a right to buy our land and destroy it as a resource within our boundaries. If they buy our land and make it a barren waste, they take it from the tax roll; they destroy its productivity; and they, to that extent, destroy our resources. We contend within our own rights that they have no business to destroy our resources, and that their duty is to pay for all the damage they have done and cease sending into this country the poison fumes that will cause further destruction.

Mr. President, I wish to say, in conclusion, that no settlement of this problem can be either satisfactory or just that fails to do two things.

First, provide for the absolute stopping of the poison fumes from this smelter, so that further damage will be impossible to the lands of American citizens within the United States; and,

Second, pay reasonable compensation for the damages already done by the fumes.

This award does neither. The worst feature of it is that it does not compel the stopping of the poison fumes from coming into the United States.

These farmers are poor, their holdings are small, but they are American farmers. Many of them have spent their lives acquiring their little homes. That is all the property they have in the world. Although they have seen them gradually destroyed, they have clung to them in the hope that their Government would protect them. They can not go into Canada and secure the protection of Canadian courts. American courts into which they might go have no jurisdiction over the institution that is destroying their property. Being good citizens, they have refrained from attempting to destroy the institution that has been their tormentor by creating these poison fumes which ruin their crops and homes. I think they have shown great self-restraint under the circumstances; and, for that reason, I think the officials of the Government should show great interest in their efforts to secure justice.

They appealed to their Government for protection. The award of this commission gives them only small damages, and worst of all, fails to protect them against ultimate destruction of their property.

If this great Government does not protect these citizens against damages caused by nationals of a foreign country, then the Government should pay these citizens full compensation for the damages it has permitted foreigners to inflict upon their property. These people can not be expected, in this age of civilization and peace, to use force against the nationals of a foreign country to protect their own property. They have a right to depend upon their own Government to do that, and they have followed that course.

The nationals of a foreign country, whether organized into a greedy corporation, controlling millions and millions of dollars, or whether acting simply as individuals, must not be permitted either to damage the property of American citizens or to destroy the productiveness of American soil.

The officials of this Government should insist that the Canadian Government compel its own nationals to respect the rights of our own people by stopping these fumes and by payment of the damages already caused. To do less than that is to be faithless to their trust.

ADJUSTMENT OF SEED, FEED, AND CROP-PRODUCTION LOANS

Mr. WATSON. Mr. President, I move that the Senate take a recess——

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Will the Senator from Indiana withhold his motion; and if so, does he yield to the Senator from South Dakota?

Mr. WATSON. I withhold the motion, and yield to the Senator from South Dakota.

Mr. NORBECK. Mr. President, I desire to ask unanimous consent for the immediate consideration of Senate bill 5148, which was reported some time ago unanimously from the Committee on Agriculture and Forestry, and is, of course, now on the calendar. I had an arrangement with the Senator from Oregon [Mr. McNARY] that he would call up the bill this morning, but he is not able to be present. All the bill proposes to do is to give full authority to the Secretary of Agriculture to deal as he may find necessary with cases of indebtedness growing out of seed, feed, and crop production loans extended by the Government. The Secretary of Agriculture, under the bill, may deal with them individually or otherwise.

The VICE PRESIDENT. Let the bill be stated by title.

The LEGISLATIVE CLERK. A bill (S. 5148) authorizing the Secretary of Agriculture to adjust debts owing the United States for seed, feed, and crop-production loans.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was read, considered by unanimous consent, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture, upon such terms and conditions as he may deem advisable, is hereby authorized from time to time to collect, extend, adjust, or compromise any debt owing to the United States on account of any seed, feed, or crop-production loan heretofore made under any act of Congress.

Mr. SMITH. Mr. President, the bill (S. 5148) introduced by the Senator from South Dakota [Mr. NORBECK], and passed a few moments ago at his request, was acted upon, I believe, by the committee last week. I was not present at that meeting on account of attendance at another committee which was meeting at the same time.

I presume this bill has grown out of the distress in certain quarters where the farmers have been totally unable to make repayment to the Government. I should like to have the Senator from South Dakota advise me as to what is contemplated by the bill. The reason I ask the question is that I had the Agricultural Department furnish me with the approximate amounts that had been paid back by the several States which had availed themselves of these loans, and I find there is a wide variance in the payment from the different States. For instance, three States I have in mind have paid in cash and in collateral and commodities approximately 90 per cent while in other States and sections the repayments have not exceeded 10 per cent. I should have liked to have had this measure instruct the Secretary of Agriculture to ascertain whether or not it was physically or financially impossible for the States which have made such a small percentage of return to make any greater return, having in view the statement that emanated from the administration some time in the fall that certain sections in the wheat area would not be expected to pay in excess of 25 per cent of the loans until such time as Congress might

determine just what would be its attitude in reference to the other 75 per cent.

It would be manifestly unjust for certain communities and sections to deprive themselves down to the point of actual suffering to meet the demands of the Government while more liberal terms were extended to others; and, in justice to all parties concerned, I did not think there should be such exactions from one section while perhaps like exactions were not made from all sections. The wording of this bill is such as to leave the conditions pretty much as they now stand, without any real investigation as to the ability of the several communities to pay if the same pressure be put on all alike.

To put my inquiry in a word, it is this: Is it the object of the bill to extend certain compromises or relief to those who have been absolutely unable to make any greater payments than they have made?

Mr. NORBECK. Mr. President, I must admit that I am entirely at a loss to know what the policy of the Secretary of Agriculture would be. The policy heretofore has been to collect from those who are able to pay. I think that has been carried too far in some cases; but I do not see that this measure gives the Secretary any additional authority. I think under the law now he can do the very thing this bill will permit him to do, but he has been reluctant to take that view of the matter.

The Senator from North Dakota [Mr. FRAZIER], for instance, told me of one very appealing case. It is impossible to put them all in the same class. Here will be a district where there was almost a complete crop failure. The regulation which went out over the country, saying that if the borrowers will pay 25 per cent, the Government will extend the time for the payment of the rest, is reasonable, but in practical application it does not always work out.

The Senator from North Dakota [Mr. FRAZIER] had a letter from a woman who had lost her husband and who owed a seed loan. The agent came around and said, "You will have to pay 25 per cent now, right away." So she sold the entire crop of this year's production and fell short $1.80 of having enough for the 25 per cent payment. Then the agent came around again and said he would give her two weeks in which to raise the rest of the money.

I do not want a lot of mileage piled up by traveling agents of the Government trying to collect such sums as $1.80 from places where the money can not be found. I think in that case the $1.80 debt ought to be canceled, because we can not get it, anyway, and any other course would merely result in running up a lot of expense.

The Secretary of Agriculture may say that at present he has not any authority to do that. He will have it under this bill in a case of that kind. I think everyone in the United States would take the view that those who are able to pay should pay; but it is recognized that in many sections where there has been a light crop of commodities, of which the price has been very low, there is not enough in the crop in a good many cases to pay the indebtedness if the whole crop were sold. Therefore this bill gives the Secretary of Agriculture the authority to extend the time for payment, not over a certain number of years but from year to year until the borrowers are able to pay.

Mr. SMITH. Mr. President, I think under the law as it now stands the Secretary of Agriculture has power to do exactly what this bill proposes to empower him to do; but in view of my personal experience in collecting these loans, if there is no discrimination, I think it is very well for us to pass the bill if it is to apply throughout. I want it understood that it is to apply throughout the entire United States wherever these loans have been made, and, in cases such as that to which the Senator refers, that the Secretary is directly authorized by law either to strike off the account, to reach a compromise, or to make such terms as he thinks the individual and human elements require.

RECESS

Mr. WATSON. I renew my motion that the Senate take a recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

The motion was agreed to; and (at 2 o'clock and 35 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, December 22, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 21, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

By the inspiration of Thy mercy and wisdom, Heavenly Father, do Thou encourage us to follow after love, which is the soul's divinest purpose, life's richest attainment, and the highest vocation of the heavenly world. O bless us with that immortal love which enriches every faculty, unifies all worthy ideals, and harmonizes all true labors. O heart of God, let its tides steal over all our hearts to-day. May not material achievement outrun spiritual acquisition. Bless every officer and Member of this Chamber with unswerving loyalty to the unaging sanctities of a good, upright life. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE PRINCIPLE OF SUBSIDIES AND SUBVENTIONS IS FUNDAMENTALLY UNECONOMIC AND UNSOUND

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, a few days ago the House passed the Post Office appropriation bill, providing funds for the Post Office Department for the coming fiscal year. It carried an appropriation of $35,500,000 for the transportation of foreign ocean and air mails. The major portion of these funds will be paid in the form of bounties or subsidies to a few favored shipping companies, which payments are in addition to liberal compensation for transporting our foreign mails.

In the fiscal year of 1931, 27 shipping lines were paid $18,790,765.72 on mail contracts, $15,865,548.97 of which was gratuity or subsidy over and above the standard rates of compensation prescribed by act of Congress. At these statutory rates this service would have cost the Government only $2,925,216.25, or less than one-sixth the amount paid on the improvident contracts made by the Post Office Department under the provisions of the merchant marine act. In the strongest language I could command I have condemned this system of bounties or subsidies as unjust, unreasonable, uneconomic, extravagant, and wasteful. This unjustifiable expenditure of public funds has made it increasingly difficult to balance our National Budget.

Those who defend this riotous dissipation of public funds attempt to justify the practice on patriotic grounds and on the specious plea that by making these princely gifts to shipping lines we are building a great merchant marine to carry international commerce. It is also urged that these subsidized vessels will serve as a naval or military auxiliary in time of war or other national emergency. No thoughtful student of history will assert that a great merchant marine has ever been created or long maintained by Government subsidies. Hothouse methods in the form of bounties, subsidies, or subventions may for a brief period stimulate the building and operation of merchant ships, but when the subsidy is withdrawn the shipping industry languishes and dies.

Subsidies affect the shipping industry in the same manner that digitalis affects a weak heart. To get results the dosage must be constantly increased. It produces a temporary stimulation of the cardiac muscles, elevates the blood pressure, and tends to relieve venous congestion, but this abnormal and unnatural heart action ends when the stimu-

lant is discontinued. Opiates temporarily inflame the imagination and deaden the paroxysm of pain, but the effects are transitory and the remedy ineffective unless the dosage is constantly increased until a point is reached where mental and physical collapse is inevitable.

France has granted the most liberal subsidies to her shipping interest, but without substantial increase in her permanent merchant marine. On the other hand, Great Britain has built by far the world's greatest merchant marine without subsidies.

The maritime supremacy of England is not the result of governmental subsidies or hothouse methods, but it is the fruitage of three centuries of continuous, persistent and well-directed efforts to control the world's commerce. For 10 generations this passion for commercial supremacy has been bred into the bone and fiber of the English people. It is probably their strongest aspiration and is founded on the necessities of the nation.

The English are at home on the high seas. For centuries from almost every family in England one or more boys, to borrow the language of the psalmist, have gone "down to the sea in ships that do business in great waters." They rode the turbulent billows that mount up to the heaven and then go down again to the depths. They entered distant harbors, and from remote regions they brought back to England incalculable wealth.

Every nation excels all others in some outstanding characteristic. The English are essentially a seafaring people, while the American people are primarily and predominantly a commercial and industrial nation. The American people have not been a seafaring people, largely because that occupation has been less profitable than industrial and commercial activities. For 150 years practically all of the energies of the American people have been utilized in the development of our rich, natural resources and in building up commercial and industrial structures, with which those of other nations can not be compared.

If the time comes when maritime activities offer as much and as sure profits as industrial and commercial pursuits, then we may expect the American people to enter upon a more comprehensive maritime program and develop an efficient self-supporting merchant marine and a seafaring instinct. But as long as shipping activities are unprofitable, or less profitable than industrial or commercial pursuits, no subsidies, bounties, subventions, hothouse methods, or governmental favoritism will influence the hard-headed American business man to invest his funds in shipping lines. No great merchant marine has ever been built up and long maintained by subsidies, such as are being granted to a few favored steamship lines under the merchant marine act.

The maritime greatness and world commerce of England began under very peculiar conditions. About 1586 Sir Francis Drake captured a large Portuguese ship on which was found a rich cargo of oriental wares and papers descriptive of the East India trade. This excited the interest of the English in Asiatic commerce. In 1593 one of Sir Walter Raleigh's ships, under the command of Sir John Burroughs, captured a Portuguese ship of 1,600 tons burden and carrying 700 men and 36 brass cannon. When this vessel was brought to Dartsmouth its size greatly exceeded any English ship. The cargo consisted of gold, silk, porcelain, pearls, drugs, ivory, calico, and spices. This ship and cargo awakened the interest of the English people to a realization of the riches of the Orient, and they began to plan to get a part of the East Indian trade. In 1599 the London company was organized, receiving its charter in 1600, under the name of the Governor and Company of Merchants of London Trading in the East Indias. It opened up trade with India which brought England immeasurable wealth, and India is still one of the best markets for English products. This company enjoyed a monopoly on the East Indian trade until 1814, when India was opened to all other merchants and traders.

In 1581 Queen Elizabeth granted a company of London merchants a charter, giving them an exclusive privilege to trade with Turkey for seven years. It was renewed in 1593 and again by James I, who made its charter perpetual. This company held a monopoly on the trade with Turkey and the Levantine region until 1803.

In 1555 a company of merchants obtained from Queen Mary exclusive right to trade with Russia in the East. Until nearly the close of the eighteenth century this company enjoyed an exclusive monopoly of the trade with Russia, Armenia, Media, Persia, and the Caspian Sea region.

In 1577 a charter was granted to the Prussia Eastland Co. for exploitation of the trade in the Baltic region. This company controlled the trade with Norway and Sweden. After the privileges of the Hanseatic League were abolished, this company secured the trade that had been controlled for centuries by the confederation of German towns. The Guinea Co. was chartered to control and develop the trade of the West Coast of Africa.

These companies sent their trading vessels into every part of the globe to compete for the world's traffic, and this policy laid the foundation for England's maritime and commercial supremacy.

The Dutch were the most resourceful competitors of the English. England had a very small portion of the foreign traffic in the beginning of the seventeenth century, and Sir Walter Raleigh made a report to King James I in 1604, calling his attention to the maritime superiority of the Dutch and other foreign nations. This is a very interesting document, and shows that Raleigh had a statesman's vision of the value of foreign trade.

The real England was built in the sixteenth, seventeenth, and eighteen centuries. In that period she became "the workshop of the world." By the defeat of Napoleon, England gained Malta, Ceylon, Trinidad, Cape of Good Hope, and other strategic positions; but more than this, she gained practically all the worth-while trade of the world and became the commercial mistress of the earth.

The eighteenth century was the period of English territorial expansion, she having acquired her greatest overseas provinces during that period. The dominant policy of England for the last 200 years has been to keep the markets of the world open for her products. To this end her wars have been fought. Her settlements have been made and her colonies established with that in view. Her whole economic and legislative policies have centered around this purpose. She first adopted a protective tariff policy and afterwards free trade, both to accomplish the same supreme purpose. As one author states—

> Creating and maintaining advantages in commerce had been the chief study of the English people from the time of Elizabeth to the present day.

Napoleon said:

> The English are a nation of merchants. In order to secure for themselves the commerce of the world, they are willing to set the Continent in flames.

On another occasion he exclaimed:

> Wherever wood can swim, there I am sure to find the flag of England.

And when Lord Nelson destroyed the French fleet at Aboukir, Napoleon remarked:

> To France the fates have decreed the empire of the land, to England, that of the sea.

While in the early development of the English shipping industry certain companies were granted monopolistic control of the commerce in certain regions, the phenominal growth of British shipping is not the result of these monopolistic policies. In the open field of competition the English people built up a great merchant marine, which for generations has controlled a larger part of the world's commerce than any other nation. Only a comparatively small portion of English shipping has been fostered by governmental favoritism, and the United States can not develop and permanently maintain a great merchant marine on a subsidy basis.

To be enduring our shipping supremacy must be established in the field of open competition with the merchant marine of other nations. The sooner bounties, subsidies, and

subventions are withdrawn, the better it will be, not only for our merchant marine but for the American people, who should not be called upon to pay these subsidies, especially when they are staggering under an unbearable burden of taxation. The principle of subsidies and subventions is fundamentally uneconomic and unsound.

COMMENTS ON RAILROADS AND OTHER PROBLEMS OF IMPORTANCE

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMNECK. Mr. Speaker, present and past experiences with foreign nations should be a warning to us against further entangling alliances. Washington spoke wisely in his Farewell Address. However, the experiences through which we have passed and are now passing were necessary, it appears, to vindicate the wisdom of his words and impress upon us the truth of his prophecy.

France, Belgium, Poland, Greece, and one or two smaller nations have repudiated their war debts. What does this mean? It means that national honor and pride and gratitude have been scattered to the winds. It is a complete reversal of the old saying that "no man is without honor except in his own country." Poland, in her note of repudiation, was apologetic. She said in effect: "We owe you a debt we can never repay." That is a common expression of heartfelt gratitude on the part of many people.

England hesitated long before she came across, with added reservations, which, I am certain, will never be accepted by the incoming National Democratic administration. Italy was prompt to pay, and first. When Mussolini has anything to do, he does it. That is why Italy is prosperous and the people there happy and contented. A university professor, who recently returned from a six months' tour of European countries, including Italy, told me only a day or two ago that the people of that country appear to be in entire ignorance that a depression of unprecedented severity and longevity grips the rest of the world.

What a contrast to conditions in this country. Here want, misery, and woe are depicted in the countenances of millions of men, women, and children. They are broken in spirit and purse, with faith gone and hope abandoned. That is a terrible situation in the midst of plenty and in a country which boasts of a national wealth approximating $375,000,000,000. This, of course, has depreciated along with everything else. However, we have an unimpaired credit as a nation. Why not use it to better conditions?

President Hoover's relief program has apparently failed. The Reconstruction Finance Corporation has distributed millions of dollars to banks, insurance companies, building and loan companies, and aided the railroads of the country to the extent of millions of dollars to meet interest payments, and for other purposes. However, that only took care of one installment, and prepared them to make the grade for this one time. They will soon face the same situation again, and so it is with agriculture, industry, and business in general. What all of these need is permanent relief, at least for a time, which will enable them to recover. A program of that kind would give assurance for the future. This given, they would be able to go.

Moneys loaned banks and building and loan companies are there still. Farm-loan banks are a frost, and that is not good for the crops. Home-loan banks are the joker in the series of relief measures enacted at the last session of Congress. The tax bill—the nuisance tax bill, I might say—has failed to produce expected revenues, falling far short of estimated receipts, with the result that the Government by July 1 will face another deficit of approximately $2,000,000,000. This is the situation that confronts Congress and the people of the country. Congress must find a solution, if bankruptcy is to be averted. Sink or swim appears to be the rule. Everyone is on his back, looking up, but with nothing to look forward to under existing conditions.

Some definite action must be speedily taken to prevent the greatest catastrophe in our national history, if not to avert a revolution. An illustration of the temper of the people was given in the House of Representatives only recently, when a man, with determination written in his face, arose in his place in the gallery of the House and, flourishing a revolver, demanded in a menacing tone his right to be heard in the interest of suffering humanity.

What, then, is the duty of Congress? To enact legislation that will afford at least a measure of relief. An increase in taxes is inevitable, and yet the effect of increased taxation is to add to the burden of the people rather than lighten it. If moneys are to be hoarded in the financial institutions that are supposed to distribute them under the rules and regulations governing loans, there is but one alternative, as I see it, and that is a broadening of the money base of the country that will increase the circulating medium. That would give impetus to agriculture and industry, aid in the rehabilitation of American railways, and afford employment to the millions now idle. When this is done "grass will not grow in the streets."

The gold standard would not be endangered by this procedure. Reports given circulation prior to the election that the gold standard had been endangered a few months before was only a fanciful campaign story, which was immediately discredited by Senator CARTER GLASS, former Secretary of the Treasury under Woodrow Wilson. International bankers knew it was not true, and those generally having a knowledge of currency matters know it was a misrepresentation of the facts, so that no alarm was occasioned and no damage done.

Sentiment in Congress presages the enactment of a sales tax. I opposed such a measure at the last session of Congress. I believed it to be wrong in principle. I think so now; but when necessity calls action is imperative. That is the explanation for my changed attitude. An affirmative vote, however, is contingent upon the exemption of foods and at least certain grades of clothing. The man who wears a $150 suit of clothes and a $100 overcoat ought to pay.

Modification of the Volstead law fixing the alcoholic content of beer and the levying of a tax upon beer now seems a certainty. Secretary of the Treasury Mills estimates that the receipts from this tax will approximate $150,000,000. Reduced governmental expenses shortly, in the grouping of various bureaus, commissions, and boards, will save other millions. The additional taxes to be imposed and the moneys thus saved should greatly improve our financial situation. Taxes imposed upon the people benefit the Government but cripple industry. This is a distinction but not without a difference. However, we are headed in the right direction. With proper changes made in tariff rates we may be able, finally, to work out a solution of these complex problems.

What are the conditions of the country at this time with respect to business in general and industry in particular? I think I can best answer this question by quoting the very latest statistics which reflect the situation of American railways at this time, the adverse effect upon railroad employees, and others dependent upon their successful operation. The table immediately following indicates the decrease in net income. In that way a figure is reached, after the payment of fixed charges, which is the sum available for dividends and other appropriations. The table follows:

	Amount (thousands)
Net railway operating income:	
Year 1929	$1,251,698
Year 1930	868,879
Year 1931	525,628
Eight months, 1932	153,492
Net income:	
Year 1929	896,807
Year 1930	523,908
Year 1931	134,762
Eight months, 1932	173,893

LABOR SUFFERS

The number of employees in the service of large roads in 1929 was 1,660,850. In 1930 this dropped to 1,487,839; in 1931, to 1,258,719; and as of the middle of September, 1932, it was 1,010,422. Because of truck competition and the in-

troduction of improved machinery, it is improbable that railroad employment will return to the highest figure shown. Future normal employment will range somewhere between the high and low figures named.

The following figures give information as to purchases during 1931 of such items as are covered specifically in the statistics received by the Interstate Commerce Commission:

Fuel:	
Bituminous coal	$197,382,901
Anthracite coal	3,906,556
Fuel oil	40,737,709
Gasoline	2,575,255
Rails laid in replacement:	
New rails	44,503,635
Secondhand rails	19,222,909
Rails laid in additional tracks, new lines, and extensions:	
New	2,269,073
Secondhand	3,355,283
Ties laid in replacement:	
Crossties	65,283,654
Switch and bridge ties	8,130,980
Ties laid in additional tracks, new lines, and extensions:	
Crossties	3,726,985
Switch and bridge ties	868,162

In presenting these figures, I should have said that they refer to Class I steam railways. This includes all companies having annual revenues in excess of $1,000,000 and embraces all of the large roads in the country. Their operating revenues represent 98 per cent of the total and other items bear the same relative relationship to other totals. An analysis of these figures shows the tremendous importance of American railway systems to our economic situation when they are prosperous. For instance, the employment figures for 1929 and those for 1932 to the middle of September show a decrease of 650,428. That is a big contribution to the present depression.

And look at the taxes they pay: $10,196,636 to the United States Government, and $293,331,463 other than United States Government taxes, making a grand total of $303,528,099. These figures are not included in the tables presented, but are taken from another tabulation which was omitted. What about competing lines? What do they pay? I refer to busses and trucks which use the public highways, constructed and maintained at public expense. The railroads maintain their own roadbeds, with millions of dollars spent for replacements and other improvements. Busses, it might be said, are unregulated, while steam railways are subject to strict regulations under the Interstate Commerce Commission laws and are subject to all the whims and fancies which inexperienced Government officials may want to add.

Look at their coal bill. Bituminous and anthracite coal used by the railroads in 1931 cost in excess of $200,000,000. That takes a lot of digging, and the coal miners of the country are benefited. Approximately $41,000,000 were expended for fuel oil, and in excess of $2,500,000 for gasoline. The increase of 1 cent per gallon included in the tax bill, with similar increases in the individual States, means something to the railroads. New rails, $44,000,000; secondhand rails, $19,000,000; crossties, $63,000,000; switch and bridge ties, $8,000,000; ties laid in additional tracks, new lines, and extensions, approximately $4,000,000. These purchases mean something to labor. The labor pay roll for 1931 was $2,095,000,000.

It will be noticed that the railroads are in "red" for the first eight months of 1932 approximately $175,000. That is not so much, but it put them to the necessity, even the humiliation, of making application to the Reconstruction Finance Corporation for loans totaling $38,000,000 to pay interest and other pressing obligations.

I want to refer again to busses. They have seriously crippled the passenger business of the railroads, who, for the want of patronage, have been obliged to abandon hundreds, if not thousands, of stations in the country. It costs something to stop a train, and the cost was not worth the fares. I am opposed to the use of the public highways, maintained at public expense, by the bus lines of the country unless they are made to pay for the privilege. They should be brought under strict regulations and made to conform to them, as a matter of fairness and justice to the railroads. Hundreds of millions of dollars are expended by the Federal and separate State governments in constructing and maintaining these highways. In the stress of present times these appropriations could well be suspended. If that were done, the public generally would be benefited although the individual might suffer.

Now another competitive freight line is proposed, namely, the Great Lakes-St. Lawrence deep waterway. Its estimated cost is approximately $600,000,000. Additional millions will be required later to deepen these waterways in order that they may be made navigable for sea-going vessels. Another item that is not included in the estimated cost is that of interest payments during the construction period.

But this is the worst of all. Uncle Sam, true to form, is to advance to the Canadian Government its proportionate share of the cost. Canada will benefit more than the United States, and yet this country is to pay the larger portion of the expense. Finally, the cost will exceed more than a billion dollars, according to the estimates of competent engineers whose judgment, I should say, is perhaps of greater value than that of Government engineers. The whole proposition, to my mind, is not only economically unsound, but its construction, particularly at this time, an absolute absurdity. I want to ask, in all fairness and justice, whether it is fair in this distressing period to impose this additional burden upon the people? My answer is no! It is certain to be detrimental not only to American railroads but to American labor, particularly railway employees.

At most, the construction of the St. Lawrence waterway would benefit but few manufacturers, and few farmers, compared to the whole. Exporters living in close proximity to the Great Lakes would be the chief beneficiaries, unless it were those living overseas, who would take advantage of the cheaper rates claimed to get their goods into this country to compete with American products. The Canadian Government itself would benefit more than this country in the advantages offered, especially in the transportation of wheat. The chances are that New York would lose its chief seaport to Canada. All the benefits that may be claimed for the construction of this waterway would not compare to the injury done to the people of the country, taken as a whole. This waterway would be open to navigation eight months of the year, leaving to the railroads four lean months, with no opportunity to recuperate the losses sustained during the eight months.

The service rendered American cities and American communities by our great system of railroads is incalculable. They are here to stay. Nothing can replace them. Their continuance is an absolute necessity to serve communities. For instance, what would a train of trucks loaded with coal do to traffic? Perhaps it would teach motorists and pedestrians the virtue of greater patience. What could happen, and most likely would happen, if a fleet of air trucks were to undertake the transportation of coal?

In my judgment, the railroads of the country should be encouraged and not handicapped. Some of the present restrictions relating to their management should be removed. In other words, they should have greater control over their property through the accredited officials and representatives who are charged with their management and who are directly responsible to the stockholders for the showing made. Between the depression and the unfair competition I have noted, the railroads have all but been wrecked. They are making a mighty steep grade, and one that is not suffered by any other single public-service agency. Not only were they obliged to borrow $38,000,000 to pay interest, but they now owe the Government $360,000,000, a debt which many people think should be canceled, or a moratorium, at least, granted.

Their situation, deplorable as it is, is not greatly different than that of agriculture, industry, and business in general. One of the gravest responsibilities resting upon Congress at

this time is to cure existing evils and correct present injustices which are retarding progress, and standing in the way of economic recovery.

THE BEER BILL

Mr. COLLIER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13742, the beer bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. General debate on the bill has been concluded, and the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That (a) there shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half of 1 per cent or more of alcohol by volume, and not more than 3.2 per cent of alcohol by weight, brewed or manufactured and, after the effective date of this act, sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, in lieu of the internal-revenue tax imposed thereon by section 608 of the revenue act of 1918 (U. S. C., title 26, sec. 506), a tax of $5 for every barrel containing not more than 31 gallons, and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law, to be collected under the provisions of existing law. Nothing in this section shall in any manner affect the internal-revenue tax on beer, lager beer, ale, porter, or other similar fermented liquor, containing more than 3.2 per cent of alcohol by weight, or less than one-half of 1 per cent of alcohol by volume.

(b) Paragraph "First" of section 3244 of the Revised Statutes (U. S. C., title 26, sec. 202) is amended to read as follows:

"First. Brewers shall pay $1,000. Every person who manufactures fermented liquors of any name or description for sale, from malt, wholly or in part, or from any substitute therefor, shall be deemed a brewer."

Mr. O'CONNOR. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 1, line 7, after the word "weight," insert "which maximum percentage is hereby declared to be nonintoxicating in fact."

Mr. O'CONNOR. Mr. Chairman, I believe this is a necessary provision to be carried in the bill. It has been contained in practically all the beer bills that have been introduced in this body, to my knowledge. It was contained in the bill we voted upon last May. It is a legislative declaration which will to some extent affect the court decisions. The gentleman from Georgia [Mr. COX] and the gentleman from Texas [Mr. SUMNERS], the distinguished chairman of the Judiciary Committee, yesterday called the attention of the committee to the importance of such a phrase when, if ever, the question came before our Supreme Court.

Mr. TREADWAY. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. TREADWAY. If such a declaration is inserted, does the gentleman think it would have any bearing on the decision of the Supreme Court?

Mr. O'CONNOR. I do, in view of the previous decisions—I do not say it will be conclusive.

Mr. TREADWAY. Has the gentleman any citations that he can give us bearing on the subject?

Mr. O'CONNOR. There are several cases, but one of the best known is the "rent case" from New York. That case was fought all the way through the New York courts to the Supreme Court. In that case the Legislature of New York passed laws for the relief of tenants against the exorbitant demands and practices of landlords.

The Supreme Court was influenced in holding the act constitutional by the legislative declaration in the bill that an emergency existed. The court held this a finding of fact behind which the court would not go.

Mr. BRITTEN. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. BRITTEN. Is it not a fact that the Supreme Court takes the hearings before the committees of Congress to determine what the intent of Congress was?

Mr. O'CONNOR. I do not know that the court considers hearings. They do consult reports, but ordinarily not the debates.

Mr. CULLEN. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CULLEN. I do not know really what the effect of the gentleman's amendment would be, but I do know that if I had been here at the time the amendment was offered I would have raised the point of order against it, because it is out of order as an amendment to the tax law—the tax bill which is before us. If I am too late to discuss that point, very well.

Mr. O'CONNOR. Oh, I am willing to discuss the point of order if the Chair thinks there is any reason for discussing it.

The CHAIRMAN. The point of order was waived by not being interposed at the proper time. The question is on the adoption of the amendment offered by the gentleman from New York.

Mr. O'CONNOR. Mr. Chairman, I have not yet exhausted my time. I do not believe there are many men here who are more friendly to this bill than I am, and in view of some statements made yesterday that amendments should not be offered I take this occasion to state that I believe the fair way to consider this bill is to leave it open to amendments. In view of the unfortunate experience we had on the opening day of this session in trying to pass a resolution to repeal the eighteenth amendment under suspension of the rules, with only 40 minutes of debate, I think we should approach this bill in the most liberal manner. If an attempt had been made before the Committee on Rules to bring in any kind of a rule to restrict debate or amendments on this bill, I would have voted against it. We can not afford to close the door or not to grant a day in court to the Members of the House opposed to the bill, representing the views of the opponents of the measure in the country. They should have every opportunity to express their wishes and desires and views on this bill. I for one am not going to close the door to any dry or opponent of this bill, and I think that blanket opposition to any kind of an amendment, however meritorious or helpful or perfecting, should cease. Let us proceed and consider the bill and perfect it if possible, or change it in any way the House desires.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. Six distinguished members of the Ways and Means Committee have declared over their signatures in their minority views against this bill that the beer authorized by it is intoxicating. The evidence of the great expert, Dr. Walter Miles, of Yale University, proves that it is intoxicating. Down deep in our hearts we all know that it is intoxicating. For us to make a legislative declaration in this bill that such beer is not intoxicating would be a false declaration, wholly unwarranted and extremely ridiculous.

Running true to form yesterday, the gentleman from Michigan [Mr. CLANCY] applied the term "usual hypocrisy" to speeches of Members opposing this beer bill. Webster defines "hypocrisy" to be "simulation," or "the practice of feigning to be what one is not." Thus, I remembered that when this gentleman first came here he came as a Democrat. Was he merely pretending to be a Democrat? He sat on our Democratic side of the aisle. Was he simulating? Then when he could no longer come here as a Democrat he by some sleight-of-hand performance, became a Republican when next he came back. Was he pretending? And then we found him sitting on the Republican side of the aisle. Was he simulating being a Republican? And now that he no longer can come here as a Republican, just where will we find him next?

He greatly amused me with his speech yesterday. At 6.30 o'clock at the end of a 6-hour debate, when there were few Members left on the floor, there remained seven minutes, of which four and one-half minutes were to be allotted by Mr. CHINDBLOM, when the following occurred:

Mr. CHINDBLOM. Mr. Chairman, I believe I have four and one-half minutes remaining. I yield the balance of the time to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, it is a great honor to close the general debate for the wet Republicans of the House on this historical measure. For many years I have fought for legal beer and have taken and given many heavy blows in the cause.

He would have Detroiters believe that he had been specially selected and designated by the wet Republicans of the House to close the debate for them. Was he feigning to be something that he was not? He was not closing any debate for the wets of the House. He just happened to be the last one who was able to get some time. And he got the four and one-half minutes that happened to be left. He assumed unto himself "great honor," and he did his own conferring, because the other debaters had not used up the four and one-half minutes he finally got.

But the feigning most amusing of all was when the gentleman assumed that the recent great Democratic victory was merely an indorsement of his record, for with headlines and all, when extending his remarks, the gentleman from Michigan [Mr. CLANCY] printed the following as a part of his speech:

MY RECORD INDORSED

For at least nine years I have had my beer bills pending before Congress and have fought hard for a longer period of years to arouse the country to the support of these and similar bills, including my bill to repeal the eighteenth amendment. Therefore it is with great personal satisfaction that I greet the wet victory of November 8 last and the sled-length indorsement which the American people gave my arguments, even though it was a tardy and long-deferred acknowledgment. That victory is a sweet and healing ointment to many wounds which I received in the long-drawn-out war against nation-wide bone-dry prohibition.

Nor do I shed any tears over the fact that I became a casualty in the very hour of the overwhelming victory for which I fought and which victory I helped win in my city, my State, and my country. He who lives by battle must accept cheerfully the fortunes of war.

It ill becomes the gentleman to attribute "hypocrisy" to earnest Members here who for a consistent lifetime have devoted their lives to a fight against the open saloon and all of its attendant evils.

Are we to ignore the Constitution? When each Member here took the oath of office, he said that he would uphold it himself, he did not leave it to the Supreme Court. It would be the quintescence of hypocrisy to pass this amendment of my friend from New York and declare something nonintoxicating that is in fact intoxicating.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COCHRAN of Missouri rose.

The CHAIRMAN. All debate under the rules on the pending amendment is exhausted. For what purpose does the gentleman from Missouri rise?

Mr. COCHRAN of Missouri. I rise to support the amendment.

The CHAIRMAN. Debate has been exhausted on the amendment.

Mr. COCHRAN of Missouri. I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. COCHRAN of Missouri. Mr. Chairman, I dislike to put the gentleman from Texas [Mr. BLANTON] on the spot, but nevertheless, in view of the fact that there were circulated during the campaign statements in reference to the action of his congressional district committee, and the purpose in circulating the action was to make it public, I feel I should state that there came to my office a letter with a Texas postmark on it, containing a copy of a resolution adopted by the Democratic congressional convention of the seventeenth congressional district of Texas. The seventeenth district is Mr. BLANTON's district. It is a very long resolution and I shall read only the first two paragraphs.

First, we reaffirm our faith in and our allegiance to the Democratic Party and its established principles, and pledge our loyal support to our national nominees, Roosevelt and Garner.

Of course, all know the nominees Roosevelt and Garner were running on a wet platform providing for both repeal of the eighteenth amendment and modification of the Volstead law.

The second paragraph:

We are unalterably opposed to a return of the saloon in any form, but recognizing the inherent right of the people to rule on all issues, we urge Congress, by an appropriate resolution, to submit to the people for their determination by their vote in a special election, the question of whether they approve the eighteenth amendment or want it modified or desire an outright repeal.

Mr. Chairman, the gentleman from Texas [Mr. BLANTON] ran upon that platform, and it seems to me that he is not representing the people who sent him to Washington when he stands here and opposes every effort to do what the people of his district said they wanted done, by the fact that they sent him back to Congress. They undoubtedly wanted him to carry out this platform.

Mr. BLANTON. Will the gentleman yield?

Mr. COCHRAN of Missouri. I gladly yield to the gentleman.

Mr. BLANTON. That was a resolution passed by a convention that nominated me after I ran in the primary election and had been elected.

Mr. COCHRAN of Missouri. Oh, no; the gentleman was not elected until the November election. A primary is not an election and a candidate is not elected until after the election, even though he has no opposition.

Mr. BLANTON. I was elected in the primary, for that means election in my State. [Laughter and applause.]

Mr. COCHRAN of Missouri. I do not agree with the gentleman. His people will hold he ran on that platform. The balance of the platform strongly approved Mr. BLANTON's service, and in conclusion it pledged Mr. BLANTON their support. I am sure he did not repudiate the balance of the platform, which so highly praised his activities in Congress.

Mr. BECK. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. That amendment is not in order.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BECK] may proceed for 10 minutes.

Mr. BECK. I move to strike out the last preceding word.

Mr. MAPES. Mr. Chairman, I have a bona fide amendment I would like to present.

The CHAIRMAN. The Chair will recognize the gentleman from Michigan, if he has a bona fide amendment, and will recognize the gentleman from Pennsylvania [Mr. BECK] later.

Mr. STAFFORD. I take it, then, Mr. Chairman, that the pro forma amendment has, by unanimous consent, been withdrawn?

The CHAIRMAN. The Chair so understands.

The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Add at the end of the O'Connor amendment the following: "which is further declared to have the same ingredients as milk."

[Laughter.]

Mr. McCORMACK. Mr. Chairman, a point of order. I make the point of order that the amendment is not germane to the section.

The CHAIRMAN. The Chair overrules the point of order. [Laughter.]

Mr. MAPES. Mr. Chairman, I have read the hearings before the Committee on Ways and Means with reference to this question of the intoxication of 4 per cent beer, and I listened to the argument here yesterday about beer having the same ingredients as milk, and I have heard the question argued at other times, and I imagine that the average mind follows the statements and the arguments that 4 per cent beer is not intoxicating about as well as it follows the argument that beer contains the same ingredients as milk.

After hearing and studying the arguments on both questions, it seems to me that there is about as much logic and about as much sense in putting into this legislation a declaration that beer contains the same ingredients as milk as there is in adopting the O'Connor amendment which declares that 4 per cent beer is not intoxicating. I am therefore

offering the amendment which I have to follow the amendment offered by the gentleman from New York.

Mr. BECK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

I think our always earnest and generally eloquent friend from Texas [Mr. BLANTON] has raised a question which does concern the House and should have its most careful consideration.

The gentleman alludes to the fact that two minority reports have been filed, one by three distinguished members of the majority party and the other by three equally distinguished members of the minority party, that not only question the constitutional powers of the House to pass this legislation but add to it the further grave charge that any Member who votes for this bill violates his oath of office to support and maintain the Constitution of the United States. It seems to me that, as this debate will excite a great deal of attention in the country—and deservedly so—it is a pity there has yet been no extended argument either for or against the constitutionality of the proposed legislation. I do not think that this important bill should go out to the country until the pros and cons of what I concede is a debatable question—viz, its constitutionality—has been fully discussed. I believe it is constitutional, but for reasons wholly different from those suggested by the amendment offered by the gentleman from New York [Mr. O'CONNOR]. Yesterday I tried to get time to explain the reasons why I think the law is constitutional, but unfortunately for me, and very fortunately for the House, the time had been allotted to other Members, who discussed the merits of the bill, with only incidental reference to the question of constitutionality. I do not think we can afford to pass without adequate discussion the respectful but grave challenge of these two minority reports, and I am heartily glad the gentleman from Texas [Mr. BLANTON] again referred to them.

I am only rising to say that if we make some progress with these amendments, so as to gratify the natural desire of the House that the work of amending the bill shall be ended this afternoon, I may so far encourage myself as to hope that by unanimous consent the time limit be extended by one hour, so that there may be two speeches, one in favor of the constitutionality of the law and the other against its constitutionality, each to be limited to 30 minutes and to be restricted to that subject. I believe that would excite a great deal of attention in the country and do much to educate public opinion as to whether we are or are not violating an amendment to the Constitution, which is just as much a part of it as any other part; but I know if I were to ask unanimous consent for 30 minutes to express my views at this time, about which a number of Members have done me the great compliment to ask, it would run counter to the present disposition of the House to get through the work of amending the bill.

Mr. SCHAFER. Will the gentleman yield?

Mr. BECK. I yield to the gentleman from Wisconsin.

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BECK] be permitted to address the House for 30 minutes on the constitutionality of the pending bill.

Mr. BLANTON. Before that request is put I want to ask the gentleman from Pennsylvania a question.

Mr. BECK. I yield to the gentleman.

Mr. BLANTON. Is it not a fact that the Ways and Means Committee held hearings on this question for a long time, and their printed hearings are an inch thick, and that the gentleman from Pennsylvania, who is the Republican leader of the wets, had ample time to go before that committee, and also out of the six hours' general debate, if the gentleman had requested it, surely he would have been given, as the leader of the wets, 30 minutes for his speech?

Mr. BECK. In answer to the gentleman from Texas, I am not the leader of the Republican wets, but only chairman of the Republican wet group. At all events that hardly seems pertinent.

Mr. BLANTON. Mr. Chairman, for the present I object to the request. It would constitute a very unfair division of the time for debate, as the six hours have already been consumed, three in favor of the measure and three against it.

Mr. STAFFORD. Mr. Chairman, would the gentleman from Texas be willing to grant the gentleman from Pennsylvania 15 minutes?

Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for 15 minutes.

Mr. CELLER. Mr. Chairman, reserving the right to object, and I shall not object, I believe the Members of the Judiciary Committee of the House should have had this bill in the first instance. They should have an opportunity also to express their views on the constitutionality of this bill.

Mr. UNDERHILL. If that is the case I am going to object.

Mr. SIROVICH. Mr. Chairman, I move to strike out the last word.

Mr. STAFFORD. Mr. Chairman, I make the point of order the motion is not in order.

Mr. SIROVICH. Mr. Chairman, I move to strike out the last three words.

Mr. DYER. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The point of order is well taken at this juncture. The parliamentary situation is that the gentleman from New York has offered an amendment; the gentleman from Michigan has offered an amendment; and the amendment proposed by the gentleman from New York [Mr. SIROVICH] would be an amendment in the third degree.

Mr. SIROVICH. Mr. Chairman, I move to strike out the enacting clause.

Mr. Chairman, ladies and gentlemen of the committee, just as I entered the forum I heard the distinguished gentleman from Michigan [Mr. MAPES] discussing the speech that I made on the floor of the House yesterday afternoon. The fundamental object of my address from a scientific standpoint was to prove that all food that the human being consumes must contain six ingredients—proteids, fats, carbohydrates, minerals, vitamins, and water. Without these chemical constituencies in food a human being would live but a short time. The great difference from the scientific chemical standpoint between the chemistry of milk and that of beer is that beer contains 3.2 per cent alcohol by weight while milk contains no alcohol. On the other hand, milk contains 3½ per cent fat while beer contains no fat. Otherwise there are great similarities in the composition of both milk and beer, especially so far as the minerals are concerned.

Mr. Chairman, ladies and gentlemen, I have always entertained a very high regard and great admiration for the distinguished character of the gentleman from Michigan [Mr. MAPES].

Mr. BULWINKLE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BULWINKLE. The point of order is that the gentleman from New York is not speaking upon his amendment to strike out the enacting clause. I want to serve notice that if Members do not confine themselves to their motions I shall object, because otherwise we will be here indefinitely.

Mr. SIROVICH. Mr. Chairman, I am trying to lay the foundation for my thought.

The CHAIRMAN. Ordinarily the point of order would be well taken, but inasmuch as the gentleman has moved to strike out the enacting clause, which covers the whole range of the subject matter under discussion, the Chair overrules the point of order.

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the committee, every doctor in the United States will tell you that millions of children have died upon the altar of contaminated milk that has been polluted and vitiated with hundreds of millions of bacteria. This milk fed to innocent babies has been responsible for such diseases as enteritis, which is an inflammation of the intestines, typhoid fever, and dysentery, and from other intestinal diseases, due to the drinking of milk that has been contaminated through unclean handling either in the dairies or in other places where it has been transported.

Alcohol is an antiseptic. When ingested in the stomach in a percentage of 3.2 per cent by weight it is not absorbed in the stomach, but three or four hours later it is absorbed and assimilated from the intestines and is distributed through the portal circulation into the liver, from thence into the heart, and from there throughout every cell and tissue of the body.

This alcoholic content is nonintoxicating and acts as an antiseptic to the mouth, to the throat, to the stomach, and to the intestines, and helps to destroy bacteria that may be present in the food or beer.

As a student of medicine I believe the weight of scientific evidence is with me that 3.2 per cent alcohol is a nonintoxicating beverage. No experienced physician will testify that this alcoholic content can produce alcoholic gastritis, kidney disease, cirrhosis of the liver, or any form of arterial or heart disease. Strong alcoholic liquor, such as gin, whisky, rum, cognac, and brandy containing 48 to 54 per cent alcohol, can cause these diseases if taken in large quantities and for a long period of time.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. MAPES. Will the gentleman discuss, from a scientific standpoint, the difference between 4 per cent beer and intoxicating beer?

Mr. SIROVICH. The great difference between 4 per cent beer by weight and 3.2 per cent beer by weight is the difference between tweedledee and tweedledum. It depends on the personal equation of every individual who consumes a bottle of beer. An individual drinking 18 bottles of beer containing 3 per cent alcohol by weight would be consuming as much alcohol in all these bottles as could be found in a glass of whisky containing 54 per cent alcohol. Strong drink is quickly absorbed in the stomach and is immediately burned in the tissues and cells of the body, leaving no refuse behind. Strong drink in the form of cocktails and stimulants are usually taken before meals on an empty stomach and are thus quickly absorbed. Beer, on the other hand, is usually taken between meals or after meals with food mixed with it, and it is therefore not absorbed in the stomach but passes on from the stomach into the intestines where four or six hours later it is absorbed into the system. Therefore its strong dilution prevents it from being intoxicating in nature as well as in fact.

Mr. BLANTON. Mr. Chairman, will my distinguished friend and scientist from New York yield for a second?

Mr. SIROVICH. I yield to my good friend from Texas, but should like at this moment to resent his statement in referring to some of the material that I brought here yesterday to demonstrate my contention as poppy-cock. Were I to use his formula, I would be inclined to say that some of the sentiments that he has expressed on the floor of the House stand as a symbol of poppy-cock.

Mr. BLANTON. Then my friend from New York admits that he can improve on God Almighty's formula for milk?

Mr. SIROVICH. Yes; I can. [Laughter.] I would have included some antiseptic in milk that would have destroyed the bacteria that is found within it without impairing its quality. Let me tell my distinguished friend from Texas that, in my humble opinion, milk was made for babies and beer for adults.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes; I yield to my friend from Wisconsin.

Mr. SCHAFER. The gentleman from Texas does not approve of God Almighty's formula for fermented fruit juice.

Mr. HOCH. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. HOCH. Will the gentleman explain from a scientific standpoint just why milk seems to be lacking in the "Sweet Adeline" qualities? [Laughter.]

Mr. SIROVICH. "Sweet Adeline" qualities are not found in milk. When we legalize beer, as we will this afternoon, the people of the United States, throughout the length and breadth of our country, will rejoice in the "Sweet Adeline" qualities of healthy, nutritious, nonintoxicating, palatable beer, which will bring them joy and happiness for the future instead of consuming the poisonous racketeering beer which has brought to our people and to our Republic nothing but shame and dishonor and disgrace and given revenue to criminals, hi-jackers, and racketeers of our country. [Applause.]

Mr. Chairman, I ask unanimous consent to withdraw my motion to strike out the enacting clause.

Mr. BULWINKLE, Mr. DYER, and Mr. MOUSER objected.

The CHAIRMAN. The question is, Shall the committee now rise and report the bill back to the House with the recommendation that the enacting clause be stricken?

Mr. SABATH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. The gentleman from New York has made a motion and, if I am not mistaken, there was no one recognized in opposition to his motion. I was under the impression that his request to withdraw the motion would be granted; but not having been granted, I think some one is entitled to recognition in opposition to the motion.

The CHAIRMAN. Does the gentleman desire recognition in opposition?

Mr. SABATH. I do.

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes in opposition to the motion.

Mr. SABATH. Mr. Chairman, we all recognize the fact that when the gentleman from New York [Mr. SIROVICH] made the motion to strike out the enacting clause, it was only for the purpose of securing recognition, so that he would be able to answer the humorous amendment of the gentleman from Michigan [Mr. MAPES].

The gentleman from New York, the same as any other well-informed and sincere man, is in favor of this bill and pending legislation and has made a highly interesting and intelligent argument in favor of it.

The slender Democratic majority of this House is endeavoring, in good faith, to carry out the pledge and promise given in the Democratic platform; but I feel that all of our efforts are in vain and that no matter how we modify the provisions of this bill the Anti-Saloon League forces and the professional prohibitionists will not permit President Hoover to sign it. Therefore, I believe that our arguments and speeches to-day, as well as those pro and con during the six hours of debate yesterday, have been wasted. To my mind, all of the speeches yesterday against this bill contained the same worn-out arguments and platitudes that I have heard on this floor for the last 20 years.

It is to be regretted that we have a large number of sincere, well-intentioned gentlemen who are, unfortunately, still misled by the long-disproved arguments of the prohibition leaders. The majority of them, as usual, when the facts are against them, hide behind the Constitution, though not a single one of them is courageous enough to state that Congress does not possess the power to declare that 3 per cent beer is not intoxicating in fact. These very forces did not hesitate to violate the Constitution when they advocated the eighteenth amendment in direct opposition to the Constitution.

Though I have as wholesome a respect for the Constitution and for my oath of office as some of these gentlemen, I do not fear, or is there any danger, judging the future by the past, that the Supreme Court might declare this unconstitutional as some gentlemen, in their desire to defeat it, tried to make us believe. The facts are that the Supreme Court in the cases of Ruppert against Caffey and Rhode Island against Palmer held that Congress has the right to designate what constitutes an intoxicating beverage. Moreover, the Attorney General of the United States contended in these cases that 2.75 per cent beer is not intoxicating. Therefore, I advise these gentlemen and these constitutional lawyers, who are fearful of violating their oath of office by voting for this bill, to read the opinions in these two cases.

I feel, therefore, that this legislation conforms with the promulgated decrees of our highest court. It will eliminate the spirit of rebellious opposition and contempt which has vitiated the present system. It will remove the prohibition problem from politics and place it within the automatic con-



trol of natural economics. It will permit the resumption of normal educational activities along temperance lines. It is practical, producing the cost of its enforcement and returning a net surplus to the Government. Above all, it is a solution offering a reasonable certainty of eliminating the profits which to-day permit and support the underworld traffic that is steadily rotting the foundations of our civilization. Taxation is offered as a workable solution to the liquor problem in America.

I feel that the conditions with which the country and the Treasury are confronted and the pledges which we have given demand that we do not delay this legislation. I feel that this legislation, which would provide a wholesome, nourishing beverage at a low cost, create employment, and secure needed revenue for the Government, should not be delayed.

Other gentlemen, on the pretext of protecting the home and the womanhood of the Nation, and because of a fear of the drunkenness it may cause, are opposing the passage of the bill. Let me say to these gentlemen that the enactment of this bill will undo rather than augment the prevailing abuses, which, we all admit, are many.

I should like to have these gentlemen read the Wickersham report and especially the statement made by that outstanding, independent, and former prohibition gentleman of Virginia, a member of this commission, the Hon. Henry W. Anderson:

> Unless a solution of this [prohibition] problem is found, and soon, public peace and public welfare of the country are in imminent danger, and the present state of social and economic unrest may lead to results that even the most pessimistic do not now dream.

I concede that the adoption of this bill will not cure all of our ills or balance the Budget; yet, I firmly believe that it will reduce the use of hard liquor, minimize bootlegging, reduce discontent, give employment to thousands, and absorb or utilize, as has been stated by many, more than 75,000,000 bushels of barley and other farm products.

Due to the unwise prohibition legislation the country has lost billions of dollars in revenue. Of course, the revenue from this legislation will not be as great as some claim. Why? Because of conditions. But it will indirectly and materially raise revenue for the Government. You know that since 1929 the income of the Government has fallen off over $7,000,000,000, owing to the crash and the crisis. It does not matter, therefore, how we economize; we can not make both ends meet if the income continues to fall. We must aid the business of our country and put it on a profitable basis, for only then will revenue increase. The passage of this bill will be an incentive to all allied industries and it will aid agriculture.

If the opponents of this legislation would only read the evidence given before the Judiciary Committee of the House and the Finance Committee of the Senate on my resolution in the Seventy-first Congress, and if, as I said, they would only read the report of the $500,000 Wickersham Commission, I feel they could not continue to advance arguments that have been disproved.

As chairman of the Liquor Traffic Committee from 1910 to 1914, I have of necessity been compelled to devote a considerable portion of my time to the study of prohibition. The results of this study, which covered an examination and an analysis of the experiences of other countries as well as our own States where prohibition was tried, have confirmed my belief that no country or group of people has ever attained or can attain temperance by sumptuary legislation. And these results explain my unalterable opposition to the adoption of the eighteenth amendment and the Volstead Act and they explain my unceasing struggle to repeal this legislation.

Unfortunately for the country, the eighteenth amendment and the harsh Volstead Act were passed. But within a short time the ill effects, which I prophesied would follow the attempts to enforce it, began to plague not only those who were instrumental in passing the law but those who had honestly and sincerely opposed it. The shamefulness of it all was not perhaps so much that the rights of the majority were abrogated but that the questionable methods used to pass and enforce it were not only admitted but boasted of by the imposing array of generalissimos of the prohibition forces—Wheeler, "Pussyfoot" Johnson, Reverend Dinwiddie, McBride, and Clarence True Wilson.

But though the Nation as a whole has been slow to awaken to the crime, corruption, and dishonesty that have sprung from this ill-advised legislation, it has at last seen the light. Some of our most patriotic, intelligent, and liberty-loving educators, like Nicholas Murray Butler, of Columbia; John Hibben, of Princeton; and Ernest Martin Hopkins, of Dartmouth, have scored prohibition by pointing out the abuses that are springing forth from this ill-advised, yes, vicious legislation and the methods pursued by the prohibition oligarchy.

The return of over 4,000,000 men from overseas and from the camps to private life augmented our small forces and increased the opposition to this law, not only in regard to the principles but to the course of action pursued by the prohibitionists in control. This aid, of course, was gratifying, for it confirmed my belief that the views of the service men were disregarded in the passage of the measure.

As disrespect for the law grew and violations and crime began to increase, I made strenuous efforts to amend the Volstead Act so as to permit the sale and manufacture of beverages with a low alcoholic content, such as beer and light wines. Immediately thereafter my efforts were branded as being attempts at nullification, and the small group of us that fought courageously were called "nullifiers." But realizing that we were right and that we were pursuing a course in consonance with that outlined in the Constitution we continued with our efforts to repeal or at least modify this crime breeding law.

In the Seventieth Congress, that is, in 1927, I introduced House Resolution 99 to amend the eighteenth amendment.

In the Seventy-first Congress I reintroduced, with some minor amendments, the same resolution and secured hearings on it before the Judiciary Committee of the House. Witnesses from every section of the country, men and women from all walks of life—ministers, preachers, professors, doctors, teachers, lawyers, farmers, and business men—appeared, favoring this resolution.

During the height of these hearings the Literary Digest made its first poll, and I feel that the evidence submitted then brought about the appointment of the so-called Wickersham Commission. It was and is my belief that with the completion of the hearings on this resolution there was no need for the Wickersham Commission to make investigations, because the evidence brought before the commission was so exhaustive, so well presented, and so well expressive of American life that anything beyond that was useless and wasteful repetition. I feel confident that this evidence caused the awakening of the American people to the need for the immediate repeal of the eighteenth amendment or the modification or liberalization of the harsh prohibition monstrosity, which is responsible for the wave of crime, corruption, and racketeering and for the debauchery of our judiciary, which has filled our penal institutions and increased our taxes, and which, above all, has brought about a disrespect not only for the prohibition law but for all laws.

Naturally I was very much gratified when the majority of the members of the Wickersham Commission concluded and recommended that—

> • • • It has been demonstrated that prohibition under the eighteenth amendment is unenforceable and that the amendment should be immediately revised. • • •

But notwithstanding the recommendations and the subsequent demands on the part of members of this commission for action, President Hoover has failed, up to this day, to act and recommend to Congress legislation in conformity with the recommendations of the carefully selected commission.

Last June both parties held conventions—the Republican Party straddling the prohibition issue; the Democratic Party going on record for a straightforward, out-and-out prohibition modification and repeal. Since then the election has taken place and the result clearly demonstrates that there is no question where the American people stand. They have, by a majority of over six million, approved of the Democratic candidate, that outstanding American, Governor Roosevelt, who manfully and in no uncertain terms states that he is for the immediate modification of the Volstead Act. The country has also elected on that platform 313 Democratic Members of Congress, giving the party the largest majority in its history.

I have the utmost confidence that if President Hoover's persistent opposition to remedy conditions shall prevail, through his veto power, the newly elected Members, under the leadership of the new, progressive Democratic President, who believes that the will of the people shall prevail, will pass not only this sane, helpful, and beneficial legislation, but also submit to the American people the repeal of the eighteenth amendment within a short time.

In conclusion let me say that during the last few days I have received statements from the Federal Grand Jury Association of New York, the Labor National Committee, and many other outstanding organizations asking for early action on this matter. I regret that I do not have time to read these statements or embody them in the RECORD, but I advise the opponents of this legislation to read the reasons and arguments advanced in these memorials. However, I feel it is incumbent upon me to call your attention to this brief but strong statement—a statement that should have received long before this the serious consideration to which it is entitled—made by Dr. Stephen Leacock, professor of economics, McGill University, Montreal, Canada:

> * * * It is my candid belief that the adoption of prohibition in the United States is the worst disaster that has fallen upon the Republic since its organization. If it could last, it would undermine the foundations of government itself. If it could last, it would in time bring down the strongest political fabric into anarchy and dissolution. * * *

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. SIROVICH] to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. PARKS) there were—ayes 108, noes 132.

Mr. BLANTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. SIROVICH and Mr. HAWLEY.

The committee again divided; and the tellers reported that there were 118 ayes and 163 noes.

So the motion to strike out the enacting clause was rejected.

Mr. BECK. Mr. Chairman, I ask unanimous consent to proceed for half a minute to make an explanation.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BECK. Gentlemen of the committee, I was under the impression when the viva voce vote was taken that we were voting on the amendment presented by the gentleman from New York [Mr. O'CONNOR]. Therefore I inadvertently voted "aye" on the motion of his colleague [Mr. SIROVICH]. There was no such conversion on my part as happened to Paul on his way to Damascus, and therefore on the vote by tellers I voted "no." [Applause.]

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Michigan [Mr. MAPES] to the amendment of the gentleman from New York [Mr. O'CONNOR].

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment of the gentleman from New York [Mr. O'CONNOR].

The question was taken, and the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

> Page 1, line 4, after the word "porter," strike out the words "and other similar" and insert in lieu thereof "similar and other."

Mr. COLLIER. Mr. Chairman, I make a point of order against the amendment that it is not germane and opens it up to the sale of wine and everything else.

Mr. LAGUARDIA. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. LAGUARDIA. Mr. Chairman, the purpose of my amendment is not to perfect the language but to broaden the language of the section. The bill before us is a revenue bill and provides for levying a tax on beer, lager, ale, porter, and other similar fermented liquors. My amendment provides for similar and other liquors. In other words, it would embrace other fermented beverages of the same alcoholic content. That is the purpose of my amendment. It is germane to the scope, extent, and intent of the section.

Mr. Chairman, if this were a tax on just one liquor, then perhaps the point of order might be properly raised, but here we have no less than 1, 2, 3, and 4 specified names—different varieties of fermented liquor—and besides a whole class of "other similar fermented liquors."

If the Chair will recall, when the revenue bill was before the House—and I think the gentleman from Alabama was in the Chair—an amendment was offered placing a tax on oil. The point of order was raised on the amendment placing a tax on oil, and it was sustained by reason of the fact that the schedule under consideration at the time provided for various articles embraced in the sales tax of the revenue bill.

A casual examination of the bill will disclose that it is a tax on five or more different varieties of liquor, and therefore my amendment is in order—in keeping with a long line of rulings and precedents and sanctioned by many years of use and acceptance.

The language I use is identically the same that is now in the bill, namely, a tax on "other similar liquors," and surely the amendment providing "for similar and other fermented liquors" is germane to the proposition under consideration.

I do not intend to move to raise the alcoholic content. I simply apply the tax to other fermented liquors. I submit that, under the rulings on tax and revenue bills, my amendment is proper and germane.

Mr. CELLER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair is prepared to rule, but the Chair will hear the gentleman. [Cries of "Rule!" "Rule!"]

The gentleman from New York [Mr. LAGUARDIA] offers the following amendment:

> Page 1, line 4, after the word "porter," strike out "and other similar" and insert in lieu thereof "and similar and other."

It is candidly admitted by the proponent of the amendment that the purpose he has in mind is to broaden the construction of the classes of beverages that may be dealt with in this bill. Basing his rulings on a long line of precedents, one of which the Chair will briefly quote, the Chair thinks he is justified in saying that he may judicially recognize the fact that there are at least three different general classes of alcoholic beverages—malt beverages, spiritous beverages, and vinous beverages. The bill under consideration attempts to deal with only one class of such alcoholic liquors, to wit, the class including ale, porter, and beer. Scientifically, and from a technical, legal discrimination, the Chair thinks that a class not mentioned in this cannot be included under the guise of an amendment.

The Chair quotes a ruling made by Mr. Speaker Gillett on this general parliamentary proposition:

> To a bill for relief of dependents of men in the Regular Army, an amendment proposing to extend the benefits of the act to dependents of men in the National Guard and Reserve Corps was held not to be germane.

This and other precedents which might be cited are based on the distinction the Chair has attempted to disclose, to the effect that it is not permissible as a germane amendment to offer a proposition changing entirely the class of articles dealt with in the text of the original bill. On that principle, the Chair sustains the point of order.

Mr. PALMISANO. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 2, line 2, after the word "of," strike out "$5" and insert in lieu thereof "$3."

Mr. PALMISANO. When I went before the committee the other day I opposed the $5 tax because I said that under it beer could not be sold for 5 cents a glass, that the wholesale price would be in the neighborhood of $12 a barrel, and for all practical purposes there would be only 30 gallons of beer in a barrel of 31-gallon capacity, because there would be 1 gallon of waste; and in what I said at that time the committee and the brewers acquiesced. Their contention is that an 8-ounce glass of beer may be sold for 5 cents. There has never been a tax of more than $1 a barrel since 1863, except during emergencies—during the Civil War, the Spanish-American War, and the late war. Why do we have to raise the tax to $5, five times the normal tax which has been in existence for over 70 years? So I say, Mr. Chairman, that my amendment would multiply the normal tax of $1 by three, and in that way, figuring the revenue in 1914 when it was a dollar a barrel, we would eventually receive in revenue $201,000,000 and permit the workingman to obtain a glass of beer, and in that way more beer would be consumed. If you are going to sell it in a whisky glass, and that is what this 8 ounces means—and my friend, Mr. O'CONNOR, is going to offer another amendment, I understand, making the tax seven dollars and a half a barrel—then, so far as I am concerned and so far as the people I represent are concerned, while we want beer, you are placing it beyond our reach. I trust that the amendment will be adopted so that beer, in the event that this bill passes, may be put within the reach of workingmen.

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maryland [Mr. PALMISANO]. The testimony before the Committee on Ways and Means, which has to deal with revenue matters, and not with the price at which a glass of beer is to be retailed, was to the effect that with a $5 per barrel tax the greatest amount of revenue would be obtained for the Government. Further than that, the advocates of that tax rate said it would not interfere with the sale of beer at 5 cents a glass. Therefore, it seems to me that we ought, in one instance, at least, to consider the revenue feature of this bill. I expect to vote for the bill, but in doing so I first want to express my disapprobation of the manner in which it is before us. There was no occasion, in my judgment, to refer this bill, having as its main purpose the legalizing of beer, to the Ways and Means Committee, which should have to deal solely with matters of revenue. The volume of testimony which we received relative to revenue was almost infinitesimal. It related almost entirely to beer or no beer, one or the other. Except the Secretary of the Treasury, the people who appeared before our committee were not testifying for revenue for the Government. At the opening of the hearings I asked if other measures than this were to be brought before our committee for revenue purposes, and I was informed by the chairman of the committee that so far as any other revenue measure was concerned he had none in mind at this time.

I stand here, Mr. Chairman, advocating the balancing of the Budget at this session of Congress, and certainly we can not do it solely by passing a beer bill. It will not come within one-third or one-quarter of raising the revenue necessary to balance the Budget. Therefore I say the Democratic majority should have considered not solely a beer bill but a revenue bill, based, in my opinion, on the bill that we reported last session, namely, the manufacturers' excise tax bill. If that bill were before Congress to-day, I prophesy it would pass by a large majority. Many Members who voted against it at the last session realize it is the one and only means by which we can balance the Budget. It ought to be before us here to-day rather than the so-called beer bill in which the matter of revenue is only incidental in the minds of its proponents.

In this connection I desire to invite attention to the following extracts from the statement which I submitted in connection with the report of the Ways and Means Committee on the bill under consideration:

The Ways and Means Committee is the revenue-raising committee of the House. It has jurisdiction of "such measures as purport to raise revenue and of the bonded debt of the United States." Obviously, the reference of the beer bill to the Ways and Means Committee was a subterfuge to secure a favorable report from some committee, as it had previously been demonstrated that such a report could not be obtained from the Judiciary Committee which has jurisdiction over prohibition measures.

Personally, I recognize that real beer, say, of 3.2 per cent of alcohol by weight, manufactured legally and under sanitary conditions, is far preferable to hootch and home-brew. For this reason I can consistently vote for the pending measure, but as a member of the Ways and Means Committee, dealing with the revenues of the country, I could not vote to report a measure in which the revenue element was secondary to the legalizing of the manufacture and sale of 3.2 per cent beer. For 16 years I have been a member of the Ways and Means Committee, and never in that time has such a substerfuge been resorted to nor has a revenue measure been taken up piecemeal.

The committee spent the greater part of the last session in an effort to secure sufficient revenue to balance the Budget. It became convinced that the best and perhaps the only method of obtaining this revenue was through a manufacturers' excise tax, and it favorably reported such a bill to the House. The House, however, did not see fit to adopt the bill and it was then necessary for the committee to draft a makeshift measure which, with various changes, became law.

Owing to unforeseen circumstances and the continued depression the 1932 revenue law has not produced the anticipated revenue. The Secretary of the Treasury in his report estimates that the revenue in the fiscal year 1934 will be $2,949,000,000, including $329,000,000 of foreign payments. The President has submitted to Congress estimates of appropriations for the fiscal year 1934 amounting to $3,256,000,000, exclusive of statutory debt retirement. Accordingly, the present estimated deficit for 1934 will be $307,000,000, and this figure will probably be increased by the failure of certain foreign obligations to be paid in full.

In view of this situation, I feel that it is the duty of the Ways and Means Committee not to confine itself to advocating a beer bill which would raise only a portion of the funds needed by the Government, but to devote its energies and attention to drafting a measure which will produce sufficient revenue so that the new administration may start with an evenly balanced slate.

The method of procedure is perfectly simple. The so-called manufacturers' excise tax which, with certain amendments, was agreed upon by the committee during the last session can be used as the basis of a measure to restore a proper balance between expenditures and receipts. The tax proposed in the bill to legalize beer, if the House so voted, could be one of the items of such a measure.

If the committee and the House will adopt such a program, we will be performing our duty, acting openly, securing the necessary revenue, and starting the new administration without financial embarrassment.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I offer an amendment.

Mr. O'CONNOR. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. There is an amendment pending, offered by the gentleman from Maryland [Mr. PALMISANO], that has not yet been disposed of.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. SCHAFER. Mr. Chairman, I shall support the amendment offered by my Democratic colleague, the gentleman from Maryland [Mr. PALMISANO]. I would refer the good Republican dry member of the Ways and Means Committee [Mr. TREADWAY] to the fact that during the last session of Congress he, and practically every member of the Ways and Means Committee, brought to the floor of the House a tax on brewer's wort and malt sirups, a tax which was exorbitant, a tax which taxed by indirection what the members of that committee did not then have the intestinal stamina to tax by direction.

Your committee prophesied that that tax would bring in many millions of dollars and would help balance the Budget.

When we look at the figures as to its income, we find that the receipts from that extortionate tax were about equal to the cost of collecting it.

Now, let us not defeat the purpose of raising revenue by making the tax on this nonintoxicating beverage too high, the same as was done with reference to the brewer's wort tax. I agree with the gentleman from Maryland [Mr. PALMISANO] that the common man of this country must be given the opportunity to buy a good glass of beer for 5 cents. The gentleman from Massachusetts [Mr. TREADWAY] can talk about a glass of beer for a nickel, but the gentleman must realize there are many different capacities of glasses. Perhaps the gentleman from Massachusetts desires that the man of small means only have one of those little "snits" for a nickel, such as is received from the bootlegger to-day for 20 or 25 cents, half foam and half beer—about two or three mouthfuls of beer in a glass.

I sincerely hope that this House, in order to get revenue into the Treasury, in order to help combat the sale of high-powered untaxed beer by racketeers, in order to give the common man a chance to get a good-sized glass of stimulating, health-giving, nonintoxicating, 4 per cent beer for 5 cents, will adopt the amendment offered by that sterling Democrat, the friend of the common people, the gentleman from Maryland [Mr. PALMISANO]. [Applause.]

Mr. MOUSER. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. MOUSER. I think the gentleman is doing a great injustice to the distinguished gentleman from Massachusetts [Mr. TREADWAY] when he says the gentleman from Massachusetts is a dry Member still. Does not the gentleman know that the gentleman from Massachusetts voted for repeal, and now he is going to vote for nonintoxicating beer?

Mr. SCHAFER. The gentleman has not voted for beer in committee. The record before the Ways and Means Committee speaks for itself.

Mr. MOUSER. But the gentleman just said he was going to support this bill.

Mr. SCHAFER. I am indeed pleased to hear that. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KUNZ. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, since the last election and the handwriting on the wall has been shown, many Members have changed their attitude on the question of beer. The President elect let the world know that if he were elected President of the United States the people of America would have beer. Now, since so many of us have been defeated, a great number are trying to rectify the error of their ways, and in order to balance the Budget they are trying to give to the people of this country beer. It puts me in mind of a blacksmith who is trying to repair a watch. Many Members talk about beer. They do not know what beer means. The people of America want beer, but the question is, What kind of beer? They do not want rice beer; they do not want corn beer. They want malt beer. Beer is the national drink of Germany. Everybody in Germany drinks beer. They drink it for breakfast. They do not drink it because it is an intoxicating liquid, but they drink it because of the nutrition that it possesses, and the people of America want beer, and they want good nutritious beer. It is not a question of the alcoholic content of that beer, but the question is how much nutrition that beer will contain. Then, in order to preserve that beer, let it contain enough alcohol, just as Doctor SIROVICH explained yesterday, when he had the bottles of beer on one side and milk on the other. Both of them may not contain the same ingredients, but the fact is that if you put alcohol into the milk, you will preserve that milk just the same as if you put alcohol into malt extract it will preserve the malt extract. If it is not preserved, as a consequence it will sour. Many Members do not realize the situation in the great cities.

I speak of Chicago now, where the police have received $5 a barrel from the bootlegger that he may peddle the beer in the different districts and at the different saloons. The man there pays 25 cents for a glass of beer and there was no objection made to it. He was buying what? Needle beer. Now, what we want to do is to give to the people of this country a nutritious glass of beer. How many Members have been in Germany? Those of you who have been there know that you can go there and drink one or two glasses of beer and you are satisfied, and want no more. It is like a meal; but if you drink American, the more you drink the more you want.

It is not a question of nutrition, it is a question of how much alcohol it possesses; and I know that in days gone by a great many men in the saloon business would put alcohol into beer in order to get the individual under the influence of liquor.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Maryland [Mr. PALMISANO].

The amendment was rejected.

Mr. MICHENER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHENER: Page 1, line 6, after the word "than," strike out "3.2" and insert "2.75."

Mr. MICHENER. Mr. Chairman, the House has just gone on record by a decisive vote in a refusal to declare 3.2 per cent by weight or 4 per cent by volume nonintoxicating. Therefore the House has determined that there is at least a question as to whether or not 3.2 per cent beer is intoxicating. The House voted intelligently. Every Member here has discussed and heard this 4 per cent beer discussed for days past. Every Member here remembers pre-war beer and the number is small, indeed, who will agree that pre-war beer, as sold over the bar, was not intoxicating. We are told that what the people want is pre-war beer, and that if this bill is enacted into law the people will have pre-war beer.

The eighteenth amendment prohibits the manufacture and sale, for beverage purposes, of beer, if in fact that beer is intoxicating.

This bill purports to do two things: First, to legalize the sale of beer, porter, and ale of a maximum 4 per cent by volume alcoholic content; second, it attempts to raise revenue by placing a tax on these beverages thus legalized. I am heartily in sympathy with the raising of revenue to balance the Budget if it can be done by placing a tax on nonintoxicating beverages. I think the House is a unit on this proposition. Therefore the whole question before us is: Is this 4 per cent by volume alcoholic content in beer, porter, and ale intoxicating?

The Ways and Means Committee have devoted several days in hearing testimony. A perusal of the printed hearings shows that the most of the time of the committee was taken up by those advocating a revival of the brewing industry as such, for the purpose of manufacturing old-time beer that would be freely purchased by beer drinkers throughout the country. With the committee, so far as the hearings are concerned, it was largely a question of prohibition and anti-prohibition, with a small portion of the testimony bearing directly upon whether or not these particular beverages would intoxicate. No conclusion can be drawn from the hearings other than the proponents of this bill are satisfied that the American people want beer—the pre-war beer and beer with the old-time kick. Whether or not this is true is beside the question. The powers of Congress are circumscribed in this instance by the Constitution, and I can not see how any Member of this body can be intellectually honest and vote to legalize a beverage which he in his own mind believes is intoxicating. I for one value my oath to the extent that I will not vote for beer which I believe to be intoxicating, so long as the eighteenth amendment remains in the Constitution.

A few days ago I voted to submit the question of repeal to the States. I will vote at any time to submit to the people this question, in order that they may determine

whether or not the eighteenth amendment should be repealed.

During the last campaign I took the position that as the people's representative I should vote on the matter of resubmission, as directed by my constituents in a referendum on State constitutional prohibition. I said further that I would vote for the taxation of beer which could be lawfully manufactured and sold under the Constitution. I shall keep my pledges in these particulars.

As prosecutor in my home county for eight years, I am familiar with the prosecution of many men for being drunk—men who became drunk from intoxicating draught beer bought over the bar, beer the analysis of which in court showed an alcoholic content of less than 4 per cent by volume. This was the type of beer manufactured by many local breweries and used generally throughout the rural districts. With this knowledge and having had this practical experience, I could not be honest with myself and vote for a bill which reinstated that which I know to be intoxicating, so long as the eighteenth amendment stands. Unquestionably, the majority of the Members of this House were prompted by this same feeling when just a few minutes ago they refused to declare that this kind of beer is not intoxicating.

I am thoroughly satisfied that if this bill as drawn ever becomes a law that it will be declared unconstitutional by the Supreme Court. The Supreme Court could hardly do otherwise than to take judicial notice of the fact that prewar beer was intoxicating, and then if they accept the statement in the hearings and from this floor that it is the purpose of Congress to reinstate the legal status of pre-war beer, but one conclusion could be reached.

Just a few minutes ago the presiding officer in this body took judicial notice of the fact that there were three kinds of intoxicating liquors—vinous, malt, and brewed—and by the same token the Supreme Court will take judicial notice that the beer of other days, which was around 4 per cent by volume, is intoxicating in fact.

The passage of this bill will do more to delay or prevent the repeal of the eighteenth amendment than any one thing of which I can think. Of course, if this beverage is not intoxicating, then the Congress should not attempt to regulate or control its sale. If we are to manufacture and sell the beer, for the purpose of balancing the Budget, the more we can manufacture and sell the better, and if the beer is wholesome and nonintoxicating no injury can be done anyone. However, amendments will be offered here by those who are most enthusiastically supporting this bill, providing for the issuance of permits and regulating the places where this beer may be sold. You know and I know that the position that the sale must be controlled is inconsistent with the theory that the beverage is not intoxicating.

There are many of our citizens who feel that Congress should legalize the sale of nonintoxicating beer, and that this will raise a large revenue, but most of these same people are opposed to the eighteenth amendment, and if they thoroughly understand the situation will rebel against a subterfuge of this kind. The American Federation of Labor, the workingman's organization, has asked for 2.75 beer. They are not asking for 4 per cent beer. They do not want highly intoxicating beer, and the manufacturers themselves are divided.

This amendment would reduce the alcoholic content to the highest point which has been advocated by the proponents of beer down through the years since we have had prohibition, until very recently. I do not believe that this bill will ever become a law without amendment, and if it should become a law, and this beer is placed on the open market, to be sold at soda fountains and elsewhere, this action will bring down upon this Congress the wrath of the people, all of whom, if we are to be guided by the platforms of the major political parties, are opposed to the manufacture and sale of intoxicating liquors under the present Constitution.

Mr. WILLIAM E. HULL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is all very well for a man who intends to vote against the bill to get up here and pretend he is going to vote for it and make his speech, when we all know that the one who introduced this amendment has no intention of trying to pass this bill.

Mr. MICHENER. I think the gentleman is presuming.

Mr. WILLIAM E. HULL. The gentleman's speech tells us that, and there is no use going any farther into that subject.

Now, here is all there is to this 3.2 per cent by weight and 2.75 by weight—it is a difference of 0.45 per cent. The difference is so small that no one, in my judgment, even a brewmaster, could tell whether you had a glass with 2.75 per cent in it or 3.2 per cent. The only reason the proponents of the bill and those interested in doing what the people of this country want make this 3.2 per cent by weight is to substantiate the beer with the extracts and ingredients that are necessary to make it a good beer. As far as the alcoholic content of 3.2 per cent or 2.75 per cent by weight, it would make no difference to the brewers so far as the alcohol is concerned. That is the least thing to be considered; but in order to brew this beer up to a point where it is good, substantial beer, it is necessary to have at least 3 per cent alcohol in it to do that. If you try to brew the beer with 2.75 per cent alcohol, then you are just low enough so that you can not retain the extracts and the other particles that go with beer to make it a good beer, and this is the only reason we are asking for a 3.2 per cent beer.

So far as the intoxicating effect is concerned, it is nothing. There is scarcely any difference between them when it comes to intoxication, because both of them are nonintoxicating. No man should know that better than myself. I have been in the business for 28 years, and I understand what is intoxicating and what is not. I know that 3.2 per cent beer is not intoxicating and never was intoxicating, and the only reason they claim such beer was intoxicating is this: You will hear men get up here and make the statement on the floor of the House that they have seen men coming out of saloons drunk, but I will guarantee that 80 or 90 or even 100 per cent of those men who came out of those saloons drunk drank something besides beer.

Mr. McCORMACK. Will the gentleman yield?

Mr. WILLIAM E. HULL. Yes.

Mr. McCORMACK. Is it not a fact that the preprohibition beer that was intoxicating contained a much higher percentage of alcohol than the beer provided for in this bill?

Mr. WILLIAM E. HULL. Such beer, as we all know, contained on the average 4 per cent by volume, which is 3.2 per cent by weight. There were some brewers, especially in the East, that made a higher alcohol percentage beer; that is, they put more alcohol in it, but gradually the brewers got down to a 4 per cent beer, and even when they were making beer at 2.75, they preferred it to a high alcoholic beer because the people liked it; but if you go below 3.2, you are going to destroy the very thing you are trying to do here, and that is to give them a nonintoxicating beer that they will want to drink.

Why do you want to spoil it in this way?

There is another thing that must be borne in mind. All brewers when they make their beer must have a tolerance of at least two-tenths of 1 per cent; in other words, no brewer is going right up to the limit. If he does he is likely to be caught by the Internal Revenue Bureau. So when you are voting for 3.2 per cent you are, in reality, only getting 3 per cent by weight.

Mr. BRITTEN. Will the gentleman yield?

Mr. WILLIAM E. HULL. Yes.

Mr. BRITTEN. Does not the gentleman believe the Treasury will benefit immeasurably by providing for a 3.2 per cent rather than a 2.75 per cent beer?

Mr. WILLIAM E. HULL. It will double the amount of revenue, of course, and anybody with common sense knows it.

Let me read you what Professor Henderson, who is the best authority we have on this subject, said. I could read, if

necessary, what his various titles are, but let me read you what he stated:

> Beer of 3 per cent alcohol is not palatable—
>
> Speaking of 3 per cent by volume—
>
> beer of 6 per cent or more alcohol may be distinctly intoxicating if drunk in large amounts. Beer of 4 per cent is not appreciably more intoxicating than an equal volume of coffee.

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, so far I have not injected myself into this debate, and I shall be very careful not to take much of the time of the House from now on.

This bill, which comes from the Committee on Ways and Means, received very careful consideration by that committee. Hearings were held and expert counsel and advice was secured.

To my mind, the bill as reported merits the support of all those who believe in the principle involved in this legislation. That principle ought to be retained in the bill, and such amendments of a major character that would increase or decrease the alcoholic content and such amendments as would either increase or decrease the tax should be defeated by the House. This bill meets with the platform approved by the recent Democratic National Convention. This same principle received the majority vote of the committee on resolutions which drafted the modification plank and was overwhelmingly approved in the convention itself. It is the very same principle that was indorsed by the American people in the national election of November last.

Let us therefore pass the bill as it comes to us from the committee and send it on to the Senate.

In connection with this pending amendment let me say, if we are to reduce the alcoholic content from 3.2 to 2.75 per cent, we increase the cost of the beer, we destroy the possibility of selling a 5-cent glass of beer, because we make it necessary for the brewers to put it through the added process of dealcoholization after the beer is once made. This was tried out during the war, when the alcoholic content of beer was reduced from 3, 4, and 5 per cent to 2.75 per cent. It only served to impair the quality and increase the cost.

Leave the alcoholic content at 3.2 per cent and you will permit the industry to manufacture a better beer at less cost. More revenue will result and, as this is also a revenue measure, that feature certainly should be taken into account.

So I say the bill, so far as its principal features are concerned, ought to be kept intact and all amendments that would defeat the purposes of the legislation should be defeated.

This is only the beginning of the fight to wipe out the sumptuary laws adopted since the World War. If we enact a half-baked beer bill with an excessive tax we will have bootlegging and racketeering to contend with for many years to come. [Applause.]

We ought to vote down this amendment and every other similar amendment and stick to the bill as reported by the committee. Let us finish the bill and send it to the Senate as soon as possible. [Applause.] We ought to do that and then go home and enjoy Christmas, happy in the thought that we kept faith with the American people. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, I move to strike out the last word, and I rise in opposition to the amendment.

Mr. RAINEY. Will the gentleman yield for me to make a unanimous-consent request?

Mr. WOOD of Indiana. I yield.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN (Mr. WARREN). The gentleman from Illinois asks unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes. Is there objection?

Mr. DYER. I object.

Mr. RAINEY. Then, Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. O'CONNOR. Mr. Chairman, what amendment is referred to?

The CHAIRMAN. The amendment of the gentleman from Michigan.

Mr. DYER. The debate on the Michener amendment was exhausted and the debate on this amendment will be exhausted in five minutes, and it is my purpose to make the point of order that further debate is out of order.

The CHAIRMAN. The gentleman from Illinois moves that all debate on this amendment and all amendments thereto close in 10 minutes.

The question was taken, and the motion was agreed to.

Mr. WOOD of Indiana. Mr. Chairman and members of the committee, I voted for the beer bill at the last session of Congress which provided for 2.75 beer, and I would like to vote for this bill and will vote for it if it is properly amended.

There is no use in trying to fool ourselves into the belief that 4 per cent beer is not intoxicating. Everybody that ever had anything to do with the enforcement of the criminal law in this country knows that it is intoxicating. The gentleman from Michigan [Mr. MICHENER], as prosecuting officer, has given his experience. I was prosecuting officer for four years, and 80 per cent of all drunks that came before the police magistrates in that time had become drunk on beer.

If that was true then, it is true now. The bill is ridiculous in this, that it provides that the beer authorized to be manufactured in the bill can not be carried into a State that desires to be under prohibition. If it is not intoxicating, there is no use, then, whatever for that provision in the bill, and I say as a lawyer that if it remains in the bill and it ever goes to the Supreme Court on that proposition, the Supreme Court will hold it unconstitutional, because it is in restraint of trade. You have no more right to say that beer that is not intoxicating shall not be shipped into a State than you have to say that coffee or tea or ice cream shall not be shipped into that State. The bill is ridiculous on its face, and I hope that an amendment will be introduced striking out that portion of this bill.

At the last session of Congress the proponents of this measure, or of a measure similar to it, were perfectly content with a bill providing for 2.75 per cent beer. I believe that 2.75 per cent is not intoxicating, and I believe the Supreme Court would so hold, but I believe, on the other hand, that it will hold that 3.2 per cent beer is intoxicating. If we want to pass a bill, we should pass one that does not make every man who supports it ridiculous in the eyes of the law and ridiculous in the eyes of common experience. As a friend of the measure, I hope that this amendment will obtain.

Mr. DYER. Mr. Chairman, I make the point of order that debate on this amendment which is now before the House has been exhausted.

The CHAIRMAN. There is five minutes remaining of the time fixed by the motion of the gentleman from Illinois [Mr. RAINEY]. The gentleman's point of order is good as far as the pending amendment is concerned, but a motion to strike out the last two words would be in order, and the Member making such motion would be entitled to the five minutes remaining.

Mr. CELLER. Mr. Chairman, I move to strike out the last two words and I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. Mr. Chairman, I hope that the amendment of the gentleman from Michigan [Mr. MICHENER] will not prevail. Those who are in a position to know what is or is not intoxicating indicated before the Ways and Means Committee beyond peradventure of a doubt that a 4 per cent by volume beer, or 3.2 by weight, is not intoxicating, and Professor Henderson, of Yale, than whom there is probably

no better expert on the subject of toxicology, testified that such a beer is so dilute as to be nonintoxicating. He said that a beer containing less than that would be unpalatable. We know from the investigations made, for example, by the faculty of political science of Columbia University, headed by Prof. Clark Warburton, that over 30,000,000 barrels of beer was consumed in this country in 1930, a little less in 1931—see volume entitled "The Economic Results of Prohibition," Columbia University Press, 1932, page 31—as a result of beer flats, alley brewers, and home brew.

If you make this beer in this bill unpalatable, if you make it unsuited to the taste of the American beer-drinking public, you are going to have your labor for your pains. You will not stop the illicit manufacture and distribution of beer, and you will not get the revenue. The 3.2 beer by weight, the experts tell us, is not only intoxicating but would satisfy the American workingman and the American beer-drinking public. Let us have it. The public gets what it wants. It wants 4 per cent beer. Give it to them. They will get it no matter what we do. Therefore, give it to the people lawfully and procure the much-needed revenue.

I would like to have the attention of the gentleman from Michigan [Mr. MICHENER] on the subject of what the Supreme Court might do. Has it ever occurred to the gentleman from Michigan as to how a case could ever reach the Supreme Court—on the criminal side of the court, at least?

Mr. MICHENER. Yes; and I would like to answer the gentleman's question.

Mr. CELLER. I will let the gentleman answer it in a moment. All that the United States district attorney can do is to prosecute if there is a violation of some statute, and if we pass this bill, what statute is violated if a man makes or sells 3.2 by weight or 4 per cent by volume beer? The United States attorney, whose duty it is to maintain the constitutionality of a statute and not attack it as being unconstitutional has no statute before him which has been infringed. There is no culpability attached to anyone who makes or distributes such beer. How under the sun can a case ever get to the United States district court, and if there can be no case there, how can there be an appeal to the circuit court of appeals, and how, therefore, could any case ever reach the Supreme Court of the United States on the criminal side? That is a matter for serious consideration, and it has not been adverted to in the instant debate, as I understand it, up to this point, although I think my good friend from Pennsylvania [Mr. BECK] did dwell upon it in his usual wise and sagacious way the other day. There is a bare possibility that the case might reach the Supreme Court on the civil side, but there are grave doubts as to that.

There may be a contract for the shipment of beer of this character; somebody may wish to get out of his contract, may not wish to perform, and may raise the question of the constitutionality of the statute; but I have my doubts about that, and many students of the subject have their doubts as to whether the case could ever reach the Supreme Court even in that way. You see, the eighteenth amendment is not self-executing. It can not enforce itself. It needs an enforcement act, like the Volstead Act. Suppose we repealed the Volstead Act in toto. Then the eighteenth amendment would stand alone. It would have had its teeth drawn. There would be left no fines, no penalties. One could then offend the eighteenth amendment with impunity. In other words, the amendment is like one of the Ten Commandments. They can be infracted. But what is the penalty? Only a moral penalty. So with the eighteenth amendment without a Volstead Act. Only a constitutional principle is violated. No one could be fined. No one could go to jail.

If we pass this bill, we amend the Volstead Act; we cut away part of it; we say that its fines and penalties shall not apply to beer below 4 per cent by volume. Therefore, if anyone, after the passage of this act, makes such beer or sells such beer, he is not subject to any fines or penalties, because he has violated no law. The Congress has exculpated him.

The other day we passed a declaratory judgment bill, which enables questions to be brought before the court, and finally to the Supreme Court, prior to the arising of a controversy, and even prior to the commission of any wrong. If the Senate passes this bill and the President signs it, then there may be a possibility of this beer bill being tested in a friendly way through the medium of the declaratory judgment.

At this stage of the game there is no way by which, as I understand it, the case could reach the United States Supreme Court.

Mr. MICHENER. I may say that I was advised by one of the proponents of the bill that the very purpose of the bill was to make the alcoholic content so high that you could not get into the court through the district attorney's office, that the only way you could possibly get in would be as suggested by the gentleman or possibly by this new-spun theory of an injunction to enforce the Constitution.

Mr. CELLER. I doubt very much whether that could be. But let us suppose the way is clear for a test case that could reach the United States Supreme Court. What would the Supreme Court do?

Let us examine the case of Jacob Ruppert *v.* Caffey (251 U. S. 264). Judge Brandeis, writing the opinion of the court, said in part:

At page 282:

> * * * For the legislation and decisions of the highest courts of nearly all the States establish that it is deemed impossible to effectively enforce either prohibitory laws or other laws merely regulating the manufacture and sale of intoxicating liquors, if liability or inclusion within the law is made to depend upon the issuable fact whether or not a particular liquor made or sold as a beverage is intoxicating. In other words, it clearly appears that a liquor law to be capable of effective enforcement must, in the opinion of the legislatures and courts of the several States, be made to apply either to all liquors of the species enumerated, like beer, ale, or wine, regardless of the presence or degree of alcoholic content; or, if a more general description is used, such as distilled, rectified, spiritous, fermented, malt, or brewed liquors, to all liquors within the general description regardless of alcoholic content * * *.

At page 299:

> * * * The police power of a State over the liquor traffic is not limited to the power to prohibit the sale of intoxicating liquors, supported by a separate implied power to prohibit kindred nonintoxicating liquors so far as necessary to make the prohibition of intoxicants effective; * * *.

In other words, the court said that the Congress could go a great distance in order to effectively administer and enforce the Volstead Act. It said it could go a great distance to the left of the center and ban nonintoxicants up to one-half of 1 per cent. By token of the same reasoning, the Congress can go as far to the right of the center and take the ban off beverages up to 4 per cent by volume. Certainly it is obvious that the corollary of the reasoning of the court would permit Congress to consider reasonably a less rigid classification of beverages essential to effective enforcement of the eighteenth amendment; particularly because of changed conditions and changed public opinion.

In the Lambert case, the court said that for the sake of effective enforcement doctors could not prescribe beer as a medicine. This was contrary to the best medical opinion, but the court said such condition was necessary in order to effectively enforce the eighteenth amendment. It, therefore, took the therapeutic value out of beer.

Certainly if Congress can go as far as that and be sustained by the Supreme Court, Congress can say, and be sustained by the Supreme Court, that 4 per cent beer is necessary for the effective enforcement of the eighteenth amendment, to wit, the banishing of beer rackets, alley breweries, and home-brew.

It must be remembered that the Jacob Ruppert against Caffey case, which was one of the decisive cases upholding the eighteenth amendment and the Volstead Act, involved the decision of a divided court. There were four dissenting

judges and five in the majority. One vote would have made a vast difference.

That one vote at least will be captured for the wet side undoubtedly when the next case reaches the Supreme Court. Even the Supreme Court must bow down before public opinion.

What the Supreme Court said a few years ago it may not say to-day. The minority opinion of seven or eight years ago may well become the majority opinion of to-day. Rest assured that the Supreme Court not only follows precedents but it follows the economic life of the Nation. You have but to read the minority opinion of Supreme Court Justice Brandeis in the case of New State Ice Co. *v.* Liebmann (No. 463, October term, 1931) to see that, where he took judicial notice of the depression, of the slough of despond in which we find ourselves, and he said this:

> The people of the United States are now confronted with an emergency more serious than war.

Where did we ever hear before of a Supreme Court justice taking judicial notice of the surrounding economic situation as Judge Brandeis did? The judges not only follow precedents but they follow elections. The court will take notice of changing sentiment among the people and of the great repeal vote. Thus, I verily believe that the provisions of the Collier bill will be declared constitutional.

President Wilson in an address before the American Bar Association, October 20, 1914, said:

> The opinion of the world is the mistress of the world.

We might well paraphrase that statement by saying:

> The opinion of the United States is the mistress of the United States.

He also said:

> The thoughtful eye of the judge rests upon the changes of social circumstances and almost palpably sees the law arise out of human life.

The Supreme Court when the case comes before it will register the mighty changes of social circumstances and will recognize that there were 21,000,000 wet votes cast in the last election and that 272 Representatives, only 6 shy of a two-thirds vote, voted for out-and-out repeal.

The Supreme Court will always recognize that the law is not static. It is a vehicle of life. It marches on. It is inconclusive. It is dynamic. The law must follow the ever-changing public opinion, and public opinion has certainly changed on the subject of prohibition.

Now, gentlemen, as realists we must recognize the situation that is developing in this country to-day. During the last election some eight States—Arizona, Louisiana, Colorado, Washington, Michigan, California, North Dakota, and Oregon—repealed their enforcement statutes. Two of them—North Dakota and Michigan—I believe, repealed their constitutional enforcement provisions. They joined the previous wet procession of some seven other States—Maryland, Massachusetts, Montana, Nevada, New Jersey, New York, and Wisconsin. There are 15 States to-day that have no State enforcement provisions.

To my mind that is nullification with a vengeance, because under the eighteenth amendment these States are supposed to exercise their powers concurrently with the Federal Government to enforce the eighteenth amendment and its handmaiden, the Volstead Act. They refused to do so, and that is nullification beyond question.

Rhode Island's enforcement act starts with 3 per cent, and there are two States—Wyoming and Texas—that have by recent referenda petitioned this Government to provide for some sort of repeal. Pennsylvania, Missouri, Minnesota, by their statutes, follow the standard laid down by the Federal Government. If you pass the Collier bill, for example, that law will be applicable as a State statute in the States of Pennsylvania, Missouri, and Minnesota.

Twenty-one States, therefore, are in a veritable wet parade, and what is the public opinion in those States? Certainly the public opinion is not wedded to the enforcement of the eighteenth amendment. You have Governor Rolph, of California, saying that he is going to pardon all prohibition prisoners, and you have Mayor Cermak, of Chicago, saying, "Come in, boys, and make all the beer you want."

Can you get convictions in those States for violations of any provision of the Volstead Act? If you are going to get convictions in these States, because of the changing public opinion, it is going to be mighty difficult. Attorney General Mitchell, in his report which was given to us recently, made this very significant statement:

> It is evident that the present state of public opinion will make the task of the officers of the law doubly difficult and increase a breakdown and disrespect for the law unless changes which are to be made are made speedily.

All of which means, my good friends, that we are entering upon an era of utter lawlessness, far worse than the lawlessness we have been used to in the last few years, and I believe that as a result of this changed public opinion, as a result of the election, as a result of the recent vote on repeal in the House, the bootleggers are going to become bolder, and the racketeers more vicious, and the gangsters more brazen, and the hijackers more venturesome.

Now, as to the toxic qualities of 4 per cent by volume beer, permit me to repeat my testimony before the Ways and Means Committee (p. 126 of hearings):

> We have a decision, a very significant decision, on the statute books which, as far as I know, remains unchallenged. One of our former colleagues from Maryland, Representative Hill, some years ago made some cider and he made some wine, and invited his friends to his home to watch the situation and to partake of the resulting product. He was brought to book and tried.
>
> Mr. HILL. Designate which Hill.
>
> Mr. CELLER. John Philip Hill; I should have done so. I think I said the gentleman from Maryland, one of our distinguished colleagues at the time; and Judge Soper, in that trial (1 Fed. (2) p. 594), made a very significant charge to the jury. The charge is still the law of this land as far as judicial interpretation of section 29 is concerned.
>
> Mr. VINSON. You do not mean that a charge of a court is the law of the land?
>
> Mr. CELLER. You listen to the charge of the court; that jury followed the charge of the judge, and that charge, as far as the district court is concerned in Maryland, is in that district and in all other districts of comparable jurisdiction the law of the land, and I will read it to you.
>
> "Intoxicating liquor is liquor which contains such a proportion of alcohol"—
>
> And I may say to the gentleman that the Prohibition Unit, the Treasury Department, and the Department of Justice had to be satisfied with the law in this case.
>
> Mr. VINSON. The verdict was not guilty.
>
> Mr. CELLER. Yes; but they never appealed the question in any other case where it arose, and there was ample opportunity for the Government to take up the question in other cases. They could not have taken it up in this particular instance, but there was certainly a wide latitude given to the Government in other jurisdictions to challenge the words of the charge to the jury by Judge Soper:
>
> "Intoxicating liquor is liquor which contains such a proportion of alcohol that it will produce intoxication when imbibed in such quantities as it is practically possible for a man to drink"—
>
> Mind you, I will say this: This comes under section 29 and there is not the limitation contained in the general provisions of the Volstead Act of one-half of 1 per cent, and, as the gentleman well knows, it is incumbent upon the jury to find that the beverage was intoxicating in fact, and Judge Soper, in endeavoring to elucidate the rule and the principle, made these statements—
>
> "and that is the test that you are to apply to the decision of this issue of fact. You will consider in that connection the alcoholic content of the liquors. So far as the wine is concerned, it runs from 3.4 to 11.68. If, in your judgment, any of that wine was intoxicating, whether or not in your judgment all of it was, the charge of the first two counts is made out. It is not a question in any case of whether a drink which a particular individual had at a particular time made him drunk, but whether or not the article is capable of producing drunkenness."
>
> Perhaps I might say, interpolating here, that the intoxication under this law, particularly section 29, which is applied to wines in general in the Collier bill, is what you and I ordinarily understand by the word drunkenness.
>
> "If this wine was capable of producing drunkenness taken in sufficient quantities, that is to say, taken in such quantities as it was practically possible for a man to drink, then it was intoxicating."

Judge Soper's charge to the jury remains the unchallenged law, so far as court records are concerned, on the question of what is intoxicating.

We must consider very profoundly these conditions. Beer and wine and liquors are being sold and will continue to be sold no matter what we do here. Let us legalize at least

beer, get the revenue out of it, and satisfy the people, and thereby strike a blow at some of the bootleggers and racketeers by making it not worth their while to stay in the business. Let the next step be the legalizing of wine, to be followed soon by absolute repeal. Then and only then will there be real peace in the land and real relief. Then and only then will we bring back sanity to our Government.

Furthermore, the economic value of this legalizing of beer will be inestimable. Benefits to business would involve the distribution, packing, and selling of beer—if legalized, would affect a large number of industries. Some of these businesses and the benefits they would receive, according to the testimony of their representatives, are as follows:

Cooperage: About 200,000 barrels are now in the hands of the brewing industry, and about 12,000,000 more would be required.

Steel: About 108,000 tons of steel would be required for hoops on the barrels.

Motors: About 5,000 trucks, costing $25,000,000, would be needed for the first year of operation.

Electrical industry: The rehabilitation of the beer industry would involve from $320,000,000 to $400,000,000 of construction expenditures.

Glass: The return of beer would require 864,000,000 bottles a year, providing work for 6,000 men in their production.

Metal industries: Benefits to the amount of several hundred million dollars are expected.

Refrigerator business: Beer legislation would result in $20,000,000 worth of business in 1933.

Wooden boxes: Return of beer would bring $40,000,000 worth of business annually.

Bottle-making machinery: Legal beer would raise the pay roll $6,000,000 a year.

Railroads: Would benefit to the extent of about $50,000,000 a year.

The National Association of Manufacturers, through John A. Emery, stated that business in general would be stimulated by revival of a dormant industry, and that the bill would promote social betterment. The case for labor was put by Matthew Woll, who estimated that 1,000,000 additional men would be employed by the legalization of beer.

The hop industry, according to John J. Haas, has sunk to a low level since the enactment of prohibition, and a total of from 45,000 to 60,000 acres in hops had been reduced to about 21,000. New York State, he said, once had a flourishing hop industry, with an output of 11,000,000 pounds a year, which had been cut to less than 50,000. He predicted that legalizing of beer would bring this industry back to its former status.

To give some idea of how the passage of this bill would affect, for example, the city of Brooklyn, you are advised that prior to prohibition there were 26 breweries operating in Brooklyn, giving employment to thousands of people and involving millions of invested capital. If my memory serves me correctly, these breweries were the following:

Piel Bros., Trommers, S. Liebmann Sons, Obermeyer & Liebman, Otto Huber, New York and Brooklyn, Nassau, Leonard Michel, Indea Wharf, Excelsior, Leonard Eppig, Consumers, L. & A. Schaefer, Ferdinand Münch, Ullmer, Jos. Fallert, Ochs, Seitz, Williamsburg, Welz & Zerwick, Franks, Neltzer Bros., Frank Ibert, Ohme & Leibinger, H. B. Scharman, and North American.

Starting the breweries and giving the people beer would have a tendency to whirl things around. It would stir up the stagnant waters of depression. To change the metaphor, it would be like the starting whistle of a game. We are all set and ready to go. So, let's go!

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. MICHENER) there were—ayes 75, noes 124.

So the amendment was rejected.

Mr. MOUSER. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MOUSER: Page 1, in the title of the bill, after the word "certain," strike out "nonintoxicating" and insert the word "intoxicating."

Mr. LEHLBACH. Mr. Chairman, I make a point of order that the title of the bill is not before the committee.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. MOUSER. Yes, Mr. Chairman.

It seems to me that if we are reading a bill by paragraphs, subject to amendment, we are proceeding under the 5-minute rule, which provides that we can amend by paragraphs; and the title of the act, in its relation to the paragraphs which are supposed to deal with nonintoxicating liquors, is always before us. In other words, taken in relation to the Volstead law, which it is sought to modify, it seems to me the question of whether or not this ale and beer is sought to be legalized up to 4 per cent alcohol by volume is vital as to whether it is intoxicating or nonintoxicating. It seems to me the title of the act, in its relation to each paragraph, is a proper one for consideration and should properly be before us.

The CHAIRMAN (Mr. BANKHEAD). The Chair is prepared to rule. The gentleman justifies his amendment on the proposition that it is within the rules of the House, but the gentleman from Ohio has evidently overlooked the provision of the rules of the House that the amending of the title of a bill or resolution shall not be in order until after its passage, and shall be decided without debate. Therefore the Chair sustains the point of order.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 2, line 2, strike out "$5" and insert "$7.50."

Mr. RAINEY. Mr. Chairman——

The CHAIRMAN. Does the gentleman from New York yield?

Mr. O'CONNOR. I yield, Mr. Chairman.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. O'CONNOR. Mr. Chairman, a parliamentary inquiry. Under the rules that would follow.

The CHAIRMAN. That prohibits the offering of additional amendments. If unanimous consent is agreed to, the amendments could not be discussed.

Is there objection to the request of the gentleman from Illinois?

Mr. KVALE. Reserving the right to object, I would like to ask the gentleman from Illinois [Mr. RAINEY] if it would not be possible to make an effort at all stages of debate upon this measure to see to it that no place is reached where an amendment is acted upon without at least a chance to explain it.

Mr. RAINEY. Ten minutes ought to be enough. From now on, as far as this section is concerned, I shall attempt to limit the debate on each amendment to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, I realize the temper of this committee is to proceed with this bill with all possible expedition. I have listened to a number of statements that the bill should not be touched in any respect. I think that such an attitude is most unfortunate. I believe that when a bill is read for amendment it is in fact read for amendment, and I believe there are a number of important amendments that should be put into the bill to perfect the bill. I suggested a number of them in the RECORD of yesterday, such as protecting the American farmer and taking the granting of permits out of the control of the Prohibition Bureau, where preferences, monopolies, and scandals may result.

Now, as to the amendment which I have just offered increasing the tax to $7.50 a barrel, I presented that amend-

ment for the reason that I do not believe it makes much difference what the tax is, as far as the consumer is concerned. Last May the brewers said that $7.50 was perfectly fair. It is equivalent to 3 cents a pint. It was then acceptable to them. Last May 169 Members of the House voted for it.

Now, this is the situation as I see it. Let me make the prediction that the first barrel of beer legalized under this bill that comes from a brewery in the United States will be sold for $25 a barrel, or as much more as the traffic will bear, so that the $2.50 difference between $5 and $7.50 will be additional profit to the brewer. The bootlegger now gets about $36 a barrel for the beer. He can not compete at $25, and the brewer will keep up to that margin where the bootlegger can not compete. The bootlegger could not compete even on a $20 tax. There is not enough margin, due to his excessive overhead, including bribes. Last May the brewers told us they could sell beer with a $7.50 tax for $13 a barrel and make a handsome profit, but when they saw victory about to come they began issuing propaganda to keep the tax down.

I am for the 5-cent glass of beer. I am for the consumer. That has always been my prime motive in this legislation, but we must raise revenue. These are particularly the years we need it. We can reduce the tax later on. My idea is to get the revenue while the "getting is good." I believe this beer will be consumed more in the next two years than it has been in the past or will be in the years to come. That is why I am for the $7.50 tax. It is passed on to the consumer, in any event, and the consumer is going to pay just as much under the $5 tax as he will under the $7.50 tax, and I want you to carry in your mind that $13 per barrel beer will be sold for $25.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. COCHRAN of Missouri. The gentleman has made a statement that is misleading, and I would like to know his authority for standing on the floor of this House and predicting the sale of beer at $25 a barrel. He has no more authority than the gentleman from Indiana, Mr. WOOD, who poses as an advance agent for the Supreme Court. Let us have facts, not dreams. The legitimate brewers are not racketeers.

Mr. O'CONNOR. Well, they may not be racketeers, but I am not so hopeful that they will not become profiteers. They will get all the traffic will bear, and on the other hand the Government should get all the tax they can get.

I think it is unfortunate that amendments are not to be considered on this bill, which I believe does need perfection. I think it is perfectly ridiculous that the $6 tax now on the statute books, $6 a barrel on beer, is to be reduced rather than increased when we call the bill a measure to raise additional revenue. Just contemplate that we are reducing the present tax instead of raising it.

Mr. REILLY. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. REILLY. Does not the gentleman think the States ought to have some revenue?

Mr. O'CONNOR. The States will get some revenue, of course, as they always did on such beverages. There is nothing we can do here to affect that situation. Our present obligation is to find revenue for the National Government.

I submit that the tax should not be less than $6, which is the present tax, but because this bill is so sacrosanct and must not be touched, even by its friends, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

SEC. 3. (a) Subdivision (1) of section 1 of Title II of the national prohibition act, as amended and supplemented (relating to the definition of liquor and intoxicating liquor) (U. S. C., title 27, sec. 4), is amended by striking out "and is otherwise denominated than as beer, ale, or porter," and by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That the terms 'liquor,' 'intoxicating liquor,' 'beer,' 'ale,' and 'porter' as used in this act shall not include beer, ale, porter, or similar fermented liquor, containing 3.2 per cent or less of alcohol by weight, and such beer, ale, porter, or similar fermented liquor may be sold in or from bottles, casks, barrels, kegs, or other containers, but such bottles, casks, barrels, kegs, or other containers shall be labeled and sealed as the commissioner may by regulation prescribe."

(b) The term "intoxicating liquor," as used in the act entitled "An act to prohibit the sale, manufacture, and importation of intoxicating liquors in the Territory of Hawaii during the period of the war, except as hereinafter provided," approved May 23, 1918 (U. S. C., title 48, sec. 520), and the term "intoxicating drink," as used in section 2 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes," approved March 2, 1917, shall not be construed to include beer, ale, porter, or similar fermented liquor, containing 3.2 per cent or less of alcohol by weight; and the provisions of the act entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes," approved February 14, 1917 (U. S. C., title 48, secs. 261 to 291, both inclusive), shall not be construed to apply to beer, ale, porter, or similar fermented liquor, containing 3.2 per cent or less of alcohol by weight.

Mr. VINSON of Kentucky. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Kentucky: Page 4, after line 2, insert a new paragraph, as follows:

"(b) Any person who sells or offers for sale any beer, ale, porter, or similar fermented liquor containing one-half of 1 per cent or more of alcohol by volume, and not more than 3.2 per cent of alcohol by weight, in less quantities than 5 gallons at one time, shall, before engaging in such business, besides qualifying under the internal revenue laws, also secure a permit under the national prohibition act, as amended and supplemented (including the amendments made by this act), authorizing him to engage in such business; which permit shall be obtained in the same manner as a permit to manufacture intoxicating liquor and be subject to all the provisions of law relating to such a permit. It shall be a condition of a permit that such fermented liquor shall not be sold or offered for sale in any place of the character commonly known as a saloon or in any place where there is sold or offered for sale any intoxicating liquor as that term is defined by section 1 of title 2 of the national prohibition act, as amended and supplemented (including the amendments made by this act). No permit shall be issued for the sale or offering for sale of such fermented liquor in any State, Territory, or the District of Columbia, or political subdivision of any State or Territory, if such sale or offering for sale is prohibited by the law thereof. Whoever engages in such business without such permit or in violation of such permit shall be subject to the penalties provided by law in the case of similar violations of the national prohibition act, as amended and supplemented."

Mr. LEHLBACH. Mr. Chairman, I make a point of order against the proposed amendment on the ground it is not germane to the section or to the bill.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. VINSON of Kentucky. I do. This amendment provides for the issuance of a permit for the sale of the beverages referred to in paragraph 1. The gentleman making the point of order says that it is not germane to the section.

I would call the attention of the Chairman to the fact that it is offered to section 3, at the conclusion of paragraph 1, which, among other things, provides for the sale of the beverages herein involved "in or from bottles, casks, barrels, kegs, or other containers"; that "the bottles, casks, barrels, kegs, or other containers shall be labeled and sealed as the commissioner may by regulation prescribe."

I respectfully submit that the paragraph relates to the manner in which the beverages are to be sold. The amendment relates to the place of the sale of the beverages. The bill in its original form provides for the containers in which it shall be sold to the public. The amendment provides where they shall be sold.

The amendment provides that a permit for such sale shall be issued under the discretion of the commissioner. He determines the persons who shall use the barrels, casks, and the containers for the distribution of the product.

Further, in connection with the germaneness of the amendment to the section, I suggest that section (a), paragraph 1, provides that "the bottles, casks, barrels, kegs, or other containers shall be labeled and sealed as the commissioner may by regulation prescribe." I respectfully submit that this amendment simply adds to the discretion of the commissioner in respect of the place and manner of sale. I submit the amendment is germane.

The CHAIRMAN. Does the gentleman from New Jersey desire to be heard?

Mr. LEHLBACH. Mr. Chairman, this bill is purely and solely a bill to tax beer and to raise revenue. There is no provision whatsoever in it regulating the manner of its distribution or its sale. The bill levies a tax of $5 on every barrel of beer and an occupational tax of $1,000 on the brewer producing it. That is all there is in section 1 of the bill—simply the imposition of these taxes.

Section 2 of the bill modifies the national prohibition act simply to take the beer so taxed from within the provisions defending intoxicating liquors, which is a necessary complement to the taxing of the beer and has nothing whatever to do with regulating its distribution.

Section 3 provides for the containers in which the beer may be taken out of the breweries, and provides for the manner in which they shall be sealed, which is merely a provision to make effective the tax on the beer and has nothing to do with regulating or governing its use in consumption or in sale for consumption.

The CHAIRMAN. Without desiring to interrupt the thought of the gentleman from New Jersey, the Chair would like to inquire if it is not the gentleman's construction that section 3 is merely a matter of definition rather than affirmative legislation?

Mr. LEHLBACH. Yes. It defines and it prescribes that it may be sold from certain kinds of containers sealed by the commissioner, which is for the protection of the tax on the brewer and has nothing to do with, and does not contemplate the regulation of, the sale for consumption whatsoever. There is nothing in this bill which has anything to do with regulating the sale of beer for consumption. All the regulations are simply to make effective and collectible the tax imposed.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. STAFFORD. Mr. Chairman, certainly the amendment is not germane to this section. This section, as the Chair intimated in interrupting the gentleman from New Jersey [Mr. LEHLBACH], merely defines what is intoxicating. It is purely a question of definition so far as the first subdivision of this section is concerned, and as to the second subdivision it carries that thought out in protecting the special laws that Congress has passed providing for the regulation of liquor manufactured in Puerto Rico, Alaska, and the Hawaiian Islands. The proposed amendment is completely extraneous to the purview of this section. It is an entirely different matter and is not germane, either under this section or anywhere else in the bill.

The CHAIRMAN (Mr. BANKHEAD). The Chair is prepared to rule.

In making a ruling on this point of order the Chair thinks it might conserve time hereafter on other proposals that might be submitted to lay down what the Chair conceives to be a broad definition on the proposition of germaneness.

Of course, we all recognize that in order to preserve any degree of uniformity and cohesion in the rules, as well as in the precedents of the House, it is necessary for any occupant of the chair presiding over the Committee of the Whole to undertake as far as may be possible, under the peculiar circumstances, to follow the essential principles of the precedents and practices that have heretofore been established. Of course, the system of parliamentary construction with which we are now concerned has been builded up through a long series of years and undoubtedly is based upon sound parliamentary philosophy. It is a matter that has engaged, probably, the intellects of the most outstanding men who have had seats in the House of Representatives during a great number of years; and, of course, this particular question of the construction of the germaneness of a proposed amendment is one that has given presiding officers probably more concern than any other, because there are a number of cases where the proposed amendment seems to be in the border line or twilight zone. In order that the Chair may lay down a general proposition affecting this particular amendment and possibly some others that may be proposed along the same lines, the Chair thinks it proper to say that as a broad, general principle, Mr. Finis Garrett, whom some of the older Members here will no doubt recognize as one of the greatest parliamentarians who adorned this House for a number of years, laid down this principle on the essential consideration of what is germane in an amendment. He said:

> The present occupant of the chair had the honor of presiding as Chairman of the Committee of the Whole when the amendment was proposed to create a tariff commission as a part of a revenue bill. The point of order was made, and the Chair held, generally, that the meaning of the expression "germaneness" under the facts that were then presented was that the fundamental purpose of the amendment must be germane to the fundamental purpose of the bill.

Let us now look at the bill we are considering in the light of this construction. What do we find within the four corners of this proposal? To my mind it is essentially devoted to one purpose. It originated in the Committee on Ways and Means, having jurisdiction of that question, essentially and in essence as a revenue-raising proposition. The Chair does not think that we can find within any of the provisions of this bill justification for assuming that the Committee on Ways and Means, in reporting the fundamental purpose of this legislation, had in mind the question of regulation of the sale or any other matter affecting these beverages other than that described here as essential for producing revenue. All that is within the fundamental purposes of this bill, as the Chair construes it, is that it levies a tax upon beer at a stated rate and, in addition, imposes an occupational tax upon the brewers who make this commodity.

It is true that it becomes necessary, in construing the fundamental purpose, for the committee to set up certain machinery and to pronounce certain definitions and to provide the exemption of this commodity from the general operations of interstate law so as to make the fundamental purpose effective. But as the Chair reads the bill, the real essence of it, construed in the light of the theory the Chair has been discussing, is that it relates solely and purely to the matter of raising revenue for the Treasury of the United States.

In view of this construction, if it be the proper one, let us look at the amendment offered by the gentleman from Kentucky for a moment; and, of course, any Chairman of the Committee of the Whole is sometimes presented with the difficulty of ruling upon a question and ruling, probably, against the germaneness of an amendment which might appeal to him personally as desirable legislation, and such is the case in the present instance so far as the Chair is concerned; but, of course, that has nothing to do with the duty of the Chair in a judicial construction of the precedents of the House. The amendment as proposed not only attempts to require that these permits shall be issued to justify the brewer in making his beer and selling it and paying for the permit but, as the Chair reads it, it undertakes to go further and deal with the details of the handling and distribution of that commodity long after it has left the hands of the brewer, who is the only man we are dealing with in this legislation.

So, without going further into the refinements or niceties of the situation which might be further discussed, it seems to the Chair that the amendment fundamentally violates the fundamental purpose for which the bill was constructed. Therefore, the Chair reluctantly sustains the point of order.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

> Page 3, line 19, strike out the words "ale and porter."
> In line 20, strike out the words "ale and porter."
> Page 4, line 11, strike out the words "ale and porter."
> Line 18, on page 4, strike out the words "ale and porter."

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word. May I ask the chairman of the committee what is the purpose of paragraph (b), now under consideration? Will that permit the Territories of Alaska, Puerto Rico, and Hawaii to determine for themselves, or will additional action by Congress be required in order to give them the same benefits provided for in this bill?

Mr. COLLIER. That leaves self-determination to the Territory. There is already an act of Congress under which they are operating.

Mr. LAGUARDIA. Without further action of Congress?

Mr. COLLIER. Yes.

Mr. STAFFORD. Well, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. STAFFORD. Those Territories have the right, in the first instance, as in the case of Alaska, to pass a prohibition law, but Congress apparently also passed prohibition laws for each of these Territories. That is also the case in Hawaii and Puerto Rico. We originated the legislation, as far as prohibition is concerned; as far as Hawaii and Puerto Rico were concerned. As to Alaska, we originated the legislation after a referendum was had in the Territory of Alaska. We are the originators of the legislation.

Mr. COLLIER. It puts them on the same basis as the others.

Mr. LAGUARDIA. But does it? That is the point I am getting at. Will it be necessary for Congress to again take action in the event Puerto Rico, for instance, should pass a law similar to this bill, assuming it becomes a law?

Mr. COLLIER. This would simply put them on a parity with the rest of the country, and was done at the request of the Delegate.

Mr. LAGUARDIA. It seems to me it puts them at a disadvantage. We enacted the legislation, as is clear from the reference to the law contained in paragraph (b). We passed that legislation. Now, if we passed that legislation, the thing to do is to strike out section (b), as we have jurisdiction over the matter, and in that way treat them the way we are treating this country. Then, if they want to decrease the alcoholic content, they can do so.

Mr. COLLIER. They could not amend an act of Congress. I yield to the Delegate from Hawaii to give his version of the matter.

Mr. LAGUARDIA. I see the Delegate from Hawaii is on the floor—he is always on the job. I regret that the Commissioner from Puerto Rico is not on the floor.

Mr. HOUSTON of Hawaii. This legislation was previous to the Volstead Act, and it applies to the Territories what are generally called the bone-dry provisions. This merely provides, if and when this law is passed, similar application may be made to the definitions contained in those so-called bone dry laws.

Mr. LAGUARDIA. Well, is it satisfactory to the gentleman from Hawaii?

Mr. HOUSTON of Hawaii. Yes.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 4. The manufacturer of any beer, ale, porter, or similar fermented liquor containing one-half of 1 per cent or more of alcohol by volume, shall for the purposes of the internal revenue laws be considered a brewer. Before engaging in business he shall, besides qualifying as a brewer under the internal revenue laws, also secure a permit under the national prohibition act, as amended and supplemented (including the amendments made by this act), authorizing him to engage in such manufacture, which permit shall be obtained in the same manner as a permit to manufacture intoxicating liquor, and be subject to all the provisions of law relating to such a permit. No permit shall be issued for the manufacture of such fermented liquor in any State, Territory, or the District of Columbia, or political subdivision of any State or Territory, if such manufacture is prohibited by the law thereof. Whoever engages in such manufacture without such permit, or in violation of such permit, shall be subject to the penalties provided by law in the case of similar violations of the national prohibition act, as amended and supplemented.

Mr. CANFIELD. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. CANFIELD: Page 5, after line 14, insert a new section, as follows:

"SEC. 5. No individual, partnership, association, or corporation shall offer to sell or sell any beer, ale, porter, or similar fermented liquor, containing one-half of 1 per cent or more of alcohol by volume and not more than 3.2 per cent of alcohol by weight, in less quantities than five gallons at one time, except for use in the home or except when served with and intended to be consumed with usual meals in a bona fide hotel, restaurant, public eating place, dining car, or club. Violations of this section shall be punished by a fine of not less than $100 or more than $1,000, or imprisonment for not less than 30 days or more than one year, or both."

Mr. RAINEY. Mr. Chairman, I make the point of order the amendment is not germane.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard on the point of order?

Mr. CANFIELD. No.

The CHAIRMAN. Under the principles announced a few moments ago by the Chair applying to these amendments, the Chair sustains the point of order.

Mr. BUCKBEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCKBEE: Page 5, line 14, after the word "supplemented," strike out the period, insert a colon and the following: "*Provided*, That any permit issued for the manufacture of such fermented liquor shall be conditioned upon the use by the manufacturer of grain grown or produced in the United States."

Mr. LEHLBACH. Mr. Chairman, I make the point of order the amendment is not germane.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. BUCKBEE. No.

The CHAIRMAN. The Chair sustains the point of order.

Mr. SCHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: On page 4, line 20, after the word "manufacturer," insert "for sale."

Mr. SCHAFER. Mr. Chairman, I hope the members of the Ways and Means Committee will agree to accept this amendment.

Mr. RAINEY. Mr. Chairman, will the gentleman yield in order that I may propound a unanimous-consent request?

Mr. SCHAFER. I yield.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MOUSER. Mr. Chairman, I object.

Mr. SCHAFER. Mr. Chairman, I believe the members of the committee will realize that this is an amendment that should be adopted from the standpoint of a perfecting amendment.

Let us see what the language of this section will do without this amendment. Without my amendment the section under consideration will classify every home brewer in the Nation as a brewer and make him pay $1,000 for a license. There is no doubt about it. There are many humble citizens who can make good home-brew for consumption in their homes. This brew will not have an alcoholic content greater than permitted under the pending bill. It would be manifestly unfair to force them to purchase brewery beer or spend $1,000 for a license, particularly if that home-brew is less than 4 per cent alcoholic content by volume. It would be just as reasonable to force the housewife to buy bakers' products or take out a baker's license at an exorbitant cost.

I do not believe that it was the intent of any member of the Ways and Means Committee to bring in legislation

which would permit such a sad state of affairs to exist. I can understand why some of the big brewing institutions of this Nation might want to stamp out the little home brewer and force the poor man to purchase brewery beer or go without or to jail for making his own.

My amendment should be adopted and supported, particularly by those who are opposed to this bill on the grounds that the brewers have written it. Without my amendment you might reach a conclusion that the invisible hand of the great brewing institutions were instrumental in writing this section of the bill.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Wisconsin has correctly stated the object of this section. It is to prevent the brewing of illegal beer anywhere, whether it is done in the home or elsewhere, and to prevent the brewing of beer by anybody other than a brewer.

Mr. BACHMANN. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. I yield.

Mr. BACHMANN. I understand this 3.2 per cent beer is a nonintoxicating beverage.

Mr. RAINEY. It is. The gentleman is correct about it.

Mr. BACHMANN. Then why does the committee try to prevent an illegal beer when it makes 3.2 per cent beer legal?

Mr. RAINEY. Because home-brew contains at least 6 per cent, according to the evidence submitted before our committee. There is a large amount of it made. The object of this bill, and the reason which prompts many of us to vote for it, is the raising of revenue.

I am aware of the fact that a tremendous home-brewing industry has developed in this country. If it is to continue, it is going to interfere with the sale of legitimate beer manufactured under the provisions of this act.

At the present time the manufacture of home-brew is illegal. It is contrary to the law. The amendment suggested by the gentleman from Wisconsin simply makes it easier for home-brew beer makers to continue making their gaseous, poisonous stuff, injurious to health, and compels them, if they want to go ahead and make it, to take out this license.

The gentleman is correct in his interpretation of the language as drafted by the committee. It is intended for the exact purpose the gentleman mentioned.

Mr. BACHMANN. Mr. Chairman, I rise in support of the amendment.

I think the amendment suggested by the gentleman from Wisconsin is a very proper one. We are told by the members of the committee that 3.2 per cent beer is nonintoxicating. If you will look at section 1, on page 2 of the bill, you will find the following language:

> Brewers shall pay $1,000. Every person who manufactures fermented liquors, of any name or description, for sale, from malt, wholly or in part, or from any substitute therefor, shall be deemed a brewer.

Then if you will turn to section 4, on page 4, you will see that the words "for sale" are left out of the bill. If it is nonintoxicating, why make it unlawful for a man to manufacture and have in his possession a beverage containing more than one-half of 1 per cent of alcohol and less than 3.2 per cent, as this bill does under section 4? It makes illegal any beer between one-half of 1 per cent and 3.2 per cent, even though it is nonintoxicating. If you pass this bill in the form it is in now, you make it unlawful for a man to have in his possession beer of his own making, for his own use, which contains alcohol between one-half of 1 per cent and 3.2 per cent.

The bill permits the big brewers of the country to say to the poor man who wants to manufacture beer containing less than 3.2 per cent, for his own use and not for sale, that he can not do so lawfully unless he pays $1,000 for a license. It is not right to say to the poor man, who does not want to or can not pay 10 cents for a bottle of manufactured beer, that he can not manufacture and have for his own personal use a nonintoxicating beer of 3.2 per cent. If you want to help the brewers and not the poor man, you do that by saying that the brewers can manufacture nonintoxicating beer up to 3.2 per cent, but the poor man can not do it. If you want to do that then you want this bill left as it is, but if you want to protect the poor man having in his home beer under 3.2 per cent, which he manufactures himself for his own use, you want to vote for this amendment and add the words "for sale," in section 4.

Mr. MOUSER. Will the gentleman yield?

Mr. BACHMANN. I yield.

Mr. MOUSER. Think of the army of snoopers and revenue agents and investigators who would have to go into the ordinary homes to enforce this provision in favor of the brewers.

Mr. BACHMANN. That is true. If this bill passes in its present form a prohibition officer can go into a man's home and if he finds a nonintoxicating beer there which he made himself for his own use containing 2 per cent or 2½ per cent or 3 per cent of alcohol, he can be arrested and prosecuted under this bill.

Mr. MOUSER. And not only that, but he can be assessed $1,000.

Mr. BACHMANN. That is true.

Mr. SCHAFER. Will the gentleman yield?

Mr. BACHMANN. Yes.

Mr. SCHAFER. And it would include root beer, which is nonintoxicating and which millions of people make in their homes for their children.

Mr. BACHMANN. I do not know anything about root beer, but they can compel a man to pay $1,000 for making his own nonintoxicating beer of 3.2 per cent.

I hope the amendment of the gentleman from Wisconsin will prevail, as it ought to prevail.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 58, noes 83.

Mr. SCHAFER. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. MAPES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Illinois, the distinguished majority leader, said a moment ago, to quote his language as well as I can recall it from memory:

> Many of us are supporting this legislation because of the revenue feature of it.

I can not help but feel that those who are supporting this legislation because of the revenue feature of it or because they feel that it is going to help the economic condition of the country, are going to be greatly disappointed.

The Secretary of the Treasury, Mr. Mills, before the Committee on Ways and Means estimated that the revenue to be derived from the sale of beer under this bill would amount to somewhere between $125,000,000 and $150,000,000 for the fiscal year ending June 30, 1934, and in my judgment his estimate is a very liberal one.

It has been stated on this floor that the brewers and the distillers of the country before prohibition in their combined use of grain used only three-fourths of 1 per cent of the grain products of the country, and anybody can see that that small percentage will have very little effect upon the prices of agricultural commodities.

Last night I got from a news stand the January number of Current History. The leading article in that issue is entitled "If Beer Returns." It is a very intelligent, and so far as I could tell, an unbiased discussion of this entire matter. If anything, I judge the writer is opposed to prohibition, but he discusses very thoroughly and comprehensively and apparently impartially the revenue and different

economic phases of this whole question. I have not time to do more than to refer to it here, but I commend it to your careful reading and consideration. The writer says:

With the legalization of the liquor industries, and more particularly with the return of beer, what may we expect as far as general economic improvement is concerned? The comparative economic unimportance of the liquor industries in the period before prohibition has apparently been forgotten.

The writer then goes on to show by figures and statistics that the liquor business as compared with the total business of the country is insignificant and that it can have very little effect in relieving the business and unemployment condition of the country.

The writer further declares that—

The picture further loses some of its rosy tint when we realize that other industries will be adversely affected—

And then proceeds to elaborate that thought. An another point the article reads:

We must not lose sight of the fact that the present illicit liquor traffic in every sense conforms to the definition of an economic enterprise; it utilizes capital for plant and equipment, hires labor, buys raw materials, processes them into finished goods, and operates distributing agencies.

The writer estimates that with a tax on beer of $7.50 per barrel the revenue raised would amount to from $200,000,000 to $240,000,000 per year, but says that in his opinion that $200,000,000 would be nearer the mark. This bill proposes a tax of only $5 per barrel, one-third less, which would make his estimate about $166,000,000 per year, a comparatively insignificant sum when we take into consideration the estimated deficit for the next fiscal year of between $1,000,000,000 and $2,000,000,000.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Illinois.

Mr. WILLIAM E. HULL. Has the gentleman taken into consideration the labor and the expenditure for other matetrials that go into the income tax?

Mr. MAPES. The writer takes that into consideration. He sums up his discussion of that phase of the subject with this statement:

Whether or not other industries will profit from beer's return will depend upon the brewers' willingness to spend money with a lavish hand.

He then adds:

The present indications are against it.

I think the gentleman will find the article well worth while to read.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection?

Mr. KVALE. Reserving the right to object, can the gentleman inform us how many amendments are to be offered to this section?

Mr. RAINEY. That I can not say, but if the gentleman from Minnesota wants 5 minutes, I will ask, Mr. Chairman, that the debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 9, after the word "prohibited," insert "or has not affirmatively permitted it."

Mr. RAINEY. To that, Mr. Chairman, I make a point of order.

Mr. LAGUARDIA. I would like to be heard, Mr. Chairman, on the point of order.

The CHAIRMAN. The Chair thinks it is proper to call the attention of the gentleman from New York that under this amendment, as the Chair construes it, it would require the State to take affirmative action by legislation before this provision was put into effect.

Mr. LAGUARDIA. Will the Chair hear me on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. LAGUARDIA. I am sure the Chair will agree that the preservation of the rules of the House as established by many years of precedents is more important than any provision in this bill before the House to-day.

I submit that here there is a provision in the bill reading:

No permit shall be issued for the manufacture of such fermented liquor in any State, Territory, or the District of Columbia or political subdivision of any State or Territory if such manufacture is prohibited by the law thereof.

Surely that permits an amendment to require affirmative action permitting the sale and manufacture of the kind of liquor herein provided in that State. In other words, Congress is now changing an existing law which is now applicable to all States of the Union. The bill under consideration is not applicable to all States, as it specifically exempts certain States. My amendment is certainly germane, as it simply extends the negative proviso. My amendment would simply give notice to the States that if they desire to avail themselves of the provisions of this bill they must affirmatively say so and take such action as the law requires.

I want to say that the very conditions that have been complained of with the unrestricted sale of beer would continue. The very basis of modification is that beer is untaxed and in the control of gangsters and racketeers. Now, if beer is sold in any State without regulation it surely would be in the control of racketeers. How is the State to protect itself otherwise? It might be several months before the States could adjust themselves to the changed conditions. Without going into the merits of the proposition, I want to say that I have changed my amendment from yesterday in order to meet the anticipated ruling of the Chair. The fundamental purpose of my amendment is surely in harmony with the fundamental purpose of the section it seeks to amend. Therefore it is entirely within the rulings earlier laid down by the Chair. I submit that this is in keeping with the intent of the very conditions, the changed conditions, under which permits may be issued.

The CHAIRMAN. In reply to the gentleman, the Chair desires to state that the very explanation the gentleman has made with reference to the purpose of his amendment more than ever convinces the Chair that his ruling is a correct one, for the reason that it is patent, not only from the reading of the amendment but from what the gentleman has stated, that his amendment goes far afield from the fundamental purpose of this revenue bill. The Chair, therefore, sustains the point of order.

The Clerk read as follows:

SEC. 6. In order that beer, ale, porter, and similar fermented liquor, containing 3.2 per cent or less of alcohol by weight, may be divested of their interstate character in certain cases, the shipment or transportation thereof in any manner or by any means whatsoever, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which fermented liquor is intended, by any person interested therein, to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, is hereby prohibited. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor the shipment or transportation of which is prohibited by the act of March 1, 1913, entitled "An act divesting intoxicating liquors of their interstate character in certain cases" (U. S. C., Sup. V, title 27, sec. 122).

Mr. HOCH. Mr. Chairman, I move to strike out the last word. I take the floor to call attention to what seems to me inaccuracy of phraseology used in this section. I read from line 21, page 5:

In order that beer, ale, porter, and similar fermented liquor, containing 3.2 per cent or less of alcohol by weight, may be divested of their interstate character in certain cases—

And so forth.

This is an attempt, of course, to follow the precedent of the Webb-Kenyon law. In the first place, the liquor itself

has no interstate character. The transportation may have interstate character, but the liquor itself has no interstate character. This says:

In order to divest the liquor of its interstate character.

But the more important inaccuracy as I view it is this: The sole basis of Federal jurisdiction in this case is the commerce clause of the Constitution. If we have any jurisdiction to do what is proposed to do in section 6, it is because of the interstate character of the transportation, and yet it is solemnly declared here that in order to divest this transportation of its interstate character we shall proceed to prohibit it. The only grounds that we have for prohibiting it is in regulation of its interstate character in and not in divesting it of it. We can not by simple legislative flat divest a thing which has interstate character from its interstate character, but even if we could do the thing which is proposed, namely, divest it of its interstate character, we would instanter be without jurisdiction to prohibit it. In other words, the minute we take the interstate character away from this transportation, then we have no jurisdiction to prohibit it.

Mr. VINSON of Kentucky. It is the question of giving the States the power to step in after it is divested of interstate character.

Mr. HOCH. Not at all. This declares a certain thing prohibited. What? The transportation of a certain thing in interstate commerce.

Mr. VINSON of Kentucky. The language of the section does not so state.

Mr. HOCH. Let me read it to the gentleman:

In order that beer, ale, porter, and similar fermented liquor, containing 3.2 per cent or less of alcohol by weight, may be divested of their interstate character in certain cases the shipment or transportation thereof in any manner or by any means whatsoever from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country, into any State—

And so forth. Where the State law prohibits its manufacture and sale—

is hereby prohibited.

In other words, the transportation in interstate commerce into dry territory is prohibited.

Mr. RAINEY. Mr. Chairman, will the gentleman yield?

Mr. HOCH. Yes.

Mr. RAINEY. The section criticized follows the Webb-Kenyon Act word for word, and was carefully considered and drafted by the experts, based on the language contained in the case of Black Distilling Co. against The Maryland Railroad.

Mr. HOCH. I am quite familiar with that case, and I am familiar with the Webb-Kenyon law. It is true that the drafters of the Webb-Kenyon law put a title on the law which was inaccurate. The title was "An act to divest liquors of their interstate character," but when you come to read the law you find no such language divesting it of its interstate character. You simply find that the transportation of liquor into dry territory is prohibited. If gentlemen desire to do what they say—and while opposed to this bill, I am in favor of any provision which attempts to give protection to dry States—then in line 24 they should simply say that the shipment and transportation in any manner in interstate character is prohibited. It is a constitutional absurdity, if I may use that language, to say that we are going to divest interstate transportation of its interstate character, when we get our sole jurisdiction to do anything about it from the interstate commerce clause of the Constitution.

Mr. VINSON of Kentucky. It seems to me that we could well afford to follow the well-beaten path laid down by the Supreme Court of the United States.

Mr. HOCH. Certainly, but I call attention to the fact that the Webb-Kenyon law contains no such language, and I have it before me. The title as I say is inaccurate, and the gentleman is too good a legislator not to know that the title is in no way controlling as to the body of the act.

Mr. VINSON of Kentucky. But the Supreme Court has construed the Webb-Kenyon law as to intoxicating liquor.

Mr. HOCH. I do not yield further on that, because plainly the gentleman misses the point I make.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. MOUSER. Mr. Chairman, I move to strike out the last 12 words.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that further debate on this section and all amendments thereto conclude in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOUSER. Mr. Chairman, I call attention to the fact that this bill should be recommitted to the committee unless the Schafer amendment is adopted. It is very seldom that I agree with JOHN SCHAFER, who I think is somewhat prejudiced upon these questions, because he comes from the great beer city, Milwaukee. Unless the man who makes home brew in his home is protected by having the word "sale" added to the provision of law which might make him amenable to the payment of $1,000 for a permit, we are going to see promiscuous raiding of private homes in America at the instance of the brewers, which is going to cause an uprising of feeling in this country.

Are those who claim it is being introduced because of the mandate of the American people sincere or is it an endeavor to put a club in the hands of the brewers of this country, who in order to control wholly the manufacture of beer will cause raids to be made upon the homes of the laboring man and cause him to pay $1,000 for a permit to manufacture so-called beer, which will include more than one-half of 1 per cent alcohol by volume.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. WILLIAM E. HULL. There is nothing in this law to prevent anybody from building a brewery, is there?

Mr. MOUSER. The gentleman does not mean to say that a man who has home brew in his home, not for sale, is a brewer?

Mr. WILLIAM E. HULL. I ask the gentleman the question, Is there anything in this bill that prevents anybody from building a brewery?

Mr. MOUSER. The gentleman is begging the question.

Mr. WILLIAM E. HULL. No; I am not.

Mr. MOUSER. I do not yield further.

Mr. WILLIAM E. HULL. I just wanted to show the gentleman he was wrong, because anybody can build a brewery and take out a license. That is all there is to it.

Mr. MOUSER. The gentleman knows that the poor man who swings a pick and uses a shovel upon the roadside or in excavating for buildings, who makes $1.25 or $1.50 a day, can not afford to pay a tax on this beer, and therefore from a common sense and practical viewpoint he will continue to manufacture his home-brew, which will contain more than one-half of 1 per cent. But at the instance of the brewers a raid can be made upon his home because he is violating the law if he has home-brew in his possession containing alcohol of more than one-half of 1 per cent by volume, and he is amenable to a thousand-dollar fine because it will cost him that much for a permit to make home-brew.

Mr. BACHMANN. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. BACHMANN. Is it not a fact that this bill, as it now stands, with the Schafer amendment voted down, makes a brewer out of every man who makes beer in his home with alcohol content under 3.2 per cent and makes him pay a license of $1,000?

Mr. MOUSER. Absolutely. That is the point I am making, and if it contains alcohol of more than one-half of 1 per cent by volume he is amenable to a thousand-dollar fine, in effect, because it will cost him that much to get a permit.

What becomes of the argument made by those who decried the raiding of private homes in America? Are you who are so interested in the poor man having a drink going to turn this over, body and soul, to the brewers of America? That is the point.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

SEC. 7. Whoever orders, purchases, or causes beer, ale, porter, or similar fermented liquor, containing 3.2 per cent or less of alcohol by weight, to be transported in interstate commerce, except for scientific, sacramental, medicinal, or mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which State, Territory, or District prohibit the manufacture or sale therein of such fermented liquors for beverage purposes, shall be fined not more than $1,000 or imprisoned not more than six months, or both; and for any subsequent offense shall be imprisoned for not more than one year. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor the shipment or transportation of which is prohibited by section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, as amended and supplemented (U. S. C., Sup. V, title 27, sec. 123).

Mr. HARLAN. Mr. Chairman, I offer an amendment, which is at the desk:

The Clerk read as follows:

Amendment offered by Mr. HARLAN: Page 6, line 23, after the word "the," strike out the words "manufacture or" and insert in lieu thereof the words "purchase and."

Mr. RAINEY. Mr. Chairman, I make a point of order against the amendment that it is not germane. This paragraph discusses the manufacture of beer.

Mr. HARLAN. It simply limits the section, Mr. Chairman.

Mr. LAGUARDIA. Mr. Chairman, if the fundamental purpose of the amendment is contrary to the fundamental purpose of the bill, it is not in order.

The CHAIRMAN (Mr. BANKHEAD). The Chair overrules the point of order.

Mr. HARLAN. Mr. Chairman, prior to the adoption of the eighteenth amendment there were 26 States in this country that had adopted prohibition. Thirteen of those twenty-six States allowed the citizens of their respective States to purchase intoxicating liquors in other States, under certain quotas. The Reed amendment was put into the Webb-Kenyon Act, and section 7 of this bill is simply the Reed amendment, not with any idea of putting teeth in the prohibition law, but to put a club over those States that really and sincerely desired to stop the manufacture and sale of intoxicating liquor in their own communities, and they desired to get away from the saloon, but they wanted their citizens to have the right to purchase a limited quantity of beverage in other States and use it. The Reed amendment was adopted, of which section 7 of this bill is a copy, to force those States—if they wanted to stop manufacture in their own States, if they wanted to wipe out the saloons in their own States—to stop purchasing liquors in other States.

Now, to me there is something a great deal more vital in this bill before the committee this afternoon than getting 3.2 per cent beer, something more vital than any form of intoxicating liquor, and that something is the preservation of State rights. It is the preservation of government. The purpose of section 7, which was the Reed amendment, was to destroy and knock down State rights; to say to States which desired to do without the saloon, and to say to States which desired to do without the manufacture of beer or other intoxicants, "You can not allow your citizens to purchase in other States unless you allow manufacture in your own State, unless you allow saloons in your own State."

It was thought by that amendment to stop the great parade of States that were going into prohibition ranks. If this Reed amendment is readopted to-day it will do the very thing that we antiprohibitionists are trying to circumvent. We are trying to restore the rights of the States to control their own people and institutions. This bill is a reincarnation of the Reed amendment and is designed to circumvent, to defeat, that very purpose. I do not think that any antiprohibitionist who is interested in the preservation of State rights, in the rights of the States to decide these questions, who is interested in the preservation of our ideas of government, can afford to reenact this bill. If a State prohibits the purchase of intoxicating liquors, we should prohibit intoxicating liquor being sent there; but if a State merely prohibits the manufacture of intoxicating liquor in its own State, there is no reason why we should step in and say that no beverage shall be sent into that State.

It simply is the antithesis of what the antiprohibitionists have as the basis of their doctrine, it seems to me.

We are now approaching another stage in our experiment to control alcoholic beverages. It seems to me to be highly desirable to encourage States to exercise strict control within their own borders if the people of that State are so inclined. The reason prohibition has failed nationally is because the people of the United States as a whole do not want it; but this would not be the result in States where the people really desire to live in a community where alcoholic drinks are prohibited. Now, by the bill that is before the House we are in fact saying to these States, "If you attempt to eradicate the manufacture and distribution of alcohol within your own State and then permit any of your citizens to buy such beverages which are manufactured in another State, we, the Federal Government, will step in and prevent such purchases and sale." The manifest object of that is to dissuade States from attempting prohibition within their own borders because the citizens thereof will know that they can not legally obtain alcoholic beverages.

There is nothing to be gained by the Government by such an attitude, and we will unquestionably dissuade and even prevent many States from adopting prohibitory laws, because they realize that the administration of such prohibitory laws without the privilege extended to their citizens to purchase in other States will be practically impossible.

Let us not take an action to-day that will prevent the States from at least taking an additional further step toward State prohibition if they so desire.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. CLANCY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLANCY: Page 6, line 25, after the word "than," strike out "$1,000" and insert "$1."

Mr. CLANCY. Mr. Chairman, on yesterday I criticized this section 7 as being too drastic in that, especially with regard to the second offense of purchasing a bottle of beer in a dry State, a mandatory sentence of one year in a Federal prison without the opportunity of a parole was placed upon the offending person.

This noon the gentleman from Texas [Mr. BLANTON] criticized the speech I made yesterday and inferred that I was a hypocrite on two grounds: First, because I deemed it an honor to have been the last speaker of the wet Republicans in the general debate; and, second, because I changed my politics from the Democratic Party to the Republican Party some years ago, as millions of good Americans did after the notorious Madison Square convention of 1924.

Now, backing up my motives for this amendment, I wish to say that I was always against terroristic and fanatical punishments such as are incorporated in this provision. Not only was it an honor, no matter how it came about, yesterday to be the last speaker, but it was a privilege and a point of vantage from which I could answer some of the dry arguments made against the bill. Now, I have been criticized because I changed my politics from the Democratic Party to the Republican Party eight years ago.

Mr. BULWINKLE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BULWINKLE. Mr. Chairman, I make the point of order that the gentleman from Michigan is not confining his remarks to his amendment.



The CHAIRMAN. The point of order is well taken. The gentleman from Michigan will proceed in order.

Mr. CLANCY. Mr. Chairman, I am leading up to the amendment. I am stating my motives in offering the amendment.

The CHAIRMAN. The gentleman is not rising to a question of personal privilege, which, of course, could only be done in the House.

Mr. MOUSER. Mr. Chairman, will the gentleman yield?

The gentleman was always a Republican in spirit, even though at one time he qualified as a Democrat.

Mr. CLANCY. I thank the gentleman. I have never given up my principles any more than Grover Cleveland or Theodore Roosevelt did when they changed their party, nor any more than the millions of Republicans who changed their parties November 8 last.

This section 7 does not partake of the general liberal aspects of this beer bill. This is a liberal measure, ordered by millions who left their parties as a mandate, yet there is a fanatical terroristic element in the penalty proposed.

This outdoes the Jones-Stalker law. There are a lot of wet voters in dry States. They are a minority, but the minority has some rights; yet, if a man or woman who likes good beer and is, say, seduced into buying a bottle of beer by an undercover agent, then for the first offense the fine limit is $1,000—just for one bottle of beer—or six months in prison, and for the second offense a mandatory sentence of one year in jail is imposed and the judge is deprived of any power to extend clemency, and no parole is allowed.

If this section is maintained in the House, I certainly hope it is stricken out in the Senate.

Mr. RAINEY. Mr. Chairman, will the gentleman yield?

Mr. CLANCY. I yield.

Mr. RAINEY. I call the gentleman's attention to the fact that the court may impose a fine of from $1 to $1,000.

Mr. CLANCY. My amendment makes the limit $1 instead of $1,000.

Mr. RAINEY. The court can impose that fine under the present wording of the bill.

Mr. CLANCY. Or it may impose a fine of $1,000.

I have a second amendment in which I ask that the mandatory punishment of one year in jail for the second offense of purchasing one or more bottles of beer be stricken out.

[Here the gavel fell.]

Mr. RAINEY. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Michigan [Mr. CLANCY].

The amendment was rejected.

Mr. CLANCY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLANCY: Page 7, line 1, after the word "both," strike out the words "and for any subsequent offense shall be imprisoned for not more than one year."

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLANCY. Is debate allowable on this amendment?

The CHAIRMAN. It is not.

The question is on the amendment of the gentleman from Michigan.

The amendment was rejected.

Mr. SCHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. SCHAFER: Page 6, line 17, strike out all of section 7.

The CHAIRMAN. The question is on the amendment of the gentleman from Wisconsin.

The question was taken; and, on a division (demanded by Mr. SCHAFER), there were—ayes 8, noes 53.

So the amendment was rejected.

The Clerk read as follows:

SEC. 8. Any offense committed, or any right accrued, or any penalty or obligation incurred, or any seizure or forfeiture made, prior to the effective date of this act, under the provisions of the national prohibition act, as amended and supplemented, or under any permit or regulation issued thereunder, may be prosecuted or enforced in the same manner and with the same effect as if this act had not been enacted.

Mr. RAYBURN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no quarrel with anyone about his attitude on legislation, because I presume that everybody is as honest as I hope I am.

Yesterday during the remarks of the gentleman from Wisconsin I interrogated him and asked him what was his answer to the argument of a Member who thought it mattered not what his party platform said, that this bill in its present form—and it has not been amended—was a violation not only of the spirit but the letter of the Constitution. The gentleman from Wisconsin responded by reading the syllabus of a Texas decision, which I think he will acknowledge by this time was not an answer to my question. However, that is not exactly the matter about which I arose to remark.

After that the gentleman from New York [Mr. O'CONNOR] secured the consent of the gentleman from Wisconsin to interrogate him, and in order to reach the point I want to make I desire to read the question propounded by the gentleman from New York [Mr. O'CONNOR]:

In connection with the statement of the distinguished gentleman from Texas [Mr. RAYBURN], does not the gentleman from Wisconsin think that we who have complained of usurpation of our powers ought to be the last ones to usurp the power of the Supreme Court to pass on constitutional questions, for the very reason that that is all the court is created for, and we could dispense with them if we were going to pass on the constitutionality of such measures?

Now, as I stated in the beginning, I quarrel with no man about his position on legislation; but I do challenge the announcement of such a doctrine as that, and I make the statement here and now that no lawyer in America, from the foundation of the Republic to the present, who ever wrote his name high in that great profession, ever announced the doctrine that a member of a legislative body could escape his responsibility as a citizen and as a legislator to pass upon the constitutionality of the measure presented and should, by shunning his duty, pass it on to the Supreme Court of the United States.

Mr. O'CONNOR. Will the gentleman yield there?

Mr. RAYBURN. I yield.

Mr. O'CONNOR. Is it not a fact that in some States where their highest courts can advise without a real question being presented to them, that the legislature, without themselves passing upon the constitutionality of proposed legislation, submits such questions to the court, not feeling that they are all-sufficient unto themselves?

Mr. RAYBURN. That may be. I am not here to argue with some State that has made a fundamental error and a great mistake like that. I am here to talk about the duty of a Member of the Congress of the United States in voting his conscience and what he believes to be the law in cases of this sort; and I do not believe a more fundamental error could creep into legislation in the Congress of the United States than this oft-repeated thing—let us shun our responsibility under the Constitution and under our oath of office and pass these questions up to the Supreme Court of the United States to do its duty, which we ourselves refuse to do.

Mr. O'CONNOR. Will the gentleman yield further?

Mr. RAYBURN. I yield.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'CONNOR. Will the gentleman from Texas advise the committee what a Member of Congress is going to do in arriving at a conclusion as to the constitutionality of proposed legislation if he be not a lawyer?

Mr. RAYBURN. If he be not a lawyer? Then he might depend upon the best judgment of men who he thinks are good lawyers and upon his own best judgment with respect to what he himself thinks about it. [Applause.]

Now, Mr. Chairman, as to this bill, allow me to say:

The Democratic platform adopted at Chicago last summer contains the following language:

Sale of beer and other beverages of such alcoholic content as is permissable under the Constitution.

This bill proposes to amend the Volstead Act with reference to the alcoholic content of beverages. The Constitution has not been changed since the Volstead Act was drawn to give effect to the eighteenth amendment. The alcoholic content mentioned in the Volstead Act, beyond question, outlawed the sale of beverages containing enough alcohol to make them intoxicating.

Since the eighteenth amendment has not been modified, since it is still a part of the Constitution, Congress can not legalize the sale of beverages containing alcohol in sufficient proportion to be intoxicating. The majority of the Ways and Means Committee are of the opinion that 3.2 per cent of alcohol in a beverage is not sufficient to make it intoxicating. This is their judgment after hearing evidence for several days. With due respect to the sincerity and intelligence of the distinguished gentlemen who have made the majority report on this bill, I find myself in accord with the judgment of those filing minority reports. I believe that people can readily become intoxicated on a beverage with as high an alcoholic content as this bill attempts to make legal. Since I firmly believe that a beverage containing as much alcohol as 3.2 per cent will make a man drunk, I do not believe that the bill proposed is constitutional. Being convinced that it is not constitutional, I can not in good conscience support it.

Since there is so large a body of public opinion in this country wanting to repeal or modify the eighteenth amendment, I believe that the interests of sound government require that the question be submitted to the people in the manner provided for in the Constitution. If the people refuse to adopt the amendment submitted, then it would become the duty of the Congress to provide the means of enforcing the statutes drawn to give effect to the eighteenth amendment. The Congress would be greatly embarrassed if it were confronted by a previous action undertaking to bring liquors that are generally regarded as intoxicating within the pale of the law. The people of the United States did a radical and drastic thing when they adopted the eighteenth amendment. They did it because they had become convinced that the local communities and the States could not adequately control a nationally organized liquor traffic. The abuses incident to the open saloon forced the amendment into the Constitution. The brewers were believed by the people to be in a large measure responsible for the open saloon, which became so offensive as to cause an entire nation to write a sumptuary statute into its fundamental law. This bill would bring back the open saloon while we still have in the Constitution the amendment adopted to put an end to the saloon as a commercial and social institution. If the people of this country want the open saloon again, let them amend their Constitution so as to make it lawful. Before that is done, I do not believe that any court can or will sustain a bill such as the one under consideration.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McSWAIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I agree absolutely with the general proposition of law announced by the distinguished gentleman from Texas [Mr. RAYBURN], except the remark contained in the conclusion of his answer, to the effect that if a Member of this House does not know what the Constitution is or what it means he ought to ask some lawyer who does know.

So far as the eighteenth amendment is concerned, all the law books in the world can not define, and do not define, what is meant by the term "intoxicating."

This proposition of what beverage is intoxicating met me months ago, and in the exercise of my duty as a Member of this Congress, having taken an oath to support and defend the eighteenth amendment as a part of the Constitution, as well as all other parts, I undertook to find out what, in fact, is an "intoxicating beverage." I found it in no law book. I found it in no book anywhere. So I appealed to the medical profession who, of all men on the face of the earth, ought to know, and surely do know, what is in fact an "intoxicating beverage," because they have the right now, and have had it from time immemorial, to prescribe the use of alcohol in varying amounts and in varying strengths as a drug in the treatment of disease. I appealed to every doctor in my district by sending out a questionnaire which is printed in this morning's RECORD.

I have heard from a large number of them, and 82 per cent of these eminent physicians in my district have answered me that in their opinion, based on their study and their observation and their experience, a beer of 3.2 per cent by weight, or 4 per cent by volume, as a matter of fact, is not intoxicating. [Applause.]

Now, if it is not, and I have taken the best opinion I know, then I feel that I can, within my constitutional obligations, follow also the platform of my party. [Applause.]

The Clerk concluded the reading of the bill.

Mr. COLLIER. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, had directed him to report the same back to the House with the recommendation that it do pass.

The bill was ordered to be read a third time, and was read the third time.

Mr. CROWTHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CROWTHER. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CROWTHER moves to recommit the bill (H. R. 13742) to the Committee on the Judiciary.

Mr. CROWTHER. Mr. Speaker, on that motion I move the previous question.

Mr. COCHRAN of Missouri. Mr. Speaker, I make the point of order against the motion to recommit. This bill came from the Committee on Ways and Means, and the motion to recommit is to the Judiciary Committee. The precedents——

The SPEAKER. This is not a question of precedent. You can move to recommit it to any committee of the House. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the bill.

Mr. COLLIER. And on that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 230, nays 165, answered "present" 3, not voting 30, as follows:

[Roll No. 132]

YEAS—230

Aldrich	Curry	Kading	Polk
Andresen	Darrow	Kahn	Prall
Andrew, Mass.	Davis, Pa.	Keller	Pratt, Harcourt J.
Andrews, N. Y.	Davis, Tenn.	Kelly, Ill.	Pratt, Ruth
Arentz	Delaney	Kemp	Rainey
Arnold	De Priest	Kendall	Ransley
Auf der Heide	Dickinson	Kennedy, Md.	Reilly
Bacharach	Dickstein	Kennedy, N. Y.	Rogers, Mass.
Bachmann	Dies	Kerr	Rogers, N. H.
Bacon	Dieterich	Kniffin	Romjue
Baldrige	Doughton	Knutson	Rudd
Barbour	Douglass, Mass.	Kunz	Sabath
Beam	Drewry	Kvale	Schafer
Beck	Dyer	LaGuardia	Schneider
Black	Eaton, N. J.	Lamneck	Schuetz
Bloom	Englebright	Larrabee	Seger
Boehne	Erk	Lea	Shannon
Boileau	Estep	Lehlbach	Shreve
Boland	Evans, Mont.	Lewis	Sirovich
Bolton	Fernandez	Lichtenwalner	Smith, Va.
Boylan	Flesinger	Lindsay	Smith, W. Va.
Britten	Fish	Lonergan	Somers, N. Y.
Brumm	Fitzpatrick	Loofbourow	Spence
Brunner	Flood	Lozier	Stafford
Buchanan	Foss	McCormack	Steagall
Buckbee	Fulbright	McDuffie	Stewart
Bulwinkle	Fulmer	McKeown	Stokes
Burdick	Gambrill	McLeod	Sullivan, N. Y.
Byrns	Gasque	McMillan	Sullivan, Pa.
Campbell, Pa.	Gavagan	McReynolds	Sutphin
Canfield	Gibson	McSwain	Sweeney
Cannon	Gifford	Maas	Taylor, Colo.
Carden	Golder	Major	Thomason
Carley	Goss	Maloney	Tierney
Carter, Calif.	Granfield	Mansfield	Tinkham
Carter, Wyo.	Griffin	Martin, Mass.	Treadway
Cary	Hadley	May	Turpin
Cavicchia	Haines	Mead	Underwood
Celler	Hancock, N. Y.	Millard	Vinson, Ga.
Chapman	Hancock, N. C.	Milligan	Vinson, Ky.
Chase	Harlan	Mitchell	Warren
Chavez	Hart	Montague	Watson
Chindblom	Hartley	Montet	Welch
Clague	Hess	Niedringhaus	West
Clancy	Hill, Ala.	Nolan	White
Cochran, Mo.	Hill, Wash.	Norton, N. J.	Whitley
Cole, Md.	Hollister	O'Connor	Wigglesworth
Collier	Holmes	Oliver, N. Y.	Williams, Mo.
Condon	Hopkins	Overton	Withrow
Connery	Howard	Owen	Wolcott
Connolly	Hull, William E.	Palmisano	Wolfenden
Cooke	Igoe	Parker, Ga.	Wolverton
Corning	Jacobsen	Parker, N. Y.	Woodruff
Coyle	James	Parsons	Woodrum
Cross	Jeffers	Perkins	Wyant
Crosser	Johnson, Mo.	Person	Yon
Crowe	Johnson, S. Dak.	Pettengill	
Cullen	Johnson, Wash.	Pittenger	

NAYS—165

Adkins	Driver	Lambeth	Selberling
Allen	Eaton, Colo.	Lanham	Selvig
Allgood	Ellzey	Lankford, Ga.	Shallenberger
Almon	Eslick	Lankford, Va.	Shott
Ayres	Evans, Calif.	Leavitt	Simmons
Bankhead	Finley	Lovette	Sinclair
Barton	Fishburne	Luce	Smith, Idaho
Beedy	Flannagan	Ludlow	Snell
Biddle	Frear	McClintic, Okla.	Snow
Bland	French	McClintock, Ohio	Sparks
Blanton	Garber	McFadden	Stalker
Bowman	Gilchrist	Magrady	Stevenson
Brand, Ohio	Glover	Manlove	Strong, Kans.
Briggs	Goldsborough	Mapes	Strong, Pa.
Browning	Green	Michener	Stull
Burch	Greenwood	Miller	Summers, Wash.
Burtness	Gregory	Moore, Ky.	Sumners, Tex.
Busby	Guyer	Moore, Ohio	Swank
Cable	Hall, Ill.	Morehead	Swanson
Campbell, Iowa	Hall, N. Dak.	Mouser	Swick
Castellow	Hardy	Murphy	Swing
Chiperfield	Hare	Nelson, Me.	Taber
Christgau	Hastings	Nelson, Mo.	Tarver
Christopherson	Haugen	Nelson, Wis.	Taylor, Tenn.
Clark, N. C.	Hawley	Norton, Nebr.	Temple
Clarke, N. Y.	Hoch	Oliver, Ala.	Thatcher
Cochran, Pa.	Hogg, W. Va.	Parks	Thurston
Cole, Iowa	Holaday	Partridge	Timberlake
Collins	Hooper	Patman	Underhill
Colton	Hope	Patterson	Wason
Cooper, Ohio	Houston, Del.	Purnell	Weaver
Cooper, Tenn.	Huddleston	Ramseyer	Weeks
Cox	Hull, Morton D.	Ramspeck	Whittington
Crail	Jenkins	Rankin	Williamson
Crowther	Johnson, Okla.	Rayburn	Wilson
Culkin	Jones	Reed, N. Y.	Wood, Ga.
Davenport	Kelly, Pa.	Reid, Ill.	Wood, Ind.
DeRouen	Ketcham	Rich	Wright
Disney	Kinzer	Robinson	Yates
Dominick	Kopp	Sanders, N. Y.	
Dowell	Kurtz	Sanders, Tex.	
Doxey	Lambertson	Sandlin	

ANSWERED "PRESENT"—3

Johnson, Tex.	McGugin	Williams, Tex.

NOT VOTING—30

Abernethy	Doutrich	Griswold	Martin, Oreg.
Amlie	Drane	Hall, Miss.	Mobley
Bohn	Free	Hogg, Ind.	Peavey
Brand, Ga.	Freeman	Hornor	Pou
Butler	Fuller	Horr	Ragon
Cartwright	Gilbert	Johnson, Ill.	Wingo
Crump	Gillen	Kleberg	
Douglas, Ariz.	Goodwin	Larsen	

The Clerk announced the following pairs:

Mr. Kleberg (for) with Mr. Williams of Texas (against).
Mr. Doutrich (for) with Mr. Johnson of Texas (against).
Mr. Hornor (for) with Mr. Johnson of Illinois (against).
Mr. Free (for) with Mr. Goodwin (against).
Mr. Martin of Oregon (for) with Mr. Gilbert (against).
Mr. Amlie (for) with Mr. Cartwright (against).
Mr. Crump (for) with Mr. Mobley (against).
Mr. Gillen (for) with Mrs. Wingo (against).
Mr. Griswold (for) with Mr. Hogg of Indiana (against).
Mr. Fuller (for) with Mr. Ragon (against).
Mr. Pou (for) with Mr. McGugin (against).

Until further notice:

Mr. Abernathy with Mr. Butler.

Mr. RAINEY. Mr. Speaker, I am instructed to state that the following Members if present would have voted for the bill: Mr. DRANE, Mr. HORR, Mr. PEAVEY, Mr. BOHN, Mr. FREEMAN, and Mr. DOUGLAS of Arizona.

Mr. JOHNSON of Oklahoma. Mr. Speaker, my colleague, Mr. CARTWRIGHT, is unavoidably absent. If he was here, he would vote "no." He is paired against the bill.

Mr. COOPER of Tennessee. Mr. Speaker, my colleague, Mr. CRUMP, of Tennessee, is unavoidably absent on account of illness. If present, he would vote "aye."

Mr. JOHNSON of Texas. Mr. Speaker, I am paired with the gentleman from Pennsylvania, Mr. DOUTRICH. I therefore withdraw my vote and answer "present." If I was not paired, I would vote "no."

Mr. WOODRUFF. Mr. Speaker, I am instructed to say that my colleague, Doctor BOHN, was called away on important business. If here, he would vote "aye."

Mr. McGUGIN. Mr. Speaker, I have a pair with the gentleman from North Carolina, Mr. POU. If Mr. POU was here, he would vote "aye." I withdraw my vote of "no" and answer "present."

Mr. HADLEY. Mr. Speaker, I am requested to state that my colleague, Mr. HORR, is unavoidably absent on account of illness. If here, he would vote "aye."

Mr. HAWLEY. Mr. Speaker, my colleague, Mr. BUTLER, is dangerously ill in the hospital and unable to be present.

Mr. BOEHNE. Mr. Speaker, I wish to announce the absence from the city of my colleagues from Indiana, Mr. GRISWOLD and Mr. GILLEN. If they were here and permitted to vote, they would vote "aye."

Mr. GREGORY. Mr. Speaker, my colleague, Mr. GILBERT, was called home unexpectedly on account of illness in his family.

The result of the vote was then announced as above recorded.

On motion of Mr. RAINEY, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. BURTNESS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURTNESS. Is it now in order to offer an amendment to the title?

The SPEAKER. The Chair thinks that is permissible.

Mr. BURTNESS. Mr. Speaker, I move to amend the title by striking out the word "nonintoxicating." If that is debatable, I desire recognition.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS to the title of the bill: Strike out the word "nonintoxicating."

The SPEAKER. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was rejected.

WILLIAM E. CLEARY

Mr. CULLEN. Mr. Speaker, it is with a deep sense of regret and profound sorrow that I rise in my place this afternoon to announce to the House the death of one of the former Members of the House of Representatives, William E. Cleary. Mr. Cleary served in the Sixty-fifth Congress by succeeding the late Daniel Griffin, of Brooklyn, N. Y. He served in the Sixty-sixth, Sixty-eighth, and Sixty-ninth Congresses, and those of us who served with him will best remember him as one of the most painstaking and intelligent legislators we have ever had in this body. He died in Brooklyn on the 19th of this month, and by his death the country loses a great American, his State a great citizen, and his constituency and his people a splendid public official and a successful business man.

THE BEER BILL

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter which I have received from Labor's National Committee for the modification of the Volstead Act.

The SPEAKER. Is there objection?

There was no objection.

Mr. CONNERY. Mr. Speaker, at the age of 14 I became a member of the Father Matthew Total Abstinence Society of my home city of Lynn, Mass. At that time, upon my entrance into this society, I took a pledge to abstain from intoxicating liquors of any kind. I am pleased to say that I have never violated that pledge.

Mr. Speaker, at the time I joined the Father Matthew Total Abstinence Society I can say without hesitation that more than 80 per cent of the graduates of the grammar schools took a similar pledge, and what is more, most of them kept that pledge until national prohibition had been placed in the Constitution of the United States.

Mr. Speaker, from my observations there is more drinking going on at the present time than there was when we had the open saloon.

I am not advocating the return of the saloon, but I have no hesitancy in saying that the open saloon of the past was not as bad in its influence on the youth of our country as are the speak-easies of to-day.

Mr. Speaker, when I was a lad growing up the number of boys in high school and college who used intoxicating liquors were very, very few. To-day what do we find? Almost every high school and college has its favorite bootlegger.

Prior to prohibition how many young women indulged in intoxicating liquors? The number were very few.

Contrast that condition with the present, when hundreds of thousands of high-school girls and college girls are using hard liquors, liquors that their mothers never knew the taste of when they were girls.

One of the reasons, if not the controlling reason, why young men and young women are now using hard liquors is because it is smart.

Prior to constitutional prohibition the people of the United States were the most temperate in the civilized world.

To-day it is well known the people of America are the most intemperate of the entire civilized world.

We have to-day hundreds of speak-easies operating where but one licensed and regulated saloon existed prior to constitutional prohibition.

Mr. Speaker, to-day we have constitutional prohibition, with more intoxicating liquors consumed every month in our country than were consumed prior to the adoption of the eighteenth amendment.

To-day we have hundreds of thousands of honest, law-abiding tradesmen unable to secure employment, due entirely to constitutional prohibition, whereas prior to constitutional prohibition these men had honest and profitable employment.

This morning I received from Matthew Woll, president, and John B. Colpoys, secretary, of Labor's National Committee for Modification of the Volstead Act, an appeal that we pass this bill as soon as possible, and the arguments therein advanced are so well written I am going to include them as a part of my remarks.

LABOR'S NATIONAL COMMITTEE FOR
MODIFICATION OF THE VOLSTEAD ACT,
Washington, D. C., December 20, 1932.

To all Members of Congress:

DEAR SIR: During the coming week the House of Representatives will vote upon the report of the Ways and Means Committee on the Collier bill, a bill having for its purpose the modification of the Volstead Act to raise the alcoholic content of beer to a higher percentage than permitted by the present law, but which will conform to a strict interpretation of the eighteenth amendment of our Constitution.

May we take the liberty of asking you to cast your vote in the affirmative on the report of the Ways and Means Committee by briefly calling your attention to the reasons therefor?

Expert opinion, beyond peradventure, is to the effect that a 3.2 per cent beer is nonintoxicating in fact.

The manufacture and sale of beer of such alcoholic content will be the opening wedge in the elimination of the bootlegger, racketeer, and gangster, a class of people who have become a grave danger to responsible and orderly government.

A real opportunity will be given to the present and future generations not only to preach but also to practice true temperance.

Employment opportunities will be opened to hundreds of thousands, thus aiding in the relief of the distressing conditions to workers in all walks of life.

By the tax proposed the income to government will be augmented, which in time will permit repealing many of the onerous and burdensome taxes which the people are now called upon to raise for the maintenance of government.

We believe that Members of Congress should exercise their judgment, honestly arrived at, on all questions of legislation except on a distinct mandate from the electorate of our country. On this particular question of legislation there offers no room for argument as to the wishes of a vast majority of the people as expressed in the election on November 8. Both party platforms took cognizance of the apparent views of the people on this question and there can be no excuse offered for failure to carry out their wishes.

The fundamentals of our form of government are on trial; and as stanch believers and defenders of our Government, we urge you, as a representative of the people, to comply with their desires and vote for the passage of the Collier bill.

Respectfully yours,

MATTHEW WOLL,
President.
JOHN B. COLPOYS,
Secretary-Treasurer.

In passing, it might be well for me to call the attention of the House to the fact that the signers of this appeal from organized labor, Matthew Woll and John B. Colpoys, are total abstainers in that they do not use any type of malt or spirituous liquors themselves. In addition, neither of these men will in any way, other than bettering the conditions of the workers and improving the welfare of our country, benefit by the modification of the Volstead Act.

In closing, let me predict that with the modification of the Volstead Act we will see better conditions for the farmers and more employment for the millions of idle workers of our country.

Mr. Speaker, however, it is my belief that the greatest benefit which the people of our Nation will derive from the modification of the Volstead Act is the elimination of the desire on the part of our boys and girls to use intoxicating liquors. Remove the smartness and the boys and girls of America will again start total abstinence societies which will soon make America a temperate nation.

Mr. Speaker, I appeal to those Members of the House who are not biased, who are not dominated by fanaticism, who believe in the rule of the majority, to vote for the passage of this beer bill. To my mind, the voters of America at the last election delivered a mandate to the Congress of the United States to immediately modify the Volstead Act.

PERSONAL EXPLANATION

Mr. DOUGLAS of Arizona. Mr. Speaker, I was unavoidably absent when the roll was called on the beer bill. Had I been here I would have voted "yea."

LEAVE TO EXTEND FOR FIVE LEGISLATIVE DAYS

Mr. BANKHEAD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. Unanimous consent was granted yesterday to all Members to extend their remarks in the RECORD on this bill for five legislative days. Does that date from to-day or yesterday, when the consent was given?

The SPEAKER. It dates from the day the consent was given.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1663. An act to prohibit the sending of unsolicited merchandise through the mails; to the Committee on the Post Office and Post Roads.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly, at 4 o'clock and 15 minutes p. m., the House adjourned until to-morrow, Thursday, December 22, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, December 22, 1932, as reported to the floor leader:

EXPENDITURES

(10.30 a. m.)

Hearings on President's message on consolidation of governmental activities.

NAVAL AFFAIRS

(10.30 a. m.)

Continue hearings on House Joint Resolution 500, authorizing Secretary of the Navy to sell obsolete and surplus clothing.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

832. A letter from the Secretary of War, transmitting draft of a bill to authorize the adjustment of a portion of the boundary line of the Plattsburg Barracks Military Reservation, in the State of New York; to the Committee on Military Affairs.

833. A letter from the Secretary of the Treasury, transmitting draft of a proposed bill, the purpose of which is to enable the Treasury to afford relief to holders of national bank notes, Federal reserve bank notes, and Federal reserve notes, which may not be redeemed under present law because they have been so defaced that the identity of the issuing banks can not be ascertained; to the Committee on Banking and Currency.

834. A letter from the Acting Secretary of Commerce, transmitting a list of documents and files of papers which are not needed nor useful in the transaction of the current business of the department and do not appear to have any historical value; to the Committee on Disposition of Useless Executive Papers.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LOVETTE: A bill (H. R. 13847) to authorize The Adjutant General to loan to Kings Mountain Post, to American Legion, Johnson City, Tenn., certain Army equipment; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 13848) to amend section 27 of the radio act of 1927 (44 Stat. 1172); to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. McSWAIN: A bill (H. R. 13849) to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department; to the Committee on Military Affairs.

By Mr. MAAS: A bill (H. R. 13850) to confer certain benefits on commissioned officers and enlisted men of the Army and Navy, Marine Corps, Coast Guard, Geodetic Survey, or Public Health Service of the United States who are placed on the retired list for physical disability as result of an airplane accident; to the Committee on Military Affairs.

By Mr. SABATH: A bill (H. R. 13851) to amend paragraph 1, section 201, title 2, of the emergency relief and construction act of 1932; to the Committee on Banking and Currency.

By Mr. ALLEN: A bill (H. R. 13852) to extend the time for the construction of a bridge across the Rock River south of Moline, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mrs. NORTON: A bill (H. R. 13853) to authorize the merger of the Georgetown Gaslight Co. with and into the Washington Gas Light Co., and for other purposes; to the Committee on the District of Columbia.

By Mr. SMITH of Idaho: A bill (H. R. 13854) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law; to the Committee on Irrigation and Reclamation.

By Mr. STEVENSON: A bill (H. R. 13855) to amend section 5219 of the Revised Statutes, as amended; to the Committee on Banking and Currency.

By Mr. PURNELL: A bill (H. R. 13856) to repeal section 9 of the agricultural marketing act, relating to stabilization activities; to the Committee on Agriculture.

By Mr. EATON of Colorado: A bill (H. R. 13857) transferring the Forest Service from the Department of Agriculture to the Department of the Interior; to the Committee on Agriculture.

Also, a resolution (H. Res. 332) disapproving the transfer of the General Land Office from the Department of the Interior to the Department of Agriculture; to the Committee on Expenditures in the Executive Departments.

By Mr. PARKER of Georgia: Joint resolution (H. J. Res. 518) establishing the United States Georgia Bicentennial Commission, and for other purposes; to the Committee on Rules.

By Mr. WELCH: Joint resolution (H. J. Res. 519) authorizing the President of the United States to present the distinguished-flying cross to Emory B. Bronte; to the Committee on Naval Affairs.

By Mr. ROMJUE: Joint resolution (H. J. Res. 520) providing for the calling of a conference of the governors of the various States for the purpose of furnishing relief to the masses of the taxpayers of the country, and particularly to furnish relief by lessening the burdens of taxation to a more reasonable status on the agricultural lands of the various States; to the Committee on Agriculture.

By Mr. McCORMACK: Joint resolution (H. J. Res. 521) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H. J. Res. 522) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SABATH: Joint resolution (H. J. Res. 523) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNE: A bill (H. R. 13858) for the relief of Alfred Harris; to the Committee on Claims.

By Mr. CORNING: A bill (H. R. 13859) granting an increase of pension to Mary G. Watt; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 13860) granting an increase of pension to James B. Long; to the Committee on Invalid Pensions.

By Mr. HOCH: A bill (H. R. 13861) granting an increase of pension to Mary M. A. Thoroughman; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 13862) granting an increase of pension to Percilla E. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13863) granting an increase of pension to Mary M. Headley; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 13864) granting a pension to Edith Rhodes Gallion; to the Committee on Pensions.

By Mr. NOLAN: A bill (H. R. 13865) for the relief of Joseph Lane; to the Committee on Claims.

Also, a bill (H. R. 13866) for the relief of John F. Patterson; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H. R. 13867) to authorize the Commissioners of the District of Columbia to reappoint George N. Richardson in the police department of said District; to the Committee on the District of Columbia.

By Mr. RANSLEY: A bill (H. R. 13868) for the relief of Edward Curry; to the Committee on Military Affairs.

By Mr. REED of New York: A bill (H. R. 13869) granting an increase of pension to Susan Bock; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 13870) for the relief of Peter Karampelis; to the Committee on Claims.

By Mr. MURPHY: Resolution (H. Res. 331) to pay to Martha H. Miller, daughter of Thomas M. Holt, late an employee of the House, an amount equal to one year's compensation of the said Thomas M. Holt; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9157. By Mr. BUCKBEE: Petition of Mrs. William Johnson, secretary of the Swedish Ladies Union Aid Society, 903 Fourth Avenue, Rockford, Ill., and 41 others, asking the House of Representatives to vote favorably upon the stop-alien representation amendment; to the Committee on the Judiciary.

9158. By Mr. COCHRAN of Pennsylvania: Petition of several citizens of Johnsonburg, Pa., urging the passage of the stop-alien amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9159. Also, petition of citizens of Marienville, Pa., urging the passage of the stop-alien amendment to the Constitution of the United States to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Census.

9160. By Mr. CONDON: Petition of Herbert H. Denison and 202 other citizens of Rhode Island, protesting against repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9161. Also, petition of William E. McGann and 59 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9162. By Mr. MEAD: Petition of the Maritime Association of the Port of New York, protesting against the Reconstruction Finance Corporation loaning money for purpose of building terminal, consisting of docks, piers, bulkheads, etc., at Bayonne, N. J.; to the Committee on Banking and Currency.

9163. Also, petition of citizens of Eden, Erie County, N. Y., urging support of the stop-alien representation amendment to the Constitution to count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9164. By Mr. MURPHY: Petition of 44 citizens of Martins Ferry, Belmont County, Ohio, urging the passage of a stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9165. By Mr. PERKINS: Petition of Elizabeth B. Titus, vice president of the Woman's Christian Temperance Union of Hunterdon County, N. J., also containing the names of 49 members of that organization, opposing legislative acts that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9166. Also, petition containing 47 names of citizens of Bloomingdale, Passaic County, N. J., opposing legislative acts that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9167. Also, petition containing 213 names of citizens of Warren County, N. J., opposing legislative acts that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9168. Also, petition containing the names of 204 residents of Ridgewood, Bergen, County, N. J., opposing legislative acts that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9169. Also, petition containing 119 names of citizens of Bergen County, N. J., opposing legislative acts that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9170. Also, petition containing 162 names of citizens of Newton, Sussex County, N. J., opposing legislative acts that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9171. By Mr. SEGER: Memorial of the New Jersey State Federation of Women's Clubs and the Paterson and Passaic sections of the National Council of Jewish Women on the war debts; to the Committee on Foreign Affairs.

9172. Also, petition of 46 residents of Passaic County, N. J., expressing opposition to the return of beer; to the Committee on Ways and Means.

9173. By Mr. STRONG of Pennsylvania: Petition of citizens of Blairsville, Pa., favoring the proposed amendment to the Constitution of the United States to exclude aliens and count only American citizens when making future congressional apportionments; to the Committee on the Judiciary.

9174. Also, petition of citizens of Kittanning, Pa., urging immediate restoration of the 2-cent rate of postage on first-class mail; to the Committee on Ways and Means.

9175. By Mr. THOMASON: Petition of citizens of Andrews County, Tex., urging the enforcement of the eighteenth amendment and opposing any modification of the Volstead Act; to the Committee on the Judiciary.

9176. By Mr. WEST: Petition of 56 citizens of Newark, Ohio, urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9177. Also, petition of Woman's Home Missionary Society of Plymouth, Ohio, urging passage of a bill which will (1) establish a Federal motion-picture commission; (2) declare the motion-picture industry a public utility; (3) regulate the trade practices of the industry used in the distribution of pictures; (4) supervise the selection and treatment of subject material during the process of production; and (5) provide that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation; also urging support of bill No. 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, DECEMBER 22, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The PRESIDENT pro tempore. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had

passed a bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. NORRIS obtained the floor.

Mr. FESS. Mr. President, will the Senator yield to enable me to make the point of no quorum?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield for that purpose?

Mr. NORRIS. I yield.

Mr. FESS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schuyler
Austin	Cutting	Kendrick	Sheppard
Bailey	Dale	King	Shipstead
Bankhead	Davis	La Follette	Shortridge
Barkley	Dickinson	Lewis	Smith
Bingham	Dill	Logan	Smoot
Black	Fess	McGill	Steiwer
Blaine	Frazier	McKellar	Swanson
Borah	George	Moses	Thomas, Idaho
Broussard	Goldsborough	Neely	Thomas, Okla.
Bulkley	Gore	Norbeck	Townsend
Bulow	Grammer	Norris	Trammell
Byrnes	Hale	Nye	Tydings
Capper	Harrison	Oddie	Vandenberg
Caraway	Hastings	Patterson	Wagner
Carey	Hawes	Pittman	Walcott
Cohen	Hayden	Reed	Walsh, Mass.
Connally	Hebert	Reynolds	Walsh, Mont.
Coolidge	Howell	Robinson, Ark.	Watson
Copeland	Hull	Robinson, Ind.	Wheeler
Costigan	Johnson	Schall	White

Mr. FESS. I wish to announce that the senior Senator from Oregon [Mr. MCNARY] is necessarily absent on account of illness.

Mr. HEBERT. My colleague [Mr. METCALF] is necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. HARRISON. I desire to announce that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the senior Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. SHEPPARD. I desire to announce the necessary absence from the Senate of the junior Senator from Louisiana [Mr. LONG].

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present. The question is upon the motion of the Senator from Vermont [Mr. AUSTIN] under the unanimous-consent agreement entered into yesterday.

RECONSTRUCTION FINANCE CORPORATION

Mr. NORRIS. Mr. President, at the time we passed the act providing for the Reconstruction Finance Corporation at the last session of Congress there was very great disagreement and considerable debate over the question whether the activities of the corporation should be made public. Quite a number of Senators, including myself, believed that inasmuch as the corporation had to do all of its business upon capital supplied from the Treasury of the United States and inasmuch as it was authorized to use about $2,000,000,000 of the taxpayers' money, complete publicity ought to be given to all its transactions. But we were defeated in our contention and the law permitted secrecy. For five months, until the law was amended, all the transactions of the Reconstruction Finance Corporation were shrouded in secrecy. It was contended on one hand that large corporations and banks would probably succeed in getting large loans, more than it was believed they ought to have. It was claimed on the other hand that this money would be loaned mostly to small institutions and that it would be scattered over the country practically in an equal division.

In the January number of Harper's Magazine there is a very illuminating article entitled "Inside the R. F. C.," written by John T. Flynn. In the article Mr. Flynn undertakes to disclose some of the secret operations which have been going on during the first five months of the life of the Reconstruction Finance Corporation. I want to quote from the article. Near the beginning of it he says:

> In the very act of its birth the R. F. C. was stricken dumb by the President. Thereafter for five months it passed round hundreds of millions of dollars of public money to banks and railroads without affording either to the public, or even to Congress itself, a grain of information about the identity of the objects of its bounty.

Farther on he says that the Interstate Commerce Commission, whose proceedings are public, brought out the fact that large loans were being made to railroads. It was provided in the act that if a loan was made to a railroad it must be approved by the Interstate Commerce Commission, and that part of the proceedings, therefore, became public. In order to ease the public mind the President and various other officials from time to time issued statements tending to convey the idea to the public that the Reconstruction Finance Corporation, dealing with the taxpayers' money, was scattering it over the country and giving it mostly to small institutions. At the time the bill became a law President Hoover issued a statement, in which he said:

> It [the R. F. C.] is not created for the aid of big industries and big banks. Such institutions are amply able to take care of themselves.

Statements were issued by other public officials connected with the Reconstruction Finance Corporation to the same effect—

> The President gave out a telegram he had received from the Bank of Abbeyville, in Louisiana, praising the R. F. C. for saving that little bank.
>
> * * * * * * *
>
> Three weeks after the R. F. C. started to function, the Comptroller of the Currency declared that $24,000,000 had been lent to banks "scattered all over the country."

The evident purpose was to make the people believe that the small banks were getting the benefit and that nothing was being paid to big banks.

According to Mr. Flynn, the statement "that $24,000,000 had been lent to banks 'scattered all over the country'" was technically correct, but it would be technically correct if practically all that money was lent to one bank. He further says:

> The number of loans and the banks were, indeed, scattered. But the money was not. Twenty-one million out of the twenty-four million had gone to just two banks.
>
> Two weeks later the White House issued a statement that the R. F. C. had lent $61,000,000 to financial institutions, "including 255 banks, mostly small country banks." But—

Mr. Flynn says—

> But of that $61,000,000 over $41,000,000 had gone to just three banks.

The statement technically, of course, was still correct.

On the very day—

Says Mr. Flynn—

> when the President gave out the telegram acknowledging the salvation of the little Abbeville bank, the R. F. C. made an unmentioned loan of $25,000,000 to one big city bank.

And so on. He refers to the money loaned to the New York banks, and winds up the article as follows:

> Out of the $264,000,000 loaned to railroads by the R. F. C., $156,000,000 has been advanced to the roads controlled by three groups—the Morgans, the Van Sweringens, and the Pennsylvania Railroad. Some explanation will certainly have to be made sooner or later of this amazing performance.

Mr. President, it will pay any Member of Congress to read this article. I think before we are through with this subject it will require a searching and minute investigation on the part of a committee, either of the other House or of the Senate, in order that the people of the United States may know what has been done with the millions of money that have been taken from the taxpayers of America in these

distressing times. I ask unanimous consent, therefore, that this entire article may be printed as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSIDE THE R. F. C.—AN ADVENTURE IN SECRECY

By John T. Flynn

The Congress which now presides over the dying months of President Hoover's administration will, let us hope, bring to an end that fatuous adventure in secrecy which has stained the record of the Reconstruction Finance Corporation. In the very act of its birth the R. F. C. was stricken dumb by the President. Thereafter for five months it passed around hundreds of millions of dollars of public money to banks and railroads without affording either to the public, or even to Congress itself, a grain of information about the identity of the objects of its bounty.

After these five months—in July—when Congress supplied it with additional billions, the directors were ordered to make to the House of Representatives monthly reports of the sums laid out and the persons or corporations receiving them. Through a mere misadventure in framing this publicity clause the loans made by the corporation in those first five months were omitted. For this reason we must now divide the life of the R. F. C. into two episodes. The first, covering the period from February to June, was marked by the most complete secrecy; in the second, from July to date, in obedience to Congress, the directors have been compelled to reveal the destination of their funds.

Here I shall deal with that first episode—the period of darkness, of secrecy. In that time something more than a billion dollars was authorized in loans. Of this sum, nearly 80 per cent ($853,496,289) was lent to bank and railroad corporations. The railroad loans we have been able to guess at because of the preliminary approval required from the Interstate Commerce Commission, whose proceedings are public. But the bank loans—$642,000,000 of them—have never been revealed to this day.

These vast sums were laid out by a group of directors drawn from those business groups whose performances during the pre-crash years have rendered them objects of suspicion to the American people. The immense sums they dispensed were given to borrowers many of whom, to put it mildly, have forfeited, justly or unjustly, the confidence of the people. These circumstances alone cast a sinister shadow over the policy of secrecy pursued. But the case is something worse than this. The administration did not stop at mere concealment but led the public to the acceptance of utterly false impressions.

Here I propose to reveal some of these hitherto unreported loans—enough, at least, to justify Congress in tearing away the screen altogether and bringing to light this whole story.

Before lifting a corner of the curtain let me insert a word about this dangerous notion that government can be safely conducted in secrecy. There is a school of politicians—in close communion with their business allies—who hold to what is sometimes called the idiot theory of government, because of certain expressions which the President himself has let fall. There is a belief that the citizens are stupid; that the less they know the better off they will be; that knowledge in their immature minds will frequently produce economic disorder; and that they will be better served if they will intrust their affairs to the strong and able men set over them by Providence and a well-oiled election machine. The theory ignores a very old truth—that if there are foolish citizens there are also selfish rulers; that the poor judgment of the masses is to be trusted hardly less than the bad ethics of their leaders; and that, in any case, those who supply the funds for governments and the blood for wars have a right to know what is being done with their money and their lives.

For a century this country (and the world) has been learning the solemn lesson that it has nothing to fear so much as the public servant who is unwilling to report to society what he is doing with its funds. In America, at least, we have been warring upon secret diplomacy, secret campaign funds, secret corporation activities, secret utility and railroad managements.

The R. F. C. episode is the perfect example of the policy of secrecy. The prologue to the R. F. C. was the National Credit Corporation. It was proposed at a White House conference October 6, 1931. Thirty-two leaders of all groups were summoned. The topic of the conference was kept a secret even from the conferees. They were not permitted to think in advance of what they were to discuss. The President was warned against this course but persisted in it. The corporation formed as a result—a private one composed of bankers—functioned in the most absolute secrecy. Two months later the R. F. C. was brought forward to supplant it. Democratic and Republican leaders alike sought to learn how much funds the Credit Corporation had raised, what loans it had made, what it had accomplished. The facts about it have never become known to this day.

When the Reconstruction Finance Corporation, really suggested originally by Eugene Meyer, but quietly adopted by the President, was proposed, various congressional leaders demanded a system of regular reports from the new corporation. The President defeated that proposal. Publicity would react unfavorably and perhaps disastrously on banks if it were known they sought help from the Government, he declared. But why should railroad loans be kept secret? As a matter of fact, Senator COUZENS insisted that no railroad loans be made until first approved by the Interstate Commerce Commission. This provision alone saved the rail loans from being swathed in the same concealment as the bank loans. It was apparently overlooked at the time that Interstate Commerce Commission proceedings are always reported. As it is, we know the loans approved by the Interstate Commerce Commission, but the R. F. C. has never revealed what it has done about them.

Let this important and significant fact be noted—that in the first period of secrecy loans were made in immense millions to many big banks. After July 1, when secrecy became no longer possible, these big bank loans ceased.

When the R. F. C. was proposed, many critics feared it was a scheme to aid certain types of big banks. Rightly or wrongly, this apprehension was based on the belief that many big bankers had been guilty of a serious betrayal of their trusts; that sound banking practices had been thrown to the winds; that the resources of the banks had been made available for speculative enterprises through new and vicious forms of banking organization. There was a feeling that the Government ought not to use the funds of the people to protect and perpetuate these dubious kinds of banks.

The President was aware of this feeling. When he signed the Reconstruction Finance Corporation bill he issued a statement in which appeared these words:

"It [the R. F. C.] is not created for the aid of big industries and big banks. Such institutions are amply able to take care of themselves. It is created for the support of the smaller banks and financial institutions and, through rendering their resources liquid, to give renewed support to business, industry, and agriculture."

When the show got under way and criticism became audible, expressing fear that the big banks were getting the money, the President and the R. F. C. officers issued numerous statements that almost all of the loans were going to small banks. Publicity was cleverly employed. The President gave out a telegram he had received from the Bank of Abbeyville, in Louisiana, praising the R. F. C. for saving that little bank. Mr. Eugene Meyer told a critical Senate committee that 92 per cent of all loans had gone to cities under 10,000 population. In these statements the emphasis was put on the number of banks helped, not on the amount of money lent.

For instance, three weeks after the R. F. C. started to function the Comptroller of the Currency declared that $24,000,000 had been lent to banks "scattered all over the country." The number of loans and the banks were indeed scattered. But the money was not. Twenty-one million out of the twenty-four million had gone to just two banks.

Two weeks later the White House issued a statement that the R. F. C. had lent $61,000,000 to financial institutions, "including 255 banks, mostly small country banks." But of that $61,000,000 over $41,000,000 had gone to just three banks.

On the very day when the President gave out the telegram acknowledging the salvation of the little Abbeyville bank the R. F. C. made an unmentioned loan of $25,000,000 to one big city bank.

In April Congress became restless and curious. When the R. F. C. lent money to a railroad to pay a note to J. P. Morgan & Co. there was a threat of investigation. Once again the President produced the inevitable statement. He said:

"The banks and trust companies receiving the loans totalling $126,000,000 are located in 45 States. The great majority of these loans are to smaller communities. Less than $3,500,000 has been authorized in cities of over a million population; more than $116,000,000 has been authorized in towns under 600,000."

At that time over half the money lent had been lent to just three big banks. The statement, moreover, was so phrased as to impose on the casualness of the ordinary reader. You can call a hundred-million-dollar bank in a city of 500,000 a little bank in a little city, but it will still be a big bank in a big city. Minneapolis, Milwaukee, New Orleans are big cities, though they are under 600,000. The climax was reached when at the end of July the corporation announced that it had helped 3,600 banks and that only a little over 4 per cent of them were in cities of over 200,000 population.

Can anyone doubt that the effect of these statements was to conceal the facts and to create the impression that no big banks were being aided; that, as the President said, "They were able to take care of themselves"? If it was proper to aid them, why not say so?

Here is what actually happened: The R. F. C., in those five months, authorized $642,000,000 in loans to 3,600 banks. But $261,000,000 of this sum, or over 40 per cent, went to banks in just seven large cities.

Chicago alone got $109,000,000, or 17 per cent of all loans.

San Francisco got $65,000,000, or over 10 per cent of the whole amount lent.

Cleveland got $27,000,000, lent to three banks.

The President, perhaps, would call Akron, Ohio, a little town. It has 255,000 people and a big bank. One bank in Akron got loans aggregating $18,000,000.

The loans referred to here were in just seven large cities. There were more than 230 other loans to big and little banks in cities of over half a million population which consumed more than half of all the funds laid out.

II

On June 7, 1932, Charles G. Dawes announced that his work as head of the R. F. C. was finished. His letter of resignation was a masterpiece. The Budget was balanced, the country moves toward recovery, he observed. He desired to reenter the banking business in Chicago. "It has been a privilege," he added, "to participate in the earlier stages of the organization of the corporation and its

work." But Mr. Dawes was now about to do some real participating. Less than three weeks later the R. F. C. authorized a loan to his bank of $90,000,000.

The President has recently revealed that Dawes resigned not because his work was finished, but in order to look after his bank. Other stories have it that Dawes asked for no money from the R. F. C., but that the request came from other bankers in Chicago. As nearly as I can make out, that is true. But the size of the loan was, nevertheless, remarkable. It was given as $80,000,000 in reports which leaked out at the time. How much Dawes actually got, I do not know. But the loan authorized was $90,000,000, which covered almost the entire deposits of the bank, which were only $95,000,000.

The President has defended this loan on the ground that the fate of 725 country banks were at stake and, through them, the fate of 21,000 other banks. The defense, however, fails to give an adequate answer to a pertinent question. What, may we not ask, was Dawes doing on the Reconstruction Finance Corporation?

Some parts of the Dawes loan story have leaked into the newspapers. Here are a few stories that have not leaked out. On February 15 Mr. Amadeo Giannini won a bitter battle in Wilmington to regain from Elisha Walker his old control of that famous Delaware corporation, the Transamerica Corporation. The Transamerica Corporation is one of those holding companies which controlled a vast tangle of banks, insurance companies, realty concerns, utility enterprises, security and investment companies, and what not. Its chief prize was the Bank of America in California. The story of Giannini's victory was, of course, in all the newspapers. What was not in the newspapers, however, was the fact that on that very day the R. F. C. authorized the lending to the Bank of America of $15,000,000. Nor has the public ever been told that before the Reconstruction Finance Corporation got through ladling out money to this bank it authorized a series of loans—one a month—aggregating $65,000,000.

These two loans authorized to Dawes and Giannini totaled $155,000,000. Certainly no citizen could have guessed that such vast public sums were made available to just two banks from the President's pronouncements about helping little banks and not big ones.

But there is a good deal more. A loan of $14,000,000 was authorized to the Union Trust Co. in Cleveland. Interest in this loan rises when we are told that the chairman of the board of this bank, up to June 16 of this year, was Mr. Joseph R. Nutt, treasurer of the Republican National Committee.

Much curious comment attended the naming of the Hon. Atlee Pomerene as head of the Reconstruction Finance Corporation to succeed Gen. Charles Ninety-Million Dawes. The honorable Atlee is a noble Roman of true senatorial exterior, a measure of whose statesmanship may be deduced from his pronouncement after taking the reins which had fallen from the hands of Dawes. "If I were a Mussolini in this country," he thundered, "I would compel every merchant in the land to increase his purchase now by 33 per cent." Why the Democrat Pomerene was chosen, however, was never wholly made clear. But he was, in truth, the ideal Democrat for the job. A loan of $12,272,000 was authorized to the Guardian Trust Co., of Cleveland, the honorable Atlee's home town. And Atlee Pomerene was a director of that bank.

There were others. In Baltimore the Baltimore Trust Co., of which that Republican stalwart, Senator PHILLIPS L. GOLDSBOROUGH, was vice chairman, was authorized to receive $7,402,345 in April.

In Detroit the Union Guardian Trust Co., of which Mr. Roy D. Chapin, now Secretary of Commerce, was a director, was authorized to receive a loan of $12,983,000.

In Akron—one of Mr. Hoover's "little" towns—the First Central Trust Co., of which Mr. Harry Williams was chairman and Mr. Harvey S. Firestone, jr., a director, was authorized to receive $19,000,000.

Among insurance companies very little help was needed or given to life-insurance companies. A large loan, however, was made to a casualty insurance company, one which signs bonds, etc. It was authorized to receive $8,880,000, and among its directors are such worthy objects of Government aid as Percy Rockefeller, Elisha Walker, Sidney Z. Mitchell, Charles Hayden, W. A. Harriman, Robert Goelet, George B. Cortelyou. It is worth observing that at almost the moment this company was seeking millions from the Government one of its directors at least was answering to a Senate committee for his bear operations in Wall Street.

One large fire-insurance company got a cut of $7,000,000—the Globe & Rutgers Fire Insurance Co. The head of this company, E. C. Jameson, will be remembered as the big-hearted patriot who handed out $68,000 to Bishop Cannon in 1928 to carry Virginia for Hoover and the Lord.

Is it not worth a passing thought that almost all of the big banks which had to seek help were under the dominion of those political financiers who clustered round the throne and who coyly admit that they are the architects of our prosperity?

III

There is a reason of commanding importance why these loans should have been made public. We have a right to know something of our economic situation. We are going to have to deal with it. We can not deal with it if the facts are deliberately concealed from us. One of our most perplexing problems is that of our banks. Mr. Mills has told us that the shock of England going off the gold standard closed a thousand banks in this country in three months. He has not told us why that shock, which has knocked a thousand of our banks into a cocked hat, failed to close one in England herself. There must be some difference in the banks. What is it? The President and his Comptroller of the Currency have preached that the trouble had been in the small, weak, unit banks. They have urged branch banking. The comptroller has regaled us with endless statistics of the failures of small banks.

But what of the weaknesses among the big banks? Are these to be systematically concealed? Branch banking is, I am disposed to think, sound enough. But there is another kind of banking, called group banking, which might be called holding-company banking. Branch banking with holding-company control, such as we have already witnessed in our utility business, would be a curse. There is also the vicious practice of bank affiliates. How many of these big banks which have had to yell for help were holding-company controlled or were using the dangerous investment and security affiliate practice? Almost all of them. Why did they need this money? What weakened their structure? What had their holding-company control or their security affiliates to do with it? These are questions which Congress, which must deal with our disgraceful banking condition, ought to ask. How disgraceful that banking situation is may be gleaned from the amazing boast of the Hon. Atlee Pomerene to the effect that during the first six months of the R. F. C. only 600 banks had failed. It might be added that during the 10 months of the activities of the R. F. C. some 1,100 have failed.

IV

The big New York banks and investment bankers are noticeably absent from this list of beneficiaries. But they were not forgotten. Like the overcoat in the salesman's expense account, they are there but you can not see them. They are to be found in the loans made to the railroads.

These loans to railroads were made on the theory that railroad securities were held in great amounts by insurance companies and savings banks, and that if the roads defaulted in the interest or maturity payments on their bonds, receiverships would be inevitable and the loss would fall on these insurance policyholders and savings depositors. A look at what happened, however, reveals some amazing performances.

Up to September 30 the R. F. C. loaned to the carriers $264,366,933. I have not been able to trace the purposes of all these loans. But I have been able to examine 70 per cent of them. What follows therefore applies not to all the railroad loans but to $187,000,000 of them.

Of this amout, $36,451,000 was lent for improvements, such as the $27,000,000 to the Pennsylvania Railroad for electrification. These are defended on the ground of making work, and may be passed over. This leaves, in round numbers, loans amounting to $150,000,000 to railroads to enable them to pay debts.

In March a loan of $5,750,000 to the Missouri Pacific to pay a note due J. P. Morgan & Co. came to light and produced a mild sensation. The Missouri Pacific is one of the numerous possessions of the Van Sweringens. It is controlled through a series of holding companies resembling the Insull structure—a device which has been roundly condemned by the Interstate Commerce Commission. As a matter of fact, the Morgan firm, as bankers of the Van Sweringens, are in the closest communion with the Cleveland promoters. The use of public money to enable the Van Sweringen road to pay money due the Morgans seemed to have little to do with "overcoming the crisis," as the President loves to call his program. But this was not the only loan to railroads to enable them to pay off investment bankers and large New York institutions. The Van Sweringens themselves got another $6,000,000 to pay off bank loans on another one of their roads—the Nickel Plate. This was in February, and they were back again in September for another $5,000,000 for the same purpose. The Baltimore & Ohio got at one time $9,000,000, to be used to pay $8,000,000 to Kuhn, Loeb (bankers), $500,000 to the Chase National (one of whose directors sat on the R. F. C.), $250,000 to the Central Hanover Bank, and $250,000 to the First National Bank, all in New York.

There was plenty of this. In fact, I have accounted for 19 such advances, amounting to $44,000,000 made to railroads to pay off bank loans.

Congress ought to explore the character of the pressure which was brought to bear upon the Interstate Commerce Commission to approve these loans. That most of them were made reluctantly is beyond question. That the President constantly interfered to put pressure upon both the commission and the R. F. C. itself there can be no doubt. His announcement of Dawes's selection as president of the R. F. C. before the members—charged with electing their president—were named; his open boast in the last days of the campaign of the huge loans made for California projects—all call for examination in detail. In the case of these bank loans Eugene Meyer, representing the President, went to the commission and pressed the loans, declaring they were part of the recovery plan, to put more money into the banks, so that after a while they would have so much "it would burn a hole in their pockets" and they would begin to lend it out. The futility of this plan must now be quite apparent to everyone.

Another $24,000,000 was lent to railroads for a strange miscellaneous collection of purposes—to pay bills, meet pay rolls, pay rent on real estate, complete payments on real estate, supply cash for the drawer, and, worst of all, to enable the roads to pay rent on both real estate and on leased roads. The New York Central, for instance, got more than $5,000,000 for this purpose. One corporation owning a railroad sometimes leases it out to

another railroad corporation. The latter pays rent for the use of the road. The rent is usually a large enough sum to pay the leasing corporation a profit or dividend on its investment. When the R. F. C. lent money to one railroad to pay rentals to another railroad, it was in effect using public funds to pay dividends to railroad stockholders. A more indefensible action could hardly be imagined.

Out of the whole sum we have traced, therefore, only $69,000,000 (in round numbers) was lent to railroads to pay interest or maturities on bonds held by insurance companies and savings banks. Certainly these loans could exercise no influence on the duration of the depression except to prolong it. A depression is a phenomenon which appears when the income of the population, always insufficient to buy what is produced, becomes so heavily saddled with debt charges that its use as purchasing power is mortally reduced. When this happens two things must follow: First, prices must come down to bring goods closer to the size of the available income. Second, income itself must be freed for purchasing by the extinguishment of excessive debts. Whether we like it or not, this is what takes place. Any attempt to hold up prices or to save the weaker debts necessarily prolongs the depression. One thing alone can help to check the crumbling of the poorer debts. That is to increase income. The Government can do but one thing toward that end. It can create income by launching extensive public works. Whether it should do this or not is a question about which men are divided. I take no position on that here. But if this cure is discarded, then the Government must confess itself impotent. Certainly it can do nothing by merely shifting debts around.

Let us apply this to the railroads. Most of the actual capital invested in the roads is in the form of bonds or preferred stocks. Fifty-four per cent of their capital is in bonds, as against only 16 per cent in the case of industrial corporations. This means that in good times or bad, whether there are profits or not, the railroads must continue to pay profits on 54 per cent of their capital. The purchasing power of the railroads is hopelessly paralyzed by debt. This situation must be corrected. And certainly in the case of many of these roads there is no method of correction open save through receiverships. The quicker the correction comes, the quicker the regeneration of the road will come. This the R. F. C. has wholly ignored as part of its depression surgery. Many roads are hopelessly saddled with impossible, rigid bond loads. Instead of permitting the correction of this fatal flaw to take its course, the R. F. C. has actually added to the bond load. The roads will come out of the depression in the matter of debt worse than they went in. In any case to use public funds, so desperately needed elsewhere, to pay profits to investors is an indefensible exertion of government.

Would it not have been more intelligent to permit at least some of the roads to go into receiverships and submit to the inevitable curative processes? Some are heading that way anyhow. Two of those aided were already in receivers' hands. And another, the Frisco, since its "salvation" has gone that route. If the Government is going to start paying interest on bonds and the bonds themselves as they mature, there will be no end to it. The Baltimore & Ohio got $32,000,000 in April and was back again in August for another $31,625,000. The Nickel Plate had to borrow $9,300,000 in February. It showed up for another $6,000,000 in September. The Chicago & Northwestern got $1,910,000 in February, nearly $5,000,000 in April, and was around for another $12,000,000 later.

As to saving life insurance companies, there is good reason to believe that this is one of those convenient reasons which men know so well how to invent. No evidence has been offered to show that these loans would save any insurance policyholders from loss. Take a single case. The Pere Marquette got $3,000,000 to pay equipment trust certificates of the Lake Erie & Detroit. There is no evidence that the whole Marquette system would have gone into receivership if this loan of the Lake Erie had not been met. But if it had and all of the Marquette bonds had declined, what would have been the loss to life insurance companies? This road had outstanding $77,000,000 in bonds. Of this, $20,000,000 was in the hands of life insurance companies. But the value of these bonds at the time of the "rescue" was about $7,500,000. A receivership would not have reduced their value much more. But suppose it had wiped out these bonds completely. These securities were distributed among about 50 companies. Just nine of these companies have reserves of over $9,000,000,000. A loss of the entire investment would have meant a loss of less than one-fiftieth of 1 per cent based on existing market value.

In another case a loan of over a million dollars was made to one of Mr. Insull's numerous playthings—the Chicago, North Shore & Milwaukee Railroad. This road had outstanding $2,000,000 in bonded indebtedness. But only $732,000 of this was held by insurance companies, and 54 per cent of this was owned by a company in Canada.

The simple truth is that the credit of the railroad companies has been ruthlessly exploited during these last 10 years to provide funds for the acquisition of stocks in other roads at exorbitant prices in the mad scramble of a few promoters to get control of various systems. Now, these holdings and the control over their little empires of these clever gentlemen are threatened. And the credit of the Government of the United States is being mobilized to save them.

Out of $264,000,000 loaned to railroads by the R. F. C. $156,000,000 has been advanced to the roads controlled by three groups—the Morgans, the Van Sweringens, and the Pennsylvania Railroad. Some explanation will certainly have to be made sooner or later of this amazing performance.

Mr. CONNALLY subsequently said:

Mr. President, I was not in the Chamber this morning when the distinguished Senator from Nebraska [Mr. NORRIS] addressed the Senate on the Reconstruction Finance Corporation. I voted against the creation of the Reconstruction Finance Corporation, but in the interest of fairness I desire to ask to have printed in the RECORD a copy of an address by Hon. Jesse H. Jones, a distinguished member of that corporation from my State, entitled "Work of the Reconstruction Finance Corporation."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WORK OF THE RECONSTRUCTION CORPORATION

(Speech of Hon. Jesse H. Jones, director Reconstruction Finance Corporation in the National Radio Forum, Washington, D. C., Monday night, August 29, 1932)

The Reconstruction Finance Corporation was created by an act of Congress in January of this year.

It is nonpartisan, the management being vested in a board of seven directors consisting of the Secretary of the Treasury, who is an ex officio member, and six other persons appointed by the President of the United States by and with the advice and consent of the Senate.

Originally the governor of the Federal Reserve Board and the farm-loan commissioner were also ex officio members, but Congress amended the act, eliminating these two.

The directors took the oath of office on February 2 and started work.

The first order of business was the creation of a nation-wide organization to make loans to meet emergencies. In addition to the general office in Washington the corporation has 32 agencies or branches throughout the United States.

In passing the act Congress named the Federal reserve banks as fiscal agents of the corporation. This was a wise provision for the reason that it made available to the Reconstruction Finance Corporation the facilities of the Federal reserve banks, which are custodians of all notes, collateral, and securities on which the corporation lends money, and the funds are all disbursed and repaid at and through these Federal reserve banks.

In most cases the Reconstruction Finance Corporation pays nominal rent to these Federal reserve banks. Also, it has the benefit of the private wire service of the Federal reserve system. This wire service and these facilities enable the corporation to act with more dispatch in meeting emergency situations than otherwise would be possible.

While there is no affiliation or joint management between the Reconstruction Finance Corporation and the Federal reserve banks, this provision of Congress has proven extremely helpful to the corporation, as well as a source of economy to the Government.

Each branch of the Reconstruction Finance Corporation is in charge of a manager, employed and paid by the corporation. In every instance the manager is aided by a local advisory committee composed of bankers and business men in the particular locality. These committeemen are named by the directors of the Reconstruction Finance Corporation and serve without compensation.

All loans to banks, insurance companies, mortgage-loan companies, agricultural-credit corporations, livestock associations, building and loan associations, and joint-stock land banks are made at the agencies, and the collateral is held there and the money disbursed and repaid there. Loans to railroads, the farm-loan banks, and Federal intermediate-credit banks are made at Washington.

Applications for loans are made at these branches; and after the manager and his advisory committee make a thorough examination of the collateral offered and the purposes of the loan, the application is sent to Washington with a full description of the collateral, together with an explanation concerning the reasons for the loan, the public interest involved, etc.

At Washington the application is reexamined by a special examiner and a review committee. This examiner and the committee, acting separately, review all of the facts pertaining to the loan and make their recommendations to the directors of the corporation, so the application comes to the board with the recommendation of the local manager and the local advisory committee of a special examiner at Washington and a review committee at Washington, and is allowed or disallowed by the board. In this way the directors are able to act with a fair degree of intelligence, both as to the collateral offered and the public interest involved.

All applications for loans must be approved by the legal department before the proceeds are disbursed, and, of course, all loans must be fully and adequately secured. This is a provision of the law and not one of policy adopted by the board.

While loans are granted for a specified time, they may be repaid at the convenience of the borrower with interest to date of payment. No advance interest is collected.

It is the purpose of the corporation and the genuine desire of the directors to provide credit, as far as it may do so under the act, where credit is needed; where a good purpose can be served, men put to work and business and trade stimulated; the objective being to aid in reconstructing not only the general economic con-

ditions of the country, but, as far as possible, the state of mind of those who are in need of credit.

In my opinion, there has been too much reluctance on the part of banks, trust companies, insurance companies, etc., to borrow for the purpose of relending, not alone from the Reconstruction Finance Corporation but from any source. Most banks have been endeavoring to get as liquid as possible, some of them too much so for the general good. Financial institutions live by lending money and while it is not my intention to criticize banking institutions or other money-lending agencies for a too conservative policy, Congress created this great corporation to enable them to help those who need to borrow.

Just before adjournment Congress broadened the activities of the corporation so that more people and more institutions could get credit and relief through it; and while we are not permitted to lend directly to individuals or private corporations except those specified in the act, we are making credit available to many institutions that in turn can lend to individuals and industry in general.

I should like to say something about the personnel—the men who are directing the affairs of the corporation.

The board of directors as now constituted includes Mr. Ogden Mills, Secretary of the Treasury, and, in his absence, Mr. Arthur A. Ballantine, Under Secretary of the Treasury; former Senator Atlee Pomerene, of Ohio, chairman; Mr. Charles A. Miller, of New York, president; Mr. Gardner Cowles, of Des Moines, Iowa; Mr. Harvey Couch, of Arkansas; Mr. Wilson McCarthy, of Salt Lake City; and myself.

The board is very well diversified, geographically, politically, in professions, in experience, and in temperament.

The managing force is composed of bankers and bank examiners, drawn from both national and State banking; men experienced in livestock, agriculture, and building and loan lending; railroad experts, attorneys, and accountants. They have been selected because of their experience and their qualifications to fill the places they occupy, and they are fairly representative of the best men in their various lines.

For the managing force I would say that, in 40 years of business experience, I have never seen a body of men more patriotic, more tireless in their efforts, or more intent upon rendering a real service, and this applies with equal force to our agencies and advisory committeemen.

For many weeks in the beginning the Washington force worked an average of probably 18 hours a day, and even now it is frequently necessary for them to work Sundays and nights.

I can say for the directors that they recognize the enormity of the problem placed with them, their great responsibility and the almost limitless opportunity to render a very great service to the country. They appreciate that in their hands has been placed the lending of more than three and a half billion dollars—the largest governmental peace-time undertaking in the history of the world.

Directors' meetings are held daily, sometimes more than one, and sometimes lasting almost the entire day. Not infrequently meetings are held on Sunday and at night.

There is nothing perfunctory about the actions of this corporation, either by the directors or by the managing force. Sufficient time is given to every application and every problem presented to the corporation so that all phases and all bearings may be fairly understood and, as far as possible, a proper decision reached.

I shall not undertake to discuss the causes leading up to the creation of this great corporation. Suffice to say that without it, in my opinion, there would have been a complete collapse of all trade and industry and finance, at least for a time. And while it is admitted that conditions have been almost unbearable, it is probably a fact that we just barely escaped a general moratorium. Not that there was any justifiable reason for a collapse but because of an unaccountable fear that seemed to penetrate every nook and corner of the world. Particularly fear that we would be forced off the gold standard, and this led to currency hoarding and gold hoarding to an alarming extent, and to foreign balances being withdrawn in gold.

I am glad to say, however, that this fear, this expecting something terrible to happen the next day or the next hour, is passed, and our people in all walks and all sections are now looking back upon those terrible days as history—and forward to better times.

But back to the more intimate phases of the Reconstruction Finance Corporation which I want to discuss.

Lending $3,500,000,000 and more is no light task if it is to be loaned as the law requires, upon adequate security and as authorized by Congress.

Speaking of Congress, I want here to state that, in my opinion, no body of men ever faced a more difficult situation, or more conscientiously felt their responsibility to a distressed country, than did the Seventy-second Congress. You might not have agreed with them, or with all that they did. You might have been impatient and critical; but faced with the problems and conditions that the Members of this Congress were faced with, torn by their very heartstrings with appeals, condemnations, demands, and whatnot, you probably would not have done as well as they did.

The corporation was created to provide emergency financing for agriculture, commerce, and industry. As originally created, the corporation could lend to banks, savings banks, trust companies, building and loan associations, insurance companies, railroads, mortgage-loan companies, Federal land banks, joint-stock land banks, Federal intermediate-credit banks, credit unions, agricultural-credit corporations, livestock-credit corporations.

As amended, the base of the corporation was broadened so that we could lend to public and private agencies for self-liquidating projects, such as bridges, waterworks, tunnels, canals, markets, etc., and for carrying and the orderly marketing of agricultural commodities and livestock.

To better enable the corporation to function in the latter respect Congress authorized the Reconstruction Finance Corporation to create regional agricultural-credit corporations, as many as 12 in number—one in each Federal land-bank district. Each of these corporations is to have a capital stock of not less than $3,000,000, furnished and owned by the Reconstruction Finance Corporation, and may lend to individual farmers and stockmen for agricultural purposes, crop production, raising, breeding, fattening, and marketing of livestock, and agricultural products.

By making available ample credit for these purposes and to these classes of our citizenship, commodities of all kinds, including livestock, should soon recover to at least a fair and living price. I am glad to say that substantial advances have already been made.

These agricultural-credit corporations may, with the approval of the Reconstruction Finance Corporation, rediscount their loans with the Reconstruction Finance Corporation, or with the Federal reserve bank and Federal intermediate-credit banks, thus affording an almost limitless supply of credit to our farmers and stockmen.

The act provides that all loans of this character, and, in fact, all loans, must be fully and adequately secured; and it will not be the intention of the directors to make loans at inflated values, but rather at fair values, and to enable our farmers and stockmen to carry their farm products and livestock for a reasonable time, and to market in an orderly fashion.

These loans, as all others by the corporation, may be for a period not exceeding three years, though, if necessary, the corporation has the power to extend from time to time to a total of five years.

Congress undoubtedly had in mind that within a period of three years—five at the most—there should be such recovery and return to normal conditions as to make the lending by this governmental agency—the Reconstruction Finance Corporation—no longer necessary. And, in that respect, it is my firm belief the Congress was right.

Another very wise provision by the Congress that runs all through the act is that no fee or commission shall be paid by any applicant for a loan; and the agreement to pay, or the payment of any such fee or commission, is unlawful.

A phase of the work now before the directors that is occupying a great deal of their attention is the setting up of these regional agricultural-credit corporations and machinery for the proper consideration and appraising of the self-liquidating loans.

Locations for most of the regional agricultural-credit corporations have been selected, and the personnel is now being chosen. Effort is being made to get these banks functioning as early as possible, in order that we may take care of feeder loans this fall and provide funds for feeding and marketing cattle, sheep, and hogs.

It has long since been proven that a very excellent way to market grain is to feed the grain to livestock. A fat animal brings a much better price per pound, and, of course, weighs a great deal more than a lean one.

Feeder loans in normal times are very much in demand by the banks; but it seems desirable, if not actually necessary now, to augment the usual supply of this character of credit. These agricultural-credit corporations will also lend for carrying and marketing farm products and for crop production.

The self-liquidating loans were included by Congress in order to provide employment, especially during the coming fall and winter, that otherwise would not be available. It is not possible, during these unnatural times, to finance the construction, replacement, or improvement of bridges, tunnels, waterworks, canals, markets, and such other things as are included in this classification in the usual way; and so the Reconstruction Finance Corporation was authorized to make such loans, or to buy bonds from States, municipalities, and political subdivisions of States for these purposes.

The directors of the corporation have been fortunate in securing the services of five of the most outstanding engineers of the country to aid them in handling these particular problems. These engineers are Prof. C. D. Marx, Stanford University; Maj. Gen. Lytle Brown, Chief of Engineers, United States Army; John Lyle Harrington, of Kansas City; John Francis Coleman, New Orleans; and John Herbert Gregory, Johns Hopkins University. These men bring to the corporation a wide and extensive knowledge of engineering, and with their aid we should be able to handle these self-liquidating projects in a fairly satisfactory manner.

You may be interested to know that applications are now coming in for this character of activity running into the hundreds of millions of dollars. Congress provided $1,500,000,000 extra capital for the corporation when it broadened the base to include these projects.

As most of you are already aware, the corporation is authorized to make available to States and Territories for relief and work-relief funds to the extent of $300,000,000. These funds are to be advanced at 3 per cent interest and, if not otherwise repaid, will be deducted from that State's allotment of Federal highway aid after 1935 at the annual rate of one-fifth of such annual allotment until the amount so advanced, together with interest, has been repaid. This $300,000,000 is to be made available for relief when and where, in the opinion of the directors of the corporation, it is most needed.

Illinois has already received $9,000,000 from this fund because of the very great unemployment situation, particularly in Chicago,

where approximately 600,000 people are dependent upon the public for all or part sustenance.

Funds have been advanced to Michigan for the city of Detroit; to Louisiana for several parishes; to Wisconsin, Ohio, North and South Dakota, and applications are coming in from a great many other States.

It will not be the disposition of the directors of the Reconstruction Finance Corporation to furnish aid from this fund to take the place of local aid, or aid that can be provided by the States or municipalities or by private subscriptions, but rather to supplement such local aid, and those States and municipalities and localities which have first helped themselves by voluntary or other methods will receive the most willing consideration by the board.

If we should grant in full all of the requests received for aid from this fund, the $300,000,000 would not last very long; and so it is the hope of the directors that public officials and others charged with relief activities will bear these facts in mind and be prepared to share with the Government the responsibility of providing food, clothing, and shelter for the needy during the coming winter.

Up to August 27, 7,400 loans have been approved to 5,545 institutions, some having been granted more than one loan. These loans aggregate $1,336,211,000, or approximately $7,500,000 a day. Of this amount $780,968,000 was authorized to 4,286 banks and trust companies; $38,960,000 was used in the reorganization or liquidation of 387 banks; $79,476,000 was authorized to 633 building and loan associations; $71,423,000 to 79 insurance companies; $81,811,000 to 67 mortgage-loan companies; $1,269,000 to 10 agricultural-credit corporations; $10,488,000 to 17 livestock-credit corporations; $1,420,000 to 5 joint-stock land banks; $29,000,000 to 9 Federal land banks; $405,000 to 3 credit unions; $240,989,000 to 49 railroads, including 6 roads in receivership.

Of the $1,336,211,000 loans authorized, $1,108,503,000 had been disbursed on August 25 and $144,460,000 had been repaid.

In addition to the foregoing, we have authorized $50,000,000 for cotton-cooperative and cotton-stabilization corporations to enable them to hold their cotton until 1933.

The above figures do not include more than 507,000 individual seed loans to farmers, aggregating more than $64,000,000, made through the Secretary of Agriculture.

The great majority of banks that have borrowed from the corporation are located in the small towns and cities, approximately 69.7 per cent of loans to banks being in towns of less than 5,000 population, 89.6 per cent in towns and cities of less than 50,000 population. Approximately 23 per cent of all banks in the country have borrowed from the Reconstruction Finance Corporation, directly helping and affecting probably 10,000,000 depositors and borrowers, and indirectly many, many more.

Approximately 18 per cent of our loans have been granted to railroads. Congress authorized the corporation to make loans to railroads for specific purposes, the payment of interest, taxes, maturities, etc., when such loans are approved, including the security offered, by the Interstate Commerce Commission.

Undoubtedly these railroad loans have, in some instances, prevented receivership and have had a very decided and helpful effect on the value of railroad securities.

A great many railroad bonds are owned by insurance companies, savings banks, and other so-called trust investments; and in avoiding railroad receiverships the corporation has contributed substantially to these trust investments. While trains continue to operate when roads go into receivership, there is, nevertheless, a very great demoralization, a laying off of men, and a cessation of the purchase of supplies when receiverships occur. It is also a fact that the railroads are the greatest employers of labor in our national life. These are undoubtedly some of the reasons why Congress authorized the corporation to make railroad loans.

Never in history have life-insurance companies been required to make so many policy loans; and in order to make these policy loans they were forced either to call their own loans and thereby bring hardship to their borrowers, or to sell securities at a sacrifice price or to borrow money. Many have borrowed money from the Reconstruction Finance Corporation and from banks and, in doing so, have rendered a real service to their policyholders and borrowers.

In recent weeks there has been much discussion and talk about the publication of loans granted by the corporation.

There is a very wide and positive difference of opinion as to whether or not loans by the corporation should be made public. In amending the act Congress inserted the provision that the corporation should make monthly reports of all loans granted the previous month. These reports are made "to the President of the United States, the Senate, and the House of Representatives (or the Secretary of the Senate and the Clerk of the House of Representatives if those bodies are not in session)." The act does not specifically provide that loans should be published; but the Clerk of the House of Representatives construed the law to mean that he should make the entire report available to the public, and the first list of loans was published August 22.

Since the publication of these loans we are receiving many protests and appeals from borrowers that their loans not be published. There is a very real fear that if their loans are published they will suffer a loss of confidence on the part of their patrons and the public. In view of the tragedy and disaster through which we have been passing, this fear is easily understood and is perhaps well founded in some instances; but, on the other hand, actual bank runs have been stopped by the widest publicity of the fact that the Reconstruction Finance Corporation had come to the rescue of the bank, as in Chicago, for instance, where it was necessary for the corporation to make a very large loan on short notice to avoid a nation-wide disaster. Several other similar situations but not so large have been effectively met by the corporation, where wide publicity was given.

The necessity of a bank borrowing money, or the mere fact that it does borrow money, is no indication that it is in a weakened condition. Banks should borrow money when it is necessary for them to do so in order to extend credit to their customers and to the people of their communities and otherwise perform the functions for which they are in business.

The directors of the Reconstruction Finance Corporation want all money-lending agencies who are qualified to borrow from it and who have good security to offer to borrow money and relend it, all with a view to relieving distress, furnishing employment, and stimulating business and trade. This applies particularly to banks, trust companies, insurance companies, mortgage companies, farm-loan banks, Federal intermediate-credit banks, livestock associations, agricultural-credit corporations, and the like.

By providing an abundance of credit to and through such of these qualified borrowers as have good security to pledge, a return to normal living and normal spending and normal business will sooner be accomplished; and it should also and always be remembered that it is the money borrower who gives employment, buys supplies, and otherwise contributes to business activity.

Many borrowers, and some members of our advisory committees at the agencies, have felt that the directors are not as liberal in the matter of collateral as they might be in extending credit; but when it is considered that we are lending money at 32 different agencies throughout the United States on almost every form of collateral, care must be taken if the taxpayers are not to be burdened with a heavy loss.

In conclusion let me say that it is my firm belief that by judicious handling of this vast amount of money and credit placed at the disposal of the Reconstruction Finance Corporation—taken in connection with the rehabilitation program of both governmental and private initiative—business can be got under way, employment started, and an exceedingly tragic era ended.

PHILIPPINE INDEPENDENCE—CONFERENCE REPORT

Mr. BINGHAM. I submit a conference report on the Philippine independence bill, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The conference report will be received. The Senator from Connecticut asks unanimous consent for its immediate consideration. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

"SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, within one year after the enactment of this act, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

"CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

"SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto,

contain provisions to the effect that, pending the final and complete withdrawal of the sovereignty of the United States over the Philippine Islands—

"(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

"(b) Every officer of the government of the Commonwealth of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring, among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

"(c) Absolute toleration of religious sentiment shall be secured and no inhabitant or religious organization shall be molested in person or property on account of religious belief or mode of worship.

"(d) Property owned by the United States, cemeteries, churches, and parsonages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

"(e) Trade relations between the Philippine Islands and the United States shall be upon the basis prescribed in section 6.

"(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

"(g) The debts, liabilities, and obligations of the present Philippine government, its Provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

"(h) Provision shall be made for the establishment and maintenance of an adequate system of public schools, primarily conducted in the English language.

"(i) Acts affecting currency, coinage, imports, exports, and immigration shall not become law until approved by the President of the United States.

"(j) Foreign affairs shall be under the direct supervision and control of the United States.

"(k) All acts passed by the Legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

"(l) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

"(m) The decisions of the courts of the Commonwealth of the Philippine Islands shall be subject to review by the Supreme Court of the United States as provided in paragraph (6) of section 7.

"(n) The United States may by presidential proclamation exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in the constitution thereof, and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of the constitution.

"(o) The authority of the United States High Commissioner to the government of the Commonwealth of the Philippine Islands, as provided in this act, shall be recognized.

"(p) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations, respectively, thereof.

"SUBMISSION OF CONSTITUTION TO THE PRESIDENT OF THE UNITED STATES

"SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands, the constitution shall be submitted within two years after the enactment of this act to the President of the United States, who shall determine whether or not it conforms with the provisions of this act. If the President finds that the proposed constitution conforms substantially with the provisions of this act he shall so certify to the Governor General of the Philippine Islands, who shall so advise the constitutional convention. If the President finds that the constitution does not conform with the provisions of this act he shall so advise the Governor General of the Philippine Islands, stating wherein in his judgment the constitution does not so conform and submitting provisions which will, in his judgment, make the constitution so conform. The Governor General shall in turn submit such message to the constitutional convention for further action by them pursuant to the same procedure hereinbefore defined until the President and the constitutional convention are in agreement.

"SUBMISSION OF CONSTITUTION TO FILIPINO PEOPLE

"SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act, it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast, and a copy of said constitution and ordinances. If a majority of the votes cast shall be for the constitution, such vote shall be deemed an expression of the will of the people of the Philippine Islands in favor of Philippine independence, and the Governor General shall, within 30 days after receipt of the certification from the Philippine Legislature, issue a proclamation for the election of officers of the government of the Commonwealth of the Philippine Islands provided for in the constitution. The election shall take place not earlier than three months nor later than six months after the proclamation by the Governor General ordering such election. When the election of the officers provided for under the constitution has been held and the results determined, the Governor General of the Philippine Islands shall certify the results of the election to the President of the United States, who shall thereupon issue a proclamation announcing the results of the election, and upon the issuance of such proclamation by the President the existing Philippine government shall terminate and the new government shall enter upon its rights, privileges, powers, and duties, as provided under the constitution. The present government of the Philippine Islands shall provide for the orderly transfer of the functions of government.

"If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue without regard to the provisions of this act.

"TRANSFER OF PROPERTY AND RIGHTS TO PHILIPPINE COMMONWEALTH

"SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the government of the Commonwealth of the Philippine Islands when constituted.

"RELATIONS WITH THE UNITED STATES PENDING COMPLETE INDEPENDENCE

"SEC. 6. After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law, subject to the following exceptions:

"(a) There shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons, and on unrefined sugars in excess of 800,000 long tons, coming into the United States from the Philippine Islands in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(b) There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(c) There shall be levied, collected, and paid on all yarn, twine, cord, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manila (abacá) or other hard fibers, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 3,000,000 pounds of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(d) In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced or manufactured in the Philippine Islands thereafter that may be so exported to the United States free of duty shall be allocated, under export permits issued by the government of the Commonwealth of the Philippine Islands, to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year; except that in the case of unrefined sugar the amount thereof to be exported annually to the United States free of duty shall be allocated to the sugar-producing mills of the islands proportionately on the basis of their average annual production for the calendar years 1931, 1932, and 1933, and the amount of sugar from each mill which may be so exported shall be allocated in each year between the mill and the planters on the basis of the proportion of sugar to which the mill and the planters are respectively entitled. The government of the Philippine Islands is authorized to adopt the necessary laws and regulations for putting into effect the allocation hereinbefore provided.

"(e) The government of the Commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivisions (a), (b), and (c), within the limitations therein specified, as follows:

"(1) During the sixth year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(2) During the seventh year after the inauguration of the new government the export tax shall be 10 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(3) During the eighth year after the inauguration of the new government the export tax shall be 15 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(4) During the ninth year after the inauguration of the new government the export tax shall be 20 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(5) After the expiration of the ninth year after the inauguration of the new government the export tax shall be 25 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

"The government of the Commonwealth of the Philippine Islands shall place all funds received from such export taxes in a sinking fund, and such fund shall, in addition to other moneys available for that purpose, be applied solely to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged.

"When used in this section in a geographical sense, the term 'United States' includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

"SEC. 7. Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

"(1) Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

"(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the government of the Commonwealth of the Philippine Islands to fulfill its contracts, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

"(3) The chief executive of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

"(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the government of the Commonwealth of the Philippine Islands who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the Commonwealth of the Philippine Islands with such information as he shall request.

"If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States high commissioner shall immediately report the facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States high commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be delegated to him from time to time by the President under the provisions of this act.

"The United States high commissioner shall receive the same compensation as is now received by the Governor General of the Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress, including a financial expert, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor. Appeals from decisions of the insular auditor may be taken to the President of the United States. The salaries and expenses of the high commissioner and his staff and assistants shall be paid by the United States.

"The first United States high commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

"(5) The government of the Commonwealth of the Philippine Islands shall provide for the selection of a resident commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said government. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a resident commissioner is selected and qualified under this section, existing law governing the appointment of resident commissioners from the Philippine Islands shall continue in effect.

"(6) Review by the Supreme Court of the United States of cases from the Philippine Islands shall be as now provided by law; and such review shall also extend to all cases involving the constitution of the Commonwealth of the Philippine Islands.

"SEC. 8. (a) Effective upon the acceptance of this act by concurrent resolution of the Philippine Legislature or by a convention called for that purpose, as provided in section 17—

"(1) For the purposes of the immigration act of 1917, the immigration act of 1924 (except section 13 (c), this section, and all other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, citizens of the Philippine Islands who are not citizens of the United States shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as a separate country and shall have for each fiscal year a quota of 50. This paragraph shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa, but such immigration shall be determined by the Department of the Interior on the basis of the needs of industries in the Territory of Hawaii.

"(2) Citizens of the Philippine Islands who are not citizens of the United States shall not be admitted to the continental United States from the Territory of Hawaii (whether entering such Territory before or after the effective date of this section) unless they belong to a class declared to be nonimmigrants by section 3 of the immigration act of 1924 or to a class declared to be nonquota immigrants under the provisions of section 4 of such act other than subdivision (c) thereof, or unless they were admitted to such Territory under an immigration visa. The Secretary of Labor shall by regulations provide a method for such exclusion and for the admission of such excepted classes.

"(3) Any Foreign Service officer may be assigned to duty in the Philippine Islands, under a commission as a consular officer, for such period as may be necessary and under such regulations as the Secretary of State may prescribe, during which assignment such officer shall be considered as stationed in a foreign country; but his powers and duties shall be confined to the performance of such of the official acts and notarial and other services, which such officer might properly perform in respect of the administration of the immigration laws if assigned to a foreign country as a consular officer, as may be authorized by the Secretary of State.

"(4) For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered to be a foreign country.

"(b) The provisions of this section are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this section. An alien, although admissible under the provisions of this section, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this section, and an alien, although admissible under the provisions of the immigration laws other than this section, shall not be admitted to the United States if he is excluded by any provision of this section.

"(c) Terms defined in the immigration act of 1924 shall, when used in this section, have the meaning assigned to such terms in that act.

"SEC. 9. There shall be no obligation on the part of the United States to meet the interest or principal of bonds and other obligations of the government of the Philippine Islands or of the Provincial and municipal governments thereof, hereafter issued during the continuance of United States sovereignty in the Philippine Islands: *Provided*, That such bonds and obligations hereafter issued shall not be exempt from taxation in the United States or by authority of the United States.

"RECOGNITION OF PHILIPPINE INDEPENDENCE AND WITHDRAWAL OF AMERICAN SOVEREIGNTY

"SEC. 10. On the 4th day of July, immediately following the expiration of a period of 10 years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall by proclamation withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines (except such land or property reserved under section 5 as may be redesignated by the President of the United States not later than two years after the date of such proclamation), and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

"(1) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

"(2) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respects as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

"(3) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the final and complete withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such

obligations shall be a first lien on the taxes collected in the Philippine Islands.

"(4) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

"(5) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (2)) in a treaty with the United States.

"NEUTRALIZATION OF PHILIPPINE ISLANDS

"SEC. 11. The President is requested, at the earliest practicable date, to enter into negotiations with foreign powers with a view to the conclusion of a treaty for the perpetual neutralization of the Philippine Islands, if and when Philippine independence shall have been achieved.

"NOTIFICATION TO FOREIGN GOVERNMENTS

"SEC. 12. Upon the proclamation and recognition of the independence of the Philippine Islands, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

"TARIFF DUTIES AFTER INDEPENDENCE

"SEC. 13. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That at least one year prior to the date fixed in this act for the independence of the Philippine Islands, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the Chief Executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

"IMMIGRATION AFTER INDEPENDENCE

"SEC. 14. Upon the final and complete withdrawal of American sovereignty over the Philippine Islands the immigration laws of the United States (including all the provisions thereof relating to persons ineligible to citizenship) shall apply to persons who were born in the Philippine Islands to the same extent as in the case of other foreign countries.

"CERTAIN STATUTES CONTINUED IN FORCE

"SEC. 15. Except as in this act otherwise provided, the laws now or hereafter in force in the Philippine Islands shall continue in force in the Commonwealth of the Philippine Islands until altered, amended, or repealed by the Legislature of the Commonwealth of the Philippine Islands or by the Congress of the United States, and all references in such laws to the Philippines or Philippine Islands shall be construed to mean the government of the Commonwealth of the Philippine Islands. The government of the Commonwealth of the Philippine Islands shall be deemed successor to the present government of the Philippine Islands and of all the rights and obligations thereof. Except as otherwise provided in this act, all laws or parts of laws relating to the present government of the Philippine Islands and its administration are hereby repealed as of the date of the inauguration of the government of the Commonwealth of the Philippine Islands.

"SEC. 16. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability of such provisions to other persons and circumstances shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 17. The foregoing provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question as may be provided by the Philippine Legislature."

And the Senate agree to the same.

HIRAM BINGHAM,
HIRAM W. JOHNSON,
BRONSON CUTTING,
KEY PITTMAN,
HARRY B. HAWES,
Managers on the part of the Senate.

BUTLER B. HARE,
GUINN WILLIAMS,
HAROLD KNUTSON,
Managers on the part of the House.

The PRESIDENT pro tempore. The Senator from Connecticut asks unanimous consent for the present consideration of the conference report. Is there objection?

Mr. BORAH. Mr. President, I have no objection; but the Senator is going to explain it fully, is he not?

Mr. BINGHAM. I shall be glad to explain it and answer any questions which Senators may desire to ask.

Mr. COUZENS. Mr. President, I withhold my consent until after the Senator from Connecticut shall have explained the report.

The PRESIDENT pro tempore. The Senator from Michigan reserves the right to object. The Senator from Connecticut is recognized.

Mr. BINGHAM. This is a privileged matter, and I could move to take it up.

Mr. COUZENS. I do not think it will be necessary to move to take it up, for the Senate, after it has heard the Senator's explanation, may be willing to proceed to the consideration of the report, and there may not be any objection to unanimous consent.

Mr. BINGHAM. Mr. President, the House and Senate conferees have unanimously agreed to the report. The chief matters in controversy were, first, the length of time before which independence could be achieved; in other words, the length of the probationary period. In the bill as passed by the House the time was fixed at 8 years, and in the bill as passed by the Senate it was 12 years; the conferees arrived at a compromise, and made it 10 years.

The House bill provided that during the entire eight years there would be no change at all in the tariffs. The bill as passed by the Senate provided that during the latter five years of the period there should be a gradual step-up of 5 per cent of the United States tariffs, to be used as an export tax by the Philippines, to be applied to the bonded indebtedness of the Philippine Islands. The House receded and agreed to the Senate provision, so that for five years the status quo will remain and after five years the tariff step-ups will begin to operate.

The question of immigration was at issue.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. BINGHAM. Certainly.

Mr. NORRIS. I do not quite understand from the Senator's remarks whether the provision as he has just stated it is in the conference agreement.

Mr. BINGHAM. It is in the conference agreement, the period having been reduced from 12 years to 10, during the first five years of which the status quo is to remain and during the second five years the tariff step-ups as provided by the Senate are to be operative, the House receding on that.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?



The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Michigan?

Mr. BINGHAM. I yield.

Mr. VANDENBERG. The Senator has not indicated what specific figures are used in respect to the limitations.

Mr. BINGHAM. I am about to reach that point.

Mr. VANDENBERG. I beg the Senator's pardon.

Mr. BINGHAM. The House declined to recede on their figures having to do with the limitation on exports of sugar and coconut oil to this country. The House also declined to recede from its position on immigration. The Senate receded on both those questions.

Mr. NORRIS. Will the Senator state briefly just what those provisions are?

Mr. BINGHAM. The House bill permitted the importation into this country from the Philippines of 800,000 tons of raw sugar and 50,000 tons of refined sugar, and also 200,000 tons of coconut oil. The House declined to yield, and the Senate receded on those provisions.

The House receded on the provision for making the act effective by concurrent resolution of the Philippine Legislature or by convention.

With regard to immigration the Senate receded; so that the House provision was retained permitting 50 Filipinos a year to come in for 10 years, and at the end of the period when independence shall be a fact the Philippine Islands will be placed exactly on the same basis as are Japan, China, India, and other Asiatic countries.

Mr. BORAH. Mr. President, before the Senator goes further, let me inquire what amount of coconut oil is now admitted free?

Mr. BINGHAM. At the present time it is all free of duty, I will say to the Senator.

Mr. BORAH. And that continues to be so for five years?

Mr. BINGHAM. Under the House bill the amount allowed to come in is somewhat less than the actual receipts during the past year or two, the actual receipts being about 225,000 tons and the House figures being 200,000 tons in the case of coconut oil.

Mr. BORAH. That continues for five years?

Mr. BINGHAM. It continues during the first 5-year period.

Mr. BORAH. And the amount which may be imported each year during the first five years is how much?

Mr. BINGHAM. Two hundred thousand tons. May I say to the Senator that the only possible advantage to anyone from reducing that amount would be to the pressers of copra on the Pacific coast, and the only disadvantage would be to those in the Philippine Islands who press the copra and turn it into coconut oil, since copra is at the present time free of duty?

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Massachusetts?

Mr. BINGHAM. I yield.

Mr. WALSH of Massachusetts. Will the Senator state when the immigration restriction commences to operate?

Mr. BINGHAM. The immigration restriction, limiting the number of Filipinos who may come in to 50 per year, commences as soon as the Philippine Legislature accepts the bill and starts the machinery in progress.

Mr. WALSH of Massachusetts. Is that limitation changed during the 10-year period?

Mr. BINGHAM. That limitation is not changed during the 10-year period. At the end of 10 years, the Filipinos having secured their independence, the Philippine Islands become an Asiatic country like any other country in the Orient.

Mr. VANDENBERG. Mr. President, will the Senator yield for a further question?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Michigan?

Mr. BINGHAM. I yield.

Mr. VANDENBERG. Might not some confusion arise from the Senator's answer to the question submitted by the Senator from Idaho? The 5-year period during which the 200,000-ton limitation applies does not start immediately; it does not start until the new commonwealth is established. Is not that correct?

Mr. BINGHAM. That is true, Mr. President; it does not start until the beginning of the 10-year period.

Mr. VANDENBERG. Precisely. So that, so far as this year is concerned, and next year, and perhaps another year, there is no limitation whatever? Is not that correct?

Mr. BINGHAM. That is true of both bills. The only difference is that the House receded from its position with regard to when the Philippine Legislature might fix the date of the beginning, the Senate having required that the Philippine Legislature act within one year. The House receded on that. Under the original bill they could postpone their action for any length of time?

Mr. VANDENBERG. Mr. President, will the Senator indicate his judgment as to how long it will be before in normal expectancy these limitations will begin to operate?

Mr. BINGHAM. Under the provisions of the bill as adopted in the Senate and as agreed to by the House conferees the convention must start to meet within one year after the enactment of this measure. It is hardly conceivable that their convention would remain in session for more than a few weeks, possibly a few months. Then the action of the convention must be submitted to a plebiscite of the people to accept the constitution. The House receded in regard to the vote on the constitution being regarded as a declaration in favor of independence.

Mr. VANDENBERG. There is an indeterminate factor, however, is there not, in view of the fact that the constitution must pass back and forth between the islands and the President until they are in agreement that it meets the specifications of the bill?

Mr. BINGHAM. That is true. There will be a period of several weeks there.

Mr. VANDENBERG. It might be several years.

Mr. BINGHAM. That matter, however, was not in conference.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Pennsylvania?

Mr. BINGHAM. I yield.

Mr. REED. Recurring to the immigration matter, is there any distinction made in the bill as agreed to by the conferees between immigration into the American mainland and immigration into Hawaii?

Mr. BINGHAM. The House receded and accepted the Senate provision.

Mr. REED. That amounts to what?

Mr. BINGHAM. The bill as passed by the Senate provided that immigration into the Hawaiian Islands from the Philippine Islands should be regulated by the Secretary of the Interior in accordance with what he deemed to be the interest of the labor market in the Hawaiian Islands; in other words, if there was unemployment there, he would not permit any to come in, while if they were in need of labor, then he might permit what he deemed wise. That was the provision in the Senate bill, and the House receded and accepted it.

Mr. DICKINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Iowa?

Mr. BINGHAM. I yield to the Senator.

Mr. DICKINSON. I understand, then, that until this constitutional convention is held, and the action we take is ratified by the people of the Philippines in a popular election, there is no restriction on the imports of vegetable oil.

Mr. BINGHAM. That was the case in both the Senate bill and the House bill.

Mr. DICKINSON. And then for five years the matter is on the basis of 200,000 tons maximum, in case they act favorably?

Mr. BINGHAM. That is correct.

Mr. DICKINSON. And then the graduated scale of export taxes starts on both sugar and coconut oil?

Mr. BINGHAM. Five per cent a year for five years, each year adding 5 per cent of the United States tariff.

Mr. DICKINSON. What was done with reference to the section in the latter part of the bill having to do with an economic conference between the representatives of the Philippine Islands and the American representatives after independence has been declared?

Mr. BINGHAM. The Senate and the House bills were exactly alike in that regard and that matter was not in conference.

Mr. DICKINSON. When is that conference to be held? At the end of the probationary period?

Mr. BINGHAM. The House agreed to the Senate amendment, which states that it shall be held one year prior to the date fixed in the act for the independence of the Philippine Islands. The House receded and agreed to the Senate amendment on that point.

Mr. DICKINSON. But what I had in mind was this: By reason of the fact that we adopted the Senate amendment, which gives the people of the Philippines the right to declare their independence at the same time they adopt a constitution, I was wondering whether the conference is going to be held within a year after the acceptance of the constitution or after the final severance of relations.

Mr. BINGHAM. The Senate bill, to which the House agreed, provided that the conference should be held one year prior to the date fixed for independence.

Mr. DICKINSON. When is independence to come, according to the bill? Is it after they have voted for it?

Mr. BINGHAM. Independence comes at the end of the 10-year period. As the bill passed the Senate, the Philippine Islands are not to become free and independent until the end of the 10-year period. As the bill passed the Senate it provided for a 12-year period.

Mr. DICKINSON. Then the conferees of the Senate do not believe that it made any difference that we adopted the amendment which provides that there shall be a declaration of independence when the constitution is accepted?

Mr. BINGHAM. Oh, certainly, Mr. President. As I explained on the floor, it made a very great difference. It makes it impossible for the Filipinos, having once voted to call a constitutional convention and having once voted a plebiscite on the constitution as adopted by that convention, later to say that they do not like independence and do not want to be free. They have no choice; but independence does not become consummated until the end of the 10-year period. One year before the end of that period, under the Senate bill, the conference is to be held.

Mr. DICKINSON. There is a very keen desire on the part of the agricultural interests of this country that the time be made shorter and that the limitations be made lower on the imports of both sugar and dairy products. As I take it, this conference report is absolutely against the interests of the sugar people and of the farm people with reference to time and with reference to tonnage.

Mr. BINGHAM. Mr. President, in one regard it is worse for them and in another regard it is better. As the bill passed the Senate, no general tariff was to start to be laid until the end of seven years' probationary period. In the conference report it starts at the end of five years, so that there is a 2-year benefit there, during which time, under the Senate bill, 600,000 or less tons of sugar and 150,000 tons of coconut oil could come in free of duty. Under the conference report, however, during those two years there is an increased tariff of 5 per cent of the regular rates placed on those products, which is for the benefit of the producers in this country.

Mr. SHIPSTEAD and Mr. COPELAND addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Connecticut yield; and if so, to whom?

Mr. BINGHAM. I yield first to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, do I understand that the importations of copra are to remain as they are?

Mr. BINGHAM. There is no tariff on copra from any country at the present time.

Mr. SHIPSTEAD. And there is no limitation on importations of copra?

Mr. BINGHAM. Naturally. Copra from all countries is on the free list at the present time.

Mr. SHIPSTEAD. There is no limitation on the quantity that can be imported?

Mr. BINGHAM. There never is any limitation on the quantity of any product coming in under a free-trade provision; is there?

I yield now to the Senator from New York.

Mr. COPELAND. Mr. President, I assume that the Senator is not intending to put this measure on its passage until the conference report has been printed, so that the Senate may understand what it is all about. Am I right in that?

Mr. BINGHAM. I desire to have it passed to-day, and therefore I have asked unanimous consent for the immediate consideration of the conference report.

Mr. COPELAND. In a matter so important as this, where changes have been made in a conference, is it not unusual to pass the measure without printing the report?

Mr. BINGHAM. I am trying to explain in full exactly what happened to the matters in which there was any difference between the two Houses. I think I have done so. The chief matters were those of immigration, the length of time, the tariff step-ups, and the amount of material that should come in free of duty. Those were the chief subjects in dispute between the two Houses. The other differences were rather minor, except so far as the time when the act is to go into effect is concerned; and I have already explained that the House receded, and accepted the Senate bill, in that regard.

Mr. COPELAND. I understand that the report is subject to a point of order because the conferees have gone beyond the language of either House in fixing the dates involved.

Mr. BINGHAM. Oh, no, Mr. President. The time fixed in the Senate bill was 12 years. The time fixed in the House bill was 8 years. The conferees have accepted a compromise of 10 years.

Mr. COPELAND. Is there any question of date involved in any other part of the bill?

Mr. BINGHAM. No, Mr. President; none whatever.

Mr. COPELAND. Is the Senator quite satisfied that on the recommendations made by the conferees no point of order could be raised against the report?

Mr. BINGHAM. I am satisfied, Mr. President. The drafting clerks, the legislative counsel, and the conferees have been very careful to stay within the limits; and I may say to the Senator that the greater part of the bill as accepted by the conferees is the Senate bill. I have explained the only matters in which the House did not yield.

Mr. COPELAND. I must accept the statement of the Senator that the language of the report is strictly in accordance with the rule. It has been stated to me that the report is subject to a point of order along the line I have suggested. That was the reason why I thought it would be wise if the matter could go over until to-morrow so that the report might be printed; but, of course, I have the assurance of the Senator that it is not possible to raise the point against it.

Mr. DILL and Mr. HOWELL addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator from Connecticut yield?

Mr. BINGHAM. I yield first to the Senator from Washington.

Mr. DILL. Mr. President, what is the rush? Why can we not have this report printed and see it to-morrow?

Mr. BINGHAM. We desire to have the matter settled before the Christmas holidays. We desire to have the report sent over to the House to-day, so that the House may act. The House asked us to have the matter settled as soon as possible. I can assure the Senator that there is no desire on

my part, or on the part of the conferees, to conceal anything. I have endeavored to explain everything frankly, and I shall be glad to repeat any part of it.

Mr. DILL. I know; but in the case of a conference report on a bill so important as this, it seems to me we ought to have a chance to look it over. I do not think the Senator ought to press us for action on it to-day. I do not doubt what the Senator says; but when we sit down and read a thing, sometimes it looks different than it does when we hear it explained.

Again, I can not see the rush about the matter. There is going to be a period of 10 years after the constitution is adopted before independence is achieved, and a few days' delay will not hurt. In the meantime, it seems to me the Senator ought not to press for action at this time.

Mr. HOWELL and Mr. PITTMAN addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator yield?

Mr. BINGHAM. I yield first to the Senator from Nebraska.

Mr. HOWELL. Mr. President, when does this period of 10 years begin to run? Assume that the bill is approved before the 1st of January; at what date will the 10-year period begin to run?

Mr. BINGHAM. I will say to the Senator that there is no difference between the Senate bill and the conference report in that regard. They are exactly alike. The House accepted the Senate's position. The Philippine Legislature must take action and the constitutional convention must begin to sit within one year. After that it depends on how long they sit and whether there has to be an exchange several times between them and the President with regard to whether the constitution which they adopt is in accordance with the bill as it passed the Senate, and then a plebiscite is to be held. It is difficult for me to imagine that it would take more than one year for the provision of the Senate bill to go into effect; so one might say that the probationary period would begin not less than two years from the date of the acceptance of the act.

Mr. HOWELL. But it might be five years?

Mr. BINGHAM. I will say to the Senator that the conference report is no different than the Senate bill in that regard.

Mr. HOWELL. That is very true.

Mr. BINGHAM. I can hardly imagine that it would possibly take five years for this reason: The constitutional convention must meet within one year after the act is accepted. Then the constitutional convention may be in session for four or five months. It is difficult to imagine they would be in session longer than that. Then there is the period of exchange of notes; so that I see no likelihood of anything going longer than one year, particularly as they are anxious to get independence.

Mr. HOWELL. There is no likelihood of it, and yet it would be possible that the time might be extended to five years.

Mr. BINGHAM. It was possible under the Senate bill. There has been no change in the Senate bill in that regard.

Mr. FESS. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield to the Senator from Ohio.

Mr. FESS. I am sure the Senator from Nebraska has in mind the same thing that I have: As to whether, under the bill as it now stands—whether it was in the Senate bill or in the House bill—by nonaction of the Philippine Legislature the whole thing can be defeated.

Mr. BINGHAM. Oh, certainly. The final clause in the bill as it passed the Senate provides that the act shall not go into effect until the Philippine Legislature has accepted it and started the wheels in motion.

Mr. FESS. So that instead of the time being five years, it might be wholly indefinite; that is, it is possible.

Mr. BINGHAM. Oh, the act does not even begin to go into effect until the Philippine Legislature acts; but they must act and they must get their constitutional convention under way within one year. If they turn it down, then we go back and begin de novo.

Mr. FESS. That is the idea.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield to the Senator from Michigan.

Mr. COUZENS. Even in the eventuality that the Senator from Nebraska mentioned and that the Senator from Ohio had in mind, in case the Filipinos did not act, there would be nothing binding upon us to act at some later date, would there?

Mr. BINGHAM. We could act at the next session of Congress and pass an entirely different bill, granting immediate independence.

Mr. COUZENS. In other words, this measure does not tie us up for 10 or 12 or 15 years if the action of the people of the Philippines is not in accordance with the bill?

Mr. BINGHAM. Not at all. It does not tie us at all unless they act favorably within one year.

Mr. BORAH. Mr. President——

Mr. BINGHAM. I yield to the Senator from Idaho.

Mr. BORAH. Do I understand that according to the terms of the bill as finally accepted in the conference report if the Filipinos do not act within one year with reference to the constitution we would be entirely relieved from any obligation under this bill?

Mr. BINGHAM. It seems to me so, because the act requires them to have their constitutional convention meet at a certain place and within one year of the date of their first action.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield to the Senator from Utah.

Mr. SMOOT. Will not the Senator let this matter go over until to-morrow? I should like to see the conference report and I should like to see just what the effect of the changes is.

Mr. BINGHAM. I will say to the Senator that the bill is almost as it passed the Senate, with the exceptions I have mentioned. In other words, the House yielded on practically everything except immigration and the amount of sugar and coconut oil.

Mr. SMOOT. I judged that to be the case from what the Senator said. I noticed, however, that some of the leaders of the Filipino people, if the press dispatches from the Philippine Islands the other day can be relied upon, are absolutely opposed to either the House or the Senate bill.

Mr. BINGHAM. They were opposed to the Hare bill, and also opposed to the Hawes-Cutting bill, according to the newspapers.

Mr. SMOOT. Yes; that is what the newspapers said. Does the Senator know whether or not that is the case?

Mr. BINGHAM. I have no means of knowing what may be going on in the mind of anybody in the Philippines, any more than the Senator from Utah has.

Mr. SMOOT. But the Senator knows that these newspaper statements purport to be made by men who virtually are directing this whole matter in the Philippines.

Mr. BINGHAM. Yes, Mr. President. The leaders in the Philippines have been asking for immediate, complete, and absolute independence for many years. Naturally, they are not satisfied with the House bill, which puts it off for 8 years, or with the Senate bill, which puts it off for 12 years. The conference report puts it at 10 years. Naturally, they are not satisfied with that. They want immediate independence. They have been preaching that; but the bill as the conferees have reported it out is virtually as it passed the Senate in all its essential particulars, with the exception of the two things I have mentioned.

Mr. SMOOT. The Senator also remembers that according to the report that came from the Philippines, it was not only the limit of time to which they objected. They objected to other provisions.

Mr. BINGHAM. Yes; they objected to the immigration section, on which we yielded to the House.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. HAWES. A small element in the Philippines objected to three things. The first was the drastic exclusion provision, which has been taken from the bill. The second was the limitation placed in the bill by the Senate, and the third was the element of time. If Senators will follow this, especially Senators interested in the farm matter, they will find that while we put back the limitation placed in the bill by the House, from which they refused to recede, we have taken two years off the time.

Mr. SMOOT. Off the time of the Senate provision.

Mr. HAWES. No; the House provided for eight years.

Mr. SMOOT. And the Senate provided for 12.

Mr. HAWES. The Senate provided for 12.

Mr. SMOOT. Then it was taken off the Senate provision.

Mr. HAWES. No; we took three years off the limitation fixed in the House, making it 5, and then the 5-year tariff begins—5, 15, and 25.

Mr. SMOOT. It is to be graduated.

Mr. HAWES. As to the farmers in our country, whom the Senator has in mind: While it maintains the limitation, they have at the same time stopped the period of limitation sooner, if I make myself clear.

Mr. SMOOT. I understand the situation.

Mr. HAWES. The practical inquiry has been made several times of the Senator from Connecticut as to when this bill would become operative. I asked that question of the mission, because that is a question which they alone could determine. We do our part, and then their part begins. The brilliant speaker of the Philippine House, Mr. Osmena, said to me that, in their judgment, that machinery would be completed within the period of 16 or 18 months, and certainly they are going to move just as fast as they can.

I want to call the attention of both the Senator from Utah and the Senator from Nebraska to this fact: That while that limitation went up, the time came down. Is that clear to the Senator from Nebraska?

Mr. HOWELL. Yes.

Mr. SMOOT. Let us take the limitation on sugar, for instance: When the tariff bill of 1930 was before us it was stated to the committee that under no conditions could more than 585,000 tons of sugar be produced in the Philippines. That has been raised to 800,000 tons.

Mr. HAWES. The present production in the Philippines, this year's crop, as estimated by the Philippine people, as well as our people here, is 1,023,000 tons.

Mr. SMOOT. Yes; and I think that is only the beginning.

Mr. HAWES. One year later it will be a million and a quarter.

Mr. SMOOT. Whatever may be said as to the amount of sugar the islands can produce has no effect upon what the real result will be. I think myself that the islands can produce just about as much sugar as Cuba can.

Mr. HAWES. That is right, Senator.

Mr. SMOOT. I do feel that we allowed them all they said they produced a few years ago, and I thought that the proper thing would have been to hold to the 500,000 tons.

Mr. HAWES. The chairman of the House committee, returning from the Philippines, is now advocating that we fix not 850,000 tons but a million tons, as the result of his observations, and there is no chance of the House receding on that limitation. We gave up on the time, we adopted the policy the Senate expressed in the matter of the plebiscite, and there is not a single date in dispute.

The PRESIDENT pro tempore. The Senator from Connecticut asks unanimous consent for the present consideration of the conference report. Is there objection?

Mr. COPELAND. Mr. President, reserving the right to object, I wish the Senator would let the matter go over until to-morrow and have the report printed. There are a number of Senators, I know, who would like to see what is in this report and would like to give it a little study. The independence of the Filipinos will not be delayed. Certainly it could be acted upon to-morrow.

Mr. BINGHAM. Mr. President, I am very sorry, but I shall be obliged to move that the Senate proceed to the consideration of the conference report.

Mr. COPELAND. The Senator need not do that. I will withdraw my objection, if he persists in his request.

Mr. BINGHAM. If we were not so near the date of the Christmas holidays and had not been so long in the consideration of the bill, I would be able to agree.

Mr. DILL. Mr. President, the House is to be in session, we are told, through the Christmas holidays, so that argument will not apply as to the House. The House could take it up on Monday or Tuesday of next week.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Connecticut yield to the Senator from Nevada?

Mr. BINGHAM. I yield.

Mr. PITTMAN. Those who are anxious to pass this legislation ought to act on it now, because it is perfectly evident that we are about to take a recess in the Senate, and if the matter shall be delayed until after the holidays we will then have before us the Glass banking bill, a very important measure, and it is quite probable there will be other important matters coming over from the House of Representatives, and some reported from our committees, so it is very likely that after we come back there will be a legislative jam in the Senate.

The statement of the Senator from Connecticut as to the situation was very clear, and I think every member of the committee concurs in the statement. There is practically no difference at all, except that the immigration clause was rewritten by the senior Senator from California [Mr. JOHNSON], and agreed to by both sides. The House cut down the length of time from the period we fixed, 7 and 5 years, to 5 and 5 years, and insisted that there be a quota in effect during the 5 years, as provided in the bill. I venture to say that is all there is in the conference report that was not in the bill passed by the Senate; I am sure that is correct.

When this matter comes up for consideration, if we take it up, the conference bill of course can be read from the desk, if Senators desire, and there will be at the disposal of Senators all the copies of the conference report we have, at least for those Senators who desire to see it.

I really feel that it is of vast importance to the farmers of this country that we get early action on this report. I believe that the Legislature of the Philippine Islands will act early, and they can not start to act until we submit something to them. It would be a very unfortunate thing if this matter should be caught in a legislative jam after the holidays, and be defeated.

I know that some Senators feel that the farmers of our country are not getting what they should have in this matter. I do not agree with that; but I shall not give the reasons for my position, because I have already stated them on the floor. I am free to confess that if I had my way about it I would do more for the Philippine people than this conference report does. But we have worked as hard as we could to get a compromise bill.

Let Senators consider the different elements involved. In the first place, there are the two Houses of Congress to get together. There has been a wide difference of opinion as to the length of time it would take to bring about what was desired. It has been made 5 and 10 years. I think the time suits practically everybody.

As far as the quota is concerned, we cut the time down from eight to five years; the House committee thought it ought to have been more, but the situation is practically this: There are the Philippine Islands to be considered in this matter, their legislature and their people, we have the Congress to consider, and then, as a part of the legislative power of this country, whether we like it or not, we have to consider the President of the United States in the matter.

I think anyone will understand the difficulty of writing a compromise bill. This fight has been going on for 15 years. I think it is perfectly remarkable that we got a unanimous report on a conference bill in this matter. It is the first time we have ever had one.

There is just one other question. The Congress of the United States is never going to extend our tariff to the people of the Philippine Islands so long as they are under our sovereignty, except under such an agreement as we have reached in this legislation. If this conference bill shall be defeated, it will be defated through selfishness and lack of knowledge of the problem, whether that selfishness be in this country or whether it be in the Philippines; and I think there has been a lot of it manifested by some of the politicians in the Philippines recently. The delegation who are representing the Philippine Islands here are broad, able, unselfish men, and the complaint as to demagoguery we have heard about comes from demagogues in the Philippine Islands, and not from this delegation.

If this measure shall be defeated, and shall come up a year from now or two years from now, there will be Senators and Representatives who will insist that the Filipino people be treated fairly; and instead of having the quota of sugar at 850,000 tons, which is 100,000 tons under the amount they are actually shipping here this year, although we propose to sustain the quota, the figure will be 950,000 tons; and if it is a year later, it will go up again. I think it is to the interest of the farmers of this country, intensely to their interest, to aid in consummating this legislation.

Mr. BINGHAM. Mr. President, I would like now to proceed in my own right for just a moment; and I would like to have the attention of the Senator from Utah [Mr. SMOOT]. The Senator from Utah was asking a few minutes ago about the sugar limitation, and the Senator from Iowa [Mr. DICKINSON] is also interested in what I am about to say.

Under the conference report the amount of sugar which will come in free of duty has been reduced by 105,000 tons. Under the 5-year limitation the amount is increased each year by 215,000 tons, under the conference report. That is the difference between 585,000 tons and 800,000 tons. There is an increase of 215,000 tons a year, but that is for five years, which is an increase of 1,075,000 tons over the Senate provision, so far as that is concerned.

The Senate provided, however, for free sugar for seven years, at a rate of 585,000 tons a year, which, for the two additional years, gives 1,170,000 more tons of sugar. The difference between the conference report and the Senate bill is the difference between 1,170,000 tons and 1,075,000 tons, so that actually the conference report cuts down the amount of free sugar by 105,000 tons.

Let us take the question of coconut oil. Under the provision as it was in the Senate bill there were to be 150,000 tons of coconut oil admitted free of duty for seven years, and for the two additional years there would be a total of 300,000 tons additional. Under the House bill they get 50,000 tons more for five years, which makes 250,000 tons. So that actually under the final Senate bill there is a total reduction of 50,000 tons of coconut oil.

Mr. SMOOT. But if we extend that 5 years to 20 years, we will see exactly what would happen. What hurts is the year when the greatest amount of sugar comes in from the Philippine Islands.

Mr. BINGHAM. There is nothing that can prevent a large amount of sugar coming in for the next two years, either under the Senate bill or the House bill. Naturally, that was not before the conferees.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

Mr. COPELAND. I do not want to be disagreeable about this matter, but I find so much protest against the conference report that it does seem to me the Senator should consent to let the matter go over until to-morrow. We have pending here a local bill which has been in the Senate for 10 years, and we have succeeded after great turbulence in coming to an agreement regarding its various features. I think that ought to be disposed of to-day. Then to-morrow morning, if the Senator chooses to bring up the conference report, so far as I am concerned, I shall not object to it being taken up for immediate consideration; but I do think the report ought to be printed so that we may familiarize ourselves with its details and study their significance. I can not see how a delay of 24 hours can be fatal.

Mr. BINGHAM. Mr. President, I renew my unanimous-consent request for immediate consideration of the conference report.

The VICE PRESIDENT. Is there objection?

Mr. HOWELL. Mr. President, the last report from the Department of Agriculture, dated November 29, shows that whereas the farmer received 100 for his products in 1913 he is now receiving 54, and whereas he was paying 100 for what he bought in 1913 he is now paying 106, a damning indictment of our national economy.

This measure affects the farmer, affects agriculture in this country, agriculture that is in the depths of despair; and yet the question of the independence of the Philippine Islands is to be left entirely to the Filipinos. It is acknowledged here that the bill may not be effective at all, that even though the constitutional convention is held there might elapse a period of 5, yes, 15 years before independence.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. HOWELL. I yield.

Mr. BINGHAM. Mr. President, the Senator realizes the Senate conferees had no power to change the bill as it passed the Senate in that regard. The provision to which the Senator evidently has reference was in the House bill.

Mr. HOWELL. That is true, and yet it is just as pertinent at this time that agriculture is affected by the bill, that agriculture has not been given any consideration, that it is left entirely to the Filipinos as to whether independence shall come to the islands now or 15 or 20 or 50 years from now, so far as this bill is concerned. Yet not only do the products of the Philippine Islands depress certain agricultural products of this country, but the Philippine Islands and their possession by the people of the United States are the greatest external menace that confronts us. Despite that fact we are leaving it to the Filipinos as to whether this menace shall be terminated. We are leaving it to the Filipinos as to whether their competition with our agriculture—agriculture in the condition in which it is to-day—shall continue indefinitely.

Why is this? The Filipinos want independence immediately. The fact that the possession of these islands is a menace demands, so far as the interests of the Government of the United States are concerned, that independence shall be granted immediately. So far as the agricultural interests of the United States are concerned the same is true. Why is it that something immediate is not provided for? It is because of a fourth interest—investments in the Philippine Islands. It is because of investments, creditors; because of dollars and cents.

But when we think about the farmers, we forget dollars and cents. When we think about the Philippines, we can think of dollars and cents—that is, the dollars and cents of those who have invested in the Philippine Islands, who have gone there with their eyes open, knowing that we were committed to independence. Yet here, with agriculture in the depths, we continue a consummated menace to agricultural welfare as well as an international menace to governmental welfare. When we consider dollars and cents in this connection, it may mean nothing as compared with the cost in treasure, to say nothing of American lives, that this menace may mean to us in the not distant future.

The VICE PRESIDENT. Is there objection to the unanimous-consent request submitted by the Senator from Connecticut? The Chair hears none, and the conference report is laid before the Senate. It has been read. The question is on agreeing to the conference report.

The report was agreed to.

DISPOSITION OF USELESS PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of Commerce, reporting, pursuant to law, relative to an accumulation of documents and papers on the files of the department not needed nor useful in the transaction of current business, and asking for

action looking toward their disposition, which, with the accompanying list, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSON and Mr. FLETCHER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate resolutions adopted by members of the First Church of the Nazarene, of Pasadena, Calif., protesting against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a memorial from Richard A. Scott, president, American Business Men's Prohibition Foundation, Chicago, Ill., remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which was referred to the Committee on the Judiciary.

He also laid before the Senate the memorial of the American Temperance Society of Seventh-day Adventists, Takoma Park, D. C., remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a resolution adopted by branches of the Woman's Christian Temperance Union of Manhattan, Kans., protesting against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which was referred to the Committee on the Judiciary.

He also presented petitions, numerously signed, of sundry citizens of Ellsworth, Goodland, Hays, Newton, and Victoria, all in the State of Kansas, praying for the repeal of the tax on bank checks, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Rice County Bankers Association, at Lyons, Kans., favoring the immediate repeal of the tax on bank checks, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a petition, from Mrs. Fannie Kreps, president American Legion Auxiliary, of Abilene, Kans., praying for the passage of legislation known as the widows and orphans pension bill, and protesting against reduction in the benefits being paid to disabled veterans and their dependents, which was referred to the Committee on Finance.

REORGANIZATION OF GOVERNMENTAL DEPARTMENTS

Mr. ROBINSON of Indiana presented a resolution adopted by members of the Indiana Republican Editorial Association, which was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

The members of the Indiana Republican Editorial Association in session at the Columbia Club, Indianapolis, express their approval of the plan of reorganization of governmental departments submitted by President Hoover, and in view of the great savings which could thus be effected urge that the President's plan be supported by the Members of the Senate and the House of Representatives.

BROADCASTING STATIONS

Mr. ROBINSON of Indiana presented a resolution adopted by members of the Indiana Republican Editorial Association, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

The members of the Indiana Republican Editorial Association in session at the Columbia Club, Indianapolis, urge the Senate to pass the Davis bill, now pending before the Interstate Commerce Committee of that body, making applicable to broadcasting stations the same penalties for violation of Federal laws as are now applicable to newspapers.

That the secretary of this association be authorized to send a copy of this motion to the two Indiana Senators and Members of the House of Representatives from Indiana.

PROHIBITION ENFORCEMENT

Mr. ROBINSON of Indiana presented a resolution adopted by the Indiana Woman's State Committee for Law Enforcement, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

We, the members of the Indiana Woman's State Committee for Law Enforcement, stand for allegiance to the Constitution of the United States and the strong enforcement of the supreme law of the land.

We are against relegalization of beer, against the submission of an amendment to repeal the eighteenth amendment, and against ratification of amendment by conventions rather than as formerly, by legislatures.

All places where liquor is sold, whether called the saloon or speakeasy, must be credited to the liquor traffic. Regardless of where liquor is sold, it produces the same characteristic results—that is, drunkenness, immorality, degeneracy, poverty, alcoholism, insanity, and death.

The effects of alcohol can not be repealed. No method has ever been devised to dispense alcohol that does not debauch and degrade.

The speakeasy exists because it is financially supported by drinkers; the saloon existed, and would exist again, because it has to be financially supported by drinkers.

The opponents of the eighteenth amendment are appealing for the relegalization of beer, to the tax-ridden people, claiming that it will be a revenue producer, yielding an annual income of $400,000,000. It is reputed that this must result in actual consumption by each drinker of at least $160 worth of beer a year, which in this period of economic crisis will increase poverty and inefficiency and result in poorer homes, lower wages, unemployment, crime, neglect of children, and wife desertion.

Taxes must be reduced not by the return of legalized beer or wine but by lowering the costs of the operation of National, State, and city government through reorganization, and otherwise raising taxes.

We therefore oppose any change and ask our United States Senators and Congressmen to vote against all legislation intended to nullify, weaken, or repeal the eighteenth amendment and the Volstead Act and to vote for adequate appropriations for law enforcement and a campaign of education in law observance.

We call upon the people to stand by the Constitution of the United States and demand enforcement and obedience to the letter and the spirit of the law.

Mrs. Felix T. McWhirter, Indianapolis, chairman; Mrs. R. J. Hudelson, Indianapolis, secretary; Mrs. R. E. Hinman, Indianapolis, secretary; Mrs. Frank J. Lahr, Indianapolis, secretary pro tempore; Mrs. Madison Swadener, Indianapolis, corresponding secretary; Mrs. S. W. Terry, Indianapolis, treasurer; vice chairmen: Mrs. Edwin N. Canine, Terre Haute; Mrs. O. B. Christy, Muncie; Mrs. Charles W. Craig, Indianapolis; Mrs. Brandt C. Downey, Indianapolis; Mrs. Hamet D. Hinkle, Vincennes; Mrs. W. J. Hockett, Fort Wayne; Mrs. Curtis A. Hodges, Indianapolis; Mrs. Paul T. Hurt, Indianapolis; Mrs. Ovid Butler Jameson, Indianapolis; Mrs. A. F. Kemmer, La Fayette; Mrs. W. P. Knode, Indianapolis; Mrs. Frank J. Lahr, Indianapolis; Mrs. P. J. Mann, Hammond; Mrs. Edwin F. Miller, Peru; Mrs. W. E. Miller, South Bend; Mrs. John W. Moore, Indianapolis; Mrs. Charles A. Mueller, Indianapolis; Mrs. Albert L. Pauley, Indianapolis; Mrs. David Ross, Indianapolis; Mrs. E. C. Rumpler, Indianapolis; Mrs. L. C. Trent, Indianapolis; Mrs. George A. Van Dyke, Indianapolis; Mrs. Edward Franklin White, Indianapolis; Mrs. Byron Wilson, Greencastle; Indiana Woman's State Committee for Law Enforcement.

TARIFF BARRIERS

Mr. COOLIDGE. Mr. President, on Monday, December 19, page 674, CONGRESSIONAL RECORD, I called the attention of the Senate to telegrams from Massachusetts, stating that it appeared that the Bermuda government intended placing a prohibitive tariff on food products from the United States. Appearing in the Washington Daily News of yesterday, December 21, city edition, front page, and continued on page 6, a short article, with the following caption, "Canada and France May Sign Trading Pact Against United States."

Mr. President, out of order, I ask unanimous consent to have this article printed in the RECORD and appropriately referred.

There being no objection, the matter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CANADA AND FRANCE MAY SIGN TRADING PACT AGAINST UNITED STATES—CANADIAN OFFICIAL TO VISIT PARIS ON WHAT IS REPORTED TO BE COMMERCIAL MISSION

PARIS.—The war debts controversy will enter an important economic phase this week with the arrival of Charles Hazlitt Cahan,

Canadian Minister of State, possibly here on a trade mission costly to the United States.

Cahan conferred with Canadian Prime Minister R. B. Bennett in London regarding a new Franco-Canadian trade treaty expected to increase Canadian trade here at the expense of United States firms.

The French were believed eager to complete a new agreement with Canada, especially in view of the temporary impasse in Franco-American negotiations, due partly to ill feeling created by the debts situation.

The French were angered by Canada's denunciation of the trade accord existing before the Ottawa imperial conference. The Government was understood to be willing now, however, to buy Canadian goods in preference to American, including electrical appliances, agricultural machinery, tractors, fruit, radio parts, automobiles, and canned goods.

SUBMIT LIST

The French submitted a list of articles to Canadians on which preferential treatment will be asked. The list included soap, oils, perfumery, and wines. The articles will not conflict with Canada's concessions under the Ottawa agreements.

Increasing purchase of Canadian goods over American was shown in trade statistics for the first 11 months of 1932. Chief among the Canadian imports was wheat, 23,500,000 bushels of Canadian grain against 7,800,000 bushels of American, although there was a higher import duty on the Canadian grain after denunciation of the old trade treaty.

Canadian goods are cheaper in the French market than previously, due to depreciation of Canadian exchange.

CONSTRUCTION AND UNEMPLOYMENT RELIEF

Mr. SCHALL. Mr. President, I ask leave to print in the RECORD a letter I recently received that contains some information that may be of value in the matter of unemployment relief and ask that it be referred to the appropriate committee.

A similar letter was inserted in the RECORD in the last session indicating that this building material would lower costs for construction purposes, especially houses, thus serving a dual purpose, cheaper homes and unemployment relief.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

THE PAULY MANUFACTURING CO.,
Washington, D. C., December 17, 1932.

Senator THOMAS D. SCHALL,
Senate Office Building, Washington, D. C.

DEAR SENATOR: In accordance with your suggestion I am writing to summarize our employment opportunity and possibility of economy in the event that the Reconstruction Finance Corporation act is amended so that persons or companies with assured self-liquidating reproduction projects will be eligible for loans from the Reconstruction Finance Corporation, whether they are of public or private nature.

First. We would employ 250,000 men on a 6-hour-day basis directly and as many more indirectly for a considerable time to replace local clay unit plants (nonpottery) and nonclay refractories with Pauly poured (cast) cement concrete unit plants which are considered to have superior structural qualities.

Second. Building local plants for manufacturing Pauly poured (cast) cement concrete units will save in freight and material over $400,000,000 annually, as compared with the cost of manufacturing clay and ordinary concrete units.

Third. Labor and material per Pauly unit is $2.60 for each $1 paid for labor.

Labor and material per unit of ordinary concrete units is $3.75 for each $1 paid labor.

Average freight per unit to consuming center of clay units is $3.50 plus labor and material of $2.76 total per $1 paid labor $6.26.

Pauly units will be manufactured at each consuming center minus freight

Hence, labor will receive $1 of each $2.60 of the Pauly unit; it will receive only $1 of each $3.75 of ordinary concrete units; and it will receive only $1 of each $6.26 from clay units.

Fourth. In 1929 labor received $106,918,237 for producing clay units and in 1927 it received $24,897,709 for producing ordinary concrete units. Cheaper material and less freight should stimulate greatly this very important source of revenue for labor.

Fifth. Census reports indicate that 1,749 clay plants employed 93,336 persons and 2,438 concrete plants employed 16,506 in 1929. It is believed conservative to state over 25 per cent of the clay plants and 50 per cent of the concrete plants are out of business for an indefinite time, if not altogether, at the present time.

Sixth. When and as Pauly poured (cast) unit plants are ready to start production it is our intention to give the clay and/or concrete unit manufacturers whose plants have been replaced the first chance to operate Pauly plants and to purchase their plant equipment (not land) for scrapping. Purchasing plant equipment will not be considered until arrangements for operating Pauly plants have been made and equipment scrapping prices have been mutually agreed to.

Seventh. Rebuilding or rehabilitating clay and ordinary concrete plants is estimated to consume 2,000,000 tons of castings and steel; also on completion of such a change an annual consumption of thirty-five to forty million barrels of cement.

Eighth. While rebuilding is under process, the number of employees in clay and ordinary concrete plants will not be affected, nor will the number of employees be affected when changes are made from manufacturing clay and ordinary concrete units to manufacturing Pauly poured (cast) cement concrete units. In fact, employment is likely to be increased when a more economical unit is marketed, especially one for producing hollow masonry units.

Ninth. Pauly tile will make semifireproof homes possible and will be a substitute in every way for lumber in outer walls, thus helping to preserve our forests. Manufacturing Pauly units locally of ash, cinders, etc., will tend to reduce power and light cost. Laboratory test by a large power company indicates pulverized coal ash has pozzuolanic qualities similar to some volcanic ash.

Tenth. It is not believed that a question of quality for structural and other uses can be raised against poured (cast) concrete units, except when color in structural facing units enters the subject, and this exception can to a certain extent be overcome by using concrete aggregate with desired colors.

Eleventh. The strength and permeability of poured (cast) concrete units, where solid or hollow, can be scientifically regulated. If this were not a fact, regulating the strength and permeability of concrete in the Hoover Dam and reinforced-concrete structure floors, etc., would not be possible.

I have tried briefly herein to set forth reasons for developing a comparatively new industry, that of building houses and other structures from Pauly poured (cast) cement concrete units, namely, that it will help in this depression in the employment of idle labor. This material can be produced cheaper. It will save in freight. For these reasons production costs will be less, thus more conducive to development in spite of the so-called hard times. It is one industry that can truly be said to suffer from lack of credit. It is new.

Private credit hesitates to develop it. The Reconstruction Finance Corporation as it is now constituted is unable to assist it. It is without authority of law to do so.

Hence, your support in effecting an amendment to the present law granting credit to persons or companies with assured self-liquidating reproduction projects, whether they are of public or private nature, will be appreciated.

Yours very truly,

A. A. PAULY.

ENROLLED BILL PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on the 21st instant that committee presented to the President of the United States the enrolled bill (S. 1863) to authorize the direct transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 5268) for the relief of J. H. Bowling; to the Committee on Claims.

By Mr. CAREY and Mr. THOMAS of Idaho:

A bill (S. 5269) to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. REED:

A bill (S. 5270) to authorize the adjustment of a part of the western boundary line of the Plattsburg Barracks Military Reservation, N. Y.; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 5271) for the relief of the Great American Indemnity Co. of New York; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 5272) granting a pension to Fred P. Lanier (with accompanying papers); to the Committee on Pensions.

By Mr. LOGAN:

A bill (S. 5273) authorizing national banks to establish branch banks, and to secure deposits; to the Committee on Banking and Currency.

By Mr. NYE:

A bill (S. 5274) to regulate service of contest notices in all cases affecting mining locations or claims, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. ROBINSON of Indiana:

A bill (S. 5275) granting a pension to Blanch T. Stephenson (with accompanying papers); to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 5276) granting a pension to James A. Boone (with accompanying papers); and

A bill (S. 5277) granting a pension to Sarah J. Gould (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 5278) for the relief of Henry R. Harris; and

A bill (S. 5279) for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom, in Marshall County, in the State of Minnesota; to the Committee on Claims.

TAX-EXEMPT SECURITIES—CONSTITUTIONAL AMENDMENT

Mr. ASHURST. Mr. President, I introduce a joint resolution, and ask that it be read at length and referred to the Committee on the Judiciary.

The joint resolution (S. J. Res. 224) proposing an amendment to the Constitution of the United States, relative to taxes on certain incomes, was read the first time by its title, and the second time at length, and referred to the Committee on the Judiciary, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued after the ratification of this article by or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of the United States or any other State.

"SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued after the ratification of this article by or under the authority of the United States, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of such State."

Mr. ASHURST. Mr. President, I do not wish at this time to discuss the joint resolution at length.

Our country is sitting in the shadow, and has for many months sat in the shadow, of a great fear. Property owners are mulcted by high taxes. Investors are reluctant to risk their money, hence they take refuge in tax-exempt securities. It would amaze—indeed, I use a stronger word—it would astound Senators to know the amount of money tied up in tax-exempt securities. In my judgment no property should escape taxation, and unless and until a constitutional amendment is submitted and ratified preventing the issuance hereafter of tax-exempt securities, money will continue to go into tax-exempt securities instead of going into business and industry which would pay wages.

Mr. President, I am pioneering no new movement. Some years ago this proposition was submitted to both Houses of Congress and by a few votes such a joint resolution was defeated in another branch of Congress, but there has been a vast change in the opinion of our countrymen, there has been a change in the opinion of Congress, and I believe that one of the reforms which would bring about a lessening of taxes and certainly would do justice would be to propose that hereafter neither a State nor the United States shall issue tax-exempt securities.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator from Arizona about counties and municipalities?

Mr. ASHURST. I am of the opinion that if we propose to tax the securities of a State, it would comprehend the political subdivisions of the State.

When I was a boy, I had a morbid fear of ghosts; of disembodied spirits. I shall not regale the Senate with the interesting circumstances which relieved me of that morbid and silly fear under which I was for a time bound. Mr. President, the business interests of the United States are under a morbid fear comparable to the boyish fear of ghosts. Business does not see the apparition, the shade, the shadow, but business sees rather the corpse, the dead body of its investment, and until we can relieve the country of that shadow of fear which hangs over it, the depression will continue. Confidence must be restored; investors must be given to understand that they will not be mulcted out of their original investment by high taxes or amercements if we are ever to come from under the shadow of this devastating fear. Mr. President, if we were to announce to the country that hereafter neither the United States nor any State nor subdivision thereof will issue any more tax-exempt securities, then, in the language of a very great orator, we would be smiting the rock of the national resources, and abundant streams of revenue would gush forth.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Connecticut?

Mr. ASHURST. I yield.

Mr. BINGHAM. The Senator has been a member of the Judiciary Committee for many years. I have had before that committee for some time a proposed amendment to the Constitution, providing that there shall be no more tax-exempt securities issued, but I have never heard that the committee or any member of it took sufficient interest in it to have any action taken.

Mr. ASHURST. Mr. President, I admit that I was not aware that the Senator from Connecticut [Mr. BINGHAM] had introduced such a joint resolution. I am not surprised, however, that he has introduced such a proposal, because there is no more learned and philosophical Senator here than is the Senator from Connecticut. The action he has taken is a tribute to his courage and to his statesmanship and his accurate thinking, and I would cheerfully withdraw my own joint resolution, because I am sure that, master of parliamentary language and master of expression as he is, the resolution of the Senator from Connecticut would be more nearly correct than would be mine.

Mr. BINGHAM. May I say to the Senator that my resolution was not original with me? I took it from a measure in the House of Representatives some years ago, where, as the Senator remembers, the subject was debated in the House and the proposal was defeated only by a few votes. The measure passed by a large majority, but did not secure the requisite two-thirds.

Mr. ASHURST. Mr. President, I hope the Senator will come before the Judiciary Committee, when it convenes in January, and argue in behalf of his joint resolution. While it may be somewhat impolite, certainly not chivalrous, to refer to lame ducks, I think the Senator has humor enough to know that I mean no offense when I say that if he will make an argument, as he can do, in support of his resolution, I will state that I wish we had more such lame ducks in the Senate.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Oklahoma?

Mr. ASHURST. I yield.

Mr. GORE. I merely wish to inquire whether this resolution contemplates or authorizes a tax on ghosts?

Mr. ASHURST. On ghosts?

Mr. GORE. Yes, sir.

Mr. ASHURST. Mr. President, I am not sufficiently familiar with the plans and purposes and events of another sphere of activity which is beyond this one to make the Senator any definite answer. I am not much of a mystic, and I do not see, if we should levy a tax upon them, how we could enforce its collection.

Mr. GORE. My point was that if we could levy a tax on ghosts of departed incomes we could raise abundant revenue. Last winter we indulged in the pastime of levying a phantom tax on phantom incomes, and only phantom revenues have resulted.

Mr. ASHURST. Mr. President, I appreciate the pungency of the Senator's statement, and I wish to say, in conclusion, that we must grapple with this question, sooner or later, everywhere. Our citizens have had every opportunity of purchasing tax-exempt securities, and who can blame them for doing so? It is lawful; such securities are legitimate investments; and who is there who would blame them for purchasing them?

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. ASHURST. I yield.

Mr. BARKLEY. Does the Senator take into consideration the fact that whatever tax may be levied on public securities of States, counties, and cities by the Federal Government will be reflected in an increased interest rate, which will have to be borne by the taxpayers of the States, counties, and cities in whose name the bonds are issued?

Mr. ASHURST. That might be true, but I think that all the evils of increased rates of interest would be counterbalanced or overweighed by the enormous public good that would result by taxing all property.

Mr. BARKLEY. In other words, any increased revenue obtained by the Federal Government, if it should result in an increased rate of interest on public bonds which bear a low rate of interest because of their tax exemption, would be, in effect, allowing the Federal Government to take money out of the taxpayers of the States in order to increase its own revenues at their expense?

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Oklahoma?

Mr. ASHURST. I yield.

Mr. GORE. I desire to say, seriously, that Senators investigating this proposal might do well to reexamine the reports of Alexander Hamilton on public credit and on manufactures. He made the point that the essence of public credit and public securities is the promise of the Government to pay, and that if the Government reserved the right and exercised the right to tax its own promises to pay it could tax them out of existence—could destroy their value and lenders would not venture their money in public securities.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Connecticut?

Mr. ASHURST. I yield.

Mr. BINGHAM. May I call the Senator's attention to the fact that in the conference report on the Philippine independence bill, adopted this morning, the House receded and agreed to a Senate provision that the bonds and other obligations of the Philippine government or provincial and municipal governments hereafter issued shall not be exempt from taxation in the United States.

Mr. ASHURST. That is a very far step in the right direction.

Mr. President, there may be two sides, of course, to the question; but, for the life of me, I do not see how anyone can argue that morally and ethically anyone is entitled to have in his breast pocket or in his strong box millions upon millions of dollars' worth of securities upon which he pays no taxes whatever. If that is not wrong, then nothing is wrong.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Oklahoma?

Mr. ASHURST. I yield.

Mr. GORE. Mr. President, I do not mean at this time to embark on a discussion of this very interesting subject, but here is one point which gives me pause: Suppose the amendment now suggested should become a part of the Constitution of the United States and the United States were involved in a desperate war and should make an offer of its securities to the public, which securities, under the resolution now being discussed, would be taxable by all the States and by all the counties and by all the cities; the purchaser of those bonds would capitalize the prospective tax to be imposed by these various authorities and would subtract that capitalized tax from the amount which he would pay for the bonds in the first instance. So it would work out, in the long run, perhaps a more serious burden than the tax-exempt securities themselves.

In addition to that, when an individual to-day buys tax-exempt securities from some other owner, although it may be said that his capital is invested in a tax-exempt security instead of being invested in business or enterprise; yet the man from whom he has bought the bonds has received payment of the money, the capital, which is available for investment in business and presumably would be invested in business unless reinvested in some other tax-exempt security. In other words, when a tax-exempt security changes hands the purchaser has indeed placed his money in a tax-exempt investment but the seller receives the money, receives the purchase price, which is available for business—production or trade.

Mr. ASHURST. Mr. President, my reply to the learned Senator from Oklahoma is, first, that my resolution, and I understand the resolution of the Senator from Connecticut, does not propose to tax any of the securities that might be issued prior to the ratification of the proposed amendment. The able Senator from Oklahoma seems to descry some fear that in a great war money would not pour into the coffers of the country and that the country would be denied the power to obtain money.

Mr. President, in a great war who is it that stands to lose the most? Money. Mr. President, money has been accused in this Chamber and elsewhere of being unpatriotic, but certainly it is not bereft of intelligence.

Mr. FESS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Ohio?

Mr. ASHURST. Let me finish the sentence, and then I will yield. Those who possess vast sums of money will realize first in time of war that if the Nation were unsuccessful their wealth would be of no value, and they would, I believe, from a selfish interest, if not from a patriotic motive, pour into the Treasury of their country the revenues needed. What a poor compliment to the patriotism of our country it is to say that we might lose a war unless we granted money and wealth relief from taxation! What a poor compliment to this country to indicate in the Senate that somebody would slack in patriotism and would not honorably endeavor to serve on the field of battle or in the lines of industry unless he could secure tax-exempt securities as a reward for his patriotism! Now I yield to the Senator from Ohio.

Mr. FESS. Mr. President, I should like to make a brief observation, if the Senator will permit me.

Mr. ASHURST. Certainly.

Mr. FESS. The issuance of tax-exempt securities—and the practice of issuing such securities has been continued pretty regularly—has been condemned on all sides, so much so that at times I thought there would be no difficulty in preventing it. However, I have noticed, as the Senator has no doubt noticed, that, with a general conviction that such a practice ought not to be indulged in, we constantly violate that conviction whenever any proposal comes up here, such as the farm-land bank or the joint-stock land bank or other measures, in connection with which we permit the issuance of debentures or bonds. In almost all such instances we put the tax-exempt feature in the law. What strikes me is that we never have any opposition to it; it goes through practically unanimously.

Mr. ASHURST. I have been just as guilty of that practice as anyone here has been.

Mr. SHORTRIDGE. But a different time has now come.

Mr. ASHURST. As the Senator from California very pertinently suggests, Mr. President, we are at the crossroads of history. No man knows what may come within a year or a month. We have reached a point where we must take advanced ground; we must boldly seize the nettle of life and grasp it, not avoid responsibility. We will be required to do things that will be unpopular and that may

relegate some of us to private life; but what of that? The Government got along very well before we came into public life. We must be courageous, bold, willing to advance, and not sit idle and say because we have had one hundred and forty and odd years of tax-exempt securities we should continue to have them.

I say, in reply to the Senator from Oklahoma, if we refuse to take the necessary action for fear of being laughed at or carped at we shall take root here where we stand or stand staid statues only.

Mr. GORE. Mr. President, I have listened almost enthralled to the grandiloquent remarks of the Senator from Arizona.

Mr. ASHURST. If I could enlighten the Senator, instead of enthralling him, I would be happy.

Mr. GORE. I am glad to see a Senator who trembles on so many occasions and is so daring, dashing, on this occasion. However, Mr. President, the Senator says that money is intelligent; let us admit whatever else it has or has not, it has that attribute. When the United States, whether in peace or in war, offers an issue of bonds to the people of this country, if those bonds are subject to taxation by 48 States, by 3,200 counties, and by 1,000 cities and municipalities, the intelligence of money will compute the probable tax and will exaggerate rather than underestimate the tax, and will subtract that capitalized taxation from the price which it pays for those bonds in the first instance. Money is a little too intelligent to be taxed by such an ad captandum proposition as this.

I realize the purpose the Senator has in view, but this proposition is futile. It will not a complish the result.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Arizona?

Mr. GORE. I do.

Mr. ASHURST. I have the greatest respect for the matured views of the Senator from Oklahoma. He asked me about ghosts. Now he has raised up a whole array of invisible spirits. He pictures, or tries to picture, a bondholder as being taxed by the Federal Government, by the State, by the county, and by the city. Why, the farms of our land are taxed by the Federal Government indirectly, by the State, by the county, by the district, and by the precinct. Why does the Senator, therefore, seek to secure for bondholders a privilege not enjoyed by other classes of citizens?

Mr. GORE. Mr. President, I do not wish to confer a privilege on the bondholder or anyone else; neither do I wish to do a vain thing, and least of all to deceive myself. I think taxes should be based on wealth and not on want and should be measured by ability to pay. The Federal Government does not impose a tax on farms; but if there be anything in our present system of taxing farm lands which commends itself to the Senator as a precedent, I can not follow him to that conclusion.

The only point I make is that this proposal would be futile. We are going through a pantomime. We are attempting to tax the moneyed class when they buy securities, and we may deceive some people into the belief that we are successful in this attempt. The attempt, however, will be abortive. The bondholder will elude this tax by paying less for the bonds.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. GORE. Yes.

Mr. CONNALLY. Right on that point, may I call the Senator's attention to the fact that some years ago a similar joint resolution was presented in the House of Representatives. It was exhaustively debated. Mr. Mellon was the proponent of that joint resolution at that time. It proposed to remove the tax exemption.

On the point the Senator is now discussing I desire to call his attention to the fact that during the war we issued 3½ per cent tax-free bonds, absolutely tax free. We also issued 4¼, 4½, and 4¾ per cent bonds that paid a surtax only to the Federal Government. In the course of that discussion I computed the statistics in the Treasury Department, and I found that on those higher issues the Treasury Department had paid out over $100,000,000 of increased interest over and above what it would have paid on the 3½ per cent bonds and got back in taxes less than $25,000,000. So that the practical operation of taxing those bonds, even on the surtax, resulted in the Government's paying out over $100,000,000 in increased interest rates, because of the fact that they were taxable, and getting back less than $25,000,000 in the form of taxes.

I thought that might be of interest.

Mr. GORE. I thank the Senator for his valuable contribution to this debate. I was regretting that I did not have in mind the statistics he has just cited. I did not know what the practical result had been, but I felt certain that the fact would correspond with what he has said. It could not be otherwise.

Mr. COPELAND. Mr. President, will the Senator yield to me before he takes his seat?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. GORE. I yield; yes.

Mr. COPELAND. The Senator said a moment ago that money is intelligent.

Mr. GORE. I was quoting the Senator from Arizona [Mr. ASHURST]. I disclaim any responsibility and withhold any commitment either way.

Mr. COPELAND. I should like to express my view about it. That is of little consequence; but I do not think money is intelligent just now. What this country needs more than anything else is credit. There can be no restoration of business in America until credit is reestablished. The merchants in the small towns can not fill up their shelves because they can get no credit. The banks have dried up credit. So if it is stated that money is intelligent, no matter who made the statement, I dispute it, because to my mind what we need more than anything else is the circulation of money which comes from the establishment of credit, and the willingness of men who hold tax-exempt securities, or any other securities, whether the holder may be an individual or may be a bank, to grant credit. Until that money is made available to the people, and until credit is established, there can be no restoration of business in America and no relief of this economic depression. That is my solemn conviction.

Mr. GORE. Mr. President, I have great respect for the Senator's solemn convictions, but I differ from him fundamentally on the point that the great need of the country is increased credit. I should have expected that argument to come last in this Chamber from the Senator from New York. He is a physician by profession. Better than anyone else, he knows that the cause of the disease must be eradicated in order to relieve the patient.

My judgment is that one of the fundamental causes of this depression, of this unexampled debacle, was the use, the misuse, the overuse, and the abuse of credit. That is one of the major causes, if not the controlling cause.

When this breakdown occurred in 1929 the people of this country had succeeded in obtaining credit to the amount of $203,000,000,000. That indicates that credit had not been scarce or overdifficult to obtain. At that time our national wealth was estimated to be $360,000,000,000, as against an indebtedness of $203,000,000,000. It is now estimated that our national wealth has shrunk to $180,000,000,000, and that we have paid off some $20,000,000,000 of our indebtedness, reducing it to approximately $180,000,000,000. So that to-day our national wealth and our national debts are just about in balance. We balanced that budget, at any rate.

I do not believe that the best way to get out of debt is to get further into debt. I do not believe that we can ever get out of debt by borrowing money to pay our debts. I remarked at a meeting of the Committee on Banking and Currency this morning that I sometimes think it would be a

public service if we should make it a crime to use the word "credit." It is an alluring word. It is soft. It is euphonious. It is as seductive as the siren's song—credit and more credit until you once sign on the dotted line; and from that fated hour forward it is no longer credit. It is debt—debt, with all its evils and with all its agonies.

If we would make it harder for our people to obtain credit than easier, had we done so in the past, it would have minimized the calamities of this day. There is not any doubt but that the easy-credit policy of the Federal Reserve Board in 1927, when it made the discount rate as low at 3½ per cent, invited this disaster.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma further yield to the Senator from New York?

Mr. GORE. I yield; yes, sir.

Mr. COPELAND. I do not believe there is the slightest difference of opinion between the Senator from Oklahoma and myself. Any sane man must object to the sort of credit he has been describing. But what is the farmer going to do who has a mortgage upon his farm and the banker or the holder of the mortgage is seeking to foreclose it? Unless there can be an extension of credit to that farmer, he is in distress.

Many, many thousands of our citizens have equities in homes. They are likely to lose those homes by reason of the fact that credit can not be extended. How does the Senator imagine for a moment that there can be any restoration of happiness and prosperity in the country until there shall be extension of these credits?

How can the merchant in the small town, who heretofore has had a credit at the bank of $25,000 and now has been cut down to $10,000, carry on the normal operations of his business—a business which he has carried on in the past by reason of the credit which he has had at the bank?

Those are the credits of which I am speaking. I am not speaking of credits which have resulted in an orgy of gambling, the sort of credits which have been extended and which have made possible the things that have gone on in Wall Street. I am speaking about the sort of credits which would make it possible for the country to resume its normal operations, because in its normal operations there was a well-established line of credit for every man who had business.

That is the sort of credit of which I am speaking; and I am convinced that there can be no restoration of business until such credit is reestablished.

Mr. BAILEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I yield.

Mr. BAILEY. Is not this question entirely academic? There is nothing before us relating to it. There is no bill here dealing with it. It is a constitutional amendment that is in the far future. Am I not right about that?

The VICE PRESIDENT. The debate grows out of the request of the Senator from Arizona to present a joint resolution to be referred to the Committee on the Judiciary, and the joint resolution will be so referred.

Mr. BAILEY. And that is all that could possibly happen to the joint resolution?

The VICE PRESIDENT. At this time; yes.

Mr. BAILEY. Very well.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. The Senator from Oklahoma has the floor.

Mr. GORE. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I desire to bring up another subject. Has the Senator finished?

Mr. GORE. I will yield the floor. On some other occasion I may take the floor to discuss the suggestion of the Senator from New York. I do not think more debt is the remedy for too much debt, yet I appreciate his point that debts constitute the center of gravity of this trouble. For my part I want more and better markets, not more and heavier debts.

HOUSE BILL REFERRED

The bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquors, and for other purposes, was read twice by its title.

Mr. ROBINSON of Arkansas. I ask that the bill be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection?

Mr. HARRISON. I am very anxious that that order shall be made. It is understood, as I understand it, that the Judiciary Committee is going to study certain features of the measure and report it back, and then it will be referred to the Committee on Finance.

Mr. ROBINSON of Arkansas. That is the anticipation.

The VICE PRESIDENT. Without objection, the bill will be referred to the Committee on the Judiciary.

THE EIGHTEENTH AMENDMENT

Mr. GORE. Mr. President, I ask unanimous consent that the resolution (S. Res. 259) for the preparation of constitutional amendments based on the declarations contained in the Republican and Democratic National Convention platforms respecting prohibition, submitted by me on June 30 (calendar day of July 5), last, be taken from the table and referred to the Committee on the Judiciary.

There being no objection, the resolution was referred to the Committee on the Judiciary, as follows:

Whereas the Republican Party in national convention assembled has declared in favor of modifying the eighteenth amendment to the Constitution; and

Whereas the Democratic Party has in like manner declared in favor of repealing the eighteenth amendment to the Constitution; and

Whereas it will soon become the duty of Congress to consider the question of submitting one or the other or both of such proposed amendments to the people of the several States for ratification or rejection: Therefore be it

Resolved, That the Judiciary Committee be directed to prepare and report to the Senate two constitutional amendments, one based on the declaration contained in the Republican national platform respecting the eighteenth amendment, and the other based on the declaration contained in the Democratic national platform respecting said eighteenth amendment.

VERDE RIVER IRRIGATION AND POWER DISTRICT

Mr. ASHURST. Mr. President, more than five months ago the Verde River Irrigation and Power District, organized under the law of Arizona, applied to the Reconstruction Finance Corporation for a loan, but so far as I am advised the loan has not been granted. I ask leave to submit the following resolution, which I ask may be read and referred to the Committee on Banking and Currency.

The resolution (S. Res. 309) was read and referred to the Committee on Banking and Currency, as follows:

Resolved, That the Reconstruction Finance Corporation be, and is hereby, requested to report to the Senate whether any loan had been made by the said Reconstruction Finance Corporation to the Verde River Irrigation and Power District, organized under the laws of Arizona, and if not why not?

ADDITIONAL FOREIGN MARKETS

Mr. COPELAND submitted the following resolution (S. Res. 310), which was referred to the Committee on Commerce:

Resolved, That the Committee on Commerce is directed to consider whether it would be feasible and advisable to establish a joint committee of Congress to investigate the possibility of creating additional markets for American industrial and agricultural products in foreign countries, particularly in India, China, and other Asiatic countries, and to make recommendations to the Congress with respect to appropriate methods of stimulating the sale of American products in foreign countries. The committee shall report to the Senate as soon as practicable, but not later than the expiration of the second session of the Seventy-second Congress, the results of its deliberations, together with its recommendations.

SUSPENSION OF EXECUTIVE ORDER RELATING TO VOCATIONAL EDUCATION

Mr. NORBECK submitted the following resolution (S. Res. 311), which was ordered to lie on the table:

Whereas on June 30, 1932, the Congress enacted provisions for the reorganization of executive departments and to accomplish the purposes as set forth in section 401 of Title IV, Part II, of the act authorizing the President of the United States by Executive

order to transfer executive agencies to and from departments and to designate titles and duties of officials connected therewith; and

Whereas on June 7, 1932, certain amendments to the act of June 30, 1932, were approved by the Senate with the expressed intention of excluding the Federal Board for Vocational Education from the group of executive agencies included in Title IV, sections 403 to 407, inclusive, of the act of June 30, 1932; and

Whereas the expressed intention of the Senate in approving this amendment is clearly shown on page 12156 of the CONGRESSIONAL RECORD of June 7, 1932, in the statement of Mr. BRATTON (a member of the Senate Economy Committee), "Mr. President, as a member of the committee—and I think I voice the views of the other members—I may say it was not intended to abolish vocational education. It was not intended to merge that service into any other department or bureau * * *": Therefore be it

Resolved, That the Executive order dated December 9, 1932, ordering "the administrative duties, powers, and functions of the Federal Board for Vocational Education which are hereby transferred to the Office of Education, and the board shall serve in an advisory capacity to the Secretary of the Interior," be, and the same is hereby, disapproved in accordance with the provisions of section 407 of Title IV of Part II of the act approved June 30, 1932.

Mr. NORBECK. Mr. President, I have to-day introduced Senate Resolution No. 311 to suspend the effect of the Executive order, bringing the Vocational Education Board and work under the Secretary of the Interior.

Mr. President, the message of the President of the United States dated December 9, 1932, transmitting Executive orders for the consolidation and grouping of education, health, and recreation activities in the Department of the Interior, provides on page 29 that "the administrative duties, powers, and functions of the Federal Board for Vocational Education which are hereby transferred to the Office of Education, and the board shall serve in an advisory capacity to the Secretary of the Interior."

The intent of Congress with respect to the continuance of the Federal Board for Vocational Education, with the full exercise of its functions, is clearly set forth in the CONGRESSIONAL RECORD of June 7, 1932, page 12155, during the discussion of the so-called economy act, as follows:

Mr. NORBECK. Mr. President, among other powers conferred upon the President in the way of consolidation there is one relating to education. The question has been raised whether that would place the Board of Vocational Training under one of the Cabinet officers, whether it meant standardization and centralization of education to the point where a board composed partly of Cabinet officers might become a bureau under another Cabinet officer. I address myself to some member of the committee that drafted the measure to see what it really refers to. Can the Senator from New Mexico answer my question?

Mr. BRATTON. Mr. President, as a member of the committee—and I think I voice the views of the other members—I may say it was not intended to abolish vocational education. It was not intended to merge that service into any other department or bureau. * * * [naming various educational bureaus that might be consolidated] * * * The object the committee had in mind was to authorize a coordination of these various services but it was not intended to abolish vocational education.

Mr. NORBECK. Nor to place that board under another department?

Mr. BRATTON. No; that was not intended.

Mr. NORBECK. I thank the Senator from New Mexico.

Senator BLAINE then introduced an amendment to the economy bill to definitely carry out the expressed intention above quoted. This amendment, in substance, was adopted without a dissenting vote. Preceding the adoption of the amendment, I again quote from the CONGRESSIONAL RECORD of June 7, 1932, page 12156.

Mr. BRATTON. * * * It was not our purpose to disturb vocational education nor to abolish it. We had other services in mind. So far as I am concerned I am willing to accept the amendment which will carry that thought into execution.

The order of the President transferring the Federal Board for Vocational Education to the Department of the Interior is not in accord with the expressed intent of Congress as shown by the excerpts from the RECORD of June 7, 1932. Furthermore, I do not believe such a transfer would come within the declared policy of Congress as expressed in the economy act of June 30, 1932.

Mr. President, I have a brief, prepared by Paul M. Chapman, of the State College of Agriculture, Athens, Ga., reviewing this matter. Mr. Chapman has been one of the strong forces in the promotion of vocational education and, incidentally, in the legislation to protect same. I ask that same may be printed in the RECORD.

The VICE PRESIDENT. It is so ordered.

The brief is as follows:

THE DECLARED POLICY OF CONGRESS

Section 401 of the economy act of June 30, 1932, is quoted to the effect that it is the declared policy of Congress to group, coordinate, and consolidate Government agencies "in order to further reduce expenditures and increase efficiency in government."

To bring any proposed change under the authority of this section it would accordingly seem necessary to introduce evidence that the proposed change will in fact either effect some economy or improve efficiency.

It is not clear in what way, if at all, the proposed transfer of the powers and duties of the Federal Board for Vocational Education to the Department of the Interior will do either of these things.

In this instance, therefore, the proposed transfer does not appear to be in line with any declared policy of Congress or to be within the authorization of section 401 of the economy act.

THE "MAJOR PURPOSE" OF THE REGROUPING

The procedures by which the declared policy of Congress to effect economy or improve efficiency were to be realized were specifically designated in section 401. These included grouping Government agencies "as nearly as may be, according to major purpose."

The major purpose justifying the proposed transfer of the Federal Board for Vocational Education to the Department of the Interior in the newly created Division of Education, Health, and Recreation would appear to be education.

It is true that the functions of the Federal board are educational. This educational character of the board's functions is recognized in the composition of the board, which includes the Commissioner of Education as a member. But vocational education is also an economic program, involving the economic interests of labor, of agriculture, and of manufacturing. In recognition of its economic character, Congress in the act creating the board provided that the economic as well as the educational interests involved should be represented on the board. This representative character of the board was determined upon by Congress in response to the widespread and insistent demand of chambers of commerce, manufacturers' associations, organized agriculture, and labor organizations that the administration of the vocational education act should be practical and not be dominated by academic interests.

WHY CONGRESS CREATED AN INDEPENDENT REPRESENTATIVE BOARD TO ADMINISTER VOCATIONAL EDUCATION

In the years preceding enactment of the vocational education act of 1917 Congress gave very careful consideration to the nature of the agency to be set up as the Federal agency for administering the act and for cooperation with State boards for vocational education. A summary of the various proposals presented to Congress in 1916 and 1917, and of the reasons which induced Congress to create an independent representative board, was introduced by Representative LAGUARDIA in a speech before the House, April 29, 1932.

It appears from this summary that Mr. Smith, of Georgia, on March 16, 1916, requested to have printed in the RECORD certain resolutions with reference to the vocational education bill which had been reported with the unanimous approval of the Senate Committee on Education and Labor, providing for a board of control consisting of Cabinet members. This bill had been submitted to the department of superintendence of the National Education Association, the American Home Economics Association, and the educational committee of the American Federation of Labor. These organizations through committees had given careful study to the bill, and had indorsed it with exception that they favored a board of control different from that proposed in the bill. Mr. Smith asked that the following resolutions from these organizations be printed in the RECORD:

RESOLUTIONS

[From department of superintendence, National Education Association, February 24, 1916]

"*Resolved*, That the department reaffirms its approval of Federal aid to vocational education as proposed in the Smith-Hughes bill and now before Congress. It believes, however, that the work to be done is so important and so diversified as to require the creation of a Federal board to administer the act, who shall give their undivided attention to the subject and who shall be representative of the educational interests to be served."

[From American Federation of Labor]

"*Resolved*, That the executive council of the American Federation of Labor indorse the Smith-Hughes bill for industrial education with the declarations made by the National Society for the Promotion of Industrial Education as contained in the quoted parts of the letter to Congress of January 27, 1916."

[From American Home Economics Association, February 25, 1916]

"The American Home Economics Association, assembled in Detroit, reaffirms its approval of Federal aid to vocational education as provided for by the Smith-Hughes bill, recommended by

the President's Commission on National Aid to Vocational Education and now before Congress.

"The association believes, however, that the ends to be served are so important and so diversified as to require a Federal board, the members of which shall give their undivided attention to the administration of the act and shall be representative of the interests to be served."

The following excerpts, introduced by Representative LAGUARDIA, from the CONGRESSIONAL RECORD of 1916 and 1917, summarize briefly the subsequent discussion in Congress and the reasons which induced Congress to set up an independent representative board:

[Sixty-fourth Congress, second session, vol. 54, pt. 1, pp. 720–721, December 11, 1916]

"Mr. POWERS. In other words, if this board should be composed of educators as suggested, with the Commissioner of Education, of course, himself an educator, it would be within the power of the board to allot the entire $200,000, or any part of it it might deem proper, to the Bureau of Education to make these investigations. Those of us who are afraid that a Federal board would be appointed largely of educators believe that this section 6 should be so amended that the great industries of this country, that the bill proposes to try to reach and help, should have representation on the board, and that they should be called in from the fields of agriculture, and that the commercial interests should be represented. The purpose of the bill is to reach and prepare the students for useful employment. That is the idea of it; that is the foundation of it; that is the reason of its existence."

[Sixty-fourth Congress, second session, pt. 1, pp. 175, 176, 177, December 11, 1916]

"Mr. LENROOT. * * * I wish to discuss it now rather than to wait until the bill shall actually come before us for consideration, because I think it is a matter of such importance that the success or failure of this bill when it is enacted into law will depend very largely upon how Congress shall deal with that fundamental point, and I sincerely hope that between now and the time when this bill shall be actually considered by us the membership of this House will give serious consideration to the matter that I propose to discuss. That matter is the method of the organization of this Federal board.

"As Doctor FESS has stated, the Senate bill provides for an ex officio board composed of five members of the Cabinet. The House bill provides for a board consisting of five members, four of them to be appointed by the President of the United States, no more than two of whom shall belong to the same political body, and the fifth member, the Commissioner of Education, who shall ex officio be a member of the board. Now, to my mind, neither of these systems or methods will bring about the result that ought to be gained by the enactment of this bill. There are only two grounds upon which Federal aid for this purpose can to my mind be justified: One, to secure the establishment of practical standards of vocational education; second, to stimulate the States by Federal aid to accept these standards. I have no sympathy with the view sometimes expressed that the Federal Government should aid the States in carrying the burdens of vocational education. On the contrary, any State that to-day has any practical system of vocational education can well afford to continue it out of its own funds, for there is no expenditure that the State can make that will bring better or larger returns to it than a practical system of vocational education. But it is necessary to establish practical standards, and in order to secure the adoption of those standards it is necessary that Federal aid such as is proposed in this bill be given.

"Now, the House bill provides that the Commissioner of Education shall ex officio be the chairman of the board; that four members shall be appointed by the President. And I am afraid that that is going to mean that the fixing of these standards and the control of this subject will be in the hands of general educators rather than in the hands of practical men. And I want to say very frankly that I do not believe general educators are qualified to fix standards for vocational education such as we ought to have in the United States. It is no reflection upon any general educator when I say that any more than it might be considered to be a reflection upon me if some one should say that I was not qualified to perform a surgical operation.

"In the fixing of these standards we will agree that they should be practical standards. They should be standards such as, when adopted by the State, are going to result in training boys and girls for vocations. Is that going to be secured unless those standards are passed upon by practical men? If not passed upon by practical men they will be fixed by an examination in the field, in the first instance, by trained men it is true, college graduates, trained investigators in getting raw material, but who have never had any practical experience in industry or in trade. They in turn will send their reports in to the Bureau of Labor or other department, as the case may be. That raw material will be interpreted by experts who have never had any practical experience; and, finally, general educators through these channels will fix the standards, and they themselves are not practical men in these lines. So we have theory from beginning to end as against the fixing of standards by practical men. So it is my purpose at the proper time to offer an amendment providing, as the House bill provides, for five members of this general board, the Commissioner of Education to be a member ex officio, 4 members to be appointed by the President of the United States, but with the qualifications that 1 of those members shall be representative of labor, 1 of them representative of manufacturing, 1 representative of commerce, and 1 representative of agriculture. And I want to say, Mr. Chairman and gentlemen of the committee, that this method, which I shall at the proper time propose, is not only indorsed but it is urged by the United States Chamber of Commerce, by the National Association of Manufacturers, and by the American Federation of Labor.

* * * * * * *

"Mr. LENROOT. Coming back to where I was interrupted, where I was stating that the method I proposed has the indorsement of the National Chamber of Commerce, the National Association of Manufacturers, and the American Federation of Labor, I want to suggest that if upon any question the American Federation of Labor and the National Association of Manufacturers can agree, it is a matter of very serious consideration for the membership of this House. With reference to the United States Chamber of Commerce, the Members of the House no doubt have received a pamphlet from them where the chamber of commerce specifically asks for the amendment of the bill in the certain particulars that I propose to offer as an amendment here. The National Association of Manufacturers has adopted a resolution declaring that, in their opinion, that board should be made up of the interests specially to be advanced—labor, employment, and education. The American Federation of Labor in its report to the executive committee made at their annual convention last month used this language:

"'We had hoped that the provisions of the act relative to the board would have been changed so that the Secretaries of the several departments of Agriculture, Interior, Commerce, and Labor would not have been delegated as the board. We felt that their duties are already altogether too onerous and too complex to have this additional responsibility thrust upon them. There is in addition a double danger in having department secretaries serve as the Federal Board for Vocational Education—first, administrations and administrative officials are subject to quadrennial changes, and it has happened in the past that sometimes Cabinet members have been changed several times during an administration. This objection in itself should be sufficient for us to object to the Federal Board for Vocational Education being so constituted. The second objection is a more serious one, namely, that of the possible injection of partisanship into the administration of this new field of educational effort.

"'It is our opinion that this new board should be composed of representative men but not partisan representatives of the administration in power. Its personnel should represent the great fundamental activities of life, namely, agriculture, labor, commerce, industry, and education, and the local advisory boards should be equally representative, so that the human activities of the Republic could feel assured that experienced, tested men from their own vocations, such as labor, commerce, agriculture, industry, and education, should be fairly and efficiently represented.

"'It is our opinion that when this measure is once launched it should be directed along proper channels at the start. If we permit politicians to direct its energies, there is a danger that it may become a mere political adjunct of the party in power. If we permit the present academic educational group of the Nation to dominate, the whole force and virtue of genuine vocational trade training will be in danger of being lost sight of, and the Nation's appropriations will probably be misdirected along minor lines of endeavor, such as manual training, amateur mechanics, and other trifling, impractical, valueless schemes. Neither can we afford to permit this great measure to be overweighted by any special trade, commercial, or vocational interests. The agriculturists should not predominate, neither should the commercial or even the labor and industrial interests. We should insist that the board be properly balanced to start with and that the interest of each of the great divisions of activity should be fairly and properly conserved, and unless we are otherwise instructed by this convention we shall make endeavors to change the proposed law according to the lines herein laid down.'"

"That, Mr. Chairman, is the view of the American Federation of Labor. Now, I submit that the views of the manufacturers and of labor, when they agree upon a proposition like this, are entitled not only to weight in this House, but in a matter of this kind ought, it seems to me, to control, rather than the views of the general educators, who very humanly desire to have for themselves all the power that they can get. It is no reflection, as I said a moment ago, upon the general educators that they desire this power; but if this is to be a workable and successful measure, as I hope it will be, we ought to do everything within our power to make it practical in every sense of the word."

[From the CONGRESSIONAL RECORD, pp. 769–770, January 2, 1917]

"Mr. BORLAND. Is not a board a rather clumsy method of doing business?

"Mr. FESS. No; not if it is a small board.

"Mr. BORLAND. There is a tendency to create more boards than we really need. In fact, I very gravely doubt—and it is my one doubt about this bill—whether we need this Federal education board, and whether it would not be entirely better and more efficient and appropriate to have it managed by the Federal superintended of education or Commissioner of Education.

"Mr. FESS. I think the work is so very comprehensive that it ought to have a board of managers well equipped for this particular work.

[From CONGRESSIONAL RECORD, p. 3426, conference report No. 1495, February 16, 1917]

"The measure as it passed the Senate provided that the Federal Board for Vocational Education be composed of the Postmaster General, the Secretary of the Interior, the Secretary of Agriculture,

the Secretary of Commerce, and the Secretary of Labor, and the board was authorized to select an advisory board of seven members. A number of experts and specialists were also authorized to assist the board.

"The measure as it passed the House provided for the appointment by the President of a representative of manufacturing interests, a representative of commercial interests other than manufacturing, a representative of labor, and a representative of agriculture to act with the United States Commissioner of Education as a board of five to administer the act, and provided for the employment of such assistants as might be necessary.

"The provision agreed to by the conferees is a blending of the two proposals, so that the new system is to be linked with the Government by the designation of the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, and the Commissioner of Education as ex officio members of the board, and the appointment by the President, with the advice and consent of the Senate, of a representative of the manufacturing and commercial interests, a representative of the agricultural interests, and a representative of labor to act with them as members of the board.

"The House receded from its amendments to the bill, which had the effect of merely 'authorizing' the appropriations, and the appropriations are definitely made in the bill as reported from conference."

The major purpose of vocational education is to provide vocational training for our boys and girls and adults of all ages engaged in or preparing for entrance into agricultural, trade, industrial, commercial, and home-making pursuits. It is vitally essential for the promotion of this program that these fields of economic activity be represented in the administration of the Federal act. Closer association with those who are primarily interested in academic education will not compensate for the separation of relationships with the economic interests involved, and for abolition of representative control. Vocational education in this country could not have developed under academic control, and it can not continue with unimpaired efficiency except by maintaining those intimate contacts with the economic interests involved, which it is now proposed to sever by immediate transfer of functions and eventually by legislation abolishing the representative board.

OVERLAPPING AND DUPLICATION OF EFFORT

The President notes a second procedure by which Congress proposed to effect economy or improve efficiency under section 401, namely, by elimination of overlapping and duplication of effort.

No other agency of the Government is charged with the duty of promoting vocational education or vocational rehabilitation of persons disabled in industry or otherwise. No overlapping or duplication of effort can develop in the performance of these duties, which are entirely unique in character. The promotion of vocational programs in the States and local communities is effected under statutory provisions for cooperation of the Federal board with State boards for vocational education. No other agency of the Government is in any way whatever involved in this cooperation with State boards, except in so far as other Government agencies—the Departments of Labor, Commerce, and Agriculture, and the Office of Education being specifically designated—may cooperate with the Federal Board for Vocational Education in the conduct of studies, investigations, and reports to aid the States in developing their programs. This cooperation of departments of the Government with the Federal Board for Vocational Education would be made more difficult by transfer of the board's staff to a division in the Department of the Interior and abolition of the Federal board.

ESTABLISHMENT OF A DIVISION OF EDUCATION, HEALTH, AND RECREATION IN THE DEPARTMENT OF THE INTERIOR

The composition of the division of education, health, and recreation proposed by the President to be established in the Department of the Interior is indicated in the President's message as follows:

"I have established a division of education, health, and recreation in the Department of the Interior and have designated that one of the assistant secretaries shall be called 'Assistant Secretary of Interior for Education, Health, and Recreation,' and have transferred to that division the following organizations and functions:

"1. The Office of Education, now in the Department of the Interior.

"2. Howard University, now in the Department of the Interior.

"3. The Columbia Institution for the Deaf, now in the Department of the Interior.

"4. The American Printing House for the Blind, which is transferred from the Treasury Department to the Office of Education.

"5. The administrative duties, powers, and functions of the Federal Board for Vocational Education, which are transferred to the Office of Education, and the board shall serve in an advisory capacity to the Secretary of the Interior.

"6. The Bureau of Indian Affairs, now in the Department of the Interior.

"7. The Public Health Service, which is transferred from the Treasury Department to the Department of the Interior.

"8. The Division of Vital Statistics, which is transferred from the Bureau of the Census, Department of Commerce, to the Public Health Service in the Department of the Interior.

"9. St. Elizabeths Hospital, now in the Department of the Interior.

"10. Freedman's Hospital, now in the Department of the Interior.

"11. The National Park Service, now in the Department of the Interior.

"12. The national parks, monuments, and cemeteries, which are transferred from the War Department to the Department of the Interior."

POWER TO SERVE IN AN ADVISORY CAPACITY TO THE SECRETARY OF THE INTERIOR

The President proposes in paragraph 5, quoted above, to direct by Executive order that the Federal board shall serve in an advisory capacity to the Secretary of the Interior.

The Federal board has no statutory power to serve in an advisory capacity to any executive or administrative agency. This Executive order, therefore, proposes to reserve to the board a statutory function which it does not possess, namely, the power of advising an independent Federal executive. The only powers which the board has, namely, those which it is authorized to exercise as the Federal agency of cooperation with the States in promoting their State and local programs of vocational education, are to be conferred by Executive order upon the Secretary of the Interior, to be exercised by him through an Assistant Secretary of Education, Health, and Recreation in the Office of Education, provisionally with the personnel of the board's staff.

Incidentally it may be noted that these powers so transferred necessarily include the judicial as well as the purely administrative powers of the board, since only so-called "advisory" powers, which it is assumed the board has, are reserved to the board. Such a transfer of judicial powers to an executive agency is inconsistent with the fundamental principles of separation of judicial from administrative functions in accordance with which the regrouping of agencies has been proposed.

It is stated (page 1 of the message) that under the orders issued the administrative functions of many commissions have been "placed under various departments, the commissions retaining their advisory functions only." The separation of powers in the Executive order as "administrative" and "advisory" is, in the case of the Federal board, purely factitious. It is apparently made in consideration of the limitation placed upon the Executive in the provision of the economy act that statutory boards may not be abolished by Executive orders.

Furthermore, the creation by Executive order of "advisory" functions for the Federal Board for Vocational Education would appear to be of doubtful legality. The functions of the Federal board, administrative and other, as defined in the fundamental act creating the board, relate entirely to the development of State and local programs of vocational education under cooperative arrangements with State boards for vocational education. They are, and must be, exercised with and through the board's staff in dealing with and assisting State boards. To order that the Federal Board for Vocational Education shall henceforth act in an "advisory capacity" to the Secretary of the Interior would appear to be in contravention of these provisions of the fundamental act defining the powers of the board as an agency of cooperation with the States.

To sum up: The board has no statutory authority to act in an advisory capacity to any executive agency of the Government. No such power, therefore, can be reserved to the board to act in an advisory character to the Secretary of the Interior. An act of Congress would seem to be required to authorize the Federal board to act in an advisory character to any independent executive agency of the Government.

ASSUMPTIONS MADE IN JUSTIFICATION OF THE PROPOSED TRANSFER

First. Assumption that "the function of the Federal Government in respect to education is principally that of research and the dissemination of the results thereof to assist State and local governments to a better and more uniform performance of their duties in the administration of educational systems." Page 24.

The conduct of research and dissemination of the results thereof to aid the States in one field of education is one function of the Federal Board for Vocational Education. It is not, however, the "principal" function of this board, nor does the field of vocational education coincide with or overlap the field of general or academic education.

Principally the board functions through its staff as a service agency to aid the States in developing their vocational programs.

In respect to the function of research, however, it is not proposed to bring together in the Department of the Interior all agencies of the Government engaged in research. Presumably the purpose of the regrouping is to bring together only such research agencies as may be expected to derive some advantage in the more intimate administrative association of the several agencies involved; and it is assumed that, since the Federal Board for Vocational Education and the Office of Education both have to do with education, their research activities are more or less related to one another. This assumption is not justified.

There is, in fact, research in many other offices of the Government with which the research of the Federal Board for Vocational Education is much more intimately associated than it is or can be with that of the office of education.

For vocational education the fields of research are in agriculture, industry, commerce, and the home. The Federal act defining these fields of research for the board provides that the studies, investigations, and reports which the board is instructed to make to aid the States "shall include agriculture and agricultural processes and requirements upon agricultural workers; trades, industries, and apprenticeships, trade and industrial requirements upon industrial workers, and classification of industrial processes and pursuits; commerce and commercial pursuits and requirements upon commercial workers; home management, domestic science, and the study of related facts and principles; and prob-

lems of administration of vocational schools and of courses of study and instruction in vocational subjects."

The fields of research designated in the act lie entirely outside the fields of research for general or academic education in which the office of education is primarily interested. For vocational agriculture the field of research is farming and marketing of agricultural products and the results of the technical research of the Department of Agriculture; for vocational trade and industry the field is our manufacturing and mining industries, the job requirements of trade and industrial occupations and processes, and the continuous modification of vocational requirements in consequence of technological and other changes in industry; for commercial education it is our commercial organization, activities, and the job requirements of commercial pursuits; and for home economics it is the broad field of child care, family health, home making, home economy, and home sanitation. These are special fields of research as remote from the fields of general or academic education as are the fields of research for the natural sciences.

Since its organization in 1917, over a period of 15 years of continuous research by the Federal Board for Vocational Education in cooperation with numerous other agencies, including offices and departments of the Federal Government, no proposal of major research has come to the board from and no major research has been conducted in cooperation with the office of education. This is true, although such cooperation was expected to develop and was provided for in the vocational education act by including the Commissioner of Education as a member of the board.

During this period of 15 years the board has cooperated in research work with officers and bureaus of the Department of Agriculture, the Department of Commerce, and the Department of Labor, and with other Government agencies, but in no instance with any office or bureau of the Department of the Interior.

This is not an accident, nor is it the result of any indisposition on the part either of the Office of Education or of the Federal Board for Vocational Education to cooperate with one another. The plain fact is that neither office has over the past 15 years of activity found any single occasion to cooperate with the other, for the simple reason that the fields of research and the interests of these offices are quite separate and remote from one another.

The Federal board has had frequent occasion to use the results of research conducted by many other offices, including the Office of Education, but it has had more occasion to use the results of research conducted in any one of the Departments of Agriculture, Commerce, and Labor, than of research conducted in the Department of the Interior.

The mere fact of conducting and disseminating the results of research without regard to the character of the research certainly does not provide any basis whatever for the grouping of Government agencies. Nor does the fact that the research of the Federal board has in a special sense an educational bearing provide a basis of reorganization with an agency which is educational in a totally different sense. If research is to be taken as a basis of organization, it must be with respect to the cooperation of interested agencies in the conduct of research, rather than to the mere fact of undertaking research and disseminating the results thereof.

Second. Assumption that the administrative functions of the Federal Board for Vocational Education are similar to or in any respect correlated with those of the Office of Education or the Department of the Interior.

The administrative functions of the Federal Board for Vocational Education are expressly defined in the acts administered by the board, principally in the vocational education act of 1917, the civilian vocational rehabilitation act of 1920, and the act of 1929 designating the Federal board as the agency for administering vocational rehabilitation in the District of Columbia.

Under these acts the Federal Board for Vocational Education is vested with specific expressly defined responsibilities. It is required to ascertain annually whether the States are using or prepared to use the Federal money appropriated to them in accordance with the provisions of the acts making the appropriations, and is required further to cooperate with State boards for vocational education—which, it should be noted, have been created or designated in each of the 48 States by State statutes enacted in compliance with the requirements of the Federal act—in the promotion of vocational education and vocational rehabilitation. This promotional work is in very large measure field service rendered by the board and its staff of regional agents.

The board, accordingly, acts as a judicial, advisory, coordinating, and cooperating service agency to assist State boards in promoting their vocational programs under specific statutory provisions.

It will be clear from a mere enumeration of these responsibilities that no similar functions devolve upon the Office of Education or upon any other Government agency. The Office of Education is not a coordinating service agency. It conducts research in the field of education, but it has no administrative responsibilities of cooperation with State or local agencies under any act. It has no authority to cooperate with any State or local agencies.

The services rendered by the Federal board and its staff are the services of specially trained and qualified experts. It is not apparent how any benefit could be derived from any juxtaposition of the board's staff with any office or offices in the Department of the Interior or any other department. Submergence of the staff of the Federal board in a newly created division of the Department of the Interior would only pile up overhead administrative control and render less direct and simple all relations of the board with those State agencies with which it is required to cooperate. Moreover, the complete separation of the board from its staff and the taking away from the board of all its statutory functions except that of acting in an "advisory capacity" to the Secretary of the Interior (even assuming that the board could legally exercise any such advisory function as is proposed) would tend seriously to impair the efficiency of the service.

Third. The assumption that a statutory board, which may not be abolished by Executive order, may nevertheless be deprived of all of its statutory functions by such an order.

Section 407 of the economy act, requiring submission of Executive orders regrouping governmental agencies to Congress, provides that the President is authorized and requested to proceed with the consolidation of certain governmental activities without the application of this section. Among the activities which may be merged by Executive order without submission to Congress education is designated, but with the express reservation that "the Board of Vocational Education shall not be abolished."

No action affecting the Federal Board for Vocational Education has been taken by the President under this provision authorizing merger without submission to Congress. He has elected to effect the transfers of the duties, powers, and functions of the Federal board by Executive order submitted to Congress under the general provision of section 407 of the economy act requiring such submission except in the case of designated activities. The economy act expressly provides in section 406 as follows:

"SEC. 406. Whenever, in carrying out the provisions of this title, the President concludes that any executive department or agency created by statute should be abolished and the functions thereof transferred to another executive department or agency or eliminated entirely, the authority granted in this title shall not apply, and he shall report his conclusions to Congress with such recommendations as he may deem proper."

Although the President has concluded and recommended to Congress that the Federal board be abolished, he has nevertheless proceeded to transfer its functions in contravention of section 406. Having reached this conclusion, it is not clear what authority remained vested in him to take any action whatever transferring the board's functions. His only recourse, it would seem, was to make recommendations to Congress.

It may perhaps be contended that in some strictly legalistic sense authority may be found for depriving a statutory board—which, as expressly provided in the economy act, may not be abolished by Executive order—of all of its statutory functions—which also, as expressly provided in this act, may not be abolished—and continuing the board as a Government agency deprived of all of its functions, and by this devious procedure avoid technical violation of the express statutory provision that neither the board nor its functions shall be abolished by Executive order.

In considering this procedure it should be borne in mind that, as noted above, the Vocational Board is expressly designated by name as a board which may not be abolished. In this respect the Vocational Board is no different from any other statutory board. No statutory board can be abolished by Executive order, and the only explanation of the designation of the Vocational Board by name would seem to be that Congress intended to leave no possible ambiguity in the act under which the continuance and functioning of the board might be interfered with or prevented by Executive order.

To any except an extremely legalistic mind depriving a board of all its duties, powers, and functions is equivalent to abolishing the board, even though the Government continues to pay the salaries of members of the board.

In this matter the intentions of Congress are made perfectly clear in the economy act. It proposed to reserve all action relating to the Vocational Board to itself, and to protect the board in the full exercise of its functions against any interference by Executive order. One can not avoid the charge of murder by producing the dead body of his victim.

Fourth. The assumption that economy can be effected by the proposed transfer of administrative duties, powers, and functions.

Possibility of economy must, it would seem, be found in (1) reduction of personnel and pay-roll expense, or (2) reduction of office expenditures, as for rooms and equipment, or (3) reduction of services rendered.

It is not apparent that any such economies can be effected by the proposed transfer of functions.

It is true that the salaries of the three appointive members might be saved by abolition of the board, and this very inconsiderable saving may be contemplated by the President in his recommendation that the board be abolished by legislation.

Savings of this character can, of course, be effected by abolishing any executive agency of the Government. Whether in any given instance it is wise public policy to effect a saving by abolishing an established agency of the Government depends entirely upon the services and achievements of the agency and the amount of expenditure involved.

The achievements of the past 15 years in the field of vocational education in this country, under the leadership of the Federal board in cooperation with State boards, are without parallel in the history of education in any country. In the opinion of State officials and educators, who have been associated with and cooperated in effecting these achievements, they must be credited largely to the institution of an independent representative Federal board for administration of the act. Congress in the beginning realized that the success or failure of the act would depend upon the creation of such a board, and the experience of a decade and a half has demonstrated beyond question the wisdom of Congress in this matter. Without such an agency, representative of the practical economic interests involved, vocational education would

have been stillborn, or at best would have died in early infancy smothered in the arms of academic tradition.

A board functioning freely, independently of undue, uninformed, and indifferent or cynical academic control, is even more essential to-day for the continuous success of the program than it was in 1917 for initiation of the program. It is more essential to-day because of the administrative organization built up in each of the 48 States and in Hawaii and Puerto Rico, which would be disrupted by abolition of the established and functioning Federal agency of cooperation, which is the central coordinating administrative agency for the country as a whole. The difference between now and 1917 is the difference between a successfully operating going concern on the one hand, and on the other a paper plan of organization for such a concern. The paper plan may be torn up and the proposed enterprise be abandoned without disrupting any established administrative agencies; but the going concern, with 15 years of successful experience and operation in close cooperation with 50 State and Territorial agencies to its credit, can not be abolished offhand without very serious and far-reaching consequences.

It would seem only reasonable to expect Congress to give very careful consideration to any proposal to reverse a long-established and successful public policy with the objective of effecting insignificant savings.

As regards possibilities of effecting saving in office expenditures for rooms and equipment, no such savings can be effected unless the personnel of the board's staff is reduced, and it is expressly provided in the Executive order that all personnel of the staff of the board shall be transferred with the duties, powers, and functions of the board.

The possibility of economy by reduction of services rendered is not contemplated in the Executive order or in the legislation recommended, except that the order provides that the Secretary of the Interior may, with the approval of the President, by order or regulation, effect further consolidations, eliminations, and redistributions of bureaus, agencies, offices, or activities and/or their functions within the department.

Savings may, of course, be effected by reduction of services being rendered in assisting the States in developing their vocational programs. Whether or not savings should be effected in this way is a matter of public policy. Any saving so effected necessarily means withdrawal of services being rendered, and the same considerations must be taken into account in the matter of continuing the staff of the board as are involved in the question of continuing the board itself. The fundamental fact is that the board can not function independently of its staff, nor can the staff function independently of the board. Both are essential for the successful continuance of the cooperative program developed under the vocational education and vocational rehabilitation acts.

Fifth. The assumption that efficiency will be promoted by the proposed transfer.

Under the arrangement proposed to be effected by Executive order the Federal board would be entirely separated from its staff and set up to act in an advisory character to the Secretary of the Interior.

As has been noted, the Federal board has no advisory powers which it would be authorized to exercise under any arrangement. Its powers are principally judicial and are exercised directly and through the agency of the board's staff under cooperative arrangements with the States for service and for promotion of vocational programs in the States and local communities.

To provide that the judicial functions of the board shall be exercised indirectly through the Secretary of the Interior, acting through an assistant secretary for education, health, and recreation, and finally through an executive in charge of the staff of the board, would seriously complicate the administration of the Federal acts and the whole procedure of cooperation with the States.

Under the arrangement proposed an executive official, the Secretary of the Interior, would be the agency designated to cooperate with State boards for vocational education. These State boards exercise in the States judicial functions similar to those exercised by the Federal Board for Vocational Education; and it would be necessary for the Secretary of the Interior, under the cooperative arrangements with the States, to participate in the exercise of these judicial functions. Questions of policy originating in the States would presumably be referred to the executive in charge of the board's staff and referred by him to the assistant director for education, health, and recreation, and by him to the Secretary of the Interior, and by him to the Federal Board for Vocational Education. Action by the board would follow the same procedure in reverse.

Certainly no improvement of efficiency is anywhere apparent in this procedure. Rather it would seem certain that the involved indirection of the procedures and the purely factitious separation of powers, as "advisory" on the one hand and administrative on the other, would seriously impair efficiency of service.

REDEMPTION OF DEFACED BANK NOTES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury transmitting draft of proposed legislation to provide for the redemption of national bank notes, Federal reserve bank notes, and Federal reserve notes which can not be identified as to the bank of issue, and recommending its enactment, which, with the accompanying paper, was referred to the Committee on Banking and Currency.

FINAL ASCERTAINMENT OF ELECTORS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, pursuant to law, copies of the certificates of the governors of the States of Delaware, Georgia, Kansas, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Oklahoma, Oregon, Texas, Vermont, and Wisconsin of the final ascertainment of electors for President and Vice President in their respective States at the election of November 8, 1932, which were ordered to lie on the table.

GOVERNMENTAL EXPENDITURES

Mr. LEWIS. Mr. President, may I intrude to ask the privilege to have printed in the RECORD an address by Col. Robert R. McCormick, made at Rockford, Ill., upon governmental expenditures, both national and international? It is an address which I feel will be of value to the public and to the Congress.

There being no objection, the address was ordered to be printed in the RECORD, and it is as follows:

MUSSOLINI, MOSCOW, OR AMERICA

(An address by Col. Robert R. McCormick, editor and publisher of the Chicago Tribune, at Rockford, Ill., before a group of civic, service, and professional organizations)

Your directors invited me to speak here to-day because of the addresses I have been making on the destructive effects of overtaxation upon our country. At first I hesitated to accept, because I believed that I had exhausted the subject, until my cogitations were restimulated by the insurrection in London.

I use the word "insurrection" deliberately and correctly, because the violence which took place there is not comparable with the riots which have recently occurred in the industrial and mining areas of England.

London occupies a position in England which no one or two cities combined could occupy in America. London is the political capital, London is the economic capital, and London is the center. It is as though Washington, Philadelphia, Boston, and New York were combined at Chicago, with the nerve ganglia, the brains, wealth, and traditions of the Nation centered at that spot, and a revolutionary effort were made to take control of them.

The riots in London did not take place in the slums but at the great national shrines—Trafalgar Square, which commemorates England's world empire, and the Cenotaph, her monument to those who died for their country. An effort was even made to storm Buckingham Palace, the residence of the King, symbol and personification of the Government. It was a serious effort to strike down the nation.

Therefore it seems desirable at this time to recall frankly certain phases of the history of England so as to differentiate our own history and to point out why the conditions which have brought England to her present pass are not duplicated here, though they are falsely used as precedents by those snobbish and sycophantic socialists who call themselves progressives.

One of the greatest events in the history of the world in its effect upon all future generations was the Norman Conquest. A small number of Normans and Frenchmen conquered England, enslaved the population, and divided all the land among themselves. They constituted themselves a dominant ruling class, known at various times throughout history as "the barons," "the nobility," "the aristocracy," and, more recently, "the ruling class." The land they divided among themselves was not land in the wilderness to which they had moved by horseback, by canoe, or by covered wagon; not forest which they had cleared with the ax; nor prairies they had broken with the plow, but the land of other people which they took by force.

Upon these people they imposed a discipline evidenced by Doomsday Book and curfew bell, by king's courts, and by star chambers. It is to the efforts of the conquered people to free themselves or to escape that I call your attention.

Insurrections were frequent and invariably suppressed. The property of individual barons was confiscated in civil wars, and various of the ruling class massacred each other. But always there remained the ownership of the land and the control of the government by the conquerors. The perquisites of the government also were divided among them. Do we not read in history how Queen Elizabeth gave to one favorite, Essex, a monopoly to sell salt, and to another, Raleigh, the North American continent? The various colonies were presented to favorites of various kings, and in these colonies enormous tracts of land were parceled out to lesser men.

Under this system of government England became the world conqueror. The wealth of the Indies was the spoil of the ruling class through the shares of the East India Co., and the wealth of North America was intended for the same people by holdings in the company of Hudson Bay.



Ownership of land and other property was maintained in a few hands by the system of primogeniture, whereby the eldest son inherited all property. In contrast to our American practice, whereby all men can improve their lot and the brilliant reach any rung in the ladder of success, none could rise and many must sink. The younger sons inherited only government jobs and a spirit of jealousy, and were forbidden by tradition to establish their fortunes by work.

Land hunger became congenital in the people.

With the arrival of the industrial system, coal was found under the soil of some estates; under others, tin and iron. One feudal tenure became the site of Westminster in London, enriching its owner beyond capacity to appreciate, while other lands of nobles containing no valuable minerals or having no commercial value merely impoverished their owners, a development which engendered jealousy among the not disinherited.

Now, in spite of the fact that church bigotry forbade trade for gain and that laws like our present statutes in restraint of trade are found in the dawn of history, commerce and industry were not extinct even in the dark twilight of the Middle Ages. A band of monks conducted the steel yard in London, whose charter antedates written records. Slowly trade progressed and gained in power. Other cities bought charters from their tyrants. London joined Simon de Montfort in war against Henry III, and was the soul and heart of the rebellion against Charles.

It was then the English said: "What are the lords of England but William the Conqueror's colonels? And the barons but the majors? Or the knights but the captains?" And they declared that they would "set themselves and their heirs free from the usurped superiority of the Norman race, who had now lost the power of the sword, their only title to rule over the English; the king and lords must go; individual merit should be the sole road to greatness."

But this rebellion failed, like all the others, and the Normans ruled over the English as before.

Coming into the eighteenth century, the aristocrats still ruled, but the merchants now held the economic power and conducted a great banking system. Great trading companies arose and rich industries.

As our period rolls in, from the speeches of parliamentary leaders we learn of a medieval ownership of land; a medieval control of government; a medieval social hierarchy, and an extraordinary agglomeration of wealth and poverty; old animosities and new animosities; of descendants of the Saxons rebellious toward those of Norman blood; of rich bourgeois jealous of ancient ancestry; of younger members of the aristocracy especially resentful of the wealth of the merchants, the manufacturers, and the bankers.

During the Great War bitterness was added to this because of the blood baths endured by the civilian soldiers in Flanders under command of hereditary officers, and a failure to repeat on land and sea the decisive victories that had characterized England's former wars on the Continent and justified her ruling class in exercise of its functions.

Now, at last, pent-up animosities of centuries overcame age-old discipline. Politicians, some from the lower classes (for classes still exist in England), some from the impoverished factions of the aristocracy, some mere timeservers, devised the land tax, the progressive income tax, and the progressive estate tax for the express purpose of impoverishing the rich, claiming to believe that in this way they could enrich the poor.

The first result was a political fairyland. Huge revenue came to the hands of the officeholders, available for all the corruptions of politics and even more desirable in England than here, because in England, strange survival of old traditions, a humble and subdued press does not venture to investigate the conduct of the class that rules.

What a travesty! The cold hatred of the Saxon serf working hand in hand with the political exploiter to sap the base of Britain's financial structure, and the pair of them covered from detection by a tradition of literary degradation!

Almost immediately they imposed income taxes so great as to cripple buying power, prevent the introduction of new machinery, and even the adequate upkeep of the old. The proceeds of estate taxes, the capital of the nation, were not used to pay the national debt or even set aside to be invested in socialistic enterprises doomed to failure, but were squandered in each year's budget on a horde of nonproductive activities for the benefit of the favorites of the new government and on doles for the idle and the shiftless, an element of the population inherited from the generations of privilege and for which the new socialism does not try to find occupation.

Each year showed a deficit which even the falsification of Government bookkeeping could not entirely conceal, and each year's deficit was succeeded by further drafts upon England's waning capital and vanishing credit.

According to F. Britten Austin, writing in the Saturday Evening Post:

"In the decade before the war the average British net income available for reinvestment overseas was £150,000,000. In these last five years it has been £114,000,000 in 1927, £137,000,000 in 1928, £103,000,000 in 1929, £28,000,000 in 1930, and in 1931 there was actually a deficit of £110,000,000. The total amount of the new money raised in the capital market of the United Kingdom—which includes, of course, foreign money invested via London—was only £89,000,000 in 1931, compared with £236,000,000 in 1930, £254,000,000 in 1929, £362,000,000 in 1928, and £315,000,000 in 1927.

"At least equally destructive have been the confiscatory death duties imposed on large fortunes. Twenty per cent on estates of £100,000, they are 40 per cent on estates of £1,000,000, and 50 per cent on estates of £2,000,000 or more. This crippling levy, of course, entails a forced sale of assets, often not easily realizable, and in the case—which frequently happens—of a large estate passing by death within a short period the estate is virtually annihilated.

"The state gets a chunk of capital to throw into its melting pot, but it loses forever a revenue producer. For the past three years the yields from these death duties have been between £70,000,000 and £80,000,000 a year; of which 64 per cent has been derived from fortunes of £100,000 and over—that is, once productive capital to the amount of roughly £50,000,000 per annum has been annihilated in rations of from 20 to 50 per cent.

"It is beyond the strength of any community to withstand the annual destruction of so much of its accumulated wealth. For the last 12 years capital in Britain has been squandered faster than it has been produced. The inevitable result is seen in the statistics of her foreign trade. Imports—excluding imports for re-export—were £659,168,008 for 1913, and exports for that year £525,253,595. In 1930, on a halved purchasing power of money—that is, an artificially doubled nominal value—they were: Imports £957,139,852, exports £570,755,416.

"The enormous preponderance of imports over exports was only in part paid for by a constantly shrinking revenue from oversea investments; it was much more paid for out of the capital seized from the hands of productive individuals and spent by Government in doles and unproductive social services implying a horde of bureaucratic and economically sterile officials.

"In this current year, for the items of education, health, labor, and insurance alone, the British Government has budgeted for an increase of £162,030,000 over the amount scheduled for the corresponding items in the year 1913–14—that is, for amenities provided for the bulk of the population out of the pockets of an infinitesimal minority. And this takes no account of the enormous local and municipal taxation, amounting approximately to one-half of the national taxation.

"No other country has ever put the slogan of 'soaking the rich' into such systematic and continuous operation. It has cost Britain the destruction of her basic industries and her world-wide trade, reflected in an army of workless permanent for the last 10 years. Fallacies are always fallacies. There has been no more magnificent example of killing and eating the geese that should supply the golden eggs."

Last summer England could no longer pay her debts and had recourse to a camouflaged form of currency inflation. English money has now been degraded by about one-third of its value; her silver coins are outlawed in South Africa; and there are no funds with which to pay the savings deposited in the post office. Having forced a reduction in the domestic interest rate on Government securities, the once greatest empire in the history of the world is agitating to repudiate her debt to the nation which saved her from defeat by Germany.

And a constantly growing army of men, compelled to idleness because confiscations of capital have destroyed England's industries, is raging in the heart of her venerable capital.

I have recited what has gone before to emphasize that English circumstances are not at all American circumstances.

At different times your ancestors and mine fled from the injustice, tyranny, and oppression of Europe and settled in a new world. As I have said, "Let us examine the motives which guided the discovery and settlement of this world.

"Christopher Columbus did not sail across the ocean in order to earn a reasonable and adequate return upon the fair cash value of the *Santa Maria*, he crossed the ocean in search of a fortune.

"The thirteen Colonies were founded by men seeking wealth, as were the other 35 States later.

"The determination of these settlers was evidenced by the way that they endured the horrors of a strange ocean crossing to face the terrors of a savage-haunted continent. The abject poverty of many, if not most, of them was shown by the fact that they paid their fares with seven years of servitude as indentured servants.

"The proprietors wished to duplicate the conditions of the Old World in the New. The settlers would have none of them. They wished to enjoy everything that had been forbidden. They wished to own land and other property, freely and not a limited amount.

"George Washington did not cross the Alleghenies and fight the Indians in order that he might plow an 80-acre farm in Ohio; he crossed the mountains to get rich.

"Do not think that the Revolutionary War came as sudden resentment; it was the climax of a struggle which had been going on from invisible beginnings ever since the Norman Conquest and before.

"The Massachusetts patriots were not only revolting against the stamp tax and the tax on tea, but against the unbearable horde of job holders, against restrictions on their commerce and interference with their manufactures—the very conditions which oppress us to-day. They were joined by the southern colonists, whose ambition to acquire land west of the Alleghenies had been frustrated by Parliament, and who during the Revolutionary War took this land by conquest.

"Our ancestors won freedom with the sword, implemented it in the Constitution, and walled it around with the Bill of Rights.

"Hope and ambition replaced despair and resentment. The great rise in civilization began.

"They repulsed the English invasions; curbed the savages; expelled the Spanish, French, and Mexicans; settled the land; opened the mines; built the factories; laid out the railroads; devised legal and financial methods for trade and industry; and overcame the plagues.

"American commerce covered the oceans. American pioneers flocked across the mountain barrier, spread over the plains, bridged the rivers, penetrated the western deserts, took possession of Alaska and the Hawaiian Islands, and before the spirit of recession set in captured the Philippine Islands, freed and educated their natives.

"Americans who remained in place were no less enterprising than the merchants and the pioneers. Under the patent law, which extended the right of property to the products of the brain, inventions multiplied for the benefit of mankind. So prolific were the liberated minds that they produced for common use, for the amelioration of conditions, countless instruments that were improvements upon and additions to those which the historically privileged had developed for themselves alone.

"The hand press and hand typesetting have been replaced in turn by the horse press, the steam press, the motor-driven press, the linotype, and stereotype. Reading, once the privilege of the exclusive few, is practically free for the multitude, while the printing industry furnishes employment to greater numbers than the total literate population of a previous generation.

"On the farm the hand pump had so long given way to the wooden windmill, to the steel windmill, to the gasoline engine, and the electric motor that many of us had to travel to France as soldiers to find out that the Old Oaken Bucket was not merely a song. 'Over there,' in defending or taking the French chateaux, we found out that the sons and 'daughters of a hundred earls' possess fewer creature comforts than American farmers and skilled workmen.

"An extraordinary revolution, so long accomplished as to be forgotten, was that agricultural machinery and railroads with their adjuncts, cattle cars, and refrigeration, made farming a money-earning enterprise for the first time in the history of the world, and also raised the masses of Europe from their condition of semi-starvation.

"How is it that such a magic rise in the lot of mankind was stopped and humanity has been definitely headed back to the previous condition of want and misery?"

The first explanation is the war boom and war extravagance. Unheard-of and temporary profits came during the years of war before we were involved. These profits, which should have been saved for a rainy day, instead were capitalized, creating an illusion of wealth that did not exist. On this illusion were based our war expenditures, our war taxes, and also our postwar expenses and the postwar taxes which are now dragging us down, as England's revolutionary confiscations have borne down England.

In fairness to our politicians be it said that until last winter they were no more culpable than the rest of us. They did not misunderstand conditions any more than the bankers or the business men. Taxation did not seem to be overpowering before the bubble burst. It was only then perceived that as values had been ephemeral, assessments based upon them had been false; that a large part of what had been considered income was merely a turnover on a temporary rise in capital prices; that tax upon it was a capital levy which was not returned when prices sank back to normal; and that while we believed that our public bodies were taking a fairly large share of the national income, they were actually consuming our capital accumulations. It was only, therefore, after the fallacy of our supposed wealth had become known that the conduct of tax-raising officials toward the Nation was seen to be lethal.

Politics has always been the art of spending tax money to build political machines. In the boom days it was widely used to buy votes by groups and communities. Since reduction of taxes would deprive the officeholders of this most dependable political weapon, some pretext must be found to maintain taxes at a rate the Nation could not support, or these corruption funds must be abandoned.

Consequently, recourse was had to the steam-heated socialists who centered in Greenwich Village, but whose "cells" range as far as the Bad Lands and the Staked Plains; who scorn the history of the patriots and the pioneers as dull; scoff at the political philosophy of George Mason, Jefferson, and Lincoln as bourgeois, at the law of John Marshall and the economics of Alexander Hamilton as "merely American" in order to inebriate themselves in the slush of Engels, Gorki, and Marx, and felicitate themselves that they are so much better than Americans as to be almost as good as the leaders of Europe's proletariat revolutions!

These mental dope fiends and their gigolo magazines furnished our politicians with a mythology which discarded American history and set up in its stead a falsely pretended resemblance between American and European historical, economic, and social conditions.

It was under the dominance of these boulevardier intellectuals that the last Congress doubled the tax rates and halved the revenue, and the guiding motive of the leaders was the breakdown of our Government and of our industrial system.

It still is.

If I have just used strong language, it is not only because we are facing a crisis but to call attention to facts which have not been generally realized.

That a people who escaped from Europe, broke their shackles by war, forbade titles of nobility in the Constitution of the Nation, abolished primogeniture, and opened equal opportunity to all and the topmost rungs of achievement to the able and industrious should be assailed as the personification of all it has overcome is occasion for words of sharp censure.

Moscow or a Mussolini may be the alternatives in Europe, but not, pray God, in America.

There is another alternative here. It is to renounce these foreign doctrines and continue our development along the lines which have made America the most prosperous and happy land the world has ever seen.

The time has come for a patriot movement.

BIMETALLISM OR COMMUNISM

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD an address by T. E. Howard, chairman of the board of directors of the National Farmers Union, over the National Broadcasting System, on August 27, 1932, on the subject of Bimetallism or Communism.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of this great radio audience, it is not a far cry from the subject of beans, bread, and bacon, to the subject of remonetization of silver. The fact of the matter is, there is such a relationship, and they are so definitely woven together in the present economic chaos that it becomes necessary to discuss them all in common.

SILVER DRAWS CONSUMER AND PRODUCER TOGETHER

I shall attempt to discuss them in an understandable way, to the end that those who are interested in securing beans, bread, and bacon, and also those who have produced the beans, bread, and bacon may properly understand what remonetization of silver means, and that these two groups have something very much in common.

This Nation seems to be sold on the idea of a metallic base for our currency, or money system, as some call it, but instead of having a great, broad base of both gold and silver, we have allowed silver to be demonetized and to be on the market strictly as a commodity. If the business of the world could be conducted entirely with gold or the currency based on gold bullion, no one except silver miners would be interested in this subject. Silver might continue its downward sweep, even to the value of lead, but under the single gold standard it would require a new discovery of gold equal to the Klondike, Cripple Creek, Comstock, and Rand combined to lower the present high-priced dollar to an honest basis.

WHAT IS MONEY?

The Farmers' Union, three years ago, sent a young man to Denmark to study the cooperative and economic system of that country and was amazed to find a well-defined and pronounced philosophy of what money is. After traveling for two or three days in the rural sections he asked his young interpreter how it happened that every farm home glistened in its coat of new paint; that all the yards were surrounded by white paling fences, and that although land was extremely valuable, the yard was filled with shrubs, trees, and flowers. He called attention to the fact that when the click of the latch on the front gate sounded at the house, a rosy-faced housewife would appear in white starched apron and bonnet with a smile on her face. He stated to his interpreter that such was not the condition in the United States, and asked his analysis of the difference. The reply holds within it the key to the situation. The interpreter said, "Bah! You American people make me sick. You plan your homes, farms, business, and daily work only on the basis of how much money you may receive. Whereas we plan on the basis of what our labor, our services, or our commodities will in turn purchase and secure for us. What they will obtain for us in commodities, pleasure, education, or culture."

This young Danish farmer had the true concept of what money is—that it is merely a medium of exchange and, under proper, efficient, and honest government, is issued for the purpose of enabling the producer to exchange his extra products for the things he has to have or should have; also for art, culture, and study.

To make the matter clear, I would say the farmer must produce more of any given commodity than he needs. He must exchange his extra commodities for the things he desires. There is no other way for him than to pay all bills with commodities. In the light of present-day business, however, the paint man can not handle wheat. Therefore the farmer can not exchange his extra bushels of wheat for paint, and in recognition of this need, whereby he could exchange his extra pounds, bushels, or tons for the commodities he must have, money, or a medium of exchange, came into existence.

Money is in truth merely a token or emblem of the extra pounds, bushels, or tons of commodities. New wealth. If there are suffi-

cient tokens or emblems to transact the business of a nation and carry on commerce, business is good. If there are not sufficient tokens or emblems, business is bad and we have a depression. We must have a sufficient quantity of tokens or emblems or circulating currency that they or it can be secured with the smallest amount of commodities or the smallest amount of productive labor.

WE PAY BILLS WITH COMMODITIES

This is not now the case. Viewing the matter from the farmers' standpoint, we submit to you that the farmers' purchasing power is vested in the commodities he produces. He pays his debts; he pays his taxes; he buys his supplies and he feeds, clothes, and educates his children with his commodities. Let us reverse our past teachings. Money represents new commodities or new productive labor. We actually buy dollars with commodities or with labor and we do not, as we have been taught, buy commodities or labor with dollars.

If in the regular order of business the farmer can, as he did in 1919, purchase $2 with 1 bushel of wheat, or $1 with 2½ pounds of butterfat, or $1 with 3 dozen eggs, by the same methods he could pay a $300 tax bill with 150 bushels of wheat or pay a $3,000 mortgage with 1,500 bushels of wheat.

CONGRESS PRIMARILY TO BLAME

Now, since the international bank crowd, by the power extended to them by our own Congress, has contracted the currency of the Nation, taking out of circulation so much of the circulating medium or token or emblems, they have thus not only made the dollars scarce, but too high in value.

When the farmer now attempts to pay his $3,000 mortgage he will have to take 9,000 bushels of wheat to town for that purpose instead of 1,500 bushels. When he goes to the county seat to pay his $300 tax bill he has to take 900 bushels of wheat to town instead of 150 bushels. If he wants a dollar to buy paint or some other commodity he must take 10 dozen eggs to town instead of 3 dozen, or 8 pounds of butterfat instead of 2. The high dollar has driven the commodities so low that not a farm commodity in the United States to-day returns to the farmer the cost of its production. Thus we see, my friends, that the purchasing power of the American farmer has been destroyed by those who control the issuance of the currency of the Nation, making the dollars scarce and high.

WE START THE JOBLESS ARMY

Now, what happened when the farmer's purchasing power was thus destroyed? He could no longer trade at the local store except in the most limited way. Every fifth merchant went bankrupt. The rest of them fired their clerks and put their wives and children to work. The clerks started down the road to look for jobs. Thus an army of jobless men was in the making. When the local merchant could not sell his goods, he could not buy from the wholesale house or the factory. The wholesale houses, therefore, reduced their force, and many of them went out of business. Thus another large group of working men were looking for jobs. The jobless army was growing.

Next came the factories, who could not sell because no one could buy, and factory after factory across the Nation closed its doors and started thousands more of their former employees down the road looking for work. The factories closing down reduced the amount of goods to ship, and thus affected the railroads. They began to take off trains, they closed shops, and sent thousands more of our citizens out to look for food. This never-ending and relentless sweep of unemployment is with us yet.

Foolish employers began to cut salaries and wages of those that had to be retained, and still further reduced the purchasing power of thousands more.

When the farmer could no longer pay his notes and mortgages at the bank, 10,000 banks of the Nation were pulled down over the heads of the communities in which they were located.

PLENTY VERSUS POVERTY

Thus, to-day, ladies and gentlemen, we have a sorrowful picture in a land of plenty—a land literally flowing with milk and honey, with genius and scientific development, with facilities of every kind for greater progress, for more prosperity, for happiness to all, but now in the throes of despair. Twelve million hungry men walking the streets and roads of the Nation looking for work; 20,000,000 women and children depending on them, all being fed at the hands of private charity or in bread lines and soup houses. Oft in the dark hours of night many secure an extra crust from garbage cans. This entire disaster which has befallen the American people can be traced to one specific thing—the high and scarce dishonest dollar. The international money racketeers have it within their power, under a single gold standard, to make the dollar scarce and high or to bring the dollar low and plentiful. They made the dollars plentiful and low in 1919, but have been making them scarce and high since 1920. The low dollar is good for the debtor class, and in 1919 we were enticed into indebtedness. The high dollar is good for the creditor, and because a high dollar sets commodity prices low we can not now pay our debts. They thus are taking our farms, our homes, and our business. Literally, we are suffering the curse of Midas.

CONGRESS DOES NOT KNOW

If Congress had courage and knew what was wrecking the Nation, they would pass a Federal banking act that would take the entire banking business out of private hands. I do not mean the little community banker is to blame. He is a subject of the big international bankers, the same as you and I. Take the bankers out of the Government business and put the Government in the banking business.

Since the destruction of silver as a monetary base, and the establishment of gold as the only base on which currency or token, or emblems may be issued, we find that such a scheme lends itself admirably to those without conscience and now in control of the monetary system of this country, to make the dollar scarce but high in value. This scheme places the individual and all business under the control of the creditor group. This scheme does, in fact, place the economic destiny of every man, woman, or child in their control. Ladies and gentlemen, it dictates terms to government.

TROUBLE AHEAD

I submit to you that this Nation is in a precarious position at the present time, and that a continuance of the present policy will, in fact, be a bid for intolerance. Intolerance begets intolerance. A hungry man may be reasoned with for some time, but you can not reason with too many, too long, if they have hungry families. Defying the lightning of Ajax does not lighten the thunder's roar.

SOLDIER BONUS

Take the soldier boys, for instance; they demand payment for the service they have well performed. Out of work, disconsolate, blasted hopes, and being dispossessed of their jobs and of their homes, they suffer as others are suffering, but are calling on the Government they so valiantly served for the right to work and earn a living. Not securing that, they want the money that is due them. Thousands of them feel that, although they were heroes of yesterday, they are rapidly becoming a disinherited people. These boys should be paid. They should be paid what we owe them immediately, and in new money. Two billion in new money to pay them would make money more plentiful. It would lower the present high-priced dollar. It would go far toward restoring the purchasing power by raising the commodity price level.

Remonetize silver on its right ratio with gold and these boys could be paid. Strange as it may seem, they could be paid in full, and the paying of this debt would place the rest of the people in better shape as well as the soldier boys.

PUT THEM TO WORK

The first concern of all thinking patriotic people in this country must be to take the 12,000,000 hungry men out of the bread lines and put them on the jobs that are waiting to be done. How best can this be accomplished? The Farmers' Union holds that this can not be done until the purchasing power of the farmers of this Nation has been restored. If this purchasing power is restored, the farmers being the largest number of people engaged in any industry and in conduct of the basic industry of all, will then start the cash registers of the agricultural towns of the Nation to jingle again. The merchants and dealers then will start the opening of factory doors; former employees now in the bread lines will again take their places on the pay roll; each man thus placed on an earning basis again also starts to buy goods, and we would soon find that an endless chain was turning; that prosperity again existed and that songs of happiness prevailed instead of hunger, sorrow, and blasted hopes.

HOW TO DO IT

How can this purchasing power best be reestablished? The Farmers' Union takes the stand that the remonetization of silver would do the job. Instead of the single gold standard being the only basis on which the dollars of the Nation are issued, we would, by the remonetization of silver, spread the base to a double standard, open up another great reservoir from which the fields of commerce and business might be adequately irrigated. Have free and unlimited coinage of both gold and silver. To remonetize silver would naturally mean to the silver States a great industry. It would employ many thousands of workmen where the mines, smelters, and mills have now been idle for many years.

This, however, is not the reason why the Farmers' Union is interested in the remonetization of silver. We know that it would have a twofold effect. It would free this Nation from the international money racketeers who at the present time can and do have under their control the economic destiny of every man, woman, and child in the Nation. It would remove a baneful influence now held over government itself by a gang of pirates and racketeers who are sinking the Republic with the same degree of heartlessness as is accredited to pirates of old who sank a ship.

Remonetization of silver would reestablish the purchasing power of the people of the Nation merely by the creation of more dollars, thus bringing the high-priced dollar down to its proper level, making it easier to secure a dollar with less commodities or with less labor than it can be secured for at this time. This plan would raise the price of beans to the Michigan farmer. It would enable him to secure more dollars for less beans. It would enable him to start paying his taxes and his debts. Likewise, this is true of the wheat farmer in Montana and North Dakota, the cotton farmer in the southland, and the stockman and fruit grower everywhere.

CONSUMERS, TOO

To those who view the increase in the price of farm commodities from a consumers' standpoint, let me suggest to you that it is not now the high price of farm commodities that causes 30,000,000 hungry people to receive food by charity, but it is the low price the farmers receive which closed the factories, pulled down the banks, bankrupted the merchants, and stopped the trains. There need be no speculation about what would happen. Please reason

it out for yourself. If the base were broadened on which the currency of the Nation is issued, there would be more currency. The more of this currency or circulating medium there is, the cheaper it is. The cheaper it is, the more easily obtainable it is. It can be secured with less labor and with less commodities than at the present time.

The remonetization of silver would do still more. It would unleash the frozen assets in every community in the Nation.

More and more, as we study this question, we become imbued with the idea that collusion exists between even our own Federal Treasury officials and this international bank crowd. They testify and bear witness against us in hearings on this matter. There seems to be a continuous propaganda in this country that remonetization of silver would impair the integrity of the Federal Government.

Let me suggest to you who listen in that to those 12,000,000 hungry men who pad the streets and roads of the Nation, and to their 20,000,000 hungry wives and children, the integrity of the Government is already impaired.

Then we hear, coming from the international bank crowd, that the remonetization of silver on the basis at which the Farmers' Union claims it should be remonetized would flood this country with importations of silver from China, India, and other foreign countries. Their arguments are specious. They seek to build up bubbles of gossamer illusion. Let me suggest to you at this time, ladies and gentlemen, that there is not now in the world enough gold and silver on which alone to base a proper medium of exchange. By this I mean if all the civilized nations of the world had both a gold and silver base on which to issue their circulating medium, there would not be enough of these two precious metals in existence for the nations to have an honest dollar here, or its counterpart as used in other countries. A new precious metal would have to be found on which to base more currency.

This Nation with a double standard would not be flooded by silver from other nations, but we might and should by that process collect the debts they now owe us. They do not have the gold with which to pay the international money racketeers and our Government, too, nor can they increase their trade with us under the single gold standard and the provisions of the Smoot-Hawley tariff law. Thus silver remonetization would collect the war debts and enable us to resume world trade. None of the great powers of Europe could make a good start toward dumping their silver into this country, because they would need it at home to preserve what they now believe to be a permanent hold on the commerce of the silver-standard nations. Most important of all, it would reestablish the purchasing power of our people. It would harm no one, not even the international bank crowd. It would give them a square deal.

FIAT

There are those who are so foolish as to say that inflation of the currency of this Nation would be the creation of a fiat dollar. Let me suggest to you now that any time private money lords of this country can inflate or deflate the currency at will we then have a fiat dollar. Such is the condition to-day. All we seek now is an honest dollar; not a dollar so hard to obtain that it takes from $2 to $5 worth of commodity or labor to obtain it.

NO OVERPRODUCTION

At this point let me say that overproduction is charged with being the reason for our present collapse. The farmer is told that he has been too industrious, and that because he has produced too much the price for his commodities must run below the cost of production. The workingman has been told that because labor-saving machinery has now become so effective man power is displaced by machinery. This is all false doctrine. Machines which displace the man power of the Nation must return to labor a far greater share of its economic production than they do at the present time. They must be made the agency for happiness to all the people instead of an agency for aggrandizement of a few and the torture of many. This holds true with labor-saving devices and machinery on the farm, in the factory, or on the job. Shorter work weeks and workdays must be established. Labor-saving machines must become a blessing to mankind and not a curse. They must contribute to those who operate them and those who are displaced by them a greater percentage of their earning power. In social and economic planning for America's greatness shorter workdays and fewer of them must be adopted. No attending wage cuts must be allowed.

As to overproduction on the farm, let me suggest that the American Red Cross has already stated that in this hour of destitution, hunger, and woe the half million bales of cotton handed over to them by the Farm Board would be highly insufficient. When manufactured into cotton cloth it will be inadequate and insufficient to furnish absolutely necessary garments for the coming winter to protect those who will be subjects of charity. Give these 30,000,000 hungry people sufficient to eat and you will see the mooted question of overproduction readily solved. Using the words of one who has gone before, I would say:

"The fiat has gone forth! With steam and electricity and the new powers born of progress forces have entered the world that will either compel us to a higher plane or overwhelm us, as nation after nation, as civilization after civilization, has been overwhelmed before. It is the delusion which precedes destruction that sees in the unrest with which the civilized world is feverishly pulsing only the passing effect of ephemeral causes. Between democratic ideas and the aristocratic adjustments of society there is an irreconcilable conflict. Here in the United States, as there is in Europe, it may be seen arising. We can not go on permitting men to vote and forcing them to tramp. We can not go on educating boys and girls in our public schools and then refusing them the right to earn an honest living. We can not go on prating of the inalienable rights of man, and then denying the inalienable right to the bounty of the Creator. Even now in old bottles the new wine begins to ferment and elemental forces gather for the strife.

"But if while there is yet time we turn to Justice and obey her, if we trust Liberty and follow her, the dangers that now threaten must disappear, the forces that now menace will turn to agencies of elevation. Think of the powers yet to be explored, of the possibilities of which the wondrous inventions of this century give us but a hint. With want destroyed, with greed changed to noble passions, with the fraternity that is born of equality taking the place of the jealousy and fear that now array men against each other, with mental power loosed by conditions that give to the humblest comfort and leisure, who shall measure the heights to which our civilization may soar? Words fail the thought. It is the golden age of which poets have sung and the high-raised seers have told in metaphor. It is the glorious vision which has always haunted man with gleams of fitful splendor. It is what he saw whose eyes at Patmos were closed in a trance. It is the culmination of the brotherhood of man, the city of God on earth, with its walls of jasper and its gates of pearl. It is the reign of the Prince of Peace."

The question is often asked: What is the proper ratio on which silver should be remonetized? We, the Farmers' Union, take the stand that the only basis on which it should be remonetized is the ratio or near the ratio at which it has always been produced. For 2,500 years we have produced less than 16 ounces of silver for each ounce of gold. With not enough of both on which to base honest dollars, we therefore strongly urge that the ratio to gold at which silver is remonetized must be at or very near the ratio at which it has been produced for all these years.

There are those who claim that all the nations of the world should be called into international conference on this money question. With nation after nation dropping off the single gold standard or extending its yardstick to include silver as a base, not one of them has thought for a moment to call us into conference. It is not necessary to call an international conference. We must make our Republic secure first. We must look out for our own people.

WHEELER BILL (S. 2487)

A bill was introduced in the last session of Congress to remonetize silver on such a ratio with gold as would give the American people an honest dollar, which we do not now have.

The dollars we now have are dishonest ones. They exact such a toll from labor and labor's commodities that it takes too much labor and too much commodity to secure one of these dishonest dollars. The bill introduced in the last session was by Senator BURTON K. WHEELER, of Montana (S. 2487). That bill proposed for the free and unlimited coinage of both gold and silver at the ratio of 16 to 1. That bill even gives the private money lords of this country and of the world a fair deal. The bill merely reestablishes the power of Congress to carry out the provisions of the Constitution, whereas Congress has the power "to issue the currency of this Nation and to set the value thereof." On the basis of 16 to 1 we would once more have an honest dollar. It would reestablish the purchasing power of the people engaged in the five basic industries—agriculture, the mines, the oil wells, the timber, and the products from the sea. Because there are more people in these industries than in any number of secondary industries, their purchasing power would be restored, and as they started to revolve the wheels of industry, the Nation would soon enjoy that prosperity so long talked of by political quacks, but not enjoyed by anyone at the present time except the money racketeers. Stronger than the Government, stronger than the governments of the world, they now dictate the terms of credit, and by controlling the volume of currency, they set the price on the commodities.

$9 PER MINUTE FOR 1,900 YEARS

In passing, I desire to call your attention to the fact that under these conditions there has not been enough new wealth created since 1929 to pay the interest and the tax bill. If this new and original wealth produced from the farms, mines, oil wells, timber, and the sea can not pay the interest and tax bill of the Nation, then naturally bankruptcy not only stares the individual in the face but business and subdivisions of government as well. How much toll do we pay the credit crowd, anyway? With an interest bill last year of $17,200 per minute, or $1,000,000 per hour, $24,000,000 per day, the Nation is incapable of going on. The staggering amounts herein stated might be more clearly brought to your attention when I say that had some one started at the time of Christ to stack up $9 per minute from then until now, it would have required the entire amount to have paid the interest on the private and public indebtedness for last year.

INCREASE OF INDEBTEDNESS

Did it ever occur to you that the high-priced dollar and the attending low-priced commodity have increased the farmers' 1920 indebtedness approximately 500 per cent without changing a figure on the note or the mortgage? This is actually what has happened. Add this disastrous condition which faces the debtor to the already staggering load of actual interest payment in dollars and cents and it will show you a condition from which this Nation can not hope to recover unless immediate and drastic steps are taken. A

$3,000 mortgage, made in 1919 with the dollars of that day, now approximates $15,000 because of our lack of paying power.

The illustration which I have given of the American farmer is likewise true and applicable to the workingman. His indebtedness has been increased manyfold because the dollar has been made so high in value and so scarce and his wages have been reduced so much, or entirely, that his indebtedness can not now be paid at all.

The international bank crowd naturally want to continue and to increase this enormous staggering load of interest on the American people. Recent legislation is claimed by those who receive the gratuities emanating therefrom in the way of interest to have been statesmanship par excellence. But I say to you, ladies and gentlemen, you can not borrow yourselves out of debt. We merely enhance and enlarge on the power of the private interests of this Nation, whose dollars we are borrowing. Literally we have enthroned an imperialism of capital. I am sure I know what the great Emancipator meant when he said:

"I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of war, corporations have been enthroned, and an era of corruption in high places will follow. The money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and the republic is destroyed."

UNREST

Is it any wonder, with the people's purchasing power destroyed, that hunger and starvation stare millions in the face; that unrest and dissatisfaction are everywhere? Pending the convening of the new Congress, millions of farmers bankrupt by the high-priced dollar are seeking some way out in many localities in the Nation where the public generally, engrossed in their own personal affairs, have given no attention to this great national disaster that has overtaken us. Those farmers are now discussing some method by which the public at large may be caused to realize the seriousness of the present situation. In some States tax strikes are being discussed. By this I believe them to mean that the farmers and their business and professional friends in town will refuse to pay taxes until the necessary readjustment has been accomplished. If taxes are not paid, it means that schools and colleges, counties, municipal and State governments would materially suffer but in the suffering would coolly and calmly attempt to assist those on whom their bread and butter depend.

In some localities of the Nation a plan to sell everything possible, secure the money for it, and take the money home is being discussed. This, within a few weeks, would deplete the bank deposits of actual money, and is believed by some to be the means of bringing powerful forces to our side of the question. When the banks of the Nation close to-day there will be $50,000,000,000 on deposit with only $5,000,000,000 in actual money in those banks. Not enough money to transact the business of the Nation.

FARMER'S STRIKE

In 12 Middle Western States the farmers' holiday is being promoted. Bankrupt farmers, driven to desperation, unable to pay their debts, their interest, or their taxes with their commodities, have decided to sell no more commodities until the prices of those commodities have been increased sufficiently to pay the cost of production.

To those who listen in, let me remind you that up to this hour the farmers of this Nation have never set the price on any commodity they have bought or sold. They sell at wholesale in an unprotected world market and buy at retail in a highly protected domestic market. If they have decided to follow the lead of all other business or professions in demanding cost of production for their commodities, who shall say such a plan must not be allowed? The farmer has maintained that the right to set the price on a service or commodity was vested in the owner of that service or commodity. He now claims that right for himself. In tatters and rags, with mortgage foreclosures staring him in the face, he appealed to the last Congress for legislation that would guarantee him cost of production for that part of our commodities used in this country. Congress, with heartless indifference, adjourned without action.

He now is following the lead of every business and industry in the Nation. He, too, now is demanding the cost of production as a minimum price. It is not only his right to do so, but it is necessary. It is the farmer's moral and patriotic duty to refuse to deliver any more of his products, at less than the cost of production. For information about the Farmers' Holiday Association, write to its national president, Mr. Milo Reno, Des Moines, Iowa.

FARMERS HAVE TO COME FIRST

In summation, my friends, I wish to submit to you, there can be no happiness or hope for prosperity in this country until the 12,000,000 hungry workers are put on the job; until they are connected with the job that is waiting for someone to do. The factory wheels are rusty now, but they are waiting to turn again. The people can consume the manufactured commodities. There is no limit to their demands, my friends—except their ability to buy. The 20,000,000 hungry women and children must be taken out of these breadlines and soup houses. None of this can be accomplished, however, until the purchasing power of the American people has been restored. The purchasing power of the American people can not be restored until the raw commodities of this Nation return to the producers of them an amount equal to the cost of production or more. Under the present trade restrictions with foreign nations and the present high-priced dollar, this can not be hoped for. We must have an inflation of the currency and bring the high-priced dollar down to an honest basis. We must inflate to at least the per capita circulation in existence at the time we went in debt; at the time the banks started to crash and the factories to close. Because this Nation is sold on the idea of a precious metal base for our circulating medium, the easiest way we can bring the high-priced dollar down, and the commodities up, is to remonetize silver and have free and unlimited coinage of both gold and silver at the ratio of 16 to 1. This would not, in fact, be inflation. At least it would not be a fiat dollar.

To the members of the Farmers' Union, and to their thousands of friends who listen in at this hour, let me suggest that no Congressman or Senator should receive the benefit of your vote in this year's election unless he stands for broadening the base on which the currency of this Nation is issued, unless he has the courage and stability and understanding to free this Nation from the stranglehold of the most conscienceless group the world has ever known. Thank you.

FEDERAL HOME-LOAN BANKS

Mr. WALSH of Massachusetts. Mr. President, I am sure all Members of the Senate have had many inquiries concerning the purposes of the Federal home-loan banks.

Some time ago I asked the president of the Federal home-loan bank in New England, Mr. Taylor, to prepare a public statement which could be distributed to citizens who made inquiries concerning the objectives of this institution. I have one of these statements, which has been prepared by the Federal Home Loan Bank of Cambridge. The New England bank is located in that city. The statement states that it explains—

"Why It Was Organized—What It Is Doing—What It Will Do."

The statement is brief; and for the information of the Senate and the public I ask that it be printed in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The statement is as follows:

FEDERAL HOME LOAN BANK OF CAMBRIDGE, MASS.,
Cambridge, Mass.

THE FEDERAL HOME-LOAN BANK OF CAMBRIDGE—WHY IT WAS ORGANIZED—WHAT IT IS DOING—WHAT IT WILL DO

The purpose of the Federal home-loan bank system is to maintain and build up individual home ownership. It acts mainly through the agency of savings banks, cooperative banks, building and loan associations, and insurance companies. It sets up for them a reservoir of credit which offers to member institutions 10-year loans on the home mortgages written by these institutions. It should not compete with those mutual institutions (whose funds come almost entirely from small savers) but should rather supplement and stabilize their efforts.

The Federal Home Loan Bank of Cambridge has received thousands of applications for loans, of which many show a complete misunderstanding of what the bank can accomplish. There are many cases wherein the present mortgage is more than 100 per cent of the value of the property (on the applicant's own appraisal), and there are others where the applicant is unable to pay any interest whatsoever and asks for a loan without any expectation of being able to pay. To these home owners the bank suggests that the present mortgagee be consulted and asked to help. Such requests are being granted. If mistakes were made during the period of inflation which ended in 1929, these mistakes should be assumed by the institutions responsible for them. For that class of applications which represents mortgages amounting to about 60 or 70 per cent of the appraisal figure we are now operating through local committees representing potential members, asking them to arrange for the payment of back taxes, to refinance mortgages in order to pay delinquent interest, and to arrange for a suspension of dues temporarily. Closed State banks have been asked to withhold foreclosure proceedings until the home-loan bank is functioning completely. These requests are being granted in Massachusetts. The bank has not refused any applications which ask for loans normally granted, nor has it refused in any case because a mortgage is already in existence. It has placed before home-loaning institutions throughout New England hundreds of applications for additions to present mortgages. It receives daily information that such loans are being made. Indirectly it has prevented foreclosures, provided money for necessary repairs and payment of taxes, and it has made suggestions which have saved the equities of a great many home owners.

In New England enabling legislation is necessary to permit savings banks and building and loan associations to become members of the Federal Home Loan Bank of Cambridge and to borrow money for the purpose of making loans to individual home owners. It is hoped that this legislation will be passed early in January, and at that time funds will be available immediately. The institutions are already filing their applications for membership and are now being examined and listed for maximum credit. There is no mortgage money in New England, and a large amount

is needed. The twelve and one-half million dollars with which capital the bank started must be increased by the sale of bonds, and this can be done only if we operate on a sound financial basis. The Federal Home Loan Bank of Cambridge will offer to home owners of New England security which present demoralized conditions show never to have been in existence. Furthermore, in being a source of credit (emergency or otherwise) for these mutual institutions, it will protect the small savings of thousands of individuals. It is providing funds which will be used primarily for the employment of labor—in repairing and modernizing—and for new building operations. It will not make a loan for the purpose of allowing any institution to hoard cash. It is a permanently constructive measure, and it is being accepted as such in every New England State.

H. F. TAYLOR, Jr.,
President.
W. H. NEAVES,
Executive Vice President.

THE RAILWAY SITUATION

Mr. LA FOLLETTE. Mr. President, by request of Mr. A. F. Whitney, chairman of the Railway Labor Executives' Association, I ask to have printed in the RECORD a telegram signed by him and addressed to Mr. Bernard M. Baruch, vice chairman National Transportation Committee, Empire State Building, New York City.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

[Night letter]

CHICAGO, ILL., *December 7, 1932.*

BERNARD M. BARUCH,
Vice Chairman, National Transportation Committee,
Empire State Building, New York, N. Y.

You letter of November 10, requesting that our association submit certain information to the National Transportation Committee, gave us no adequate description of the composition, purpose, program, nor origin of your committee. We have consequently found it necessary to make some investigation to determine these facts.

Our investigation develops the fact that the committee for which you speak has been appointed and is being financed by a special bondholding interest. While the committee is nonpartisan in a strictly political sense, in that it includes past leaders of our principal political parties, it is representative of a specific group with a direct interest in the policies to be adopted in the railway industry. Since that group and its interests can not be said to be coextensive with the industry as a whole, nor with the general public affected by railway policies, we are unable to form any other conclusion than that in its inspiration, in its financing, and in its choice of personnel your committee is representative only of that special group of railway bondholders. Its status, we feel, is precisely the same as would be that of a committee appointed by railway workers, by railway managements, or by a group of shippers with special interests in the railway situation.

So far as we understand the matters which your committee proposes to investigate, they are subjects which come properly within the purview of existing governmental agencies. The Interstate Commerce Commission, the Interstate Commerce Committees of the two Houses of Congress, and the United States Board of Mediation are properly charged with the conduct of such investigations as that which is being made by your committee. On the other hand, your committee has no legal standing whatever. Despite the political prominence of certain members of your committee, it seems certain that the American public would have less justification in expecting complete and impartial investigation by your committee than it would have if such an investigation were being undertaken by a governmental body properly representative of the welfare of the entire Nation.

Since the railway situation is far from ideal, we believe an investigation by authority of the United States Congress should be made. The danger to the transportation industry presented by new and unregulated transportation agencies is generally recognized and, we believe, would repay detailed governmental study. Certain other factors in the railway situation, such as unsound financial set-up, also merit careful investigation. It is to be hoped that a properly constituted governmental body will bring to such an investigation in the near future the facilities, the experience, the authority, and the impartiality which are necessary to insure any degree of value or public confidence in the findings of any study to be made.

No useful purpose would be served by our presentation to your committee of matters properly to be submitted to other and authoritative bodies.

By order of the Railway Labor Executives' Association:
A. F. WHITNEY, *Chairman.*

THE WORLD COURT

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials—one from the Louisville Courier-Journal of December 12, and the other from the Louisville Times of December 12—relating to the World Court.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Louisville (Ky.) Courier-Journal of Monday, December 12, 1932]

GIVE US THE WORLD COURT

The Courier-Journal this morning devotes considerable space to the publication of two appeals to be submitted to-day to the United States Senate. These appeals, the one signed by a number of prominent Democrats and the other signed by as many prominent Republicans, urge the immediate ratification by the Senate of the protocols now before it for American adhesion to the Permanent Court of International Justice.

There should have been no occasion for these appeals. The Senate as long ago as 1926 voted adherence to the court, with certain reservations. These reservations have been accepted by the nations constituting the membership of the tribunal, and treaties laying before the Senate the revised protocols were reported favorably to that body last June. The reservations stipulated by the Senate in 1926 have been fully met, and there is no excuse for further protracting the delay in joining the court, a delay which already has lasted nearly 10 years.

The Senate should end its dawdling on this question and act decisively on it at once. The platforms of both political parties promised our adherence to the court and the people of the country generally not only favor it but demand it.

As the Republican petition well puts it, "action upon the court measures has in previous sessions been deferred on the ground that pressing domestic legislation of an economic nature made it impracticable to take the time for considering the court treaties. Urgent questions confront the short session, also questions derived both from the troubled situation at home and from the troubled situation abroad. Far from constituting a reason for again deferring action, the present troubled condition of the world points imperatively to the need for clear indorsement of the stabilizing principle of judicial settlement of those disputes which will continually arise between nations, the more frequently as their economic interrelations become the more complex."

[From the Louisville Times of Monday, December 12, 1932]

SENATE SHOULD DO IT NOW

That, December 12, 1932, it is necessary for Americans who have for years advocated this country's adhesion to the World Court to recommend, once more, that the Senate act upon the protocols is deplorable.

It will be even more deplorable if it be necessary for the same appeal to be made once—even once—more.

Half a dozen years ago the Senate accepted in principal the proposal, then four years old, that the United States assume its responsibilities as a major nation whose people want safeguards of world peace.

The reservations of the Senate were agreed to by nations earnestly desirous of the cooperation of the United States.

There is nothing left to do but to do what obviously it is the duty of the Senate to do.

There is no excuse for additional delay or defense of additional delay.

There is no defense in politics, for the two political parties are committed formally in written and recorded declarations to the course that has not been taken by the Senate.

The public, or that part of it which as a rule takes an interest, intelligently and persistently, in public affairs, is weary of the shilly-shallying, the excuse making, the sorry subterfuge of a Senate which has had, according to its assertions, something more important to do; but which has not done, after the excuse, anything more important than what it has omitted to do.

Everyone's mind is made up, and long has been made up, upon this much-mooted question.

No extended discussion and deliberation are needed in the Senate.

There is nothing to be done but to do what should have been done long ago.

There is no reason for much time being taken up if the Senate is, as usual, ready to say that this is its busy session.

Nothing could be gotten out of the way so easily and so quickly as the World Court resolution.

Nothing which could be done as quickly would get so much out of the way.

The Senate should abandon its policy of evasion and try, at last, upon this question the policy of truth and forthrightness.

Do it now!

Mr. WALCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD an exceedingly able editorial appearing in the Hartford Courant on the subject of the World Court.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hartford Courant]

AN APPEAL FOR THE WORLD COURT

An impressive group of Republicans headed by Gen. James G. Harbord and an equally impressive group of Democrats headed by Mr. John W. Davis have appealed to their respective party members in the Senate to dispose of the World Court issue on

its merits at the present session of Congress. Disposing of the issue on its merits can hardly mean anything else but ratifying the three pending protocols, which adequately meet the reservations that the Senate made when it voted nearly seven years ago the adherence of the United States in principle to the court.

We assert that these protocols meet the Senate's reservations on the authority of an expert study made of them by a committee of the American Bar Association whose report was adopted by the whole association, also on the authority of Secretary Stimson, of the Department of State. When the court by its statute and by the terms of the protocols is restrained either from handing down a judgment or giving an advisory opinion in any dispute that concerns the United States without the explicit consent of this country, how can it be questioned that the interests of the United States are not fully protected?

Too long already has this matter of our adherence to the Permanent Court of International Justice been delayed. Nearly 10 years have elapsed since the question was first submitted to the Senate. It will be seven years in January since the Senate voted adherence provided certain stipulations were met. For three years action on the protocols covering the Senate stipulations or reservations has been deferred on one pretext or another. The greater urgency of domestic legislation has been pleaded, but urgent as this legislation has been there have been numerous occasions when the Senate could have disposed of the question had it so desired.

There never will be a time when domestic legislation deemed urgent by many will not be before the Senate, but much of this legislation must necessarily await the reports of committees before the Senate is called upon to act. During intervals between reports the Senate wastes a great deal of time talking about nothing of particular moment. There will be opportunity unquestionably before this session of Congress ends on March 4 to vote on the protocols if the Senate is so disposed. The purpose of the appeals to it by General Harbord's group of Republicans and Mr. Davis's group of Democrats is to bring it into a disposing frame of mind and to cause it to carry out the commitments of the respective party platforms.

The Republican Party in its national convention of last June, after reminding that three successive Republican Presidents had urged adherence to the court, declared: "America should join its influence and gain a voice in this institution, which would offer us a safer, more judicial and expeditious instrument for the constantly recurring questions between us and other nations than is now available by arbitration." The Democratic Party, after advocating a firm foreign policy, "including peace with all the world," declared for "adherence to the World Court with appending reservations," these reservations being those which the Senate made in 1926, when by a vote of 76 to 17 it went on record in favor of the United States joining the court if and when its conditions were met.

In fulfillment of Republican and Democratic promises, the Senate should at this session vote on the protocols—not only vote on them, but vote them its approval, and by so doing bring the United States into full World Court membership along with 54 other nations.

There are at present only eight other nations outside the court—Argentina, Mexico, Honduras, Ecuador, Egypt, the Soviet Republics of Russia, Turkey, and Afghanistan. For the great and powerful United States to be in this group of nations standing aloof from the World Court is anything but creditable. Especially is this true because of the initiative taken by the United States in bringing about the pact of Paris, under which 59 nations have agreed to renounce war as an instrument of national policy and to submit all questions in dispute to adjudication. The inconsistency of looking to the judicial settlement of all international questions that might otherwise lead to war while not being ourselves a member of the tribunal that is to sit in judgment, certainly should have impressed the Senate by this time.

The United States has gone on quite long enough professing peace, helping to set up agencies for peace, such as the League of Nations and the pact of Paris, freely giving advice as to how other nations should conduct themselves, yet refusing to assume the obligations of its self-appointed leadership. It would only in part practice what it has preached by joining the Permanent Court of International Justice. Let action at this session of Congress now atone at least partially for all these years of indecision and delay.

ARTICLE BY SENATOR WHEELER ON THE ECONOMIC SITUATION

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a brief news story prepared by Senator BURTON K. WHEELER, of Montana, appearing in the Washington Herald of December 18, 1932.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEELER CITES SEVEN POINTS AS BASIS FOR A NEW AMERICA—WARNS DEMOCRATS THAT BURDEN OF RESPONSIBILITY NOW IS IN THEIR HANDS

By BURTON K. WHEELER, United States Senator, Montana

The desperate situation into which this country has drifted during the past three years calls for drastic measures and for political courage to put them into effect.

It is now widely admitted that we can not return to things as they were in 1929, much less to things as they were before the war. "Restoration" in this sense is impossible. We have to reconstruct—to build a new, a stable, and a really prosperous America.

Can the Democratic Party do this? Has it the vision? Has it the courage?

HOPE OF 20,000,000 VOTERS

Twenty million Americans last November, when they voted our party into power, hoped it would solve the problem, hoped it had the vision and the courage. Is the party going to justify that hope? Or is it, by disappointing it, to be overwhelmed, as has been the Republican Party, by the anger of a disillusioned country?

There can be no question as to the wishes and needs of the people at this time. These needs are immediate and clamor for immediate action. They include the following:

1. Restoration of employment.
2. Adequate relief for the destitute.
3. Amortization of farm and home mortgages.
4. Restoration of agriculture and of commodity prices.
5. Restoration of the 1928 living standard.
6. Security for savings and investments.
7. Redistribution of the tax burden.

These seven topics constitute merely an emergency program. Were they put into effect they would do little more than put an end to widespread suffering, relieve our almost unbearable apprehension, and enable us to set to work calmly with the major program of reconstruction that is imperative.

EMERGENCY MORE INTENSE

It is my opinion, however, that unless this emergency program is proclaimed without much more delay, as the program of the Democratic Party, the emergency that grips us will become more intense and the Democratic Party will find itself repudiated by the people.

Eleven million workers are jobless. Prosperity consists essentially in restoring them to work.

Among these 11,000,000 unemployed are several million men, women, and children who to-day are suffering from cold and hunger.

BETTER CARED FOR

It is imperative that they be more adequately cared for.

There should be no hesitation on the part of the Democratic Party in Congress about this. Measures sponsored by Senators WAGNER, COSTIGAN, and LA FOLLETTE now pending should be made part of the Democratic Party's emergency program and enacted into law.

Immediate relief should be given farmers and city home owners to assure them security of their property from foreclosure or sale for delinquent taxes.

There can be no prosperity until our farmers are once again prosperous.

My bill to remonetize silver, now pending before the Senate Finance Committee, would do more for the farmers than all of the allotment plans or other makeshifts could possibly do. First of all, it would quadruple the cost of production of competing farmers in other countries producing wheat and cotton and so on. Likewise it would quadruple the purchasing power of nearly half of the people of the entire world who are now using silver as their yardstick.

As things stand now, congressional Democrats are "going along" with meaningless measures. It is true they could not enact a genuine farm program this session. They should make this clear to the farmers, force the Republican Party to accept the responsibility, and prepare a genuine program for immediate enactment by a special session.

Under the plausible guise of a "share the work" program, the banker-controlled interests have been merely spreading poverty over larger and larger sections of the country.

HUNDREDS OF MILLIONS

Our workers and small investors, through the collapse of mismanaged or dishonestly operated banks, have lost hundreds of millions of dollars. It is imperative that the entire banking system be reorganized; that its control be taken from the hands of selfish, private interests.

Instead of this, by the so-called Glass bill, the branch banking system is gaining a great step forward. Its ultimate purpose is to lodge ownership and control of the banks, from one end of the country to the other, in New York City. Branch banking should not be encouraged.

These are among the immediate measures expected from the Democratic Party.

EDITORIAL BY ARTHUR BRISBANE ENTITLED "ALL RIDE ON THE FARMER'S BACK"

Mr. CAPPER. Mr. President, I send to the desk and ask to have printed in the RECORD an editorial by Arthur Brisbane, published recently in the Hearst newspapers, entitled "All Ride on the Farmer's Back." It is a very able and sympathetic discussion of the present difficulties of the farmers of the West.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ALL RIDE ON THE FARMER'S BACK

"GIVE US THIS DAY OUR DAILY BREAD"

That prayer is heard around the earth. And every day the daily bread is ready. The kindness of Providence makes it possible, the energy and patient work of the farmer provides it.

Everything in our Nation—prosperity, happiness, health, wealth—all is built on the work of the farmer.

We have wonderful factories, giant buildings, magnificent machinery, fine ships, railroads, mines. They would all be abandoned, deserted, worthless, if the farmer's food supply should stop.

The wealth that farmers take from the soil and distribute among our 120,000,000 people is the greatest wealth of the Nation, both in actual money value and in the real values that transcend the value of money.

The farmer, his wife, and family represent the very beginning of civilization. Men changed from wandering savage "nomads," traveling from place to place in search of fresh pasture and more game only when farming began.

Planting seeds, raising crops, domesticating and breeding animals, with production of milk and butter—in short, the beginning of farm work—was the necessary and only possible beginning of settled residence and civilization for human beings.

The farmer's work is hard, as are his working conditions. He must depend largely on chance, on the whims of nature, and the weather. In every direction he must look for trouble. And in all the history of farming and its struggling there has never been any source to which he could look with confidence for the help that he deserves.

A beautiful, clear-blue sky, so pleasing to you, is a menace to the farmer. He watches it anxiously for clouds that will bring rain and fertility.

Insect life in a thousand forms menaces him—the grasshopper, the army worm, the potato bug, boll weevil, corn borer, and thousands more dangerous pests that he can not see and must fight after they have arrived—like the rust that attacks his wheat, the scale that attacks his fruit trees.

And after he has produced his crops the farmer must watch the food speculator, the "middleman army" that manipulates prices, putting prices down on the farm, putting them up to the consumer, extracting from the farmer's work a profit that the farmer never dreamed of.

"In union there is strength." And in those five words lies the farmer's greatest difficulty.

The farmers are separated in plans, as in residence—widely separated.

Packed into the factories of one single employer you may find men exceeding in number all of the farmers spread over thousands of square miles of land. The closely packed workers in cities, on railroads, in factories can unite, organize, protest, unionize themselves, and strike.

The farmer in many ways is unlike the union man who can make his fight for better conditions and, in days of prosperity at least, can get the better conditions.

Ten thousand bricklayers or carpenters, masons or stonecutters, carry the same simple tools, work in the same way.

Ten thousand farmers employ different tools, work in totally different ways.

One farmer cultivates a thousand acres with powerful machinery and the help of hired men.

Another works his small "1-man farm" with a team of horses or mules that eat all winter, when they are not working, and that work slowly when they do work.

The farmer is an individualist and what the city man would call a "theorist"; that is to say, he lives apart, he sees the trees, the sky, the fields, he thinks for himself, and does not willingly submit to the discipline of other farmers. About all that he has worth while in a world that refuses him prosperity and freedom from anxiety in old age is his individual liberty—and he does not intend to give that up.

He may join a "farmers' grange," but when he gathers with other farmers it is often to argue rather than to agree.

There are compensations in a farmer's life that for many farmers offset the advantage of high union wages in the crowded city. He prefers farm worries in the open country.

Few farmers would be willing to answer the call of another man's factory whistle every day; few would give up their direct contact with nature.

Many of them, in spite of hardship and disappointment, enjoy the feeling that their rewards depend upon their individual effort, knowledge, and determination.

Above all, a farmer, if he be one of the fortunate few, can look upon his plot of the earth's surface and say: "This is mine."

But once that saying meant more than it does now. To-day tax gatherers come saying: "Pay or this will be yours no longer." And the lender of money on mortgage sends word: "Pay or move."

Thousands of farms upon which the farmers have expended the energy, hard work, and earnest effort of their lives are taken from them when they are old.

Their sons, discouraged, have long since gone off to big cities and more generous pay rolls. They and their wives must move on and do what they can.

What is the remedy; what could government do?

No man would venture to suggest a perfect or complete remedy for difficulties based partly on disorganization, isolation, lack of cooperation.

But the Government could do something. To begin, it could appreciate and admit the truth of the picture printed above.

A man riding a horse is grateful to the horse. A nation, its bankers, manufacturers, and all its prosperity, riding on the farmer's back, should at least be grateful to the farmer.

And perhaps the Government might say to the farmers: "You feed this Nation in peace and war. The Nation's duty is to protect you; and until you have sold for a price all that you have produced nobody in this country shall eat or wear the produce of any farm outside the United States."

Why should any American wear leather or wool grown in Australia or the Argentine Republic while any American farmer has wool and hides unsold?

Why should any American eat mutton or beef grown across the ocean, or eggs laid in China, while American farmers have cattle and eggs unsold?

A man would be ashamed to buy from a stranger and refuse to patronize his own brother.

Every American should feel the same way toward American farmers.

We could have complete protection for the farmer, a program of "eat the products of American farms first," resorting, if necessary, to Government regulation of prices.

That would be nothing new or startling. The French have proved that it can be done. American farmers whose wheat has brought them less than 30 cents a bushel, on the farm, may be amazed to learn that Government regulation in France, at the very same time, gave to every French farmer $1.50 for every bushel of wheat he produced.

You can not mix flour made from foreign wheat in any French bread until the French farmer has sold all his grain crop.

The French Government tells you what percentage of foreign flour may enter a loaf of bread made in France.

That plan works, and France, in proportion to population and in spite of war, is the richest country in the world, with more independent farmers, more individual land owners, and more gold stored away in proportion to population, twice over, than any other country.

It has been taken too much for granted that "nothing can be done for the farmer, the law of supply and demand must settle all his problems," etc.

If any man were caught in France selling wheat short, trying to put down the price, he would go to jail, at hard labor.

However, it is for the wisdom of those in high office, and for the voters as a whole, to decide what shall be done to improve the condition of the farmers to whom the entire Nation owes life, health, and strength.

One thing is certain, the richest Government in the world, that can find eighty or ninety millions to lend to one bank in trouble, other millions for railroads, etc., might at least think about the farmer.

RELIEF OF ECONOMIC CONDITIONS

Mr. BAILEY. Mr. President, a famous historian of the nineteenth century drew in his mind's eye and made immortal on the pages of his history the picture of a traveller from New Zealand standing upon London Bridge and sketching the ruins of St. Paul's Cathedral. As I have sat here this morning, and on other days, I have thought of the probable appearance of a historian, at a not distant date, who would draw a picture by analogy of the equanimity and the serenity of distinguished Senators of the United States as they discussed academic questions relating to prospective amendments to the Constitution in distant years, and discussed likewise, with all earnestness, a legislative enactment touching the independence of possessions to take place in the distant future. He would draw his picture of this serene scene and then describe the elements and the factors which were undermining the scene itself and the land that looked to the scene in hopeless woe and vain despair.

Mr. President, I have thought that it would not be amiss, now that we come to the end of the period since the first Monday in December, the 5th of December, when we first met, and some of us are turning our faces homeward in the security of the emoluments of our offices—turning somewhat happily, I take it, and I hope happily for us all—that as we turn we might do something that would give assurance to some 120,000,000 Americans, that there was something to be hoped for yet from their democracy and its institutions, that those appointed to high station, and crowned with real honors in their behalf; did really know something of their condition, did really feel very deeply something of their woe, and did in all earnestness take thought to see if there were any way whereby they might, by any means, do something to relieve, something to alleviate, something to stem and even to turn the fateful tide which appears these three years to have been sweeping on to destruction these 120,000,000 men, women, and children whom we call Americans.

With those thoughts for an introduction, Mr. President, I am going to take up my notes now, and read seriatim, by number, an orderly statement of my views as to this crisis. I could speak it extemporaneously, to be sure, but I am going to stick to the notes in the interest of expedition. In

order that I may be brief and at the same time clear, I shall call my paragraphs by their numbers.

First. The most manifest and acute aspect of our situation is the helpless unemployment of about 10,000,000 of our workers, directly affecting 33,000,000 of our population, and, indirectly, affecting all. After three years we know that nothing whatever has served to stem this fateful tide of woe and ruin. We know that. We are the witnesses to our failure, in so far as we are responsible.

Second. Especially significant is the reduction of the national income from about $90,000,000,000 per year to about $40,000,000,000 per year, by estimation, and this with only insignificant reduction in tax charges and debt charges from the peak of 1928 or 1929.

Third. We can not under the circumstances maintain 10,000,000 unemployed, either by private charity or taxation or both; and if ever a sterner reality faced a legislative body than that, my reading of history has failed to disclose the fact.

The existing situation is, therefore, temporary and critical. We must elect either to provide the means of restoring employment to at least 5,000,000 of the unemployed or take the consequences of the rapidly approaching breaking point, whatever those consequences may be; and there is a breaking point, and under these conditions it can not be in the distant future.

Fourth. It is recognized that a large measure of unemployment, say not less than 30 per cent, is due directly to technological increase of man power, and even if normal conditions otherwise might be restored, fully 3,000,000 workers would still be without jobs.

Fifth. Under these conditions there is but one fair outlet—the land, successful agriculture. Throughout Europe the land supports incomparably larger populations than it supports here, and supports them upon a better standard than our population now endures. The boasted standard of American living and wages has disappeared as completely as the civilizations of the Pharaohs. It does not exist.

Upon any comparison or calculation, there is room in America for fully 5,000,000 more farmers and farm workers. Were so many, in addition to our 8,000,000 farm owners, fairly supported upon our lands, it is reasonable to assume that the remainder of the unemployed would have some outlet for their services, and so our problem of unemployment would approach solution. We would thus at least have begun to recover.

Sixth. Our farmers are in no better plight than are our unemployed workers. They have labored three years without reward. There is no sale for large portions of their crops. They are accused of having produced too much, in a land in which starvation stalks. They do not receive enough to pay their taxes and clothe their wives and children. They owe about $11,000,000,000, secured by mortgages on their lands, and it is safe to say that their fixed charges for taxes and interest require nearly half their gross income.

Millions of them are in default, and foreclosures are driving them from their homes and depriving them of their farms. The picture of American agriculture to-day is not the picture of a plowman between the plow handles, or of the reaper on the plains gathering the harvest, but it is the picture of mothers and fathers and little children moving from the land of their inheritance and out into helplessness, becoming tenants and bankrupts.

To say the least, this state of affairs can not be spoken of as civilization. It is not civilization. The implications of the word "civilization" are order, peace, security, and we can not call that a civilization in which 8,000,000 farmers are threatened with the loss of their farms and 10,000,000 human beings have no security whatever. There is no civilization where there is no security.

Go back to the Latin "civis." That means quiet. That means confidence. The essence of civilization is security, and when security goes the essence of civilization is gone. We might as well confront that fact also in this boasted Republic of the West, this land of the free, this home of the insecure.

To utter an elementary truth, no government can tolerate this sort of thing and expect to last. We can not stand for it and expect to go on. The thing is degeneration itself. It is not something that we have to resist from without. It is something that is going on within us. It is degeneration, and I am speaking now to a physician directly in front of me, the senior Senator from New York [Mr. COPELAND], who knows what degeneration is in a medical and technical sense. The situation in America can be summed up in the one word. The symptoms, the evidence, the characteristics of it, the destruction of security in the land indicate degeneration itself.

Seventh. Manifestly the primary obligation of this Government is to address itself with all earnestness to the farm problem. The stability of government, the profitableness of enterprise, the circulation of money, the relief of unemployment are each and all bound up in it. Paliatives and emergency measures will not serve. There must be solution, and it must appear in the harvest of 1933. The harvest of 1932 was a harvest of tears and ruin, and the harvest of 1931 was a harvest of sorrow and despair. We have reached the point now where we can not afford any harvest other than a good crop and a good price in the year upon which we are about to enter. The men who sow in the coming spring must sow not in hope, not in faith, but in assurance.

There has been enough of hope and enough of faith in them. Their faith has been sufficiently disappointed and broken to be destroyed. I rejoice in the fact that there is something in them that does not permit that faith to die, but I do not think that is political, and I do not think that anything we have done has tended to conserve that faith. That comes from God, and that is the man in them. They must sow now in assurance, and they must reap in the time of harvest, not in tears, as they have reaped for three years, but in joy.

Mr. President, I hesitate to contemplate what will be the consequences if we go through another year and another harvest in times like these. I had hopes last spring that somehow wheat and cotton and corn and pork and tobacco would rise in price. If they had risen so high that they had elected the present President and Vice President, then my joy in the deliverance of millions of men and the happiness of my country would have far outweighed my disappointment in a mere political matter. But we know what happened. As the harvest came down, the prices fell below the harvest, below the former year and the year before that.

Eighth. The more acute difficulty with agriculture is the disparity between prices received by the farmers and the prices paid by the farmers. This disparity is indicated by reference to the latest pre-war year, 1913, as the standard. Farmers now buy 9 cents in the dollar above that standard and sell at 53 cents in the dollar below that standard. I judge that that is the most amazing economic fact in all the history of the American people. The farmers buy 9 points above the line and they sell 53 points below the line. This not only destroys their buying power and thus destroys industry and commerce, but it accounts for fully five millions of the unemployed. At the same time it ruins our agricultural population of 33,000,000 human beings and prevents the hope of absorbing on the land three millions of workers made idle by technological invention and organization.

Ninth. This disparity between the prices received by the farmer and the prices paid by the farmer is largely caused by one fact, to wit, the American farmer sells in the world market his cotton, his pork—and that means his corn—his tobacco, in large measure, and other products in smaller measure. The farmer's prices are world prices. The pound, the franc, and the yen affect his prices more than does the dollar. But he buys in the domestic market. Our fabricated goods enjoy the benefit of a tariff. The farmer sells at world prices and buys at domestic prices. He sells in free trade and he buys against protective tariffs. No; he buys against protective tariffs and sells against depreciated foreign currencies and against restrictions upon dollar exchange and quotas and tariffs. Thus, he has been caught

literally between the upper and the nether millstones and has been ground to powder. His ruin spells the ruin of all the rest of us—not only political parties but industry, commerce, corporations, merchants, utilities, railroads, the schools, the workers, the Government itself, and all who enjoy the emoluments of its offices. We can neither balance the Budget nor maintain order under such circumstances, nor may we hope to extricate ourselves by emergency measures and a policy of procrastination, which has been the policy of the last three years. We and they have had enough of that.

Nor will generalities serve. There must be action, affirmative, definite, direct, and effective. If there is to be a new deal in America, let America know it, and let her know it now. One hundred and twenty million people, half of whom are in despair, millions of whom have been stretching vain hands out to both political parties, to the Congress, to the Government, want to know at last, and they are entitled to know.

Tenth. Assuming that our immediate task is to correct the disparity between prices paid by the farmers and prices received by the farmers, how shall we proceed?

Let us observe that the task is not impossible. The official charts show there was no disparity in the year 1913 and very little in the year 1924. I refer to the charts of the Department of Agriculture of the United States Government. What has been achieved twice within two decades may not be considered impossible or even impracticable now. Moreover, the achievement is demanded not only as a matter of justice but of national self-preservation. We must achieve this end or confess the failure of democracy and await the incoming of a new régime to meet the task. To delay or to fail is to invite the consequences. If we do fail, how can we argue that the next man who proposes something, however radical, is not entitled to a hearing in the arena of our failure?

Eleventh. There are those who have argued that the indebtedness of certain European nations to us, especially the kingdom of Great Britain, is responsible for the depreciation of foreign currencies and restrictions upon dollar exchange, and therefore that reduction or cancellation of those debts would be a helpful first step. This argument is not well founded. Conceded that the pound of Great Britain is the governing monetary factor for half the consuming population of the earth, no action of the United States can stabilize the pound. The payment of Great Britain's annual installment is by no means one of the greater difficulties of Great Britain. The instability of her pound and her difficulty in returning to the gold standard are due to profounder causes. The balance of trade, for example, for a long period has run against her and it continues to run against her in ominous measure. Remission of the debt would not arrest this process and, indeed, would prove but a small contribution to that consummation. Those who are advancing this argument may be surprised to know that the volume of our agricultural exports has decidedly increased in the 11 months of the present year according to the tables printed in the United States Daily within the last three days.

Altogether, if I thought the rescue of our farmers and our civilization were contingent upon our power to lift the value of and to stabilize the British pound or the money of other nations, I would yield to despair. I will agree, however, to any reasonable and well-conceived plan to restore currency stability and commercial stability throughout the earth, for I know we can not live unto ourselves alone and ought not to seek to do so. In such a course there may be some assistance of real value, but not the efficient antidote to our ills which is demanded.

Certainly I would prefer devaluating our currency and so reducing all debts, foreign and domestic, to even considering the reduction of the debts of foreign nations alone.

Twelfth. If we are to continue our tariff policy—and certainly none of us would now open our doors to the exports of the other nations, when to do so would close the industries so feebly running and throw other millions out of employment and thus at once set off the ultimate crash—if we are to continue our general tariff policy, modify it though we may, we must recognize the necessity for compensatory provisions for our farmers.

It occurs to me that these are far more available in a well-contrived domestic policy than in debentures, allotments, tax-bounty schemes, and so-called equalization fees.

(a) We contemplate economic conferences with foreign nations. Why not have one with American States? Is it too much to seek the means of lifting from the farmers the burden of property taxes when they are the victims of an economic system of our own devising which makes it practically impossible for them to pay taxes? May we not contrive the national tax policy with a view to such an end?

(b) We are now levying special taxes which press down upon the farmer. Is it too much to ask that we levy, if we must levy, a manufacturer's license or excise tax which will especially exempt food, medicine, agricultural equipment, fertilizer, and moderate-priced clothing, and so lift the burden from the back of the farmer and compensate him against the tariff imposition or discrimination to that extent?

(c) We lay a tax of $1.09 on every pound of tobacco the farmer sells to the manufacturers of cigarettes. The farmer gets 15 cents a pound for the tobacco; the United States Government gets $1.09. The great Government of the United States, which neither toils nor spins so far as the tobacco farmers are concerned, which rarely serves them in any direct way, which can call upon their sons to lay down their bodies in battle and for which their sons have freely laid their lives down in battle, takes $1.09 on a pound of tobacco of the farmers and the tobacco farmer is allowed only 15 cents. That, on its face, is oppressive; it is a monstrous governmental iniquity. Is it unreasonable to ask that we reduce this tax or return it for the purpose of reducing the farmer's property taxes?

(d) We can provide a lower freight rate for agricultural products. At the present moment the farmers and the railroads are seeking lower rates on cotton, but the Interstate Commerce Commission, in its infinite wisdom, denies the petition of the railroads for that humble relief to reduce the freight on the cotton of the farmers of the South.

I confess, Mr. President, my inability to follow the logic or the common sense of such a procedure, but it is the fact. The farmers want the lower rates, the consumers want the lower rates, the railroads want the lower rates, but the Interstate Commerce Commission for some reason denies the petition.

It is along these lines that we may compensate the farmer for the prices he must pay for protected goods. All these points I have made relate to the compensatory considerations for the farmer as against the high prices he must pay in the home market for fabricated goods which enjoy protection or protective tariffs, while he sells in the world market.

In the fair measure of justice rather than in subsidies and bounties we find our Republic operating consistently within its traditional character and at the same time correcting a ruinous disparity in the market place.

(e) Again, the farmers are not responsible for their surplus, nor should they be penalized for producing it. The farmer can not govern the seasons; he must deal with fruitful and unfruitful years. The beneficiaries of his labors, those who in lean years enjoy abundance because of him, ought to share with him against the disaster of his labor and his surpluses. We ought not to abandon our provisions for marketing agricultural products; we ought to enlarge those provisions and more wisely administer them. We have made only a beginning; we can yet manage the difficulty of reasonably controlled production by inducements voluntarily accepted and a time limit strictly adhered to in respect of holding any farmer's produce.

We can do more here by intelligence than by attempts at force or taxation. We can manage the surpluses by marketing, warehousing, and credits, plus contractual control; and we are going to do it, and we are not going into the course of leaving the farmer to produce the food and clothing upon which we live, and if it happens that, in the good-

ness of God or the kindness of nature, his labors and lands bring forth more fruitfully than he anticipated, we are not going to put him into the poorhouse on that account; and we are not going to charge anybody with socialism who says that the beneficiaries of the energies and the industry and the skill of the farmers and of the chances they must take as they cultivate the soil, should share with them the penalties, if there be penalties, of overproduction.

(f) The process of agricultural rescue and redemption does not depend altogether upon the Congress. It is my view that the farmers must learn to regard farming more as a means of living, a mode of livelihood and of security, than of money-making. The small farmer, securely maintaining a family, receiving surely a livelihood and some money, is the hope of our civilization. So conceived, it is safe to say that American agriculture will in the long run yield not only the highest degree of economic independence but also an incomparably larger net dollar profit than at any time in the recent past.

Finally, at the present moment we have an immediate problem in saving the land and the homes of the farmers. No increase in prices will suffice for this. None nor all of the suggestions I have made will serve in this momentous necessity. We can not remain idle while millions of farmers are dispossessed and their wives and children turned out of doors. This is an intolerable spectacle and unworthy not only of a government but of anything that calls itself a civilization. As I said just now, that is not civilization, and when that goes on we do not have civilization, delude ourselves though we may. It is as barbarous as it is cruel. The governments of the States and the Government of the United States must take a hand here and without delay, not merely in the interest of the farmer, not merely in the interest of human beings but in the interest of the Government, in the interest of civilization itself we must take an instant and effectual hand here.

The States have no power to impair the obligations of contracts; the Congress of the United States has, in that it has the power to regulate the value of money and to tax the profiteer in money. It is unjust, it is immoral, it is extortion to exact of debtors from two to three to four times the value of the money loaned. Whether it be done under the form of law or rising or falling prices does not affect the essential immorality of the transaction. It is cruel to strip a man of his home upon such terms. The lawfulness of such a transaction does not modify its unrighteousness. It ought not to be done in America. Throughout this land fair terms ought to be made between creditors and debtors; and, if not voluntarily made, the Congress will find in that fact an additional reason why it should proceed to exercise its constitutional power to coin money and regulate the value thereof, regulating it with a view to just settlements and a living chance as between debtor and creditor.

Mr. President, very humbly, and with no assurance whatever of my competence to deal with difficulties so great, I submit these observations to the Senate and through the Senate and the CONGRESSIONAL RECORD to the people of America as, at any rate, my earnest effort to make a contribution in a time like this. To the suggestions I have made, Senators may object, but they represent the approved outgiving of my spirit after months here in which I have desperately striven in the hope that we all might somehow find a way for our people who have trusted us so highly and who have looked to us so earnestly and so vainly.

CROP PRODUCTION AND HARVESTING LOANS

Mr. SMITH. Mr. President, the Committee on Agriculture and Forestry have reported favorably, with an amendment, a bill reappropriating the so-called crop-production loans. I do not know of any opposition to this measure; and as it is so urgently needed in every quarter of this country, I ask unanimous consent for its immediate consideration. I do not think it will lead to any debate. I send to the desk the report, No. 1010.

The VICE PRESIDENT. Let the report be read so that the Senate may be informed regarding the measure.

The Chief Clerk read the report (No. 1010) of the Committee on Agriculture and Forestry on Senate bill 5160, to provide for loans to farmers for crop production and harvesting during the year 1933, as follows:

[S. Rept. No. 1010, 72d Cong., 2d sess.]

LOANS TO FARMERS

Mr. SMITH, from the Committee on Agriculture and Forestry, submitted the following report (to accompany S. 5160):

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 5160) to provide for loans to farmers for crop production and harvesting during the year 1933, having considered the same, recommend that the bill do pass with the following amendments:

On page 1, beginning with line 3, strike out all through line 3, on page 3, and insert in lieu thereof the following:

"That the Reconstruction Finance Corporation is authorized and directed to allocate and make immediately available to the Secretary of Agriculture (1) the unexpended balance of the total amount authorized to be allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act, as amended, less any part of such amount heretofore used in connection with the creation of regional agricultural credit corporations under subsection (e) of section 201 of the emergency relief and construction act of 1932, and (2) all amounts received from the repayment of loans or advances heretofore made by the Secretary of Agriculture under such section 2, as amended. The amounts allocated and made available to the Secretary of Agriculture pursuant to this act, or so much thereof as may be necessary, shall be expended by him for the purpose of making loans or advances to farmers during the year 1933 for crop production and crop harvesting, and also, in drought and storm stricken areas, for feed for farm livestock. Such loans or advances shall be made upon such terms and conditions, in such amounts, and subject to such regulations as the Secretary of Agriculture shall prescribe. A first lien on all crops growing, or to be planted and grown, or on livestock, shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security for any such loan or advance. Any person who shall knowingly make any material false representation for the purpose of obtaining a loan or advance, or in assisting in obtaining a loan or advance under this act, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than six months, or both."

Amend the title so as to read: "A bill to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes."

The VICE PRESIDENT. The Senator from South Carolina asks unanimous consent for the immediate consideration of the bill. Is there objection?

Mr. WATSON. Mr. President, in the first place, I desire to ask what the parliamentary situation is in the Senate. I thought the motion to take up the merger bill was before the Senate.

The VICE PRESIDENT. The motion to proceed to the consideration of the merger bill is the pending question; and the Senator from South Carolina has presented this report with a unanimous-consent request.

Mr. WATSON. Pending that, I should like to ask the Senator from South Carolina just what this bill involves.

Mr. SMITH. Mr. President, this is a reappropriation of the fund that was appropriated last year, less the amount that has been used in the meantime, for the establishment of what are known as regional credit corporations. The amount collected, I think, would be of interest to this body.

Last year there was made possible the appropriation of $200,000,000. There was used only about $62,000,000. This morning I asked the department that had this matter in charge to send me a statement of the amounts collected up to date in the States that have been heard from. The Western States have not yet wired the department. The telegram was sent this morning, I understand, or late yesterday afternoon, and replies have not yet been received from the Western States. I think it would be very interesting to the Senate, in these distressing times, to hear what has been collected by the department.

Alabama has paid back 81 per cent. The amount that was loaned to her was $1,620,000, and she has paid back $1,318,000.

Arkansas has paid back 75 per cent plus.

Georgia has paid back 94 per cent plus.

Louisiana has paid back 94 per cent plus.

Mississippi has paid back 77 per cent plus.

North Carolina has paid back 91 per cent plus.

Oklahoma has paid back 59 per cent plus.

South Carolina has paid back 87 per cent plus.

Tennessee has paid back 56 per cent plus.

Texas has paid back 88 per cent plus.

And they are still taking in commodities and collateralizing them for the liquidation of these loans.

I have here a statement giving the details of the matter, which I ask to have printed in the RECORD.

Their being no objection, the statement was ordered to be printed in the RECORD, as follows:

Loans, cash collections, and estimated collateral by cotton States through December 15, 1932

	Approved amount of loans	Cash collections		Estimated collateral cotton at 9 cents per pound	Total cash and collateral	
		Amount	Per cent		Amount	Per cent
Alabama	$1,620,346.33	$317,260.22	19.58	$1,001,520.00	$1,318,780.22	81+
Arkansas	4,007,068.91	1,452,915.02	36.26	1,559,250.00	3,012,165.02	75+
Georgia	4,887,324.74	1,291,556.69	26.43	3,330,000.00	4,621,556.69	94+
Louisiana	2,416,337.34	1,229,966.76	50.90	1,048,950.00	2,278,916.76	94+
Mississippi	3,890,262.44	985,299.50	25.33	2,044,440.00	3,029,739.50	77+
North Carolina	4,181,060.71	2,077,561.48	49.69	1,755,000.00	3,832,561.48	91+
Oklahoma	629,498.00	268,715.04	42.69	103,500.00	372,215.04	59+
South Carolina	4,327,031.35	1,809,323.50	41.81	1,980,000.00	3,789,323.50	87+
Tennessee	1,298,618.43	273,415.77	21.05	460,655.00	734,070.77	56+
Texas	3,221,620.86	1,407,833.26	43.70	1,440,000.00	2,847,833.26	88+

Mr. WATSON. Mr. President, what was the original appropriation?

Mr. SMITH. Sixty-two million dollars.

Mr. WATSON. And how much will this bill reappropriate?

Mr. SMITH. This bill reappropriates the same amount, less the forty-odd million dollars that has been used for the purpose of creating regional credit corporations. This bill leaves in the discretion of the Secretary of Agriculture the policy to be pursued and the amount to be loaned to the individual or to the farmer. In other words, the bill is in precisely the same language that we had last year, with an amendment that we incorporated at the instance of some of the western Senators that this aid be extended to livestock when properly insured and mortgaged.

Mr. WATSON. Is there a report of the committee, may I ask my friend?

Mr. SMITH. There is a unanimous report of the committee.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill? The Chair hears none.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment.

Mr. WALCOTT. Mr. President, as I understand this bill—I may be in error—the conversation we had in the committee yesterday was to the effect that the bill would be so modified that the factors of Georgia, Florida, Kentucky, and Connecticut of what is known as shade-grown tobacco could come under the operation of the bill. May I ask the Senator if that is true?

Mr. SMITH. That is true. The wording of the bill leaves it to the discretion of the Secretary of Agriculture to allocate these loans according to his determination of the needs of any particular industry.

Mr. WALCOTT. And it does not specifically apply just to one group, as it did yesterday?

Mr. SMITH. No.

Mr. WALCOTT. That language has been changed?

Mr. SMITH. The language to which the committee objected in that regard has been stricken out.

Mr. REED. Mr. President, will the Senator from South Carolina tell me whether this bill applies to any agricultural commodity, in the discretion of the Secretary of Agriculture?

Mr. SMITH. Yes.

Mr. REED. It is not limited to a particular variety of shade-grown tobacco, or anything of that sort?

Mr. SMITH. Oh, no.

The VICE PRESIDENT. The amendment of the committee will be stated.

The amendment of the Committee on Agriculture and Forestry was, on page 1, beginning with line 3, to strike out all down to and including the words "or both" in line 3 on page 3, and in lieu thereof to insert the following:

That the Reconstruction Finance Corporation is authorized and directed to allocate and make immediately available to the Secretary of Agriculture (1) the unexpended balance of the total amount authorized to be allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act, as amended, less any part of such amount heretofore used in connection with the creation of regional agricultural credit corporations under subsection (e) of section 201 of the emergency relief and construction act of 1932, and (2) all amounts received from the repayment of loans or advances heretofore made by the Secretary of Agriculture under such section 2, as amended. The amounts allocated and made available to the Secretary of Agriculture pursuant to this act, or so much thereof as may be necessary, shall be expended by him for the purpose of making loans or advances to farmers during the year 1933 for crop production and crop harvesting, and also, in drought and storm stricken areas; for feed for farm livestock. Such loans or advances shall be made upon such terms and conditions, in such amounts, and subject to such regulations as the Secretary of Agriculture shall prescribe. A first lien on all crops growing or to be planted and grown, or on livestock, shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security for any such loan or advance. Any person who shall knowingly make any material false representation for the purpose of obtaining a loan or advance, or in assisting in obtaining a loan or advance under this act, shall, upon conviction thereof, be fined not more than $1,000, or imprisoned not more than six months, or both.

So as to make the bill read:

Be it enacted, etc., That the Reconstruction Finance Corporation is authorized and directed to allocate and make immediately available to the Secretary of Agriculture (1) the unexpended balance of the total amount authorized to be allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act, as amended, less any part of such amount heretofore used in connection with the creation of regional agricultural credit corporations under subsection (e) of section 201 of the emergency relief and construction act of 1932, and (2) all amounts received from the repayment of loans or advances heretofore made by the Secretary of Agriculture under such section 2, as amended. The amounts allocated and made available to the Secretary of Agriculture pursuant to this act, or so much thereof as may be necessary, shall be expended by him for the purpose of making loans or advances to farmers during the year 1933 for crop production and crop harvesting, and also, in drought and storm stricken areas, for feed for farm livestock. Such loans or advances shall be made upon such terms and conditions, in such amounts, and subject to such regulations as the Secretary of Agriculture shall prescribe. A first lien on all crops growing, or to be planted and grown, or on livestock, shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security for any such loan or advance. Any person who shall knowingly make any material false representation for the purpose of obtaining a loan or advance, or in assisting in obtaining a loan or advance under this act, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than six months, or both.

SEC. 2. The Secretary of Agriculture is authorized and directed to establish such agencies as may be necessary to carry out the provisions of this act and to provide for making the relief contemplated by this act immediately available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes."

Mr. BINGHAM subsequently said: Mr. President, I wish to give notice of a motion to reconsider the vote whereby the bill S. 5160 was passed.

The VICE PRESIDENT. The motion will be entered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 500) authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy, in which it requested the concurrence of the Senate.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

The VICE PRESIDENT. The question is on the motion of the Senator from Vermont [Mr. AUSTIN] that the Senate proceed to the consideration of House Joint Resolution 154.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia, with amendments.

The VICE PRESIDENT. The amendments of the committee will be stated.

The first amendment was, on page 22, line 21, after the word "Capital," to insert the word "Traction," and on line 22, after the word "Washington," to insert the words "Railway and Electric," so as to read:

SEC. 2. This agreement, hereinbefore set forth, shall be submitted to the stockholders of the Capital Traction Co. and the Washington Railway & Electric Co. for their action within six months after its approval by the Congress.

The amendment was agreed to.

The next amendment of the committee was, on page 26, line 10, to strike out the word "New" and to insert in lieu thereof the words "Capital Transit"; on line 21, to strike out the word "New" and to insert in lieu thereof the words "Capital Transit"; on line 23, after the word "Capital," to insert the word "Traction"; on line 24, after the word "Washington," to insert the words "Railway and Electric"; on line 25, to strike out the word "New" and to insert the words "Capital Transit," so as to read:

SEC. 10. Any and all charges to the Capital Transit Co. made by any corporation or person holding a majority of the capital stock thereof for any services shall be proved to be fair and reasonable, and only such part of said charges as the Public Utilities Commission, subject to the right of appeal to the courts, may decide to be fair and reasonable shall be considered in the determination of rates.

SEC. 11. It is understood and agreed that nothing herein shall be construed as creating any new rights of franchise to use the streets in the District of Columbia for transportation purposes: *Provided*, That the Capital Transit Co. shall exercise and succeed to all of the property, rights, and franchises of the Capital Traction and the Washington Railway & Electric Cos., which they are required herein to vest in the Capital Transit Co., subject, however, to the right of the Public Utilities Commission to order reasonable extension of, or abandonment of, tracks and facilities.

The amendments were agreed to.

Mr. BLAINE. Mr. President, if I may have the attention of the Senator from Vermont, I suggest in this connection that we perfect the section on page 27 by striking out the word "of" in line 2 and inserting after the word "or" the word "reasonable." Then we will have that disposed of.

Mr. AUSTIN. I consent to that.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. On page 27, line 2, after the word "extension," the Senator from Wisconsin moves to strike out the word "of," and after the word "or" to insert the word "reasonable," and to strike out the comma on page 27, so as to read:

Company, subject, however, to the right of the Public Utilities Commission to order reasonable extension or reasonable abandonment of tracks and facilities.

The amendment was agreed to.

Mr. AUSTIN. Mr. President, certain other amendments were unanimously agreed to in the committee this morning, and I submit the following amendment.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. The Senator from Vermont offers the following amendment: On page 5, lines 4 and 5, to strike out the words "or through subsidiaries," so as to read:

Second. The new company shall be incorporated under the provisions of Subchapter IV of Chapter XVIII of the Code of Law of the District of Columbia and pursuant to an act of Congress entitled "An act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved March 4, 1925, with power to acquire, construct, own, and operate directly transit properties within the District of Columbia and in adjacent States, including the power to acquire, own, and operate the properties of whatsoever description to be conveyed to the new company in accordance with this agreement, and to acquire and own the stock and/or bonds of said companies and of any other company or companies engaged in the transportation of passengers by street railway or bus in the District of Columbia and adjacent States with the power to mortgage its property, rights, and franchises, and to conduct such other activities as may be useful or necessary in connection with or incident to the foregoing purposes, including the power to buy, sell, hold, own, and convey real estate within and without the District of Columbia.

The amendment was agreed to.

Mr. AUSTIN. I submit another amendment on the same page.

The VICE PRESIDENT. The Chair suggests that these are amendments to the preamble. The bill should be passed first, and then the preamble should be amended.

Mr. AUSTIN. Mr. President, there are a number of these amendments which were agreed upon.

The VICE PRESIDENT. Are they to the preamble or are they to the bill?

Mr. BLAINE. Mr. President, these proposed amendments are not to the preamble. They are to the agreement proposed to be entered into between the companies under this resolution and are a part of the resolution.

The VICE PRESIDENT. The Chair is advised that that is set out in the preamble.

If so, the amendments should be agreed to after the bill is perfected. Has the Senator from Vermont any other amendments to come after page 22?

Mr. AUSTIN. Mr. President, on page 22, line 19, after the word "resolution" and the period, I move to insert the following:

Nothing in this paragraph shall be construed to limit the present powers of the Public Utilities Commission.

The amendment was agreed to.

Mr. BLAINE. Mr. President, I again suggest to the Senator from Vermont that we perfect that paragraph on page 22, line 17, by striking out the words "and directed." It is merely a correction of language.

Mr. AUSTIN. I consent to that.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. AUSTIN. Mr. President, on page 24, line 3, after the word "line," I move to insert a comma and the following words, "that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule," so as to read:

SEC. 4. No competitive street railway or bus line, that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule, shall be established without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia to the effect that the competitive line is necessary for the convenience of the public.

The amendment was agreed to.

Mr. AUSTIN. Mr. President, on page 27, line 12, I move to strike out the word "power," and in lieu thereof to insert the word "right," so as to read:

That Congress reserves the right to alter, amend, or repeal this resolution.

The amendment was agreed to.

Mr. AUSTIN. On page 27, line 13, after the word "resolution," I move to insert the words "or any charter or certificate of incorporation made thereunder, and any and all rights of franchise created by this resolution shall terminate after one year following its repeal."

Mr. BLAINE. Mr. President, I suggest that the section be read as it would appear if amended.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

SEC. 13. That Congress reserves the right to alter, amend, or repeal this resolution, or any charter or certificate of incorporation made thereunder, and any and all rights of franchise created by this resolution shall terminate after one year following its repeal.

Mr. BLAINE. I think that is not well-chosen language. It should read, "shall terminate one year following its repeal."

Mr. AUSTIN. I have no objection to adopting the language suggested, but the form in which I presented it was that in which it was agreed to in the committee.

The VICE PRESIDENT. Will the Senator from Wisconsin state the proposed change?

Mr. BLAINE. I will send to the desk the language as drafted by the attorney for the Public Utilities Commission, which language, I think, was very carefully considered. It does not make any difference in the meaning.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

That Congress reserves the right to alter, amend, or repeal this resolution, or any charter or certificate of incorporation made thereunder, and any and all rights of franchise created by this resolution shall terminate one year following its repeal.

Mr. AUSTIN. Mr. President, I accept that in lieu of the language submitted by me.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

Mr. AUSTIN. Those are all the amendments to be suggested to the joint resolution itself.

The VICE PRESIDENT. Are there further amendments? If not, the question is upon the engrossing of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

Mr. BLAINE. Mr. President, I understand there are a number of other amendments.

The VICE PRESIDENT. Those are to the preamble and must be adopted after the joint resolution is passed. That is the last thing to be done.

Mr. BLAINE. As a legal proposition I contend this is not a preamble. It is a substantive part of the joint resolution. In common parlance it might be characterized as a preamble, but it is a very material part of the joint resolution. Without it the balance of the resolution would not be effective, so that the preamble, so called, is in fact a part of the joint resolution though recited in form as a preamble.

The VICE PRESIDENT. It can be amended and then agreed to as amended.

Mr. BLAINE. It does not make any difference which course is pursued.

The VICE PRESIDENT. The question is on the third reading and passage of the joint resolution.

The joint resolution was read the third time and passed.

The VICE PRESIDENT. The question is on agreeing to the preamble, the amendments to which will be stated in their order.

The first amendment to the preamble was on page 2, line 6, after the word "Columbia," to insert "as follows."

The amendment was agreed to.

The next amendment was on the same page, line 24, after the word "respective," to strike out "corporation" and insert "corporations," so as to read:

UNIFICATION AGREEMENT

Whereas the act entitled "An act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved March 4, 1925, provides "that any or all of the street-railway companies operating in the District of Columbia be, and they are hereby, authorized and empowered to merge or consolidate, either by purchase or lease by one company of the properties, and/or stocks or securities of any of the others, or by the formation of a new corporation to acquire the properties and/or stocks or securities and to succeed to the powers and obligations of each or any of said companies under such terms and conditions as may be agreed upon by vote of a majority in amount of the stock of the respective corporations, and as may be approved by the Public Utilities Commission of the District of Columbia.

The amendment was agreed to.

Mr. AUSTIN. I submit the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 5, lines 4 and 5, strike out the words "or through subsidiaries."

The VICE PRESIDENT. Without objection the amendment is agreed to.

The CHIEF CLERK. In line 6, after the word "and," insert the words "either directly or through subsidiaries."

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. BLAINE. Mr. President, may I have the attention of the Senator from Vermont? It may not be very material, but after the word "power," on page 5, line 3, there should be inserted the words "subject to the approval of the Public Utilities Commission."

Mr. AUSTIN. I have no objection, and accept the amendment.

The VICE PRESIDENT. Without objection the modified amendment is agreed to.

Mr. BLAINE. As a question of grammar, in lines 7 and 8, on the same page, the words "of whatsoever description" would seem to be surplusage, and merely in the interest of good language should be stricken out.

Mr. AUSTIN. I agree to the deletion of those words.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 5, lines 7 and 8, strike out the words "of whatsoever description."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. AUSTIN. On page 5, line 23, after the word "jurisdiction," I move to insert the words "now or hereafter."

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 5, line 23, after the word "jurisdiction," insert the words "now or hereafter."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. AUSTIN. On page 6, line 1, I move to strike out all after the word "Columbia," striking out the remainder of the paragraph, and in lieu thereof, before the period, insert a colon and the following: "*Provided*, That before they are reported the articles of incorporation and/or any amendment thereto shall be approved by the Public Utilities Commission."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. AUSTIN. On page 8, line 12, after the word "merger" and before the period, I move to insert a comma and the words "and order reasonable extension and/or reasonable abandonment of tracks and facilities."

Mr. BLAINE. I do not know—it may be a matter of choice—whether it should be "and" or "or." It is merely to bring it in harmony with the other language.

Mr. AUSTIN. I have no objection to the use of the conjunctive and disjunctive.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 8, line 12, after the word "merger," insert "and to order reasonable extensions and/or reasonable abandonment of tracks and/or facilities."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BLAINE. May I again have the attention of the Senator from Vermont? On page 7, paragraph 4, it seems to me the whole paragraph could well be stricken out.

Mr. AUSTIN. Mr. President, I am here representing the committee. It was a unanimous report, which did not include the Senator's objection, and therefore I hope the distinguished Senator from Wisconsin will not ask me to agree to it.

Mr. BLAINE. It is not material, but the majority committee reported the Senate bill and that was stricken out. In making up the minority report the minority members struck it out, in harmony with the majority report on the Senate bill.

Mr. AUSTIN. I can not agree to that. I think the statement of the Senator from Wisconsin is correct, but that is not quite true of many other things contained in the Senate bill. Therefore I feel bound to represent the committee in this matter and adhere to the agreement made this morning.

Mr. BLAINE. I would not in any wise assume that the Senator would be misrepresenting the action of the committee this morning. The only materiality of striking this out is to harmonize the bill with existing law. This paragraph does not add to or take away any power or authority of the utilities or the Utilities Commission. It is simply wholly unnecessary. That is the only point I

make about it. I think the proper legislative procedure would be to strike it out. I have no concern otherwise. If the Senator resists it, I have no concern, though I think in the interest of harmonizing the legislation with the existing powers of the commission and the utilities it ought to go out. It does not change the situation one bit.

Mr. AUSTIN. I feel that we should complete the committee report on this matter. Then if the Senator from Wisconsin wishes to take up this question again and have it considered there will be no objection.

Mr. BLAINE. Very well.

The next amendment was, on page 9, line 23, before "$5,800,000," to insert "not exceeding," so as to read:

In consideration therefor the new company shall—

(a) Issue to the Capital Co. such shares of its capital stock and/or other securities as may be agreed upon by the Capital and Washington Cos. and approved by the Public Utilities Commission of the District of Columbia.

(b) Assume and discharge as the same mature all of the liabilities of the Capital Co., such liabilities to be not exceeding $5,800,000 principal amount of Capital Traction first mortgage bonds bearing interest at the rate of 5 per cent per annum, due June 1, 1947 (in addition to $200,000 principal amount thereof now in the treasury of the Capital Co. which shall be canceled on or before the date of closing hereunder), and current liabilities arising in normal conduct of the business.

The amendment was agreed to.

The next amendment was, on page 11, line 23, after the word "devices," to strike out "now" and insert "not," so as to read:

B. The Washington Co. will vest, or cause to be vested in the new company all of its physical property, real and personal, Glen Echo Amusement Park (except devices not owned by the Washington Co. or Glen Echo Park Co.), tracks, lands, buildings, shops, structures, machinery, rolling stock—

And so forth.

The amendment was agreed to.

The next amendment was, on page 15, line 10, to strike out the word "approve" and insert in lieu thereof the word "approved," so as to read:

The new company is authorized to acquire any or all of the outstanding stock of the Washington Rapid Transit Co. (the bus company) on such terms as may be accepted by the owners of said shares of stock and may be approved by the Public Utilities Commission; if and when a majority of the outstanding shares of the said Washington Rapid Transit Co. is acquired by the new company, the Washington Rapid Transit Co. shall be merged or consolidated with the new company when and if the Public Utilities Commission shall so require.

The amendment was agreed to.

Mr. AUSTIN. On page 15, line 8, after the parenthesis, insert the words "at the fair value thereof, and."

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 15, line 8, after the parenthesis, insert the words "at the fair value thereof, and."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BLAINE. Mr. President, I would like to submit a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BLAINE. Returning to page 11, I inquire whether or not the committee amendment in line 23 was adopted. It is a mere formal matter.

The VICE PRESIDENT. The amendment was agreed to.

Mr. AUSTIN. On page 16, beginning in line 10, I move to strike out all of paragraph 10 down to and including line 23, on page 17, and insert in lieu thereof the following.

The VICE PRESIDENT. Let the amendment be stated.

Mr. BLAINE. Mr. President, may I interrupt the reading by the clerk? I think that the striking out of paragraph 10 should begin in line 7.

Mr. AUSTIN. That is correct.

The CHIEF CLERK. Strike out the tenth paragraph on page 16, beginning in line 7, down to and including line 23, on page 17, and insert in lieu thereof the following:

Tenth. The Washington Co. shall cause the Potomac Electric Power Co. to enter into a contract with the new company, subject to the approval of the Public Utilities Commission, said power contract to become effective as of the date of consummation of this merger, and run for the life of whichever of the last-mentioned companies expires first, and to provide that the Potomac Electric Power Co., or its successors and/or assigns, will at all times, on request, furnish an adequate supply of electric power for the maintenance and operation of the transit properties of the new company, and at such reasonable rates as the Public Utilities Commission may from time to time fix. The Washington Co. shall assign to the Potomac Electric Power Co. all existing contracts for the sale of power to other railway companies.

Mr. BLAINE. Mr. President, may I have the attention of the Senator from Vermont? After the word "all" it was determined before we adjourned to insert the words "of its," so it would read "Potomac Electric Power Co. all of its existing contracts," and so forth.

Mr. AUSTIN. I accept the modification.

The VICE PRESIDENT. Without objection, the amendment, as modified, is agreed to.

Mr. AUSTIN. I now move, on page 18, beginning with line 15, to strike out paragraph 13 in its entirety and to insert in lieu thereof the following, which I send to the desk.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 18, beginning with line 15, strike out paragraph 13 in its entirety and insert in lieu thereof the following:

Thirteenth. The new company shall grant with each street-railway fare a free immediate transfer to any connecting portion of its street-railway lines within the District of Columbia, subject to reasonable rules and regulations to prevent abuse thereof. In addition, transfers between street cars and busses and between bus lines shall be granted under such reasonable terms and conditions as the Public Utilities Commission may prescribe: *Provided*, That this shall not be interpreted to prohibit establishment, with the approval of the Public Utilities Commission, of special fares lower than the basic fare without transfer privilege.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. BLAINE. Mr. President, I will ask the clerk again to read the last three lines, beginning with the word "*Provided.*"

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

Provided, That this shall not be interpreted to prohibit establishment, with the approval of the Public Utilities Commission, of special fares lower than the basic fare without transfer privilege.

Mr. BLAINE. Mr. President, I want to call the attention of the Senator from Vermont to the fact that last night that language was in dispute, and the attorney for the Public Utilities Commission and the people's counsel were directed to redraft the language, and that redrafted language is submitted, which reads as follows:

Provided, That this shall not be interpreted so as to prevent the Public Utilities Commission from establishing special fares lower than the basic rate without transfer privileges.

Mr. AUSTIN. Mr. President, as I interpret the two, I do not clearly see any distinction between them, and I understood that the text sent to the desk came from the same source of which the Senator from Wisconsin speaks. Does the Senator see any difference?

Mr. BLAINE. I think there is a difference. As I recall, the matter was called to the attention of the committee by the president of one of the street-railway companies suggesting the possibility of ambiguity, and the people's counsel and the attorney for the Public Utilities Commission were directed to redraft it, and that redraft was submitted to the committee this morning and approved.

Mr. AUSTIN. I am entirely satisfied with the language suggested, and I send it to the desk as a substitute for that which was formerly sent to the desk.

The VICE PRESIDENT. The Senator from Vermont withdraws his previous amendment and offers an amendment in lieu thereof, which will be stated.

The CHIEF CLERK. It is proposed to strike out from line 15 to line 24, both inclusive, on page 18, and insert in lieu thereof the following:

Thirteenth. The new company shall grant with each street-railway fare a free immediate transfer to any connecting portion of the street-railway lines within the District of Columbia, subject to reasonable rules and regulations to prevent abuse thereof. In addition, transfers between street cars and busses and between bus lines shall be granted under such reasonable terms and conditions as the Public Utilities Commission may prescribe: *Provided*,

That this shall not be interpreted so as to prevent the Public Utilities Commission from establishing special fares lower than the basic rate without transfer privileges.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. AUSTIN. On page 20, line 3, after the word "line," I move to insert a comma and the words which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 20, line 3, after the word "line," it is proposed to insert a comma and the words "that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BLAINE. Mr. President, there might be a question as to punctuation. I think there should be a comma after the word "schedule." The clerk did not read it that way; so I merely call his attention to it.

The VICE PRESIDENT. The comma will be inserted if it is required.

Mr. AUSTIN. On page 20, line 8, after the word "any," I move to insert the word "reasonable."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. AUSTIN. On page 20, line 10, after the word "therewith," I move to insert the words "subject to the approval of the Public Utilities Commission."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was, on page 20, line 22, to strike out the words "section 8," and to insert in lieu thereof the words "paragraph eighth," so as to read:

Seventeenth. The new company upon opening its books of account, shall set up reserves, special accounts, and deferred charges equal to the combined reserves, depreciation funds, special accounts, and deferred charges of the Capital and Washington Cos. in so far as they relate to depreciation of properties turned over to the new company or to liabilities assumed by it, other than the reserve for injuries and damages as heretofore provided in paragraph eighth.

The amendment was agreed to.

The next amendment was, on page 21, line 21, to strike out the words "agreement: Now, therefore, be it," and to insert in lieu thereof the word "agreement," so as to read:

Eighteenth. Approval of this agreement by the Public Utilities Commission or Congress shall not be taken as approval of the considerations mentioned herein for properties or stocks, nor as binding upon the Public Utilities Commission in any future determination of the fair value of the properties used and useful for the public convenience belonging to the Washington Co., the Capital Co., or to be acquired by the new company, that may be made in accordance with this agreement.

The amendment was agreed to.

The next amendment was, on page 21, after line 22, to insert a new paragraph, as follows:

Nineteenth. The new company acquiesces in the jurisdiction of the Public Utilities Commission to fix reasonably reduced rates of fare for school children, not over 18 years of age, going to and from public, parochial, or like schools in the District of Columbia, and to establish rules and regulations governing the use thereof.

Now, therefore, be it

Mr. AUSTIN. Mr. President, the committee agreed unanimously on a substitute for that proposed amendment, which I desire to read, because I have only one copy of it. The new section proposed to be inserted is as follows:

Nineteenth. The Public Utilities Commission shall fix the rate of fare at 3 cents for school children not over 18 years of age going to and from public, parochial, or like schools in the District of Columbia, and to establish rules and regulations governing the use thereof: *Provided*, That upon the acceptance of this agreement by the parties and the completion of the unification, the provisions of the act entitled "An act to provide for the transportation of school children in the District of Columbia at a reduced fare," approved February 7, 1931, shall become inoperative as inconsistent with this provision.

Now, therefore, be it

Mr. BLAINE. Mr. President, my attention has been called to what I feel is not the best choice of language. After the words "District of Columbia" it reads "and to establish rules and regulations." I suggest that we strike out "to" and insert "shall," so that it will read, "and shall establish rules and regulations."

Mr. AUSTIN. I agree to that.

Mr. BLAINE. I would like to have the Senator from Vermont read the concluding portion of the suggested amendment.

Mr. AUSTIN. It reads, "approved February 7, 1931, shall become inoperative as inconsistent with this provision."

Mr. BLAINE. I suggest that the words "as inconsistent with this provision" be stricken out. I think that is compatible with the committee's understanding of the final draft.

Mr. AUSTIN. I consent to that.

The VICE PRESIDENT. That modification will be made. The question is on agreeing to the amendment to the amendment as modified.

The amendment to the amendment as modified was agreed to.

The amendment as amended was agreed to.

Mr. BLAINE. Mr. President, I want to renew the suggestion I made a little while ago respecting paragraph 4 on page 7. I will not persist in my suggestion, but I merely wish to emphasize that that really ought to be stricken out. I do not believe anybody wants it, as a matter of fact.

Mr. AUSTIN. Mr. President, it is a clause that is often found in charters. Sometimes it is left to a general statute; but in this instance it appears in a contract, and I very much dislike to change another man's contract. This is an agreement between the utilities in the District of Columbia which are to be united, and paragraph 4 is part of the agreement. Their officials were present at our conferences and assented to that compromise and the agreement which we have now carried out. I feel as though I ought not to assent to a further modification of the agreement.

Mr. BLAINE. Mr. President, I have no desire to press the point. I think it is a matter of draftsmanship, and I simply want to have it of record that if I were drafting it I would leave out this paragraph. Whether it is in or out is wholly immaterial as to the merits or demerits of the joint resolution.

The VICE PRESIDENT. The question is on agreeing to the preamble, as amended.

The preamble, as amended, was agreed to.

The VICE PRESIDENT. Without objection, Calendar No. 497, being Senate Joint Resolution 13, of identical title with the House joint resolution just passed, will be indefinitely postponed.

House Joint Resolution 154, as passed, reads as follows:

Whereas pursuant to the act entitled "An act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved March 4, 1925, a form of agreement to carry this into effect and providing for the formation of a new corporation to be known as the Capital Transit Co., to acquire properties and/or stocks or securities, and to succeed to the powers and obligations of the Capital Traction Co. and to succeed to the powers and obligations of the Washington Railway & Electric Co., directly connected with or relating to the operation of street railway and bus transportation, has been approved by the Public Utilities Commission of the District of Columbia, as follows:

UNIFICATION AGREEMENT

Whereas the act entitled "An act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved March 4, 1925, provides "that any or all of the street-railway companies operating in the District of Columbia be, and they are hereby, authorized and empowered to merge or consolidate, either by purchase or lease by one company of the properties, and/or stocks or securities of any of the others, or by the formation of a new corporation to acquire the properties and/or stocks or securities and to succeed to the powers and obligations of each or any of said companies under such terms and conditions as may be agreed upon by vote of a majority in amount of the stock of the respective corporations, and as may be approved by the Public Utilities Commission of the District of Columbia: *Provided*, That no merger of said companies shall be finally consummated until the same is approved by a joint resolution of Congress. Such new corporation shall be incorporated under the provisions of Subchapter IV, Chapter XVIII of the Code of Law of the District of Columbia as far as applicable, with issues of stock at a stated par value and/or of no par value, as may be approved by the Public Utilities Commission"; and



Whereas the Washington Railway & Electric Co. (hereinafter referred to as the "Washington Co.") and the Capital Traction Co. (hereinafter referred to as the "Capital Co."), street-railway companies now operating in the District of Columbia, are organized in accordance with special acts of the Congress of the United States for the purpose of carrying on street railway and other business; and

Whereas it is deemed advisable, for the purpose of greater efficiency and economy of management and for the benefit and advantage of the public and of the stockholders of said companies, that their transit properties used in the business of street railway and bus transportation within the District of Columbia or between the District of Columbia and adjacent States, and such other property and assets, real and personal, tangible and intangible, as may be described in this agreement shall be placed under unified ownership and operation; and

Whereas the premises, covenants, agreements, grants, terms, and conditions herein have been approved by the Public Utilities Commission of the District of Columbia:

Now, therefore, if and when the said premises, covenants, grants, terms, and conditions herein contained are agreed upon by a vote of a majority in amount of the stock of the respective corporations, their respective properties as hereinafter described shall be transferred to and vested in the new company and the mode of carrying the same into effect shall be as follows:

First. The name of the new company shall be Capital Transit Co. (hereinafter referred to as the "new company").

Second. The new company shall be incorporated under the provisions of Subchapter IV of Chapter XVIII of the Code of Law of the District of Columbia and pursuant to an act of Congress entitled "An act to permit the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved March 4, 1925, with power, subject to the approval of the Public Utilities Commission, to acquire, construct, own, and operate directly transit properties within the District of Columbia and in adjacent States, including the power to acquire, own, and, either directly or through subsidiaries, operate the properties to be conveyed to the new company in accordance with this agreement, and to acquire and own the stock and/or bonds of said companies and of any other company or companies engaged in the transportation of passengers by street railway or bus in the District of Columbia and adjacent States, with the power to mortgage its property, rights, and franchises, and to conduct such other activities as may be useful or necessary in connection with or incident to the foregoing purposes, including the power to buy, sell, hold, own, and convey real estate within and without the District of Columbia. Said new company when incorporated shall become and remain subject in all respects to regulation by the Public Utilities Commission of the District of Columbia or its successors to the extent of the jurisdiction now or hereafter vested in it or them by law over corporations engaged in the transportation of passengers by street railway or bus within the District of Columbia: *Provided*, That before they are recorded, the articles of incorporation and/or any amendments thereto shall be approved by the Public Utilities Commission.

Third. The board of directors of the new company shall consist of 15 persons. Of the 15 original directors, 7 shall be nominated by the Washington Co., 7 by the Capital Co., and 1, to hold office for two years, shall be agreed upon by the 14 nominated as above. Of the directors so to be initially nominated by the Capital Co., 5 shall hold office for three years and 2 shall hold office for two years. Of the directors so to be initially nominated by the Washington Co., 2 shall hold office for two years and 5 shall hold office for one year.

The directors shall be stockholders and at least nine of them bona fide residents of the District of Columbia, and shall, except as hereinbefore provided, be elected annually by the stockholders at such time and place as shall be determined by the by-laws of the company. The officers of the new company shall be selected by the board of directors.

Fourth. The new company shall have such rules, regulations, and by-laws as the directors shall adopt not contrary to its charter or to the laws in force in the District of Columbia. The duties and powers of the directors and the duties and powers of the officers of the company shall be such as are set forth in the by-laws.

Fifth. The authorized number and par value of the shares of stock of the new company, the number of shares of stock to be issued originally for the purpose of the unification and in payment for the properties of the Capital Co. and the Washington Co. to be acquired hereunder, the bonded indebtedness of the new company, the division of the stock issued by the new company between the Washington Co. and the Capital Co. shall all be as approved by the Public Utilities Commission of the District of Columbia: *Provided*, That the original bonded indebtedness and stock liability of the new company shall not be in excess of the total amount of the stocks, certificates of stock, bonds, or other evidences of indebtedness then outstanding against the Capital Co. and the Washington Co.

Sixth. After the original issue of stock for the purposes of the unification additional shares of stock and/or additional bonds or other evidences of indebtedness may, subject to the approval of the Public Utilities Commission of the District of Columbia, be issued by the directors from time to time for cash or in payment for bonds, or property, or to reimburse the treasury for capital expenditures.

Seventh. Approval of this agreement by joint resolution or act of Congress of the United States shall constitute and confer jurisdiction on the Public Utilities Commission to issue any order reasonably necessary to secure the operating and/or other economies contemplated by this merger, and to order reasonable extensions and/or reasonable abandonments of tracks and/or facilities. And said orders shall have the same legal effect and be enforceable in the same manner as other orders of said commission.

Eighth. Upon the organization of the new company the following transactions shall be carried out substantially simultaneously:

A. The Capital Co. shall vest in the new company all of its current assets, all moneys or securities of every form owned by it, whether held as cash, securities, choses in action, or special funds of any nature, all of its estates, lands, rights, powers, privileges, licenses, franchises, and properties, real and personal, tangible and intangible, of every kind (including without limiting the generality of the foregoing, 202 shares of the par value of $50 per share of the capital stock of the Washington & Maryland Railroad Co. out of a total of 202 shares issued and outstanding, $66,000 principal amount of 6 per cent bonds of said company, due January 15, 1947, and a demand note for the principal amount of $20,500 bearing interest at the rate of 6 per cent per annum made by said company indorsed to the Capital Co.), and shall transfer to the new company all existing operating and other contracts and/or rights (subject to all conditions of said contracts) and shall execute all deeds, assignments, and/or other conveyances requisite for such purpose.

In consideration therefor the new company shall—

(a) Issue to the Capital Co. such shares of its capital stock and/or other securities as may be agreed upon by the Capital and Washington Cos. and approved by the Public Utilities Commission of the District of Columbia.

(b) Assume and discharge as the same mature all of the liabilities of the Capital Co., such liabilities to be not exceeding $5,800,000 principal amount of Capital Traction first-mortgage bonds bearing interest at the rate of 5 per cent per annum, due June 1, 1947 (in addition to $200,000 principal amount thereof now in the treasury of the Capital Co. which shall be canceled on or before the date of closing hereunder), and current liabilities arising in normal conduct of the business.

It is understood and agreed that to carry out the intent thereof the Capital Co. shall and will, as soon as may be possible after the date of closing as hereinafter defined, make distribution to its stockholders, liquidate, and dissolve, and that to this end approval of this agreement by joint resolution or act of the Congress of the United States shall constitute and confer all necessary authority to the Capital Co. to liquidate its assets by distributing amongst its stockholders, in proportion to their several holdings of stock in said company, the shares of stock of the new company which it shall have received as the consideration for the sale, transfer, and conveyance of its property to the said new company as provided herein, and thereupon to liquidate its affairs and dissolve its corporate existence: *Provided*, That the existing liabilities of the said Capital Co. and the rights of its creditors shall not be affected thereby, and that such creditors shall have, as to the new company upon the transfer of property to it as aforesaid, all rights and remedies which they may then have as to the Capital Co.: *And provided further*, That no action or proceedings to which the Capital Co. is a party shall abate in consequence thereof, but the same may be continued in the name of the party by or against which the same was begun, unless the court in which said action or proceedings are pending shall order the new company to be substituted in its place and stead: *And provided further*, That the fact of such dissolution in accordance with this provision shall be published once a week for two successive weeks thereafter in at least two daily newspapers of general circulation published in the city of Washington, D. C.

The date of closing is hereby defined as the date of the transfer of the properties mentioned herein to the new company and the delivery of new company shares to the Capital and Washington Cos. in accordance herewith.

B. The Washington Co. will vest or cause to be vested in the new company, all of its physical property, real and personal, Glen Echo Amusement Park (except devices not owned by the Washington Co. or Glen Echo Park Co.), tracks, lands, buildings, shops, structures, machinery, rolling stock, busses, easements, franchises, rights, operating and other contracts for the use of tracks, power, exchange of facilities or otherwise directly connected with or relating to and used in the ordinary operation and business of an electric railway, motor bus, public transportation company, and common carrier, situate in the District of Columbia and State of Maryland (subject to all conditions of said contracts), including without limiting the generality of the foregoing, the physical property, rights, and franchises of the Washington & Rockville Railway Co. of Montgomery County, used in the operation of said transit business; with the understanding, however, that nothing herein shall be understood to include the transfer of the right of the Washington Co. and the Washington & Rockville Railway Co. of Montgomery County to exist as corporations or separate corporate entities; nor to include the stock of the Potomac Electric Power Co., the Braddock Light & Power Co. (Inc.), Great Falls Power Co., Potomac Electric Appliance Co., or other investments in stock, bonds, or personal property not connected with or used in the ordinary conduct of the business of said electric railways; nor any cash, bills receivable, credits, or choses in action, except as otherwise herein pro-

vided (and that approval of this agreement by joint resolution or act of the Congress of the United States shall constitute and confer the necessary authority to the Washington Co. to retain and hold the aforesaid stocks of the said companies). A general description of the property to be transferred hereunder shall be prepared and delivered to the Capital Co. before the final execution of deeds, and the Washington Co. shall execute all deeds, assignments, and/or other conveyances requisite for such purpose. It being understood, however, that the Washington Co. will transfer to the new company net current assets equal to the net current assets transferred to the new company by the Capital Co., as hereinbefore provided, and no more.

The said property of the Washington Co. shall be vested in the new company, subject, in so far but only in so far, as the same may by terms of such mortgages, respectively, attach to any part or parts of said property to the following mortgages or deeds of trust:

(1) First mortgage of the City & Suburban Railway of Washington, dated September 1, 1898, made to the Baltimore Trust & Guaranty Co., as trustee.

(2) Firt mortgage of the Anacostia & Potomac River Railroad Co., dated April 1, 1899, made to the Baltimore Trust & Guaranty Co., as trustee.

(3) Consolidated mortgage of the Washington Railway & Electric Co., dated March 1, 1902, made to United States Mortgage & Trust Co., as trustee.

In consideration therefor the new company shall issue to the Washington Co. such shares of its capital stock and/or other securities as may be agreed upon by the Capital and Washington Cos. and approved by the Public Utilities Commission of the District of Columbia, and shall assume such of the above-described bonds as may be approved by the Public Utilities Commission, and in addition shall assume and discharge, as the same mature, liabilities of the Washington Co. incident to the transit business to be transferred as aforesaid.

Out of the total net current assets received by the new company there shall be set aside a reserve in an amount sufficient in the opinion of the Public Utilities Commission to liquidate all claims for injuries and damages against the Washington Co. and the Capital Co. on account of operations prior to the date of closing: *Provided*, That any excess or deficit in such reserve remaining after the final liquidation of such claims for injuries and damages shall be credited or debited, respectively, to the surplus of the new company.

The new company is authorized to acquire any or all of the outstanding stock of the Washington Rapid Transit Co. (the bus company) at the fair value thereof and on such terms as may be accepted by the owners of said shares of stock and may be approved by the Public Utilities Commission; if and when a majority of the outstanding shares of the said Washington Rapid Transit Co. is acquired by the new company, the Washington Rapid Transit Co. shall be merged or consolidated with the new company when and if the Public Utilities Commission shall so require.

Ninth. The foregoing is based on the present conditions and business of the participating companies and on the assumption that, in the interval before the consummation of the foregoing transactions, there will be no change in the transit businesses, other than as a result of normal operations or necessary to meet changed operating conditions, and that no distribution will be made to the stockholders of Capital Co., except the regular dividend payments, at not exceeding 7 per cent per annum, and that, subject to such exceptions, the assets and liabilities of the participating companies will be substantially as appears from their balance sheets, as of the 31st of December, 1931, subject to variations in the normal course of business.

Tenth. The Washington Co. shall cause the Potomac Electric Power Co. to enter into a contract with the new company, subject to the approval of the Public Utilities Commission, said power contract to become effective as of the date of consummation of this merger and run for the life of whichever of the last-mentioned companies expires first, and to provide that the Potomac Electric Power Co., or its successors, and/or assigns will at all times, on request, furnish an adequate supply of electric power for the maintenance and operation of the transit properties of the new company, and at such reasonable rates as the Public Utilities Commission may from time to time fix. The Washington Co. shall assign to the Potomac Electric Power Co. all of its existing contracts for the sale of power to other railway companies.

Eleventh. The Washington Co. shall remain subject to the jurisdiction of the Public Utilities Commission. Any sinking funds now held by it shall remain available for the discharge of securities for which it remains liable and which are secured directly or indirectly by any lien upon property turned over to the new company.

Twelfth. Any and all rights with regard to valuations and/or rate bases now possessed by any of the parties to this agreement shall not be prejudiced hereby, and shall be enjoyed by the new company until a valuation of the properties of the company shall be fixed as now or hereafter provided by law: *Provided*, That nothing contained herein shall deprive the new company of any rights under the Constitution of the United States.

Thirteenth. The new company shall grant with each street-railway fare a free immediate transfer to any connecting portion of its street-railway lines within the District of Columbia, subject to reasonable rules and regulations to prevent abuse thereof. In addition, transfers between street cars and busses and between bus lines shall be granted under such reasonable terms and conditions as the Public Utilities Commission may prescribe: *Provided*, That this shall not be interpreted so as to prevent the Public Utilities Commission from establishing special fares lower than the basic rate without transfer privileges.

Fourteenth. This agreement is conditioned upon the new company being relieved from the expense of policemen at street-railway crossings and intersections, the laying of new pavement, the making of permanent improvements, renewals or repairs to the pavements of streets and public bridges; and the permanent improvements, renewals, or repairs to public bridges over which the street-car lines operate; except that the new company shall bear the entire cost of paving repairs or replacements incident to track repairs, replacements, or changes made at a time when the street or bridge is not being paved, and shall bear one-half the cost of other paving, repaving, or maintenance of paving between its tracks and for 2 feet outside of the outer rails, and shall bear the excess cost of construction and maintenance of public bridges, due to the installation or existence of its tracks on such bridges, but nothing herein shall relieve the new company from liability for street paving as owner of real estate apart from rights of way occupied by its tracks, as set out in the so-called Borland law, approved September 1, 1916, as amended to date, and/or in an act to provide for special assessments for the paving of roadways and the laying of curbs and gutters, approved February 20, 1931.

Fifteenth. Legislation obtained to effectuate this agreement shall contain a provision that no competitive street railway or bus line—that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule—shall be established without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia to the effect that the competitive line is necessary for the convenience of the public.

Sixteenth. The new company may defray any reasonable legal and other expenses of unification which may be necessarily incurred in connection therewith, subject to the approval of the Public Utilities Commission; provided that these expenses shall be treated in the accounts of the new company as ordered by the Public Utilities Commission.

Seventeenth. The new company upon opening its books of account shall set up reserves, special accounts, and deferred charges equal to the combined reserves, depreciation funds, special accounts, and deferred charges of the Capital and Washington Cos. in so far as they relate to depreciation of properties turned over to the new company or to liabilities assumed by it, other than the reserve for injuries and damages as heretofore provided in paragraph 8. Such reserves, or accounts, shall be set up in such manner that there shall be continuity of accounting between the books of the Capital and Washington Cos. and the new company: *Provided*, That the new company shall not be required to maintain any depreciation fund if it sets up a reserve against depreciation at rates fixed therefor by the Public Utilities Commission, but may use money and/or securities in any depreciation fund turned over to it in any manner approved by the Public Utilities Commission. Nothing herein provided shall be construed as changing or limiting the jurisdiction of said commission over depreciation accounts of any of said companies.

Eighteenth. Approval of this agreement by the Public Utilities Commission or Congress shall not be taken as approval of the considerations mentioned herein for properties or stocks, nor as binding upon the Public Utilities Commission in any future determination of the fair value of the properties used and useful for the public convenience belonging to the Washington Co., the Capital Co., or to be acquired by the new company, that may be made in accordance with this agreement.

Nineteenth. The Public Utilities Commission shall fix the rate of fare at 3 cents for school children not over 18 years of age going to and from public, parochial, or like schools in the District of Columbia, and shall establish rules and regulations governing the use thereof: *Provided*, That upon the acceptance of this agreement by the parties and the completion of the unification, the provisions of the act entitled "An act to provide for the transportation of school children in the District of Columbia at a reduced fare," approved February 27, 1931, shall become inoperative.

Now, therefore, be it

Resolved, etc., That such unification in accordance with said agreement, and each and every one of the provisions therein, be, and the same are hereby, ratified and approved, and said Capital Transit Co., when organized under the provisions of subchapter 4, chapter 18, of the Code of Law of the District of Columbia, shall have all the powers, benefits, and obligations expressed in said unification agreement, approved as aforesaid; and the Public Utilities Commission of the District of Columbia be, and is hereby, authorized to do all such acts and things as may be necessary or appropriate on its part to carry out the provisions of said agreement and of this resolution. Nothing in this paragraph shall be construed to limit the present powers of the Public Utilities Commission.

SEC. 2. This agreement, hereinbefore set forth, shall be submitted to the stockholders of the Capital Traction Co. and the Washington Railway & Electric Co. for their action within six months after its approval by the Congress.

SEC. 3. That all provisions of law making it incumbent upon any street railway company to bear the expense of policemen at street-railway crossings and intersections, the laying of new pavement, the making of permanent improvements, renewals, or repairs to the pavement of streets and public bridges, and the permanent improvements, renewals, or repairs to public bridges over which the street-car lines operate, are hereby repealed, such repeal to be

effective on the date the unification herein authorized becomes operative: *Provided*, That the Capital Transit Co. herein provided for shall bear the entire cost of paving, repairs, or replacements incident to track repairs, replacements, or changes made at a time when the street or bridge is not being paved, and shall bear one-half the cost of other paving, repaving, or maintenance of paving between its track and for 2 feet outside the outer rails, and shall bear the excess cost of construction and maintenance of public bridges due to the existence or installation of its tracks on such bridges: *Provided further*, That nothing herein contained shall relieve said Capital Transit Co. from liability for street paving as owner of real estate apart from right of way occupied by its tracks as provided by section 8 of the act of Congress entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes," approved September 1, 1916, as amended to date.

SEC. 4. No competitive street railway or bus line; that is, bus or railway line for the transportation of passengers of the character which runs over a given route on a fixed schedule, shall be established without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia to the effect that the competitive line is necessary for the convenience of the public.

SEC. 5. That the Capital Traction Co. is hereby authorized and empowered, upon the consummation of the aforesaid unification agreement, to dissolve and to liquidate its assets and make distribution among its stockholders in accordance with said agreement: *Provided*, That the existing liabilities of the said the Capital Traction Co. and the rights of its creditors shall not be affected thereby, and that such creditors shall have, as to the said Capital Transit Co., upon the transfer of property to it as provided in said agreement, all rights and remedies which they may then have as to the Capital Traction Co.: *Provided further*, That no action or proceedings to which the Capital Traction Co. is a party, shall abate in consequence thereof, but the same may be continued in the name of the party by or against which the same was begun, unless the court in which said action or proceedings are pending shall order the Capital Transit Co. to be substituted in its place and stead: *And provided further*, That the fact of such dissolution in accordance with this provision shall be published once a week for two successive weeks thereafter in at least two daily newspapers of general circulation published in the city of Washington, D. C.

SEC. 6. That the Washington Railway & Electric Co. is hereby authorized and empowered to retain and hold stocks and bonds as provided in said unification agreement and to issue from time to time stocks, bonds, and/or other evidences of indebtedness subject to the approval of the Public Utilities Commission of the District of Columbia.

SEC. 7. That in accordance with said unification agreement, the Capital Transit Co. to be created as aforesaid is hereby authorized and empowered to purchase all or any part of the outstanding capital stock of the Washington Rapid Transit Co.; and said company shall be merged or consolidated with the said Capital Transit Co. when and if the Public Utilities Commission shall so require.

SEC. 8. That nothing contained in this resolution shall be taken as extending or limiting the powers and duties of the Public Utilities Commission except as provided in this resolution and by said unification agreement, and all powers granted by this resolution to the Capital Transit Co. shall be exercised subject to the supervision of and regulation by the Public Utilities Commission as provided by law.

SEC. 9. The unification herein provided for shall become effective when but not until agreed upon by vote of more than a majority in amount of the stock of the respective companies and notices to that effect have been filed with the Public Utilities Commission of the District of Columbia within two years from and after the passage of this joint resolution.

SEC. 10. Any and all charges to the Capital Transit Co. made by any corporation or person holding a majority of the capital stock thereof for any services shall be proved to be fair and reasonable, and only such part of said charges as the Public Utilities Commission, subject to the right of appeal to the courts, may decide to be fair and reasonable shall be considered in the determination of rates.

SEC. 11. It is understood and agreed that nothing herein shall be construed as creating any new rights of franchise to use the streets in the District of Columbia for transportation purposes: *Provided*, That the Capital Transit Co. shall exercise and succeed to all of the property, rights, and franchises of the Capital Traction and the Washington Railway & Electric Cos., which they are required herein to vest in the Capital Transit Co., subject, however, to the right of the Public Utilities Commission to order reasonable extension or reasonable abandonment of tracks and facilities.

SEC. 12. The Washington Railway & Electric Co., if the unification herein provided for shall become effective, shall remain subject to the jurisdiction of the Public Utilities Commission. Any sinking fund held by it shall remain available for the discharge of securities for which it remains liable and which are secured directly or indirectly, by any lien on property turned over to the Capital Transit Co.

SEC. 13. That Congress reserves the right to alter, amend, or repeal this resolution, or any charter or certificate of incorporation made thereunder, and any and all rights of franchise created by this resolution shall terminate one year following its repeal.

PROPOSED FAIR-TRADE LEGISLATION

Mr. BINGHAM. Mr. President, is it now in order to move to take up another bill?

The VICE PRESIDENT. It is.

Mr. BINGHAM. I move that the Senate proceed to the consideration——

Mr. CAPPER. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. CAPPER. I should like to inquire of the Chair the status of the motion which I made yesterday to proceed to the consideration of Senate bill 97.

The VICE PRESIDENT. The Chair will state that he advised the Senator from Kansas yesterday that if the motion by him were set aside by the unanimous-consent agreement he would be afterwards recognized. The Chair feels, under the circumstances, that he should recognize the Senator from Kansas to make a motion to proceed to the consideration of the measure indicated, if he so desires.

Mr. CAPPER. I wish to renew my motion that the Senate proceed to the consideration of Senate bill 97.

The VICE PRESIDENT. The Senator from Kansas moves to proceed to the consideration of a bill, the title of which will be stated.

The CHIEF CLERK. A bill (S. 97) to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Kansas.

TRANSFER OF TROOPS IN ARIZONA

Mr. ASHURST. Mr. President, pending that motion, my colleague Mr. HAYDEN has a resolution in the nature of an emergency, and upon which I believe it will require not over 10 minutes for the Senate to act. Inasmuch as those opposing and those favorable are present, I hope my colleague will ask unanimous consent for the consideration of the resolution referred to.

Mr. HAYDEN. Mr. President, I was on my feet seeking recognition to ask unanimous consent for the present consideration of Senate Resolution 306. I submitted the resolution a week ago and hoped to call it up from day to day in case the Senate adjourned. The Senate has not adjourned, however, and we have not had a morning hour since that time which would permit the resolution to be laid before the Senate. I now ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. The Senator from Arizona asks unanimous consent for the immediate consideration of a resolution, which will be read.

The Chief Clerk read the resolution (S. Res. 306) submitted by Mr. HAYDEN on the 15th instant, as follows:

Whereas under section 315 of the legislative appropriation act, approved June 30, 1932 (Public, No. 212), "the President is authorized, during the fiscal year ending June 30, 1933, to restrict the transfer of officers and enlisted men of the military and naval forces from one post or station to another post or station to the greatest extent consistent with the public interest"; and

Whereas the purpose of said section was to effect economies in the way of limiting the amount to be expended on travel by and within the military and naval forces; and

Whereas the Secretary of War has issued orders for the removal of troops from Camp Stephen D. Little and Camp Harry J. Jones, Ariz., thereby incurring a needless travel expense and imposing an additional charge on the United States Treasury, all of which is inconsistent with the intent and purpose of section 315 of said act; and

Whereas in addition to imposing an extra burden of expense on the Treasury in contravention of said act, the removal of said troops from Camp Stephen D. Little and Camp Harry J. Jones will withdraw from the cities of Nogales and Douglas, Ariz., a substantial pay roll upon which these two communities greatly depend for their present commercial existence; and

Whereas the removal of said troops, by reason of the consequential loss of said pay roll, will make the present deplorable conditions in said cities more desperate and will make necessary additional drains on the Treasury through the Reconstruction Finance Corporation for direct relief: Now, therefore, be it

Resolved, That the Secretary of War be, and he is hereby, requested to direct that the troops heretofore stationed at Camp Stephen D. Little and Camp Harry J. Jones be retained at said posts, and that all orders for the transfer of said troops be rescinded.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. REED. Mr. President, reserving the right to object, I should like to state the position of the War Department on this resolution and then make a request.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. ASHURST. Mr. President, I ask unanimous consent to have read a telegram and some letters protesting against the transfer of these troops from these posts.

The VICE PRESIDENT. Does the Senator desire them read?

Mr. ASHURST. I should like to have the telegram and the letters read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Chief Clerk read as follows:

DOUGLAS, ARIZ., *December 8, 1932.*

Senator HENRY F. ASHURST,
Washington, D. C.:

Camp Jones must be retained for Douglas. The people and merchants don't mind paying taxes and going in the hole, as they are now doing, to help keep schools, county, and State running pending better times. The removal of Camp Jones at this stage, in plain words, spells ruin to the majority of the independent merchants in Douglas. A beneficent Government on the one hand, through the Reconstruction Finance Corporation, is sending us money to relieve acute situation caused by unemployment, and on the other hand some agency wants to move the troops, which will cause business failures, additional unemployment, and aggravate an already acute, economic condition. In addition the Army is a vital factor in fostering of international relations and trade along this port of entry; but if no one realizes or believes that, certainly there can be no excuse for ignoring the seriousness of the threatened move from a purely economic standpoint in these terrible times. Failure to hear anything regarding our pleas causing our people great anxiety. And again we plead with you to see that Camp Jones is retained for Douglas; and if there is anything you think we can do, either by sending a representative to Washington or otherwise, please advise. The retention of Camp Jones means the difference between ruin and a fighting chance for our community to pull through.

DOUGLAS CHAMBER OF COMMERCE.
REX RICE.
A. G. CROUCH.
SHELTON DOWELL.
JOHN B. CROWELL.

The VICE PRESIDENT. Without objection, the letters sent to the desk by the Senator from Arizona will be printed in the RECORD.

The letters referred to are as follows:

PHOENIX, ARIZ., *December 7, 1932.*

Hon. HENRY F. ASHURST,
United States Senator, Washington, D. C.

DEAR HENRY: It has come to my attention that the War Department has issued orders abandoning Camps Harry J. Jones at Douglas and Stephen D. Little at Nogales. I feel that this move at this time is not justified.

The condition of unrest along the border is such that the citizens should be given this additional protection of having the troops along the border instead of concentrated at Fort Huachuca due to the fact that there is no additional outlay necessary for camp facilities and that the saving to the United States Government by the abandonment of these posts and the concentration of the military forces at Fort Huachuca would be so small that it should not be taken into consideration when weighed against the protection of the American citizens and the spreading of the buying power of the soldiers over the several communities.

I will very much appreciate your bringing what influence you can to bear on this matter to see that these changes are not made.

Sincerely yours,

B. B. MOEUR, *Governor Elect.*

NOGALES, ARIZ., *November 23, 1932.*

Hon. GEORGE W. P. HUNT,
Governor of the State of Arizona,
Capitol Building, Phoenix, Ariz.

MY DEAR GOVERNOR HUNT: Along with the ills common to the entire country, Nogales is suffering severe restrictions with respect to business due to a very great extent to the limitations which have been placed upon our relations with Mexico, from whom we received practically 85 per cent of all our local business.

In addition to the above calamities, we are informed by the War Department that we are to suffer the loss of Camp Stephen D. Little by its removal to Fort Huachuca.

I need not worry you over the many reasons for which this should not be done from a strategic and military standpoint, for I think that fact is patent to all. What I wanted to say with respect to it is that the removal of the camp takes from us our last big pay roll.

Already this city is staggering under the burden of unemployment on the part of a great majority of people who were formerly employed in different lines of business here. This, with the other two conditions mentioned, places an almost unbearable burden on the local community. If we are to add the loss of the camp to this, no one can say what the real result may mean to the stability of this city.

As you know, I have under my direction the relief work of this city and county. Also, by your good grace, I am chairman of the Santa Cruz County (Ariz.) Reconstruction Finance Corporation Advisory Committee. This places me in a position to know just what is happening, both as a result of increasingly bad economic conditions and unemployment.

We now have one-third of our county's population on my list. The county treasurer informs me that we failed to collect all of the taxes last year and that this year's collection is 35 per cent below normal. This has made it necessary for the county to register its warrants. I have inquired at the bank as to how much credit the county may expect from the bank in this warrant registration. They have informed me that we still owe them $13,000 in former registrations and that about $12,000 credit is all that can be expected.

Due to this fact, each time I issue a county demand for indigent relief I am forced to borrow it at the bank at the rate of 2 per cent. This current month, in spite of the aid afforded us by the Reconstruction Finance Corporation Commission, I was forced to overdraw the monthly pro rata apportionment in the county outdoor relief fund, and, as I have stated, this was borrowed money.

With our credit limited as stated above and with tax collections slowed down to zero point the future looks very dark with respect to purchasing the bare necessities of life for our people.

I am making the statement of these facts to you, hoping that you may be able to use some of them in an attempt of not only if necessary increasing our Reconstruction Finance Corporation funds but to, above all things, keep Camp Stephen D. Little located at Nogales.

Thanking you most heartily for your past cooperation and trusting that your health is now fully recovered, I am,

Sincerely yours,

O. A. SMITH,
Chairman Santa Cruz County (Ariz.) Reconstruction Finance Corporation Advisory Committee.

Mr. REED. Mr. President, these troops are not being moved out of Arizona. Camp Little and Camp Jones are two temporary camps, built on leased property, and the War Department, for the sake of economy, is concentrating the garrisons now at those two posts at Fort Huachuca, which is a permanent post on Government-owned property, just a few miles away. The transfer will cost next to nothing, as the troops will move overland and not be taken by train. The transfer will really save considerable money, because about $150,000 will be required to be spent on these temporary camps if the troops are to remain there through the winter.

I should like to put in the RECORD at this point, without the necessity of reading it, as it is long, a letter from the War Department dated December 16, giving in full their reasons for having ordered this troop movement.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

WAR DEPARTMENT,
Washington, December 16, 1932.

Hon. DAVID A. REED,
Chairman Committee on Military Affairs,
United States Senate.

DEAR SENATOR REED: Careful consideration has been given to the proposed Senate resolution transmitted with your letter of December 15, 1932, with request for the views of the department with respect thereto.

The applicable provision of existing law on this subject appears under section 315 of the legislative appropriation act approved June 30, 1932, Public, 212, as quoted in paragraph 1 of the proposed Senate resolution.

On May 21, 1931, the War Department gave out a statement enumerating a large number of posts which it proposed to abandon or put on a caretaking basis. This action was made necessary due to demands for economy, both in money and troops. In some cases, due to changed conditions, these posts had outlived their usefulness, and we could not justify further expenditures for their upkeep. For others we had no proper garrisons, owing to reductions which have been made in the Army. This whole

program is nearing completion. Camp Harry J. Jones and Camp Stephen D. Little were included in this list of posts to be abandoned. Both were temporary posts built on leased ground, to meet disturbed conditions then existing on the Mexican border. These conditions no longer exist; and the further retention of these posts can not be justified, especially as a regularly established permanent post (Fort Huachuca), a few miles away and in the same State, stands ready to receive these troops. When the Tenth Cavalry was withdrawn from Huachuca, promises were made that the troops from the temporary camps of Harry J. Jones and Stephen D. Little would be assembled at Huachuca to replace the cavalry. Any abandonment of the present plan would also affect the completion of the 5-year Air Corps program as provided for in the act of Congress approved July 2, 1926. This is due to the fact that with the abandonment of these posts certain grades now held in the Twenty-fifth Infantry will become available to the Air Corps.

Huachuca, 12 miles from the border in direct line, stands at the apex of a triangle with its base on the Mexican border. One leg of this triangle is 35 miles from Camp Stephen D. Little in the direct line and 63 miles by road. The other leg is 45 miles in the direct line to Camp Harry J. Jones and 86 miles by road. The border in this whole vicinity will therefore be properly covered from Huachuca. The development of modern means of transportation—motor vehicles, armored cars, and airplanes—and the improved highway and communication systems will permit in an emergency the prompt and rapid movement of troops to threatened points in this area.

The change will be made overland at small expense, while if these posts were retained the routine yearly expenditures would total $150,000; and as it was decided in 1931 to abandon these posts, practically no funds have been allotted for their upkeep and repair. Should the plan now be changed and should the posts remain, large expenditures would have to be made to overhaul, repair, or rebuild the temporary buildings composing the camps. Leases would have to be renewed. The posts would have to be restocked. All this will be avoided when the commitments already made by the War Department are executed and the troops assembled at Huachuca. Actually all preliminary steps looking to the abandonment of these posts have been taken.

Further views of the War Department with respect to the abandonment of these posts are set forth in War Department letter to the Hon. HENRY F. ASHURST, dated November 23, 1932, copy of which is inclosed.

For the reasons given above, the War Department is unalterably opposed to the passage of the proposed Senate resolution transmitted with your letter of December 13, 1932.

Sincerely yours,

PATRICK J. HURLEY,
Secretary of War.

WAR DEPARTMENT,
Washington, D. C., November 23, 1932.

Hon. HENRY F. ASHURST,
United States Senate.

DEAR SENATOR ASHURST: In compliance with your request of the 22d it is desired to advise you with reference to the proposed abandonment of two military camps located in the State of Arizona, i. e., Camp Stephen D. Little and Camp Harry J. Jones.

You are doubtless familiar with the fact that in order to meet with the requirements of the act of July 2, 1926, and to provide for the five increments of the Air Corps therein authorized it was necessary to make a number of units of other arms of the service inactive and to decrease the strength of certain other elements, so that the necessary increase in the Air Corps could be brought about.

With the reduced strength in the elements that were not made inactive for this purpose, it was realized that the Army was much depleted, and that for purposes of economy and proper training it would be necessary to concentrate troops into a lesser number of posts and to abandon a number of the small, isolated, or unnecessary stations. The whole matter has received careful consideration and study by the War Department, covering a considerable period of time. The problem was considered from every angle, and as a result of the study made announcement was made in 1931 that the department proposed to abandon certain posts and to place others on a care-taking basis.

Camp Stephen D. Little and Camp Harry J. Jones were included among the posts that it was deemed advisable to abandon, and the original plans contemplated that the troops at those places would be moved in the fall of 1931, but because of economic conditions it was decided to defer the movements in question until January 1, 1933, when the troops are to be sent to Fort Huachuca, Ariz.

It is believed that the Army will be benefited through the increased efficiency resulting from a concentration in a post of larger size of the troops from the two camps in question, and it is considered that a sizable saving will be made by this action through the elimination of the unnecessary overhead incident to the maintenance of these small garrisons. Camp Stephen D. Little and Camp Harry J. Jones were established several years ago at Nogales and Douglas, Ariz., at a time when conditions necessitated such action. They were never intended to be made permanent posts, and the housing facilities at both are but temporary and in bad condition; in fact, the condition of this temporary housing is such that if troops were retained there large expenditures would be required. Even then the accommodations would still be poor and the upkeep would be very expensive. The present plan, which contemplates that the troops at these camps shall be transferred to Fort Huachuca, where permanent housing facilities are available, will not only bring about an increase in their efficiency by reason of the fact that the entire regiment involved will be in one garrison but will also be advantageous from the standpoint of living conditions.

The proposed movement does not mean that the adjacent border will receive less protection. The development of modern means of transportation, including motor vehicles, armored cars, and airplanes, and improvements in highways and communication systems all permit in an emergency the prompt and rapid movement of troops to threatened points. These new conditions, coupled with the economic and practical advantages outlined in the foregoing, make it undesirable, in the opinion of the War Department, to continue the unnecessary dispersion of the troops involved.

Trusting that the above will explain the situation satisfactorily, I am,

Sincerely yours,

F. H. PAYNE,
Acting Secretary of War.

Mr. REED. Now, Mr. President, it seems to me that a matter of this kind, if it is to be dealt with by a legislative body at all, ought by all means to go to an appropriate committee. So I must insist, I think, that either this resolution be referred to the Military Affairs Committee or I shall have to call for the regular order and displace it by that method. I hope the Senator will agree to let it go to the committee.

Mr. HAYDEN. I realize, Mr. President, that it is impossible to obtain action on the resolution without unanimous consent, and I must, therefore, agree that the resolution go to the Committee on Military Affairs. There is no other way that we can approach the matter except that dictated by the Senator from Pennsylvania. I want to state publicly, however, that upon investigation I am sure the Senator from Pennsylvania will find that it is a greater distance from Fort Huachuaca to Camp Jones and Camp Little than he anticipates. In case an emergency arises there, it is such a distance from the cities of Nogales and Douglas that they can not be properly and adequately protected.

The proof of that is that for 22 years there have been troops stationed at Camp Jones and at Camp Little, near Douglas and at Nogales. They were sent there first at the beginning of the Madero revolution in 1910. They were sent there "temporarily." They have been there "temporarily" for 22 years. In my judgment, there is exactly the same necessity to-day for troops to protect American lives and property at Nogales and Douglas as there was 22 years ago. Unless conditions materially improve in a neighboring country, 22 years from now we shall still need to have visibly present American troops upon the border. Let it not be forgotten that American citizens have been killed and wounded within the limits of both Nogales and Douglas by bullets fired from Mexico.

I am sure that if the Senator has gathered from the letter written by the War Department that this is a situation which can be cared for by the immediate movement of troops from a near-by military post he is seriously mistaken. The necessary improved roads are not there. The opportunities to bring troops to the border quickly are not such as the Senator would think by looking at a map. I earnestly urge that when the Senate resolution goes to his committee he will look carefully into actual facts and report them to the Senate.

Mr. ASHURST. Mr. President——

Mr. REED. Mr. President, I want to assure both Senators from Arizona—for myself and, I think, for every member of the Military Affairs Committee—that we are anxious that no injustice should be done to these Arizona citizens; and the committee is not prejudging the case at all. We will look into the resolution sympathetically, try to consider both sides, and will take action in the near future.

Mr. ASHURST. Mr. President, before the resolution goes to the committee, I want the RECORD to show that the junior Senator from Arizona [Mr. HAYDEN] and the Representative in Congress from Arizona [Mr. DOUGLAS], with an unremitting zeal, with a fidelity, an energy, and an activity

seldom displayed by public servants anywhere, have labored in season and—the War Department believes—out of season to hold these two camps, respectively, at Douglas and at Nogales.

I want the RECORD further to show, if these troops are removed from these camps and in the future something unfortunate happens, no blame can attach to Senator HAYDEN or to Representative DOUGLAS. They have put forth every energy at their command to prevent the removal of these troops.

Mr. HAYDEN. Mr. President, I ask leave to have printed in the RECORD, for the information of the Committee on Military Affairs, a letter from the Governor elect of Arizona and copies of two telegrams addressed to the President of the United States.

There being no objection, the letter and telegrams were ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., *December 7, 1932.*

Hon. CARL HAYDEN,
United States Senator, Washington, D. C.

DEAR CARL: It has come to my attention that the War Department has issued orders abandoning Camps Harry J. Jones, at Douglas, and Stephen D. Little, at Nogales. I feel that this move at this time is not justified.

The condition of unrest along the border is such that the citizens should be given this additional protection of having the troops along the border instead of concentrated at Fort Huachuca. Due to the fact that there is no additional outlay necessary for camp facilities and that the saving to the United States Government by the abandonment of these posts and the concentration of the military forces at Fort Huachuca would be so small that it should not be taken into consideration when weighed against the protection of the American citizens and the spreading of the buying power of the soldiers over the several communities.

I will very much appreciate your bringing what influence you can to bear on this matter to see that these changes are not made.

Sincerely yours,

B. B. MOEUR, *Governor elect.*

DOUGLAS, ARIZ., *December 9, 1932.*

The PRESIDENT,
White House, Washington, D. C.:

We earnestly appeal to you with request that you intervene in present plan of War Department to move troops from Camp Harry J. Jones to Fort Huachuca. This community has suffered to greater extent than any community in Southwest. Our difficulties started with merger of Phelps Dodge Corporation and Calumet & Arizona Mining Co. and has been steadily accentuated by decline in copper price and production. The average monthly pay roll from the smelters in 1929 was $213,333 as compared with average monthly pay roll now of $28,500. Bank clearings in November, 1929, were four and one-quarter million and November, 1932, $975,000. This community was first in State to organize adequately for relief of unemployed. All citizens have subscribed faithfully, despite terrific decline in business. The pay roll from Camp Jones is of sufficient importance to influence a number of business units to continue. Every business failure now aggravates the situation more seriously. The movement of the troops will be directly contrary to the policy you have upheld in trying to maintain the morale of communities. May we have your earnest cooperation.

L. J. TUTTLE, *Mayor,*
A. G. CROUCH,
C. N. POSTEN,
MRS. ROBERT L. HOYAL,
JOHN B. CROWELL,
Special Committee.

DOUGLAS, ARIZ., *December 9, 1932.*

President HERBERT C. HOOVER,
White House, Washington, D. C.:

May we most respectfully urge that these facts are impelling against the removal of Camp Jones at this time. First, the smelter pay roll in Douglas in 1929 was $2,560,000 and for November, 1932, $28,500, equivalent to $342,000 per annum. This reflects the condition of the mining industry here and the state of unemployment. Second, through the beneficent reconstruction finance operations over 650 American citizen heads of families of Douglas receive work relief each month, not paid for in cash but all by orders on local concerns for staple necessities, with maximum earnings to any one family of $24 per month. In addition, partial relief from local funds supplemented by Red Cross flour afforded some 200 additional American families plus relief afforded partially to 330 noncitizen families. Third, the citizens of this community are as cheerful as may be, going in debt, paying taxes to keep schools, city, county, and State running, but is there one iota of fairness or reasonableness to add further to the burdens and problems the community faces by removing at this time Camp Jones? Such removal at this time will bring failures to business, increase tax delinquency and unemployment. The latter logically involves additional Reconstruction Finance Corporation help. Fourth, our plea to retain Camp Jones is reasonable. Economically, we can't stand its removal under present conditions. May we bespeak your interest to retain it for us?

With esteem,

F. W. WRIGHT, *Chairman,*
G. R. DRYSDALE,
J. E. CARLSON,
H. A. WIMBERLEY,
Community Relief Committee.

The VICE PRESIDENT. The resolution will be referred to the Committee on Military Affairs.

DISPOSAL OF SURPLUS NAVY SUPPLIES

Mr. THOMAS of Oklahoma. Mr. President, on yesterday the Senate passed Senate Joint Resolution No. 220, a measure sponsored by the junior Senator from California [Mr. SHORTRIDGE]. It provided for the distribution of excess Navy clothing. At about the same time the House of Representatives passed an identical joint resolution, its number being House Joint Resolution No. 500. The House joint resolution contains a slight amendment providing that the States shall share equally in the distribution.

I ask unanimous consent to call up the House joint resolution for immediate consideration.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (H. J. Res. 500) authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy, was read twice by its title.

Mr. THOMAS of Oklahoma. Mr. President, I have called the attention of the junior Senator from California [Mr. SHORTRIDGE] to this amendment. He says he has no objection to it. Therefore, I move that the Senate take up and pass the House joint resolution.

Mr. KING. Mr. President, I should like to ask the Senator from Oklahoma upon what basis the distribution is to be made—the population or the impoverished condition of the people? What are the factors that are to be determinative of the allocation of the commodities that are to be provided?

It seems to me there is a great deal of uncertainty there. I want to know how this distribution is to be made.

Mr. THOMAS of Oklahoma. I am advised that the distribution is to be made on the basis of population.

Mr. KING. Would that be fair? I can conceive of some States, largely industrial, where the needs of the population would be very much greater than the needs of a similar population in some other States. I do not know just how the authorities are going to deal with that matter justly.

I should have preferred to leave the matter entirely in the hands of the Red Cross, for instance, or some organization with authority to allocate the clothing wherever the needs of the people are the greatest. Of course, I shall not object to this measure; but I do think its administration will be fraught with difficulty, and that there will be a great deal of uncertainty and a great deal of criticism as to the manner of distribution.

Mr. THOMAS of Oklahoma. It is understood that if any State does not call for or accept its quota in 30 days such quota shall be then redistributed.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of the Navy is hereby authorized, under such regulations as he may prescribe, to sell, at nominal prices, to recognized charitable organizations, to States and subdivisions thereof, and to municipalities, such nonregulation and excess clothing as may be available and required for distribution to the needy: *Provided*, That such clothing shall be sold only after agreement by the purchaser that it shall not be resold but shall be given absolutely free to the needy: *Provided further*, That a fair proportionate allotment of such clothing shall be set aside for distribution in each State and the District of Columbia as provided herein and shall not be sold for distribution within any other State until after the expiration of 30 days.

PROPOSED FAIR-TRADE LEGISLATION

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas [Mr. CAPPER] that the Senate proceed to the consideration of Senate bill 97, to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name.

Mr. COPELAND. Mr. President, yesterday I listened with great interest to what the Senator from Kansas [Mr. CAPPER] said about the bill which is the subject of the pending motion.

On page 827 of the RECORD I find a quotation made by the Senator from Mr. Justice Brandeis. The language used is:

Justice Louis Brandeis, of the United States Supreme Court, when a member of the Massachusetts bar, made the following significant statement as to the general policy of predatory price cutting:

Then follows the quotation:

Americans should be under no illusions as to the value or effect of price cutting. It has been the most potent weapon of monopoly—a means of killing the small rival to which the great trusts have resorted most frequently.

It is so simple, so effective. Far-seeing, organized capital secures by this means the cooperation of the short-sighted, unorganized consumer to his own undoing. Thoughtless or weak, he yields to the temptation of trifling, immediate gain, and, selling his birthright for a mess of pottage, becomes himself an instrument of monopoly.

That is a quotation made by the Senator from Kansas from Mr. Justice Brandeis when he was a member of the Massachusetts bar, and not upon the Supreme Court.

A colloquy occurred between the Senator from Kentucky [Mr. BARKLEY] and the Senator from Kansas [Mr. CAPPER], and it is regarding that that I wish to speak. In the colloquy the Senator from Kentucky [Mr. BARKLEY]—I am sorry he is not here—called attention to this statement of the Senator from Nebraska, saying—and I quote the language of the Senator from Kentucky, as found on page 827—

It ought to be stated, in fairness to Justice Brandeis, that in issuing that statement he was not issuing it as a judge of the court, but as the employed attorney for the parties interested in this legislation.

Mr. President, in fairness to Mr. Justice Brandeis I think the facts ought to be correctly recorded.

As a matter of fact, by reference to the hearings held on May 30 and June 1, 1916, before the Committee on Interstate and Foreign Commerce of the House of Representatives on H. R. 13568, I find this language; and it shows that the Senator from Kentucky, I think, was mistaken in his recollection of the circumstances at the time.

On page 215, after Mr. Brandeis had testified, the chairman of the committee, Mr. Adamson, said:

You are not here solely in behalf of the ultimate consumers, are you?

Mr. BRANDEIS. I am here in behalf of the public; and I conceive that the public includes all of these classes of people, including Members of Congress.

The CHAIRMAN. Well, they need protection.

Mr. BARKLEY, who was then in the House, said—

I am not certain that the public looks upon it in that light.

Mr. BRANDEIS. I think they do.

Mr. BARKLEY. I mean in reference to Members of Congress.

Mr. DECKER. I have no desire to be personal, but we have asked the same questions of everybody here so we can get at the facts. I do not care whom you represent. If you are right I am for you, but sometimes it gives us an idea what is back of these things. I have been getting these circular letters about this Stevens bill. Who is back of this? Whom do you represent?

Mr. BRANDEIS. I represent myself—nobody else.

Mr. DECKER. Nobody else?

The CHAIRMAN. I was not more polite than Mr. Decker, but I knew you better than he did, therefore I put my question more adroitly; I did not ask you whom you represented, but who would be the beneficiary of this legislation.

Mr. BRANDEIS. Let me put it in another way.

Mr. DECKER. It is all right with me if you represent Morgan or not, or anybody else.

Mr. BRANDEIS. Unfortunately, I represent only myself.

Mr. President, I thought that the inference left by the colloquy yesterday was an unpleasant one; and if we may depend upon the hearing from which I have quoted, Mr. Brandeis, then a member of the bar, said he was here representing himself, and not, as stated by the Senator from Kentucky, that he was "the employed attorney for the parties interested in this legislation."

While I am on my feet I want to say a word more.

A very interesting meeting of the Trade Committee Conference of the National Association of Manufacturers was held in New York on October 23, 1928.

At that time Mr. William J. Baxter, director of the Chain Stores Research Bureau, New York, and an expert on chain store management, said certain things which I should like to have in the RECORD. He referred to the fact that he had been associated with about 300 different chain-store organizations in their development, and, among other things, Mr. Baxter said:

To me there isn't any question as to the advisability of any retail store, if it can, to sell some nationally known product at cost to get the crowd. * * * A consumer will go to a grocery store and she is willing to pay 55 cents for a steak, whereas it might be sold for 52 or 50 cents elsewhere, if she at the same time can purchase Campbell's soup or some other package goods at cost. * * * Scientific retailing means studying the "blind" articles in the store and selling them at full prices. But what we call "open" articles, the ones that the consumer can go from store to store and compare, selling them at low prices.

Mr. WATSON. Mr. President——

Mr. COPELAND. Just one moment. I have no desire to continue the discussion, but I do want the RECORD to show that there are many very serious-minded persons, representing nobody but themselves and their own intelligence and the public, who believe that there is an evil here which should be dealt with effectively. Whether or not the Capper-Kelly bill can do that, or can not do it, I am not prepared to say; but I did want Mr. Brandeis to be properly represented regarding the statements he made in the hearing in 1916.

Mr. WATSON obtained the floor.

Mr. BINGHAM. Mr. President, will the Senator from Indiana yield to me?

Mr. WATSON. I yield.

Mr. BINGHAM. I understand the Senator from Indiana intends to move for an adjournment until to-morrow.

Mr. WATSON. I do.

PERMISSIBLE ALCOHOLIC CONTENT OF BEER, ALE, OR PORTER

Mr. BINGHAM. Mr. President, to-morrow, as soon as may be in order, I shall move that the Senate proceed to the consideration of the bill (S. 2473) to provide for increasing the permissible alcoholic content of beer, ale, or porter to 3.2 per cent by weight, and to provide means by which all such beer, ale, or porter shall be made of products of American farms. I shall then offer an amendment to substitute for that bill the language of the bill passed by the House of Representatives yesterday, which was messaged to the Senate to-day.

ADJOURNMENT

Mr. WATSON. Mr. President, that a quorum is not present is apparent, and I am satisfied that so many Senators have left the city and are not accessible that it would be difficult to get a quorum. Therefore I move that the Senate adjourn until to-morrow at noon.

The motion was agreed to; and the Senate (at 3 o'clock and 45 minutes p. m.) adjourned until to-morrow, Friday, December 23, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 22, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, we rejoice because of that hour when Almighty God came out of a world grown weary and gray and made Himself vocal in the heavenly anthem by the overhanging hosts—"Glory to God in the highest, on earth peace, good will toward men." Oh, what a thrilling moment

it was when that angel song first beat on the hills of time. His name is clothed with immortal remembrance, to which the generations of men have come to light their torches of undying hope. We would thus come with our prayers and dreams to the manger altar and pay our homage to Him who walks the highways of the ages. Holy Savior, as we come, may we forget the forced marches, the smiting aches, and any unbrotherly relations, and devoutly remember the One who has passed this way, manifesting love, mercy, and abundance for all. We pray that His spirit of brotherhood and good will may roll forward over the Republic like a golden river. Let it rule in triumph over street, market place, and home, clothed with beauty, love, and sympathy, opening the gates of a new life as it touches the hearthstones of our land. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 4972. An act granting the consent of Congress to the State of Georgia to construct, maintain, and operate a highway bridge across the Savannah River near Lincolnton, Ga., and between Lincolnton, Ga., and McCormick, S. C.;

S. 5059. An act to extend the time for completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt.;

S. 5148. An act authorizing the Secretary of Agriculture to adjust debts owing the United States for feed, fuel, and crop-production loans;

S. 5183. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa.; and

S. J. Res. 220. Joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy.

The message also announced that the Vice President had appointed Mr. ODDIE and Mr. MCKELLAR members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Post Office Department.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7233) entitled "An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes."

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. BUCHANAN, from the Committee on Appropriations, reported the bill (H. R. 13872, Rept. No. 1807) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TABER reserved all points of order on the bill.

ADJOURNMENT OVER

Mr. RAINEY. Mr. Speaker, I am advised that the committee expects to get through with the Interior Department appropriation bill to-day; and if we get through to-day, it will not be necessary for Members to come back to-morrow. To-morrow we want to recess until next Tuesday, and I offer a resolution, which I send to the desk, and ask unanimous consent for its present consideration.

The Clerk read as follows:

House Resolution 333

Resolved, That when the House adjourns on Friday, December 23, 1932, it stand adjourned until 12 o'clock meridian Tuesday, December 27, 1932.

Mr. SNELL. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. SNELL. Will the gentleman explain it as carefully as possible so that the Members may know just what the program will be for the next week or 10 days?

Mr. RAINEY. The program for next week will be the Department of Agriculture appropriation bill.

Mr. SNELL. I have been informed that there are several important matters in the Agriculture Department appropriation bill, and one Member told me if that was taken up next week he will insist upon having a quorum present.

Mr. RAINEY. Well, general debate will consume considerable time, I have no doubt.

Mr. SNELL. If it is understood that there will be only general debate, that would not make any difference.

Mr. BYRNS. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. BYRNS. I hope the gentleman will not take two or three days on general debate on that bill.

Mr. SNELL. If there is something that is not controversial, it will not be necessary for the Members to come back.

Mr. BYRNS. I hope the gentleman will not say that it is not necessary for the Members to be here Tuesday, because I want to call attention to the fact that we ought to pass these appropriation bills and get them to the Senate just as quickly as we can.

Mr. RAINEY. I have not said that.

Mr. BYRNS. I understand the gentleman has not.

Mr. SNELL. As far as I am concerned personally, it does not make any difference, because I do not go out of the city, anyway, but I think we ought to have an understanding whether there is to be important business taken up next week. I would also like to ask if it is intended to call up the conference report on the Philippine bill?

Mr. RAINEY. We might call that up to-day if we finish the Interior Department appropriation bill.

Mr. SNELL. Has it been reported in the House yet? The conference report has not yet been reported, has it?

Mr. RAINEY. I do not know. If it has not, of course, we can not take it up.

Mr. TARVER. Will the gentleman yield for an inquiry?

Mr. RAINEY. I yield.

Mr. TARVER. What provision is contained in the bill reported to the House to-day for the continuance of Federal aid to roads?

Mr. RAINEY. I do not know.

Mr. TARVER. Has that been eliminated in accordance with the presidential recommendation, or is it contained in the bill?

Mr. RAINEY. Perhaps the gentleman from Texas, chairman of the subcommittee, can explain that.

Mr. BUCHANAN. There is no authorization for 1934. This House must pass an authorization bill, if any appropriation is made.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. LAGUARDIA. Will the gentleman give the House the assurance at least that the conference report on the Philippine bill will not be called up in the days intervening between Christmas and the new year? There are a great many Members who are keenly interested in that.

Mr. RAINEY. I could not give that assurance, but perhaps some member of the committee might.

Mr. LAGUARDIA. I think that assurance would allay a great many fears on the part of many Members who have made other plans.

Mr. BLANTON. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. BLANTON. Can the gentleman assure the House that there will be no questions involving the Constitution, or no liquor bills brought up next week?

Mr. RAINEY. I can assure the gentleman of that.

The SPEAKER. Is there objection?

Mr. BACON. Mr. Speaker, reserving the right to object, can not the majority leader consult with the chairman of the Committee on Insular Affairs and perhaps give some assurance later in the day that the Philippine bill will not be considered until after the first of the year?

Mr. RAINEY. I will be glad to do that.

The SPEAKER. Is there objection?

Mr. TARVER. Mr. Speaker, reserving the right to object, in view of the insistence that the membership of the House, or at least a part of it, shall be kept here during the holidays and the apparent belief that it will not be necessary for but very few to remain, I would like to know just how many Members are participating in this decision to have only a 3-day recess? I therefore make the point of order that there is not a quorum present.

Mr. BLANTON. That would not get a vote on the resolution.

Mr. TARVER. I do not want a vote on the resolution. I want to find out how many Members are still here as an indication of how many will be here next week to transact the Nation's business. [Applause.]

Mr. RAINEY. I hope the gentleman will not insist upon the point of order, because that will only delay matters to-day.

The SPEAKER. Does the gentleman insist upon his point of order?

Mr. TARVER. I do, Mr. Speaker.

Mr. RAINEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 133]

Abernethy	Douglass, Mass.	Jones	Reid, Ill.
Aldrich	Doutrich	Kading	Rich
Amlie	Drane	Kelly, Ill.	Rogers, N. H.
Andrews, N. Y.	Drewry	Kendall	Rudd
Auf der Heide	Eslick	Kennedy, Md.	Sabath
Baldrige	Fishburne	Kennedy, N. Y.	Sanders, N. Y.
Beam	Fitzpatrick	Kleberg	Schuetz
Beck	Flannagan	Kniffin	Shannon
Bloom	Foss	Kopp	Shott
Bohn	Free	Kunz	Sirovich
Brand, Ga.	Freeman	Lambeth	Smith, Idaho
Brand, Ohio	Fulbright	Larrabee	Smith, Va.
Britten	Fuller	Larsen	Smith, W. Va.
Browning	Gibson	Lehlbach	Stafford
Bulwinkle	Gifford	Lewis	Steagall
Butler	Gilbert	Lichtenwalner	Stevenson
Campbell, Pa.	Gillen	Lindsay	Stokes
Canfield	Golder	McGugin	Strong, Pa.
Cannon	Goldsborough	McMillan	Sullivan, N. Y.
Carley	Goodwin	Major	Sullivan, Pa.
Carter, Wyo.	Grandfield	Maloney	Sweeney
Cartwright	Griswold	Martin, Mass.	Tierney
Celler	Hall, Miss.	Martin, Oreg.	Underwood
Chavez	Hancock, N. C.	May	Vinson, Ky.
Christgau	Hart	Mead	Weaver
Christopherson	Hess	Mobley	Whitley
Cole, Md.	Hogg, Ind.	Nelson, Mo.	Williams, Tex.
Connery	Hollister	Oliver, N. Y.	Wingo
Cooke	Hopkins	Overton	Withrow
Corning	Hornor	Owen	Wolcott
Crail	Horr	Palmisano	Wolfenden
Crosser	Houston	Partridge	Wood, Ga.
Crump	Hull, William E.	Patman	Wood, Ind.
Curry	Igoe	Peavey	Yates
Davenport	Jeffers	Purnell	Yon
Davis, Pa.	Johnson, Ill.	Ragon	
Dominick	Johnson, S. Dak.	Rankin	
Doughton	Johnson, Wash.	Reed, N. Y.	

The SPEAKER. Two hundred and seventy-nine Members have answered to their names. A quorum is present.

Mr. RAINEY. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

CHRISTMAS RECESS

The SPEAKER. Is there objection to the consideration of the resolution offered by the gentleman from Illinois [Mr. RAINEY]?

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to know if this is a privileged resolution?

The SPEAKER. It is not.

Mr. SNELL. Then unanimous consent is necessary for its consideration?

The SPEAKER. It is. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

WILLIAM EDWARD CLEARY

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in tribute to a former colleague of ours, the Hon. William Edward Cleary, who died on Tuesday and who is being buried to-day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, in this very hour the mortal remains of our late colleague the Hon. William Edward Cleary are receiving the last of all earthly honors at the Holy Cross Cemetery in Brooklyn, New York City. While his family and friends are paying this token of respect to his memory, I submit it is fitting and proper that we in this House, which he adorned as a valuable Member for so many years, should make some note of his passing.

The older Members of the House will recall his genial presence, his wise counsel, and his persistent attention to his duties. He became a Member of this honorable body during the Sixty-fifth, or War, Congress. There was a bond of sympathy between us, because he and I, as well as the Hon. JOHN J. DELANEY and the Hon. Jerome F. Donovan, were elected at the same time at the special election held on March 5, 1918.

From the time that he was sworn in until the close of his congressional career on March 4, 1927, there were few men who gave more assiduous and devoted attention to their duties.

Never a session opened without finding him in his seat, a careful listener to the debates, in which he participated at rare but timely intervals; and on every such occasion when he was prompted to take the floor, his words were distinguished for their pertinency and wisdom. This was particularly so in matters which concerned rivers and harbors. He served on the important committee which had those subjects under its jurisdiction and, as he had spent his life in the lighterage and boat industry, his advice was sought and much relied upon by his colleagues.

Mr. Cleary was a man of broad and liberal views—a self-made man in every sense of the term, since he had to earn his living from a very early age. He knew human nature and had a store of practical wisdom which was the fruit of his early struggles and contacts with his fellow men. Temperate in his habits, he had a tolerance for the weaknesses of others. He was well grounded in the principles of Jeffersonian Democracy, and a profound believer in the maxim that that government is best which governs least. He had no patience with Federal interference with State rights. He had an aversion to the eighteenth amendment, viewing it as an attempt to coerce the States and their citizenship into a policy of enforced total abstinence. Consequently and quite naturally he was opposed to the Volstead Act, and when President Wilson's veto came unexpectedly to the House on Monday, October 28, 1919, and a vote was forced despite a gentlemen's agreement to postpone the issue until the following Thursday, his vote was recorded to sustain the President's veto. He was always very proud of this vote, and it is to be regretted that he died on the very eve of the passage of the first bill intended to mitigate some of the evils of prohibition fanaticism.

Having entered politics late in life, after he had acquired a comfortable competency, Mr. Cleary was not hampered in the performance of his congressional duties by the necessity of dividing his time with his personal affairs. All that he had of time and experience he was able to devote, and did devote wholeheartedly, to public business, and when he

voluntarily laid down the honor of representing his constituency in this House the country lost one of its most valuable public servants.

FARM-LAND SECURITIES AS THE BASIS FOR CURRENCY

Mr. LANKFORD of Georgia. I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, never before since the beginning of our Government has there been such universal desire to help the farmer; and yet I very much fear nothing will be done at this session to anything like solve the problems of agriculture. I am praying and the country is praying for something to be done for the farmers at the earliest possible moment. And, by the farmers I mean the small individual farmers who now own their farms or who did own them at the beginning of this depression or who hope in the future to acquire a farm for home purposes.

I am opposed to all suggestions of chain farming or farming on a large scale by large corporations or monopolies. I feel that the very life not only of our farmers but of the Nation is in the balance.

If we are to save agriculture, the time is here for the immediate application of the most heroic remedy in sight. First, we want to stop loan foreclosures and undo the wrongs already done by them and then, of course, at the earliest possible moment, put into effect some real farm-relief measures, giving relief from taxes and bringing about a permanent scale of much better prices for farm products.

My views on the farmers' tax and marketing problems are well known and I do not wish to further elaborate them now. I do, though, at this time wish to further discuss the awful farm-loan-foreclosure menace. To my mind, passive acquiescence of Congress in the present orgy of farm-loan foreclosures is inexcusable, and if continued will constitute one of the blackest pages of legislative history ever written by any free people.

Mr. Speaker, in addition to my other suggestions and observations in this connection I am proposing that the United States Treasury be authorized and required to accept farm-loan deeds or other loan papers constituting first liens on farm property securing indebtedness to the United States of America to the amount of 80 per cent of the present reasonable value of said property, due 30 years from date, and issue in exchange for said liens the full amount thereof in currency in the form of Treasury certificates to be used as a circulating medium throughout the country and to be redeemable upon demand in 30-year Government bonds drawing 2 per cent annual interest.

These first-lien farm securities would constitute the basis and security for the issuance of the currency; and, of course, as the currency was redeemed, the security for the redeemed currency would become the security for the bonds issued for the redemption.

I am to-day introducing a bill to carry into effect the plan just mentioned by me.

Anyone can see what would be the immediate effect of the enactment of my bill. This would provide a method for the refinancing of farm loans in a way to write off a large part of the loan, extend the balance—not written off—for 30 years without the payment of any interest or any accumulating for 10 or more years.

So far as the farmer is concerned at present, his loan would be paid up in full, except he would not be able to file a lien and receive the equivalent in currency unless he paid off all or a part of the lien against his land. Of course, at the end of 30 years this process could be repeated, or if land had increased in value, more money could be issued on the same land.

After times get better the farmer might be required to pay in, say, 2 per cent interest annually to be placed with his land papers as additional security for the issuance of his currency. This is a matter of detail. Of course, this plan provides for the farmer owning his farm and getting its value in money at the same time. Is not this just what we do for the banks when we let them still own their gold, bonds, and other securities on deposit in the Treasury as the basis or security for currency issued by the banks?

I would provide that from time to time the farmer could take up, in whole or in part, the securities or bonds outstanding against his land. This plan would cause the farmers to deflate or inflate the currency as their necessities might demand.

Of course, this plan would at once make long-term farm-loan papers very liquid. It would also relieve and greatly help the farmers and all those now holding long-term farm-loan mortgages and loan deeds.

I very much desire that most careful attention be given to perfecting my bill, to the end that this plan prevent the amassing of very large tracts of land to be used in chain farming, but, on the contrary, bring about, perfect, and perpetuate a Nation of individual, independent, happy, and prosperous farmers.

I am convinced that my plan will expand the currency, put an ample abundance of money in circulation, absolutely stop farm-mortgage foreclosures, bring about a most splendid reduction and refinancing of farm indebtedness, and at once be another step toward putting the farmer on an equal footing with industry.

I know my plan is in the rough and that there are many details to be worked out; but why can not this great big rough suggestion be shaped into a wonderful piece of legislation for our farmers and for all our people?

SALE OF OBSOLETE AND SURPLUS CLOTHING OF THE NAVY

The SPEAKER. The Chair desires to make a statement. The Chair's attention has been called to a joint resolution providing for the sale of obsolete and surplus clothing of the Navy to the Red Cross. This resolution comes from the Naval Affairs Committee of the House, and the Chair is advised that this committee has unanimously recommended the passage of the resolution with an amendment.

The Chair is going to take the responsibility of recognizing the gentleman from Oklahoma [Mr. MCCLINTIC] to ask unanimous consent for its present consideration.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution No. 500.

The Clerk read as follows:

House Joint Resolution 500

Resolved, etc., That the Secretary of the Navy is hereby authorized, under such regulations as he may prescribe, to sell, at nominal prices, to recognized charitable organizations, to States and subdivisions thereof, and to municipalities, such nonregulation and excess clothing as may be available and required for distribution to the needy.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCCLINTIC of Oklahoma: At the end of the resolution as just read insert: "*Provided*, That such clothing shall be sold only after agreement by the purchaser that it shall not be resold but shall be given absolutely free to the needy: *Provided further*, That a fair proportionate allotment of such clothing shall be set aside for distribution in each State and the District of Columbia as provided herein and shall not be sold for distribution within any other State until after the expiration of 30 days."

Mr. SNELL. Mr. Speaker, reserving the right to object, I do not know that there will be any objection, but I think the gentleman should make an explanation of what this resolution does.

Mr. McCLINTIC of Oklahoma. Mr. Speaker——

Mr. HOUSTON of Hawaii. Mr. Speaker, will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. HOUSTON of Hawaii. Will the gentleman accept an amendment making this resolution applicable to the Territories as well as the States and the District of Columbia?

Mr. LAGUARDIA. Puerto Rico, Hawaii, and Alaska.

Mr. McCLINTIC of Oklahoma. In just a minute I will direct my remarks to the request of the gentleman from Hawaii.

Mr. Speaker, the Navy Department advises the committee that they have on hand a number of different articles of clothing that are obsolete to the extent that they will not be used. Included in this list are overcoats, shoes, shirts, and a number of articles that could be used to great advantage by the different charitable organizations.

It is proposed to allow these articles to be sold at about 10 per cent of their original cost, with the understanding that such articles are to be distributed without cost to poor people, and the object of the amendment was to make certain that every State in the Union would have an allotment based upon population, and that this amount allotted to the various States would be reserved for a period of 30 days, so that if any State did not desire to use its allotment it then could be disposed of to charitable organizations that were in need of the same.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. LAGUARDIA. The allocation or the allotment to the States is limited to the clothing, and once an organization buys that clothing in a certain State it can use all of that clothing within its own State or city?

Mr. McCLINTIC of Oklahoma. It can.

Mr. LAGUARDIA. That is clear.

Mr. McCLINTIC of Oklahoma. That is clear.

Mr. BLANTON. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield to the gentleman.

Mr. BLANTON. This is virtually a gratuity. The 10 per cent will probably prevent some communities from getting any of it, hence the gentleman should explain why it could not be made an absolute gratuity.

Mr. McCLINTIC of Oklahoma. If the gentleman will permit, take, for instance, shoes that cost $3.50. The estimated price that a charitable organization will have to pay would be only 25 cents a pair. With respect to overcoats that cost $10 or $12, the estimated price that a charitable organization will have to pay, as I understand, is either $1 or less. I think the maximum cost of underwear is only 10 cents per garment. The charge is very small, and it is very probable that the Navy Department had in mind there would be some cost in packing and making necessary plans for the shipment of this clothing. So the cost amounts to hardly anything in comparison with the good that will be accomplished.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Mr. Speaker, I think we ought to have a full explanation about this matter. I would like to ask a question or two myself about it. There is no hurry, anyway.

Mr. SPARKS. Mr. Speaker, I would like to ask the gentleman a question.

Mr. McCLINTIC of Oklahoma. I yield to the gentleman.

Mr. SPARKS. Will the gentleman tell the Members of the House about how much surplus clothing there will be available under this resolution?

Mr. McCLINTIC of Oklahoma. The list was put in the record of the hearings this morning; it will also be found in the Senate RECORD of yesterday, on page 825; and as I recall, there are about 84,000 overcoats, about 60,000 pairs of shoes, and other articles in a smaller amount.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. WHITTINGTON. Is it not true that the Navy Department states that this nominal cost of 10 per cent is to provide for distribution so as to relieve them of the necessity of having an appropriation for distributing the clothing?

Mr. McCLINTIC of Oklahoma. That is what was in the minds of those who considered the question.

Mr. WHITTINGTON. Is it not also true that this is substantially the same provision for the distribution of Navy clothing that the House has heretofore approved on numerous occasions for the distribution of obsolete Army clothing?

Mr. McCLINTIC of Oklahoma. The prices charged the charitable organizations in this resolution are the same that the Army is getting for its articles that are not needed.

Mr. SCHAFER. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. SCHAFER. In what respect are these Navy shoes obsolete? Do they have to have the latest style in the Navy or are they defective?

Mr. McCLINTIC of Oklahoma. A great many pairs of these shoes were bought 8 or 10 years ago, and they fear that unless we dispose of them the leather will deteriorate. In addition to this, some styles have been changed and they do not conform to the regulations that are now in force and consequently can not be used.

Mr. SCHAFER. Can not the United States Veterans' Bureau use some of this surplus clothing? Under the law they must furnish clothing to certain veterans of the World War who are without funds and who are hospitalized under the Veterans' Bureau. They must furnish clothing, in this way, to the inmates of 12 or 13 soldiers' homes.

Mr. McCLINTIC of Oklahoma. I take it the branch of the Government to which the gentleman refers could use some of it, but the need by the charitable organizations is so much greater at the present time, it was the thought of the committee, that inasmuch as the Army had disposed of their surplus clothing in this way, the Navy should be allowed to dispose of their surplus so that the charitable organizations may have the benefit of same for the needy people in the country at the present time.

Mr. SCHAFER. Why would it not be a good idea not to sell it to charitable institutions, but to give it to them through the Red Cross the same as we disposed of the wheat and the cotton?

Mr. McCLINTIC of Oklahoma. This is virtually a gift, I will say to the gentleman from Wisconsin.

Mr. SNELL. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. SNELL. Who is it that makes these purchases in such a way that we have such a surplus of overcoats as 84,000?

Mr. McCLINTIC of Oklahoma. The Navy Department explained that these overcoats, when they had been finished, were bound up in bales and because of the dye which was purchased during the World War being more or less of an inferior quality, they had changed in color or had faded in some respects and for this reason could not be used for the purpose of taking care of the men at the present time.

Mr. SNELL. How long in advance do they buy this clothing for the Navy?

Mr. McCLINTIC of Oklahoma. That is a question I can not answer.

Mr. SNELL. I think that is an important question to be considered by this House. For instance, in your naval appropriation bill this year, how much money will you carry for new uniforms and various articles of this kind?

Mr. McCLINTIC of Oklahoma. Of course, that comes under the jurisdiction of the Appropriations Committee.

Mr. SNELL. I did not know but what the gentleman could give me the information.

Mr. McCLINTIC of Oklahoma. We have appointed a subcommittee of the Naval Affairs Committee to meet with a subcommittee of the Military Affairs Committee to make an exhaustive investigation of the very point that the gentleman has in mind.

Mr. SNELL. I think now is the time to make this investigation. One gentleman suggested that the Army got rid of their clothing in this way and for that reason we should give this opportunity to the Navy. I do not agree with that argument. I would like to know whether there are any excess purchases being made and whether we are authorizing more purchases than they actually need. There is some reason for having 84,000 extra overcoats, and I do not believe anybody can explain that.

Mr. McCLINTIC of Oklahoma. I am in hearty accord with the gentleman. I think that is a question that ought to be looked into.

Mr. SNELL. I think the gentleman ought to be able to give us that information before we vote to give away these 84,000 overcoats.

Mr. HILL of Alabama. If the gentleman will yield to me, I think I can answer the gentleman's question.

Mr. McCLINTIC of Oklahoma. I yield to the gentleman from Alabama, who is a member of the Military Affairs Committee.

Mr. HILL of Alabama. In reply to the gentleman's question, we had a number of hearings on the question of the sale of this surplus War Department property and the evidence showed that the surplus property came from property that was bought during the World War.

Mr. SNELL. Let me ask the gentleman if this is property that was purchased during the World War?

Mr. McCLINTIC of Oklahoma. It is. Some of it was purchased 10 or 12 years ago.

Mr. SNELL. But the war has been over 15 years.

Mr. McCLINTIC of Oklahoma. Yes; but the material was bought at that time and has been made up since the World War, and because the garments have faded in color they will never be used by the Navy, according to their regulations.

Mr. SNELL. What about the underwear—has that gone out of style? [Laughter.] I think that is nothing to be laughed at. I think that is important in spending money for this purpose.

Mr. McCLINTIC of Oklahoma. The underwear was probably made for severe weather, such as existed during the war, but it is not the kind that is being used at the present time.

Mr. TAYLOR of Colorado. I demand the regular order.

Mr. SNELL. If there is too much of a demand for the regular order, I shall object.

Mr. McCLINTIC of Oklahoma. I hope the gentleman will allow me to answer these questions.

Mr. McSWAIN. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. Yes.

Mr. McSWAIN. Is not this property what is strictly called surplus property of the Navy, and the property will not be used by the Navy?

Mr. McCLINTIC of Oklahoma. No; it will not be used. It will lie there and deteriorate.

Mr. SNELL. How did it get this surplus amount? Let us cut it down, so that they will not buy another surplus. I think now is the time to call attention to it.

Mr. McCLINTIC of Oklahoma. I am heartily in accord with the gentleman's views.

Mr. LaGUARDIA. I want to say that I heartily concur in the views of the gentleman from New York and the chairman of the Committee on Military Affairs, but the reason we have this surplus is not on account of the war. We are going to have a surplus every year. It is a matter that I have called to the attention of Congress every year when we have had the appropriation bill under consideration. The purchase of clothing is not according to the number constituting the standing Army. These purchases are made annually according to a certain number, which enables the War Department to demand a minimum requirement in case of emergency. That is a policy that the gentleman from New York and the gentleman from South Carolina have accepted in the appropriation bills every year. It is not the fault of the department. It is the fault of Congress.

Mr. SNELL. Why not cut it down, so that we will not have a surplus every year to become obsolete?

Mr. LaGUARDIA. I agree to that, but under the present policy you are going to have a surplus each year.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. COCHRAN of Missouri. Where is this surplus clothing stored?

Mr. McCLINTIC of Oklahoma. In the Bush Terminal Building, in New York.

Mr. COCHRAN of Missouri. Will it be purchased f. o. b. there? If so, it may be quite a hardship on the gentleman's State and my own State.

Mr. McCLINTIC of Oklahoma. I take it that the small price charged will be utilized in a proper way to hasten the distribution.

Mr. SNELL. Will the gentleman yield further?

Mr. McCLINTIC of Oklahoma. Yes.

Mr. SNELL. I have heard it stated that there are 75,000 sweaters and 75,000 jerseys in this surplus; are they out of style?

Mr. McCLINTIC of Oklahoma. I am told that they are not used by the men. The regulations have been changed so that they will not be used. I raised the same point in the committee that the gentleman has raised.

Mr. SNELL. The gentleman will admit that the system is a mighty poor one, when we accumulate such surpluses that we have to give them away.

Mr. DYER. But it is fortunate that it occurs at this time, when it can go to those who can use it and who need it.

Mr. McCLINTIC of Oklahoma. The committee was of the opinion that it would be better to dispose of this surplus clothing through the charitable organizations rather than to let it remain in storage.

Mr. LaGUARDIA. Will the gentleman accept the amendment to include the Territories of Hawaii, Puerto Rico, and Alaska? They are in terrible condition in Alaska.

Mr. McCLINTIC of Oklahoma. I hope the gentleman will take into consideration the fact that the distances to those places are so great the people there would probably not desire to make the purchases on this basis.

Mr. LaGUARDIA. But we have regular transports going to Puerto Rico. There will be no harm done.

Mr. McCLINTIC of Oklahoma. I have authority only to present this one amendment.

Mr. EATON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. McCLINTIC of Oklahoma. Yes.

Mr. EATON of Colorado. I did not hear the gentleman state what type of distribution or allocation in the different States would be used to determine how these goods shall be distributed.

Mr. McCLINTIC of Oklahoma. The population of the various States will be taken into consideration and then percentages based on the population will be allocated to the various States. This amendment makes it sure that each State will participate in a fair way.

Mr. COLE of Iowa. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection?

Mr. JOHNSON of South Dakota. Reserving the right to object——

The SPEAKER. The regular order is demanded. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the amendment.

The amendment was agreed to, and the resolution, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13710, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose the point of order had been reserved against the paragraph beginning on page 67 and ending on line 6, page 68.

Mr. GOSS. Mr. Chairman, the gentleman from Wisconsin [Mr. STAFFORD] reserved the point of order against this paragraph when the bill was last discussed in the Committee of the Whole. He is temporarily out of the Hall, and has directed me to announce that he withdraws his point of order.

Mr. ARENTZ. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ARENTZ: Page 68, line 2, after the word "furnishings," insert "including maps, globes, stationery, books, schoolroom equipment."

Mr. HASTINGS. Mr. Chairman, I reserve the point of order against the amendment.

Mr. ARENTZ. Mr. Chairman, a little time spent now is going to be well spent, rather than to rush over this thing hurriedly without bringing to the attention of the Secretary of the Interior and the Commissioner of Reclamation the things that should and must be done at Boulder City. I am a defeated candidate, I am not coming back next Congress, but I do want to see the children of workmen at Boulder City taken care of. My purpose in rising to-day and offering this amendment is to bring certain things to the attention of the gentleman from Colorado [Mr. TAYLOR], the gentleman from Oklahoma [Mr. HASTINGS], and also to the members of the subcommittee and the Members on the floor of the House on the Republican side of the House. As these gentlemen know, in September there were 651 school children at Boulder City. The first, the second, the third, and the sixth grades only could attend school half a day because there was no room. I told these facts to the gentleman from Wisconsin [Mr. STAFFORD] a few days ago when this bill was being considered, and I asked him to please look into them. Undoubtedly he has done so and for that reason has withdrawn his reservation of the point of order. The $18,000 appropriated is for the building of four more rooms in the temporary structure. At the present time, instead of 651 attending this school, they have 700. The schoolrooms are crowded. The fathers and mothers of these children live in Boulder City. It is a governmental city. The State of Nevada has nothing to do with this, because it is forbidden to have any participation in the city because of the fact that it is declared to be a Federal reservation, according to a decision made by the Secretary of the Interior. He has been talking about taking care of the children of the United States and giving them proper school facilities. I insist that if they do not permit the State of Nevada to do it, the Federal Government must do it. You can not expect a corporation to do certain things for the Federal Government unless in return that corporation gets something.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. ARENTZ. Not now. For instance, the Six Companies that have the contract for the building of Boulder Canyon Dam pay for the teachers. There is one firm of Wilcox & Babcock who have the contract for the 30-foot diameter pipe 2½ inches thick that is going to be put into the 50-foot tunnel. They have been asked to pay for the teachers in the high schools. It is a sad commentary on this Government that the Federal Government itself can not step into the picture and pay for its own teachers and supply the necessary school facilities for the children of the workmen at Boulder Dam, or better still, allow the State of Nevada to tax private property within the reservation and have its superintendent of education administer Boulder City schools.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. HASTINGS. I have consulted with the members of the committee, and inasmuch as this does not increase the appropriation any, I shall withdraw the point of order and accept the amendment.

Mr. ARENTZ. Just a moment, if I may finish——

Mr. SWING. Mr. Chairman, I desire to have it recorded that I reserve the point of order.

Mr. SNELL. Let us have the point of order and get rid of it now.

Mr. SWING. The point of order is that there is no existing legislation authorizing the expenditure of money for this purpose.

Mr. SNELL. Does the gentleman make the point of order against the whole section or against the amendment?

Mr. ARENTZ. Mr. Chairman, a parliamentary inquiry. The gentleman from Oklahoma reserved the point of order. There has been debate since he made that point of order and I think the gentleman from California is too late to make the point of order.

Mr. HASTINGS. Mr. Chairman, I make the point of order that the gentleman from California is not too late because the gentleman was on his feet immediately I withdrew the reservation, and renewed it. I do not think the gentleman should be precluded from making the point of order. The gentleman was on his feet immediately after I withdrew the reservation of the point of order.

The CHAIRMAN (Mr. BLAND). The Chair is ready to rule. The position taken by the gentleman from Oklahoma is correct.

Mr. SWING. May I reserve the point of order for just a moment although I do not intend to press it? This will probably be the last statement I will have occasion to make regarding the Boulder Dam project, with which I had something to do in the beginning.

The language in the authorization, as carried in the Swing-Johnson bill is:

The Secretary of the Interior is hereby authorized to construct a dam and incidental works in the main stream of the Colorado River at Black Canyon.

Expanding that authorization the Secretary of the Interior has spent several hundred thousand dollars building permanent structures, separate and distinct from the dam, creating a new city with sewers, sidewalks, paved streets, parks, electric lights, a water system, a fire department, police department, and everything else incident to a modern city in the State of Nevada, all of which must be repaid with 4 per cent interest by the contract users of water and power residing in the State of California.

Now, I have no desire or intention of acting niggardly or small regarding expenditures already made in connection with a project so great and so important to my State as this Boulder Dam project is, but I do want to take this opportunity to call the attention of the committee to the strict limitation of the language of the Boulder Dam act, and to ask that in the future when requests are made for appropriations from this fund for extraneous matters that the language of the bill be looked at, and that the Committee on Appropriations confine itself to the authorization contained in the act, at least, until such time as a new authorization is brought in. It has even been suggested that the Government build swimming pools and such things, which must be paid back by the users of the water and power, with 4 per cent interest. Such objects, no matter how worthy, are clearly outside the law authorizing the project.

I withdraw the reservation of the point of order, Mr. Chairman.

Mr. BANKHEAD. Mr. Chairman, I renew the point of order and will reserve it in order that I may get some information. I have no quarrel with the gentleman from Oklahoma, chairman of the subcommittee, in stating that he will not make the point of order inasmuch as this does not increase the authorization; but I am disturbed about the proposition of whether or not this is to be considered as a precedent hereafter to place the obligation upon the Federal Government when it gives employment to men on public works, to furnish schools, school-teachers, and educational equipment in plants of that sort, simply because it is under Federal jurisdiction. I would like to have some information on that as a matter of principle.

Mr. ARENTZ. If the officials at Boulder City will turn over to the State of Nevada the right to tax the property in that city to raise sufficient funds to erect a school building and pay for the teachers, the State of Nevada will gladly do this. This area is declared a Federal reserve by the Secretary of the Interior. The State of Nevada has been foreclosed, apparently, by decision of the Secretary of the Interior, with which we do not agree, from having anything to say about this reservation. There are 700 school children here at this moment.

Mr. BANKHEAD. This question of Federal interference in education of children is a rather delicate question in the House of Representatives. I must confess I have somewhat changed my views on it, because I formerly advocated the establishment of a department of education. I do not think I would do so now. But if the Federal Government is given the right to furnish this schoolhouse and to employ teachers, can it not direct the method of education that is to be conducted in those schools?

Mr. ARENTZ. Oh, certainly it can. It does, for through Mr. Sims Ely, who is in charge of Boulder, it does as it pleases.

Mr. GOSS. In view of the statement of the gentleman I make the point of order, Mr. Chairman, on the amendment offered by the gentleman from Nevada.

Mr. SNELL. Mr. Chairman, I would like to be heard on that.

Mr. O'CONNOR. Will the gentleman reserve the point of order until I ask a question?

Mr. GOSS. Yes; I reserve the point of order.

Mr. O'CONNOR. I understand at West Point the Federal Government furnishes the schools and the education. Also in the Canal Zone and in Alaska.

Mr. GOSS. But the students are free to worship under whatever creed they desire.

Mr. ARENTZ. Well, of course that is true at Boulder City.

Mr. GOSS. That was my objection.

Mr. ARENTZ. Well, the gentleman should not have that objection.

Mr. GOSS. I understood the gentleman to say that.

Mr. ARENTZ. No, no. Nothing of the kind.

Mr. GOSS. Then I withdraw the reservation of the point of order.

Mr. BANKHEAD. I do not intend to object to this proposition, but my inquiry was based on the proposition of undertaking to secure some information as to whether this might be a dangerous precedent for us to establish. Under the circumstances, I will withdraw the reservation of the point of order, Mr. Chairman.

The CHAIRMAN. The reservation of the point of order is withdrawn. The question is on the amendment offered by the gentleman from Nevada [Mr. ARENTZ].

The amendment was agreed to.

Mr. ARENTZ. Mr. Chairman, I ask unanimous consent to extend my remarks and to insert a letter at this point from Doctor Mead, Commissioner of the Bureau of Reclamation.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ARENTZ. In all that I have said here my sole purpose has been to help the school system at Boulder City, a city created by legislation introduced by me to carry on or facilitate the construction of a great work advanced through this House by my colleague, Mr. PHIL SWING, and myself.

In the first place, I want the walls of each room in the new schoolhouse retinted and refinished. They are now painted a dead white and reflect sunlight like a mirror.

Maps, globes, and scratch paper should be supplied to each room and stationery to the principal. Free books should be supplied to each child in attendance, and the school should be made an accredited one as soon as possible by making it equal in standing to all the schools of Nevada. The principal should be given full authority.

The letter referred to is as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, December 19, 1932.

Hon. SAMUEL S. ARENTZ,
House of Representatives, United States.

DEAR MR. ARENTZ: Miss Schnurr has told me of your interest in the schools at Boulder City and your desire to have them better equipped. A letter has gone to Mr. Sims Ely about the information you requested.

Let me say that I was in the schools at Boulder City last week and came away impressed with their needs. To begin with, there are now 700 children in that school building—580 in the grades and 120 in the high school. I do not believe there is a finer group of teachers to be found anywhere, nor one whose hearts are more fully in their work. They are all college or university graduates. One has been a teacher in the University of London. It is certain that after the beginning of the year the number of pupils will be increased and more room must be provided. While I was there it was arranged to have the two unfinished basement rooms made ready for use.

Last year the Library of Congress gave us about 2,000 books, which have not yet been shipped because we did not know where to get the money to meet the expense. While at Boulder City we made provision for housing the books in the municipal building, which is close enough to the school to make them available for the children and also to the public. The Union Pacific Railroad has agreed to give us reduced rates over its road, and we are at work now trying to get reduced rates for the rest of the way.

As soon as Mr. Ely replies I will come up and see you. Meanwhile your interest in this matter is appreciated.

Very truly yours,

ELWOOD MEAD, *Commissioner.*

Mr. GOSS. Mr. Chairman, I ask unanimous consent to return to page 64 of the bill, to the paragraph beginning with line 11 for the purpose of offering a perfecting amendment which I discussed with the members of the committee. The amendment I offer is after the word "of" to insert the word "existing."

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. COLTON. Mr. Chairman, I object to that.

Mr. GOSS. Mr. Chairman, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. GOSS: On page 68, in line 6, after the word "act," insert the following: "*Provided further*, That no part of any appropriation in this act for the Bureau of Reclamation shall be used for investigations to determine the economic and/or financial feasibility of any new reclamation project."

Mr. COLTON. Mr. Chairman, I make the point of order that that is legislation on an appropriation bill.

The CHAIRMAN (Mr. BLAND). The Chair is ready to rule. The amendment is a limitation, and consequently held to be in order.

Mr. GOSS. Mr. Chairman, I have consulted with the chairman of the subcommittee with reference to this matter, and it simply carries out what the committee attempted to do when the committee considered this bill a few days ago, in that the debate showed there was no disposition on the part of the committee to survey new projects. That I would construe not to mean a unit of a new project of an existing project; and so in order to clarify the language when the word "new" was stricken out and excepted by the committee, I have offered this amendment which I understand the chairman of the subcommittee does not object to.

Mr. LEAVITT. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield.

Mr. LEAVITT. The money that is being limited by the gentleman's amendment is now used in cooperation with the local communities in some cases to determine the feasibility of putting water on existing areas that are being cultivated.

Mr. GOSS. I would say to the gentleman from Montana that this amendment does not affect any existing projects; it applies only to new projects.

Mr. LEAVITT. Some of them have no water at this time. The question of how to put water on them is very vital to the local communities and to the people that are involved.

Mr. GOSS. I understand the gentleman voted against the amendment I offered the other day. He would be opposed to this one.

Mr. LEAVITT. That is not the question. I want to know whether the gentleman intends to cut out all the cooperative work. That is one of the valuable things that is carried on by the Reclamation Service.

Mr. GOSS. I will say to the gentleman the purpose of my amendment is only to stop investigations or surveys of new projects, as was brought out in the hearing by the gentleman from Idaho. There was no intention of going into new projects. All my amendment does is to stop new projects, not any work on existing projects.

Mr. LEAVITT. Does the gentleman mean by that the existing governmental projects, or does the gentleman want to cut out this cooperative work with the local States and communities that has to do with determining the feasibility of placing water on farms that are already occupied?

Mr. GOSS. No; I have no objection to that. That was taken care of in another part of the bill. That is not contained in this paragraph. I have no objection to that.

Mr. LEAVITT. I feared the gentleman's amendment would preclude the use of any funds for cooperative work, and I wanted to be sure.

Mr. GOSS. I will say to the gentleman from Montana that had not objection been made to my returning to page 64 and offering an amendment, the matter would have been cleared up.

Mr. LEAVITT. The gentleman knows I did not make any objection to that.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield.

Mr. CULKIN. I may state to the gentleman from Connecticut that it has been definitely stated by the chairman of the Appropriations Committee for the past three years that no new projects are contemplated.

Mr. GOSS. That is correct.

Mr. CULKIN. And I can not see where there could be any objection to the gentleman's amendment, assuming that the statement is in good faith, which I do not doubt.

Mr. GOSS. I wish to ask the chairman if he has any objection to this amendment?

Mr. HASTINGS. We have examined the amendment and we think it is in the nature of a perfecting amendment to line 14, page 64, and so far as I am concerned I have no objection.

Mr. COLTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is well known that the present policy of the Interior Department is not to undertake any new projects by putting water on virgin unreclaimed lands. There has been no appropriation made for that purpose, and so far as I know none is contemplated; but there is a service, and a very useful service, in the Bureau of Reclamation which enables that bureau to cooperate with the States in making investigation of units of the projects already undertaken. This service ought not to be handicapped.

I fear the effect of this amendment, as I read it, would be to stop all investigation and to stop all this cooperative work, and in my judgment we will make a mistake. I hope that interpretation is not justified and will not be accepted. It is in the power of Congress to say when new construction work should be started, and I do not think there ought to be any attempt to stop investigation work. I do not think there should be a limitation placed on the very useful and necessary cooperative work that is being carried on between the States and the bureau. That is the reason I objected to the gentleman returning to page 64, because I think that would have a very limiting and detrimental effect.

Mr. GOSS. I will say to the gentleman there is no intention of having this apply to a new unit already existing. What I meant was that it should not apply to a new investigation for a new unit which is not in existence.

Mr. COLTON. The gentleman has partly removed my apprehension. I think if the gentleman had made that clear in his first statement I should not have objected to returning to page 64; but I want it perfectly clear that this fine work that is being carried on before the construction of new units is commenced shall not be interfered with in any way.

Mr. GOSS. On existing projects.

Mr. COLTON. Yes; new units of existing projects.

Mr. CULKIN. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. CULKIN. Is it not a fact that on the Columbia River project, which involves the reclamation of 1,250,000 acres, the Department of the Interior and the Department of Agriculture are entirely at variance?

Mr. COLTON. I am not advised on that and could not answer the question.

Mr. CULKIN. Is it not a fact that the Secretary of the Interior and his associates favor that project?

Mr. COLTON. As I say, I am not advised on that.

Mr. CULKIN. The gentleman is not familiar with that?

Mr. COLTON. No; I am not.

Mr. CULKIN. The gentleman does not know that the Department of the Interior is committed on this proposition and is bound to go on with the reclamation of the Columbia River Basin?

Mr. COLTON. No; I could not subscribe to that, if the gentleman has in mind reclaiming new lands.

Mr. CULKIN. That is what I understand, I may say to the gentleman.

Mr. COLTON. I think the Department of the Interior is carrying out in good faith the policy that there will be no new construction of new projects under the Reclamation Service.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. SUMMERS of Washington. Referring to the query just made as to the Columbia Basin, the Secretary of the Interior is not recommending that we proceed with this project at this time at all. There is the construction of a dam contemplated at a future time when conditions justify it and when the power is contracted for; and the construction of that dam, if the power is sufficiently contracted for to repay cost of construction, would require some 10 years, and reclamation would not be considered until years after that.

Mr. CULKIN. If I may ask the gentleman a question at this point. Is it not a fact that the employees of the Interior Department are writing and spreading propaganda throughout the United States at this time in favor of that project? Men in the employ of the Government are advocating the disbursement of $450,000,000 for the purpose of this Columbia River project.

Mr. SUMMERS of Washington. Not to my knowledge, and there is not that amount of money involved, in any event.

Mr. CULKIN. That is the figure. I have seen it repeatedly.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. Goss].

The amendment was agreed to.

Mr. McKEOWN. Mr. Chairman, pursuant to an agreement to return to a previous provision in the bill, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: On page 52, after line 23, insert a new paragraph, as follows:

"The Secretary of Interior is hereby authorized to pay to members of the Sac and Fox Tribes in Oklahoma born on or after October 20, 1923, the date of approval of the final roll of said tribe, and living on the date of the passage of this act, the sum of $82.84 each from any funds now on deposit in the Treasury of the United States to the credit of said Sac and Fox Indians of Oklahoma."

Mr. SNELL. Mr. Chairman, reserving the right to object, how did we get back to this part of the bill?

Mr. GOSS. Mr. Chairman, I make the point of order that the amendment is not authorized by existing law and is not germane.

Mr. McKEOWN. It was agreed that we would go back to this part of the bill when the amendment was first offered.

The CHAIRMAN. By unanimous consent this paragraph was passed over the other day.

Mr. SNELL. That is all right, but I reserve a point of order.

Mr. GOSS. Mr. Chairman, I make the point of order that the amendment is not germane and is also legislation on an appropriation bill.

Mr. McKEOWN. May I ask the gentleman if that is all the point of order that he has?

Mr. GOSS. That is enough.

Mr. McKEOWN. We have a statute based on the treaty of 1837, and we have been paying under that all the time.

Mr. GOSS. The gentleman is not speaking to the point of order.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. McKEOWN. I just want to call the attention of the Chair to the fact——

Mr. GOSS. Mr. Chairman, I make the point of order that the gentleman is not discussing the point of order.

Mr. McKEOWN. How can I discuss the point of order unless the gentleman from Connecticut will wait a moment? I am trying to tell you that it is provided by law. The treaty of 1837, under which all of these per capita payments have been made to the Sac and Fox Indians, provides that in the Treasury of the United States there shall be kept a fund of their own money—this does not come out of the Treasury—of $100,000 to be invested at a rate of not less than 5 per cent and to be paid out in per capita payments. That is the authority for this amendment. What is the matter with that authority?

Mr. GOSS. I also made the point of order that the amendment was not germane.

Mr. McKEOWN. What is not germane?

Mr. GOSS. The gentleman's amendment.

Mr. McKEOWN. Why is it not germane?

Mr. GOSS. Let the Chair settle that.

Mr. McKEOWN. I want the gentleman to tell us why it is not germane.

Mr. GOSS. That is up to the gentleman and not up to me.

Mr. McKEOWN. It is not up to me at all.

Mr. HASTINGS. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. HASTINGS. Mr. Chairman, with respect to the point of order, I have examined the statute, and the statute does not authorize appropriations by Congress for the purpose of making these per capita payments. I very deeply regret it, but this amendment has not been considered by the committee, was not presented to the committee, and there was no information as to how many members of the tribe there are or where they are or how much money they have to their credit, and for these reasons I must join in insisting upon the point of order, both as to not being authorized by the treaty that is referred to by my colleague and also because it is not germane at this place in the bill.

Mr. McKEOWN. If the gentleman will reserve it, I want to call attention to this condition. The Appropriations Committee calls its meetings before Congress convenes, and we who live in a distant part of the country have no opportunity to present these matters, so there ought to be some freedom allowed in presenting these things to the committee.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. WILLIAMSON. Let me say to the gentleman from Oklahoma that there is a bill now pending before the Committee on Indian Affairs that will be reported soon taking care of this matter.

The CHAIRMAN. The Chair is of the opinion that this amendment is germane, but the Chair thinks there is no authorization of law for the amendment, and therefore sustains the point of order.

The Clerk read as follows:

Topographic surveys: For topographic surveys in various portions of the United States, $450,000, of which amount not to exceed $275,000 may be expended for personal services in the District of Columbia: *Provided*, That no part of this appropriation shall be expended in cooperation with States or municipalities except upon the basis of the State or municipality bearing all of the expense incident thereto in excess of such an amount as is necessary for the Geological Survey to perform its share of standard topographic surveys, such share of the Geological Survey in no case exceeding 50 per cent of the cost of the survey: *Provided further*, That $254,000 of this amount shall be available only for such cooperation with States or municipalities;

Mr. COYLE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 69, line 8, strike out the figures "$450,000" and insert in lieu thereof "$512,000."

Mr. COYLE. Mr. Chairman and gentlemen of the committee, I have offered this amendment for the purpose of bringing to the attention of the committee and the subcommittee in charge of the bill facts which I think are peculiarly within my own knowledge.

In my first appearance here I made a promise to the committee and to the House that when I spoke it would be when I figured I had something worthy to bring to the attention of the House, and that I would not speak on other occasions.

This is perhaps one of my last appearances before the committee, and I expect to carry out that same idea.

The Geological Survey is the place where I had my first job. For four years I saw these men start their work at daylight in the morning and close when it got too dark to read the vernier on the instruments. I worked on this work in five different States. To-day they are doing the same kind of work. The limitation that has been made on the Budget estimate for the Geological Survey will take them out of that particular field work, which is the predominant work that they do.

Now, I have no desire to press this amendment, but I would like to ask the chairman of the subcommittee whether it would not be possible for him to state if the bureau finds additional sums are being appropriated from individual States which would require additional contribution from the Federal Government—whether he would not consider making a statement that the deficiency committee would consider additional appropriations.

Mr. HASTINGS. If the gentleman's inquiry is addressed to me, I would say that I am not a member of the Deficiency Subcommittee on Appropriations. Of course, I can not make any answer to the gentleman's question or any promise. I take it that the subcommittee in considering the Geological Survey or any other department of the Government would give it proper consideration regardless of anything I might say here now.

Mr. COYLE. I will say to the gentleman that I realize that limitation which he states. My remarks were addressed to his interest and good will to have the Budget take into consideration the reduced amount of the survey and that expected to be received from individual States. The amount was first reduced and then again reduced by $62,000. In other words, reductions have been twice made.

Mr. HASTINGS. The subcommittee having the bill in charge considered that there was no necessity for a larger appropriation for the Geological Survey. They did not believe that during these exceptionally hard times that the money would be forthcoming from the various States that are so highly burdened with taxes. They therefore thought that $450,000 would be adequate.

Now, the amount appropriated in 1927 was $451,700. When the Treasury was behind last June $903,000,000 and when it was behind last year $2,885,000,000 and every State in the Union finds itself in great need of money to run the State, we thought that this was a liberal allocation of the amount of money.



Mr. Chairman, I rise in opposition to the amendment.

Mr. COYLE. Mr. Chairman, if the gentleman will yield to me, any amount appropriated by the Federal Government at this time might very well be so limited I take it that it would not be expended unless the cooperative appropriation did come from the individual States.

Mr. HASTINGS. That is correct.

Mr. COYLE. If it did not so come, it would not be an added expenditure, and I suppose the committee rather fears they would ask in subsequent years that it be kept alive from year to year.

Mr. HASTINGS. The committee felt that this amount would be all that would be needed for the coming year, owing to economic conditions.

Mr. COYLE. If it were found that the additional amount were needed, could we call on the good offices of the committee to see that those funds were provided?

Mr. HASTINGS. These figures are those that the present subcommittee and the full committee have recommended to the House, and we believe, in view of appropriations that have been made, and in view of the very hard time the States are having in recent years to meet their expenses, that $450,000, which is approximately the amount appropriated in 1927, will be adequate and will be more than would be met by the several States for this class of work.

Mr. COYLE. I have no desire to press the amendment, with the comparatively few Members who are here, and as a consequence, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

Volcanologic surveys: For volcanologic surveys, measurements, and observatories in Hawaii, including subordinate stations elsewhere, $12,500.

Mr. HOUSTON of Hawaii. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOUSTON of Hawaii: Page 70, line 3, strike out "$12,500" and insert "$18,500."

Mr. HOUSTON of Hawaii. Mr. Chairman and members of the committee, this may appear to be a very small question. It has to deal with the prediction and warning as to earthquakes and volcanic activity. In 1932 the appropriation which the Budget recommended was cut 57 per cent and this year the budgetary requirements and estimates as they were sent to the committee have been cut a further figure of 30 per cent, so that the operations which have been conducted in the past have been reduced from the year 1932 to a level of about 34 per cent. To those who do not live in the neighborhood of volcanoes this may not appear to be very important, but may I not point out to the committee that since the year 1906, when the San Francisco earthquake and fire took place, up to the year 1930, nearly 400,000 people have lost their lives by reason of earthquakes and volcanic phenomena, and nearly, we might say, a billion dollars worth of property has been destroyed. Does it not seem worth while to take an ounce of prevention ahead of time in order that we may know at least as near as science may be able to anticipate such occurrences, what is to take place? It is interesting to know that in connection with the last explosive eruption at the Volcano of Kilauea, in the Territory of Hawaii, which, by the way, is within a Federal reservation, a national park, as is Mauna Loa within a national park, it is estimated that a volume of matter equivalent to $20,000,000,000 cubic feet disappeared from underneath the crust of the earth. That is a situation which it is almost impossible to contemplate. So I have asked for this small increase in the appropriation of from $12,500 to $18,500 in order that the very small and restricted scientific observations that are now being carried on under the auspices of our Federal Government, aided and assisted by local contributions to the extent of more than dollar for dollar, may be continued, that we may receive warning and prediction ahead of time, in order that we may not be overwhelmed with a catastrophe.

May I not ask the chairman of the subcommittee if he will accept the amendment?

Mr. HASTINGS. Mr. Chairman, I want to rise in opposition to the amendment.

Mr. HOUSTON of Hawaii. Then I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

Printing and binding, etc.: For printing and binding, $100,000; for preparation of illustrations $15,000; and for engraving and printing geologic and topographic maps, $85,000; in all, $200,000.

Mr. EATON of Colorado. Mr. Chairman, I move to strike out the last word, to ask the chairman of the subcommittee if in this change, amounting to $50,000 in the amount appropriated for printing and binding and illustrating, there has been taken into consideration the piled-up mass, I might say, of the work of the topographic and geological survey that has not been printed, has not been edited, and is not available for any purpose whatsoever? For example, in his State and mine, year after year, we appropriate from $15,000 to $25,000 to use in connection with work of the Geological Survey. The work is done in the field in the summer time. The plates and records are first sent in to the offices in the West and then, I assume, come here to the offices in Washington, and every time that we ask them for a report of what has been done in that State they tell us they have insufficient money to edit or print the reports, and we can get hardly any of the work that has been done in the last six or eight years, because the appropriation for printing and binding is so little. We continue to appropriate by every legislature, and our legislature appropriates biennially, a sufficient sum to meet the requirement of the Geological Survey, and I am wondering if by this cut you have now absolutely cut out for the next 2-year period any continuance of the work, either from the standpoint of the topographic and geological survey or of printing reports. We ought to have an answer from Congress this time so that the legislature of our State, which will meet the first of next month, may know how to continue our appropriations for the ensuing 2-year period.

Mr. HASTINGS. In answer to the gentleman from Colorado [Mr. EATON], permit me to say that we think this is a rather large amount—$200,000. In view of the fact that the work of the Geological Survey for topographic maps and other work done by this bureau is slowing down, the committee, after very careful consideration, felt that $200,000 would be adequate. If we go back to the year 1927, for instance, when times were unquestionably much better than they are now, the appropriation for this particular item was but a little more, namely, $214,000. So this is within $14,000 of the appropriation made in 1927.

Mr. EATON of Colorado. The gentleman misses my point. I am not complaining about cutting down this amount, but I want a definite statement of the committee whether in cutting down this amount to $200,000 you are giving notice to the State of Colorado, for example, that it shall no longer continue its joint appropriations and that we are not going to get any of these records printed in the next two years. The gentleman from Colorado [Mr. TAYLOR] probably knows more about these details than the gentleman from Oklahoma or I.

Mr. TAYLOR of Colorado. If my colleague will yield, the Interior Department Subcommittee on Appropriations is very sympathetic with the Geological Survey and nearly all of its work, and there is no disposition among the members of that committee or the general Committee on Appropriations to cripple or seriously impede or delay their services. But, with all due respect, it sometimes seems to me personally that that bureau has less disposition to properly recognize the serious financial condition of the country and the depleted condition of the Federal Treasury and the absolute necessity of reducing expenditures in this department as

well as the other departments than it should have. The members of this committee are persistently beseeched to make no reductions for this bureau, and we have not made any that we feel are unjust. In fact, we have considered them all very carefully and, as the gentleman from Oklahoma [Mr. HASTINGS], has well said, we felt that this reduction is not going to jeopardize seriously the work provided for by this appropriation.

[Here the gavel fell.]

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph be concluded in two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EATON of Colorado. May I inquire of my colleague whether he and I should advise our legislature, therefore, not to appropriate for the next biannum to meet any part of expenditures which might otherwise come out of this appropriation which has been reduced 20 per cent—from $250,000 to $200,000. That is a very appreciable reduction.

Mr. TAYLOR of Colorado. There is no disposition upon the part of this committee to do anything that would tend to limit the action of the Colorado Legislature. What we think is that this amount appropriated is enough to amply cover the necessary work of the Geological Survey during the coming fiscal year, and we have recommended this appropriation accordingly.

Mr. EATON of Colorado. Let me ask the gentleman directly, then: By this cut is the work done by the United States in cooperation with the topographical and geological surveys of the State of Colorado intended to be cut out? And no printing thereof is to be available during the next year?

Mr. TAYLOR of Colorado. No. We are not intending to cut out that work at all. I think the appropriation is enough to take care of all the work the State will want to do. As a matter of fact, the information which comes to the committee is that there will be very small or no appropriations made by any of the States for this work during this next year.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Clerk read as follows:

The total of the foregoing amounts shall be immediately available in one fund for the National Park Service: *Provided*, That the Secretary of the Interior shall not authorize for expenditure prior to July 1, 1933, any of the amounts herein appropriated except those for construction of physical improvements, for tree-disease and insect-control work, for fire-prevention measures, and for the purchase of equipment: *Provided further*, That in the settlement of the accounts of the National Park Service the amount herein made available for each national park and other main headings shall not be exceeded, except that 10 per cent of the foregoing amounts shall be available interchangeably for expenditures in the various national parks named, and in the national monuments, but not more than 10 per cent shall be added to the amount appropriated for any one of said parks or monuments or for any particular item within a park or monument: *Provided further*, That any interchange of appropriations hereunder shall be reported to Congress in the annual Budget.

Mr. HASTINGS. Mr. Chairman, I offer a committee amendment, which I have sent to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. HASTINGS: On page 85, strike out lines 17 to 25, inclusive, and on page 86, strike out lines 1 to 11, inclusive, and insert the following:

"The foregoing amounts for the National Park Service available for construction of physical improvements, for tree-disease and insect-control work, for fire-prevention measures, and for the purchase of equipment, shall be immediately available for such purposes."

Mr. HASTINGS. Mr. Chairman, that just strikes out the 10 per cent interchangeable and makes the other immediately available, and is in accordance with amendments heretofore adopted.

The committee amendment was agreed to.

The Clerk read as follows:

For the Commissioner of Education and other personal services in the District of Columbia, $250,000.

Mr. COLLINS. Mr. Chairman, I ask unanimous consent to return to page 5 and vacate the proceedings by which the two amendments offered by the gentleman from Idaho [Mr. FRENCH] were adopted in this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. FRENCH. Mr. Chairman, reserving the right to object, I beg to say that the gentleman from Mississippi, chairman of one of the subcommittees of the Committee on Appropriations, was conducting hearings at the time my amendments were offered and while I am still in favor of the amendments, and think they should prevail, I think it is only fair to the gentleman that he should have the privilege of being here, and I shall be glad to join with the gentleman in the request, so that he may be present when the items are considered.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The amendments offered by the gentleman from Idaho [Mr. FRENCH] are pending. The gentleman from Mississippi [Mr. COLLINS] is recognized.

Mr. COLLINS. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from Idaho.

I am defending the action of the full Committee on Appropriations in reducing this item from $40,000 to $20,000. The Department of Education was originally founded for the purpose of supervising the educational activities of governmental operated educational activities. It was never intended originally that the Bureau of Education should supervise educational work throughout the States. However, gradually this bureau has assumed more authority and is steadily growing. In its desire to gather additional power it has seen fit to engage in political activities. For instance, last year when the War Department appropriation bill was pending this department published as an official document, written by a Major Bishop, a reserve officer, in favor of compulsory military education in the schools of the country. It does not make any difference whether one believes in compulsory military education in the schools or not. That is immaterial. The fact to which I direct your attention is that we have a Bureau of Education that is taking sides on a purely political subject and subjects beyond the scope of its authority. A new Commissioner of Education perhaps will differ with the present one and may publish a pamphlet on the other side of that question. The present commissioner has made a speech against the election of United States Senators by direct vote of the people. I do not know whether he has put out a pamphlet on that subject, but he can with equal propriety get out a pamphlet on this subject, and I dare say if he continues as commissioner we may look for a pamphlet on the whole category of political and economic subjects.

The thought I am presenting to you is that so long as this bureau is engaged in educational work or the direction of educators toward proper methods of instructing the youth of the country its activities are rightly directed, but taking sides on purely political and economic subjects is something entirely different and should be condemned.

Mr. SMITH of Idaho. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I yield.

Mr. SMITH of Idaho. Were these pamphlets printed at public expense?

Mr. COLLINS. Yes; and not only printed at public expense, but sold to certain organizations that distributed them under Government frank.

Mr. SMITH of Idaho. But is it not a matter of general information, and are not the people interested in the opinion of such a man as the Commissioner of Education?

Mr. COLLINS. The pamphlet referred to was not written by him. It was written by Major Bishop, not a Regular Army officer, who is the paid representative of a propaganda organization with headquarters in Washington.

I make the contention that your views on the merits of the subject of the pamphlet is beside the question. The question for us to decide is whether this is a subject matter about which this bureau is concerned, and that I deny. Second, even though it has the power and authority to make an investigation of the subject, the commissioner, or some one under him, should do it and not lend itself to a propaganda agency such as that represented by the major in the instance I have cited.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HASTINGS. Mr. Chairman, I move that all debate on these amendments and all amendments hereto close in 25 minutes, to be equally divided between those favoring the amendment and those opposing it.

The motion was agreed to.

Mr. COLLINS. Furthermore, Mr. Chairman, this appropriation was $40,000 last year. It is proposed to make it $40,000 this year.

The entire Public Health Service of the United States had only $53,000 for printing and binding.

The entire appropriation for the District of Columbia is $70,000. This covers tax notices and receipts, notices of all kinds, administration printing, water bills, auto notices, and every kind of printing done by the District of Columbia.

The appropriation for the Public Health Service covers all of their bulletins, their scientific research, their public health reports, and all of the printing done for them.

This bureau should take its share of reduction in printing the same as the other departments and activities of this Government, yet no proposal is made to reduce this appropriation from the $40,000, which it was last year, but rather to continue it the same for this fiscal year. I submit that the reduction for printing and binding for this bureau from $40,000 to $20,000 is a reasonable one. Twenty thousand dollars should cover all of the printed matter that they can properly put out. I do not have a copy of all of the publications it puts out, but I have been advised that many of them are of a questionable nature, as was the one to which I have already directed your attention.

This matter was presented to the full Appropriations Committee and fully discussed by the members of the whole committee, and the reduction from $40,000 to $20,000 was written into the bill. I urge the House to stand by the action of the full Appropriations Committee and vote down the amendment to increase this item from $20,000 to $40,000. Let this bureau take its share of reduction the same as the other activities of the Government.

Mr. Chairman, I yield back the balance of my time.

Mr. ELLZEY. Mr. Chairman, I want to bring a few facts to the attention of the committee in favor of this appropriation in the sum of $40,000 to be used by the Office of Education for printing. The appropriation for this office for 1932 was $62,000. Last year it was reduced to $40,000, a decrease of $22,000, or 36 per cent. Now, my colleague from Mississippi [Mr. COLLINS] proposes to reduce it again to $20,000, making in two years a total reduction of 68 per cent.

It is my understanding that the sum expended by the Office of Education represents the total cost for printing periodicals, survey reports, and so forth, which are distributed throughout the entire Nation. I am in favor of rigid economy, and I think the Bureau of Education should be willing to effect economies in its own operation; but a reduction of 68 per cent within two years is almost destructive. I do not believe you favor this drastic reduction.

The gentleman from Mississippi [Mr. COLLINS] made a comparison relative to the cost of printing in some of the other departments. I have some figures here which I shall submit for your consideration. For the year 1933, for the Office of Education, and you understand this includes the surveys, magazines, and periodicals which go to the libraries, the presidents of universities, and departments of education throughout the entire Nation, the cost of printing was only $40,000. The gentleman from Mississippi forgot to tell you that in the Department of Agriculture last year the printing amounted to the sum of $925,000; for the Department of Commerce, $600,000; for the Army, $500,000; and for the Navy, $550,000.

Mr. Chairman, it is my understanding that about a year ago Mr. Bishop advised the United States Commissioner of Education that he had some money available that might be used for a scientific survey or study of the educational value of military instruction in universities and colleges.

After receiving this information the Commissioner of Education sent out 16,000 questionnaires to Reserve Officers' Training Corps graduates and received 10,000 replies. Following this the Bureau of Education printed 6,000 copies of this pamphlet, No. 28, and I presume this is the one to which the gentleman from Mississippi refers. They have been distributed very largely to libraries, to presidents of colleges and universities. I am advised by the Bureau of Education that the Research Organization on Military Education made large purchases from the Superintendent of Documents and then had them distributed.

I want to also call your attention to the laughable suggestion about political propaganda. I say this with a bit of apology, because I voted in most instances with the gentleman from Mississippi on appropriations for the Army last year; but I say to you now that I shall not in some cases do so this time, because of a careful study which I have recently made. This pamphlet was sent to my district, just the same as it was sent to my colleague's district in Mississippi and to yours. Let me call your attention to a few facts about the pamphlet No. 28, which contains the so-called propaganda. It is nothing on earth but a scientific, educational survey and the report thereon.

I submit to you one of the questions and ask if this sounds like political propaganda. Please note that this is a typical question in this survey, which was sent to 16,000 Reserve Officers' Training Corps graduates:

No. 5. In your opinion did military training aid or make easier the development in your own life of one or more of the qualities or characteristics listed below: Leadership, initiative, orderliness, disciplinary value—

And so forth. Next, there is a list of 54 institutions included in this study, and I submit to you that these institutions represent the best educational institutions of learning in all sections of the Nation. Is this political propaganda?

[Here the gavel fell.]

Mr. ELLZEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ELLZEY. Another item is an analysis of findings by institutions. Then, in this so-called political pamphlet, is a detailed analysis of the opinions.

Gentlemen, I submit to you, with these facts before you, this is just a scientific survey of this question, the Educational Value of Military Instruction in Universities and Colleges. It is simply information that the young manhood of the Nation is entitled to, and I for one, although I voted with the gentleman from Mississippi last year, have not one bit of objection to this information going to every man, woman, boy, and girl in my district. This is the so-called propaganda.

I repeat now that I hope the gentlemen of this committee will leave the appropriation where it has already been placed by the Committee of the Whole at $40,000, which is a reduction, within the past two years, of 68 per cent. I cer-

tainly urge you to give this matter your careful consideration. Mr. Chairman, I yield back the remainder of my time.

[Here the gavel fell.]

Mr. HASTINGS. Mr. Chairman, I desire to be recognized for two minutes. Mr. Chairman, I think the Government of the United States appropriates less for education than any other government in proportion to its other appropriations. We appropriate $270,000 for the Office of Education—$250,000 for personal service in the District of Columbia and $20,000 for traveling expenses, and so forth.

As has been explained here, the office of the Bureau of Education keeps in touch with State superintendents, with libraries, and educational thought everywhere throughout the country.

There are approximately 700,000 public-school teachers in the United States, and there are probably more than a million teachers all together.

This item of $40,000 was presented to the subcommittee, which prepared the bill, as a most urgent one and one much needed. The committee, after full and careful consideration, thought it was not an excessive sum. It was the amount estimated by the Bureau of the Budget, and the same as the appropriation for last year. If we are going to have an Office of Education, it should have a sufficient sum to insure its activities being published.

Mr. COCHRAN of Missouri. Mr. Chairman, last week when this item came up I was surprised at the action of the members of the subcommittee in not opposing the motion to double the appropriation. I rose and wanted to know why the members of the Appropriations Committee were not taking some interest in it. I was of the opinion the committee was going to stand by its recommendation, and that was the reason I asked the question.

An effort is always made to justify the printing of any Government document. I recall some years ago when the annual report of the Bureau of Education was issued. It consisted of two volumes, each volume 2 inches or more thick.

This present month you were notified to get your obsolete public documents out of the basement of the Capitol. Ask the foreman of that room downstairs about the obsolete documents and you will find that this old report, issued annually, of the Commissioner of Education, in two volumes, is stored down there by the thousands and thousands. I had 50 or more to my credit.

The question is not whether you are justified in printing certain documents, but whether you are going to reduce Government expenditures. [Applause.] There is no reason why this appropriation should not be reduced, especially in these times of want and distress. Let it be reduced as all appropriations are being reduced.

So far as I am concerned I feel this item for printing documents for the Bureau of Education should be reduced. If you are going to keep your pledge to the people to reduce expenditures, here is an opportunity.

[Here the gavel fell.]

Mrs. ROGERS. Mr. Chairman and members of the committee, I wish to speak in favor of the amendment. If I did not know something of this amendment I should be inclined to follow the gentleman from Idaho [Mr. FRENCH] anyway, for he is one of the most assiduous watchdogs of the Treasury. Although a sincere believer in wise Government economy I have not always agreed with him when he has wanted to save or reduce appropriations, as I have felt he sometimes went too far. I do heartily agree with him now that we should appropriate enough money to enable this Department of Education to secure vital statistics for the schools and people of this country. A gap must not be created in these school statistics which have been gathered every year, by law, for the past 60 years. We ought to have all the available information that the school teachers need. In these times of great unrest there is an especial need for carefully prepared material upon educational matters. The Department of Education acts as a clearing house upon these matters. That the publications of this department are useful to the people of the United States is shown by the fact that during the fiscal year 1932, more than 500,000 copies of publications were sold, for which the Government Printing Office received approximately $25,000. Personally I have had a great many requests for a simple plan of money management. The Department of Education could secure material upon money management, and could distribute it to the school teachers who could teach it to the school children. The people all over the country could learn how to manage and balance their own budgets. As a result they could tell the officials who manage their municipal governments and their State governments and also the National Government, how to budget more wisely the State and municipal funds, as well as Uncle Sam's. The present economic crisis shows how economically illiterate most of us are. It is vital to my mind that the 60 years' material which has been authorized to be collected by Congress should not be stopped at this time. It is just giving our schools and the children a chance. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, while this item is not large, to my mind there is no reason why it should be treated differently from any other item in this or any other bill when it comes to the reduction of public expenditures. In my opinion, for a year at least, or until times get a little better, this and many other items could be cut out entirely without any great detriment to the Government or to the people of the United States. Let me call attention to something that is going on in the Interior Department where they are taking money out of the Treasury, some out of this item, though not so much, for a purpose not intended in the appropriation at all. We have down there a man named Depew, or something like that, who goes out into our western country and spends his vacation in some of the parks and other places, has a glorious time for three or four months, and then comes back and writes some sort of a pamphlet, the most of which is boosting himself. I understand now that after his last sojourn at the expense of the Government he is writing a book upon our parks and forests, and that it is going to be published and put on sale. He is to receive the benefit of it. A portion of this item is for the purpose of paying that gentleman, and that is only one of the many abuses of much of the appropriation that is being made not only in the Department of the Interior but in the Agricultural Department and some others. Vacations are spent at the expense of the Government, some going up to Alaska every year for no other purpose than to spend their vacation at the expense of the Government.

Mr. ELLZEY. Is not that a matter of administration in this department as in any other department?

Mr. WOOD of Indiana. Yes. If it were simply the expenditure of this money and the printing of things that are of use and worth while, the $20,000 stated in the bill would be amply sufficient. It is the abuse of the thing to which we object. They have to cart out of the basement of this building every year not only wagonloads but trainloads of useless material printed at the expense of the Government without any good return.

Mr. ELLZEY. If this were properly administered, would the gentleman favor the appropriation?

Mr. WOOD of Indiana. The trouble with the administration is that it is left to those people who are trying to aggrandize themselves. That is true in the Department of the Interior, and I have given one example of it. This is not confined to the Interior Department alone; it is also true in various other departments. If this Government could save to the Treasury of the United States the money that is uselessly wasted in printing and in half a dozen other useless things, I dare say we would not have so much deficit at this time.

Mr. FRENCH. Mr. Chairman, just a word with respect to the main argument of my friend from Mississippi [Mr. COLLINS] who is opposed to the amendment. He rests his opposition chiefly upon the ground that the Bureau of Education published a pamphlet on military matters, and that in doing so it went far afield. That pamphlet is one of numerous publications of the bureau and I submit that its publication was in line with the clear authority given by the

law. On July 2, 1862, the Congress laid the foundation for colleges for the benefit of agriculture and the mechanic arts, and placed in large part the supervision and expenditure of moneys for these institutions upon the Department of the Interior. If you will turn to section 4 of the act to which I have referred, you will find that it is required that military instruction be offered. The Attorney General has ruled that while the States may not require the individual student to take military instruction, the States having these institutions must offer such courses. Hence I say that the particular pamphlet referred to, and for which a very small amount of money was expended, is one that properly comes under the jurisdiction of the Bureau of Education.

No one can be more in earnest than am I in the matter of reducing expenditures of printing in this and other bureaus of the Government.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Not now. In 1902 we appropriated $82,000 for printing for the Bureau of Education. Two years ago the Congress appropriated $62,000. Last year the appropriation was cut to $40,000. This year the Bureau of the Budget and your committee recommended $40,000, and that is the sum in the amendment now pending, which I have offered. This expenditure of money may mean the saving of hundreds of thousands of dollars and perhaps millions to the people of the United States. Let me illustrate.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. In a moment. In the city of Portland, Oreg., 10 years ago the people were confronted with a building program to accommodate the increased number of children in their city schools. At that time the board of education of the city came forward with a program that would cost $17,000,000 for school buildings. There was grave doubt upon the part of thoughtful people of the need for expenditure of so large a sum.

A bond issue was proposed and it was voted down by the people of the city. A year or so later it was proposed again, and again it was voted down. The friends of education of children in Portland called upon the Bureau of Education to make a study. A study was made—a careful survey—by a specialist, who reported to the board. A new plan was adopted upon the basis of this report and that would care for every child it was proposed be cared for under the $17,000,000 plan, at a cost of $11,000,000 to the city. Again a vote was had upon issuing bonds to carry forward the project, and the project was approved. This piece of work alone of the Bureau of Education saved the city of Portland $6,000,000.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. COOPER of Ohio. The office of education in the city of Youngstown called upon the Bureau of Education to make a survey about two years ago and they went into the question very thoroughly, and upon the recommendation of the bureau they reorganized their board of education and their school system and it has been the means of saving thousands of dollars to the taxpayers of our community.

Mr. FRENCH. The same experience has occurred in other cities. Only recently there has been completed a study of the schools of 74 cities, where a demand existed for more school buildings. Through the agency of the Bureau of Education a study was made of those 74 cities and recommendations adopted under which 10,000 children will be accommodated without the building of a single additional room, but through rearrangement and better use of present facilities. The Bureau of Education, in these and other matters, ought to have the opportunity of giving the public at large the benefit of the valuable work performed. The amendment ought to prevail.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will again report the amendment for information.

The Clerk again reported the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. FRENCH].

The question was taken; and on a division (demanded by Mr. COLLINS) there were ayes 41 and noes 21.

So the amendment was adopted.

The CHAIRMAN. The Clerk will report the second amendment offered by the gentleman from Idaho.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: Page 5, line 22, strike out "$20,000" and insert in lieu thereof "$40,000."

The amendment was agreed to.

The Clerk read as follows:

For necessary traveling expenses of the commissioner and employees acting under his direction, including attendance at meetings of educational associations, societies, and other organizations; for compensation, not to exceed $500, of employees in field service; for purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; collection, exchange, and cataloguing of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same; and other expenses not herein provided for, $20,000.

Mr. HASTINGS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: Page 87, after line 25, insert the following: "The unexpired balance of the appropriation for the investigation of teacher training, contained in the Interior Department appropriation act for the fiscal year 1933 shall remain available for the fiscal year 1934 for the purpose of editing and printing the reports prepared under provisions of those appropriations, including the payment of salaries in the District of Columbia and elsewhere."

Mr. GOSS. Mr. Chairman, I reserve a point of order on the amendment to ask the gentleman a question. How much is in that fund?

Mr. HASTINGS. This is simply a continuance of the unexpended balance from this year until next year. The Bureau of Education thought that would be expended between now and June 30, but for fear it would not be, this authorizes it to be carried over into the next fiscal year and makes no additional appropriation. It will amount to about $12,000 or $15,000.

Mr. GOSS. Mr. Chairman, I withdraw the reservation of the point of order.

The amendment was agreed to.

Mr. WICKERSHAM. Mr. Chairman, I have an amendment which I intended to offer at the conclusion of the Geological Survey paragraph. It should have come immediately after the last of the Geological Survey items, and I ask unanimous consent to return to page 74, line 9, in order to offer the amendment just after line 9, where it should have been offered. By mistake it was noted as coming under the items in relation to the government of the Territories and Alaska, and not under the Geological Survey.

Mr. HASTINGS. Mr. Chairman, I very much regret, but we are opposed to the amendment, and I would have to oppose it, but if the gentleman wishes, I will reserve the objection so that the gentleman can make a statement.

Mr. WICKERSHAM. Mr. Chairman, in the consideration of the appropriation bill the committee has dropped the item of appropriation for the investigation of mineral resources in the Territory of Alaska.

For many years we have had a small group of geologists who have been engaged in making mineral investigations in the Territory of Alaska. That group of men has been interested there for over 20 years and has performed most excellent work in organizing the mineral industry there. They have been doing an immense amount of good work during that period in investigating the geological and mineral resources of Alaska and have been of inestimable value to us in the development of gold and other minerals in the Territory of Alaska. That appropriation is now dropped from this bill, though it was carried in that of the last session. That little bureau of five or six geologists and three or four topographic men has been destroyed. These men, so familiar with Alaska work, are dropped entirely. Without any notice to me or any of the people interested in the item, it was dropped, though no intimation was given

to us in the hearings that the committee contemplated any such drastic action.

The testimony in respect to that matter was taken by the committee on the 22d day of November, two weeks before Congress met. It was printed, and the bill was introduced on the 15th day of December. Nobody knew what was in the bill until it was introduced last week and taken up for reading on the next morning. There was nothing in the evidence taken before the committee to intimate that this work would be stopped. It is of inestimable value to the development of mining in our Territory. You could take almost any other item out of the appropriation for Alaska with less harm to the Territory than this, Mr. Chairman.

We took out between $5,000,000 and $6,000,000 in gold in 1927. It has increased a million dollars every year from that time to this. Last year we took out $9,500,000 of gold. This year we will take out probably $10,000,000. The output of gold is increasing in Alaska every year, and this little group of nine men who have never had more than $60,000 for their support has been the backbone of the development of the gold resources of Alaska for the last 20 years. It is a damage to you, it is a damage to the whole country to have this work stopped, and I am disappointed that we did not have any opportunity to consider the matter. It is a damage not only with respect to Alaska but to the general country. We are doing an increasing work there in gold mining, and we need the support of these men in developing, organizing, and coordinating the work. They do prospecting, surveying, they give instructions and advice to these men in the Territory who are taking out the gold and other minerals, and it is of great aid to our miners and prospectors. It is important to you; it is important to every man who wants the gold resources of this country developed and the gold mined and put into the general system of finance.

We have taken out more than $410,000,000 in gold alone in the Territory of Alaska. We are increasing the output every year and we need these men to aid the miners and prospectors and to assist us in the development of the gold resources of Alaska.

Accidentally this proposed amendment was cited in the wrong place. It was my fault, and I ask now that we may return to the items under the Geological Survey, where it belongs. It is only for $30,000. Thirty thousand dollars is only one-third of 1 per cent of the output of gold in Alaska for the last year. It is the smallest tax anybody could possibly pay for the development of these great resources—and they are your resources—and this money goes into your financial system. You ought not to take this small appropriation away from Alaska. It is a mistake to do so. These geologists are first-class men in their field of work. They are doing a great amount of work there and they ought to be allowed to go ahead with it. They have been doing it for 20 years to the great profit of the Territory of Alaska and to the great profit of the mineral development of that Territory that you need so much. So I hope the House will let us return to the Geological Survey items, where this one belongs, and permit my Territory to have the benefit of this small appropriation which is so beneficial to the development of its mineral resources.

Mr. HASTINGS. Mr. Chairman, the members of the subcommittee who framed this bill do not want to do anything to retard the development of Alaska, but the subcommittee does not think that the cutting out of this amendment will do that. They will continue to do the mining development in Alaska this next year just as they have in the past. The mining up around Fairbanks and Juneau will be carried on just exactly the same as it has been this year. These are the reasons why I object to returning to that portion of the bill.

The Clerk read as follows:

For defraying the deficits in the treasuries of the municipal governments because of the excess of current expenses over current revenues for the fiscal year 1934, municipality of St. Thomas and St. John, $105,000, and municipality of St. Croix, $105,000; in all, $210,000: *Provided*, That the amount herein appropriated for each municipal government shall be expended only if an equivalent amount is raised by municipal revenues and applied to the operating costs of the respective government, except that for the fiscal year 1934 the contribution to either municipal government shall not be less than $100,000: *Provided further*, That should the revenues of the municipality of St. Thomas and St. John, during the fiscal year 1934, exceed $105,000, and/or the revenues of the municipality of St. Croix exceed $105,000, such excess revenues may be expended for municipal improvements and operating costs of the municipalities under such rules and regulations as the President may prescribe.

Mr. GOSS. I move to strike out the last word.

Mr. Chairman, I wish to ask the chairman of the subcommittee a question. In the proviso why was it stated that the contribution to either municipal government shall not be less than $100,000? And does the gentleman know that that figure is the minimum, provided rigid economy were exercised?

Mr. FRENCH. Mr. Chairman, may I say that the Government of the United States has a certain very definite responsibility in the islands. It requires much more to carry forward the share on what was supposed to be a 50-50 basis than $100,000. We thought we would fix that as a minimum so that we could, if possible, encourage the islands to themselves come forward with as much money as we could obtain from them for the administration of the government. So we felt we were justified in including a minimum of $100,000.

Mr. GOSS. Of course, the gentleman knows their most famous product has been dispensed with by the prohibition act, that is, St. Croix rum. That was the big product of that island, and since that time I suppose that has actually increased our contribution toward the running of their government.

Mr. FRENCH. Of course, the gentleman will recall that we acquired the islands about 1916 or 1917 and that the greatest resource of the island of St. Thomas at that time was——

Mr. GOSS. The one I was talking about is St. Croix.

Mr. FRENCH. Well, there the greatest resource was sugar, and in St. Thomas the greatest resource was income derived by inhabitants of the island working in connection with the shipping business. At that time we had coal centers there. It was a great coal fueling station for many ships.

Mr. GOSS. The gentleman assures us, then, that this $100,000 is not in any way a wasteful expense, when the minimum is fixed at $100,000?

Mr. FRENCH. Yes; I believe it is absolutely essential to do the work and carry the responsibility that our Government has assumed.

The Clerk read as follows:

For such projects for the further development of agriculture and industry, and for promoting the general welfare of the islands as may be approved by the President, including the acquisition by purchase, condemnation, or otherwise, of land and the construction of buildings for use in administering the affairs of the islands; the purchase of land for sale as homesteads to citizens of the Virgin Islands; and the making of loans for the construction of buildings, for the purchase of farming implements and equipment, and for other expenses incident to the cultivation of land purchased for resale as homesteads, $15,000, and in addition thereto the unexpended balance of the appropriation for the temporary government for the Virgin Islands contained in the Interior Department appropriation act, fiscal year 1933.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this paragraph has to do with the agriculture of the Virgin Islands and the general improvement of conditions there. I have asked for just this brief moment to insert some matter in the RECORD at this point, and for that reason I ask unanimous consent at this time to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KETCHAM. This is a brief statement concerning the proposition now before the Committee on Agriculture, presented thereto by the farm organizations of the country in the way of farm-relief organizations. A good many Members of the House have made some inquiry of me concerning its provisions, and in response to these questions

from a considerable number of Members I have taken the time to write out a very brief statement which I think will present to you in just a moment's reading the essentials of the proposition as it has been presented by the farm organizations. I may say it is a bit different from those presented heretofore, in that a different yardstick than we have heretofore had for these farm-relief proposals is introduced in this measure.

I shall not take time to refer to it at this time, more than to call your attention to the details of the plan as they are worked out in a very brief statement, which I have just obtained permission to extend at this particular moment.

I yield back, Mr. Chairman, the balance of my time.

The matter referred to follows:

FARM-RELIEF PROPOSAL OF THE FARM ORGANIZATIONS

Students of the farm problem in the United States emphasize three major proposals to aid agricultural recovery.

First, better prices for farm products; second, readjustment of farm-mortgage indebtedness, and third, reduction of taxes.

These three proposals have been the subject of special consideration at recent national meetings of the leading farm organizations, and the theme of wide editorial and congressional discussion in the order named: Better farm prices, both actual and relative, is believed by many to be the first essential to economic recovery for all our people. The farm-mortgage problem is critical but does not affect all sections, nor all farmers, as does the low price for farm products. Taxation on farms is almost entirely a State and local matter. Furthermore, better farm prices would help immediately and effectively toward improving both the mortgage and tax situations.

For the first time since farm-relief legislation has been under consideration by Congress the farm organizations have agreed upon a legislative plan to improve farm prices on four principal farm products, and have just outlined their proposal before the House Committee on Agriculture. Because of the widespread interest in the improvement of the farm economic situation, I felt it would be of unusual interest to the members of the committee to sketch the plan briefly.

The purpose of the plan is to reduce production and thus avoid the surpluses that have been so ruinous to farm prices. To encourage farmers to reduce acreage of crops and tonnage of hogs, the bill provides for a tax to be levied upon the first processing of such commodity. The proceeds of this tax will be paid to farmers who make the required reductions. The form of such payment will be an adjustment certificate. Its value will be the difference between the market value of the particular commodity and the fair exchange value. By "fair exchange value" is meant the average value of the commodity for the years 1909–1914, when farm prices were on a parity with other commodity prices.

Wheat, cotton, hogs, and tobacco are the products included in the bill. It is limited to these four crops because the prices on them are claimed to control other farm prices, because they have exportable surpluses and are therefore in competition with the lower world markets, and finally because they are practically all processed, thereby affording the opportunity to levy a tax on first processors.

The average farm price for average grades of these products on November 1, 1932, was as follows: Wheat, 32.8 cents per bushel; cotton, 5.1 cents per pound; hogs, 3.05 cents per pound; and tobacco, 8.9 cents per pound. The fair exchange value prices proposed for the marketing period of each crop for 1933 are: Wheat, 93.7 cents per bushel; cotton, 13.7 cents per pound; hogs, 7.67 cents per pound; tobacco, 11 cents per pound.

Taking the November market price of wheat of 32.8 cents as the year's average and comparing it with the bill's fair exchange value of 93.7 cents, farmers are to be paid practically 61 cents per bushel premium. Only such farmers as reduced their wheat acreage 20 per cent in 1931 and agree to the necessary 1933 quota acreage reduction, can qualify for the 61-cent premium. Furthermore, they would receive such premiums on about 75 per cent of this crop, their quota of the average American consumption of wheat.

If a farmer meeting the above conditions had 100 bushels of wheat to sell, he would receive $32.80 cash at the time of sale and a so-called adjustment certificate for $45.75—seventy-five times 61 cents. This certificate will be an obligation of the United States, transferrable and payable in two installments during the marketing year.

As acreage and tonnage is reduced, the market price will rise. The adjustment charge is determined and proclaimed at the opening of the marketing period by the Secretary of Agriculture. Obviously, this charge will decrease as the market price approaches the fair exchange value, or parity price, as it is ordinarily called. The plan involves no charge upon the Treasury and the expense of administration will be limited to 2½ per cent of the adjustment charges.

The pro forma amendment was withdrawn.

The Clerk read as follows:

ST. ELIZABETHS HOSPITAL

For support, clothing, and treatment in St. Elizabeths Hospital for the Insane of insane persons from the Army, Navy, Marine Corps, and Coast Guard, insane inmates of the National Home for Disabled Volunteer Soldiers, persons charged with or convicted of crimes against the United States who are insane, all persons who have become insane since their entry into the military and naval service of the United States, insane civilians in the quartermaster service of the Army, insane persons transferred from the Canal Zone who have been admitted to the hospital and who are indigent, American citizens legally adjudged insane in the Dominion of Canada whose legal residence in one of the States, Territories, or the District of Columbia it has been impossible to establish, insane beneficiaries of the United States Employees' Compensation Commission, and insane beneficiaries of the United States Veterans' Administration, including not exceeding $27,000 for the purchase, exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for the use of the superintendent, purchasing agent, and general hospital business, and including not to exceed $200,000 for repairs and improvements to buildings and grounds, $1,116,700, including maintenance and operation of necessary facilities for feeding employees and others (at not less than cost), and the proceeds therefrom shall reimburse the appropriation for the institution; and not exceeding $1,500 of this sum may be expended in the removal of patients to their friends, not exceeding $1,500 in the purchase of such books, periodicals, and newspapers, as may be required for the purposes of the hospital and for the medical library, and not exceeding $1,500 for the actual and necessary expenses incurred in the apprehension and return to the hospital of escaped patients: *Provided*, That so much of this sum as may be required shall be available for all necessary expenses in ascertaining the residence of inmates who are not or who cease to be properly chargeable to Federal maintenance in the institution and in returning them to such places of residence: *Provided further*, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes: *Provided further*, That during the fiscal year 1934 the District of Columbia, or any branch of the Government requiring St. Elizabeths Hospital to care for patients for which they are responsible, shall pay by check to the superintendent, upon his written request, either in advance or at the end of each month, all or part of the estimated or actual cost of such maintenance, as the case may be, and bills rendered by the superintendent of St. Elizabeths Hospital in accordance herewith shall not be subject to audit or certification in advance of payment; proper adjustments on the basis of the actual cost of the care of patients paid for in advance shall be made monthly or quarterly, as may be agreed upon between the superintendent of St. Elizabeths Hospital and the District of Columbia government, department, or establishments concerned. All sums paid to the superintendent of St. Elizabeths Hospital for the care of patients that he is authorized by law to receive shall be deposited to the credit on the books of the Treasury Department of the appropriation made for the care and maintenance of the patients at St. Elizabeths Hospital for the year in which the support, clothing, and treatment is provided, and be subject to requisition by the disbursing agent of St. Elizabeths Hospital, upon the approval of the Secretary of the Interior: *Provided further*, That there shall be available for replacement of boilers and remodeling of the power plant, including preparation of plans and specifications, advertising for proposals, and not to exceed $11,000 for necessary traveling expenses and personal services without reference to the classification act of 1923, as amended, or civil-service rules and regulations, $250,000, from funds accrued, or which may accrue, prior to July 1, 1934, under the act approved February 2, 1909 (U. S. C., title 24, sec. 165), such portions of funds as have accrued under said act to be immediately available for this use.

Mr. GOSS. Mr. Chairman, I reserve a point of order on the proviso. I notice that in the permanent appropriations the appropriation is jumped from $80,000 to $295,000, and I understand from talking with the members of the committee that this $250,000 comes out of that fund. Is that correct?

Mr. HASTINGS. I did not hear the inquiry of the gentleman.

Mr. GOSS. In the indefinite and permanent appropriation this item has been raised from $80,000 to $295,000, and I understand from conversation with the gentleman that the $250,000 in this proviso comes out of the fund accrued under this law. The law is cited here as the United States Code, title 24, and refers to pensions only. I am wondering why the pensions jumped from $80,000 to $295,000.

Mr. FRENCH. The gentleman is confused with regard to the expenditure of this money.

Mr. GOSS. I just got that explanation.

Mr. FRENCH. I think the gentleman refers in his inquiry now to moneys that are carried in the permanent and indefinite appropriation.

Mr. GOSS. Yes; that is correct. This proviso states in line 6 that $250,000 is applicable to these repairs from funds accrued or which may accrue prior to July 1 under this act, and the act, as the gentleman knows, is an act that refers only to pensions. How can you take into an indefinite appropriation which has been made law funds which are for pensions and use them to repair boilers, and so forth?

Mr. FRENCH. The general law to which the gentleman refers provides that when those who are drawing pensions are sent to St. Elizabeths the disbursing officer of the institution is made the custodian of the funds of such person.

Mr. GOSS. To be expended in an amount not to exceed what he has to his credit.

Mr. FRENCH. If the gentleman will permit me to follow up, I do not have the law before me, but I can quote it essentially from memory.

Mr. GOSS. I have it right here.

Mr. FRENCH. The law provides not only that the moneys shall be expended for the use of the individual but that the moneys upon the death of the individual may be allocated in a certain way to certain immediate relatives, and then, when certain requirements of the law shall have been complied with, any balance shall go to the institution itself.

Mr. GOSS. So that when we passed that permanent law, which provided a pension for the individuals that transferred or came there from the Army, Navy, or the District of Columbia, that fund was supposed to be used for the comfort and use of the individual patients alone. This is the provision of the original act as I read it.

Mr. FRENCH. Yes.

Mr. GOSS. Now, the Appropriations Committee comes along in this proviso and provides for taking out of funds already accumulated or which may accrue up until July 1, 1934, money to replace boilers or to remodel the power plant, or that sort of thing, which seems to me to be definitely legislation that was not intended in the original act with respect to the accruing of pensions to the individual, and this is what I want to have explained.

Mr. FRENCH. No; not at all. The moneys would not be deducted from the compensation or pension due to a living person, but there are certain balances that finally go to the institution after the requirements of the law have been complied with. The law itself says, after providing for the distribution of moneys upon the death of a person in the institution who was drawing a pension, that any further balance to his or her credit shall be applied to the general uses of the hospital. So we are not appropriating money or providing for the use of money of living persons. These are in the nature of remnants of estates left by inmates of the institution, the remnants going to the support and general maintenance of the institution, under the law that the Congress itself passed nearly 30 years ago.

Mr. GOSS. Then, on that basis, out of the $295,000 carried in the indefinite appropriation, you would expect to spend upward of $250,000 for improvements, which would cut the actual pension money received by the inmates by $40,000 next year?

Mr. FRENCH. No; the moneys received by those inmates who are living would not be cut at all.

Mr. GOSS. I refer the gentleman to the indefinite appropriation raised from $80,000 to $295,000. If you use $250,000 of that fund that would cut the original pensions by $40,000.

Mr. FRENCH. No; let me turn back a little. The total amount of money that is now in the fund is not $295,000 but $600,000. This represents accumulations of a good many years. Of that amount the bill provides $250,000 for the power plant. In addition to this the institution has estimated it would use $45,000 for purposes authorized in the law.

Mr. GOSS. You have less patients than you had a year ago.

Mr. FRENCH. No; somewhat more.

[Here the gavel fell.]

The Clerk read as follows:

General expenses: For equipment, supplies, apparatus, furniture, cases and shelving, stationery, ice, repairs to buildings and grounds, and for other necessary expenses, including reimbursement to the appropriation for Freedmen's Hospital of actual cost of heat and light furnished, $220,000.

Mr. DE PRIEST. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 98, line 12, after the figures "$220,000," add the following: "For construction and completion of a heating, lighting, and power plant for Howard University, $460,000, to be immediately available."

Mr. DE PRIEST. Mr. Chairman and gentlemen of the committee, I would not present this if it was not an absolute emergency. Howard University is completing two new buildings now, and they will be finished some time this summer.

The present heating plant is antiquated and obsolete. It is overloaded about 40 or 50 per cent during this cold weather. It is only a 100-horsepower plant, and it is unable to do the required work.

The Bureau of the Budget put in $460,000 to be immediately available, but the Bureau of the Budget afterward decided to withdraw its support in favor of the sum in this present appropriation bill. They did that for the sake of economy.

While I agree that we should exercise economy in every possible way that we can, it must be remembered that if this present plant breaks down that institution will be without heat and light and without power. The hospital would be without its heat and light; you might get light in an emergency, but it is impossible to get heat.

The university is spending $225,000 to build a distributing tunnel. That tunnel will soon be completed to the site of the new proposed power plant.

I ask you gentlemen and ladies not to close this institution on a plea of economy. Howard University is the only great educational institution in this country for our group.

We ask you, since this emergency has existed and since it was once reported by the Bureau of the Budget, to give Howard University an appropriation of $460,000 for the express purpose of building this heat, light, and power plant.

These figures were sent over from the Bureau of Mines as late as last November. The Bureau of Mines checked the figures of the committee as to light, heat, and power, and they claim it will take $460,000 to do the work. They ought to know, for they are the experts for Congress. Some Members thought it might be done for less, but I do not think any member of the committee will say that this is not an emergency.

He will say that he does not think the Government is able to do that under this economy program, and that we must pay something; but there are some things where we can not afford to practice economy, when it is liable to shut down such an institution as Howard University or Freedmans Hospital. Freedmans Hospital is the only public hospital in the city of Washington where the people of my group go. We do not happen to be as favored as the rest of you, because limitations are prescribed. I appeal to you all not to make it possible that there will be no place where the sick and the wounded of my group may be sheltered. [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I rise in opposition to the amendment. All the members of the Interior Department appropriation subcommittee have a very kindly feeling toward Howard University. We all thoroughly appreciate its importance and the great work it is doing, and during the past few years we have made very large appropriations for it. There is no question but that the university will have to have a new heating plant some time in the near future. Last year we recommended an appropriation of $300,000 for that purpose. But this matter was fully presented to the Bureau of the Budget this year, and that bureau declined to recommend an appropriation for that purpose in this bill. We have not put a single item in this entire bill from beginning to end that has not been recommended by the Budget, with the approval of the President of the United States. The committee has been following this policy of economy, and we felt when the Budget made no recommendation after a thorough investigation of this matter this past summer, that the committee was safe in following the Budget and leaving it out as we did. The Budget evidently did look upon this matter as urgent. Furthermore, I may say that as chairman of this subcommittee,

I have been approached at various times by the friends of the university, including the gentleman from Illinois [Mr. DE PRIEST] and that we have in very friendly way considered the matter.

I have said to them that this estimate of $460,000 was first made a year or two or three years ago, and that if a suitable heating plant could be built at that time for that amount that certainly, with reduction in the cost of everything, we felt—and we so reported a year ago—that $300,000 was amply sufficient to build a suitable plant; and if $300,000 was enough a year ago, less than that amount would be sufficient now. I felt then—and I feel now—that these people, including the gentleman from Illinois, should have gone before the Bureau of the Budget and obtained a supplemental estimate from the Budget and should have brought it before this committee or before the main committee or before this House. They have declined to do so. There was no formal request made before to the subcommittee for this item. There was no presentation of the matter. When the Budget eliminated it, and when nobody came before our subcommittee with a supplemental estimate for it; when there is no showing that there is an emergency at this time, we felt that we ought not to open the gate and put in an item of $460,000 to build a plant that the Bureau of the Budget would not say was emergent; and your committee does not think it is emergent.

We feel that if it was really urgent, the Budget would have said so, and, because they did not and do not now recommend it, we think it can safely go over until next fall or some other future time when it can be taken up in an intelligent and systematic way. It can be presented to a deficiency appropriations committee at any time. In other words, these gentlemen who are so solicitous about Howard University ought to present the urgency of it to the Budget itself and get the approval of the Budget and not insist on forcing it on the House of Representatives without any showing or supplemental estimate or approval by the administration.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. WILLIAM E. HULL. Has the gentleman taken the two new buildings into consideration and when they are to be completed?

Mr. TAYLOR of Colorado. Yes.

Mr. WILLIAM E. HULL. They are going to be completed within the next year?

Mr. TAYLOR of Colorado. Yes; I think so.

Mr. WILLIAM E. HULL. And how are they going to be able to run them without heat?

Mr. TAYLOR of Colorado. All these matters were presented to and considered by the Budget, and the Budget has decided that there will be no harm done in putting this over until next year some time when Congress has an opportunity to make the necessary investigations and appropriate whatever amount is necessary.

Mr. WILLIAM E. HULL. Would the gentleman's committee be willing to consider those two buildings and let the appropriation come in on that account at this time?

Mr. TAYLOR of Colorado. I said to these gentlemen a few days ago that if they would present this matter to the Budget and obtain a supplemental estimate from the Budget the committee would consider it. But they seem unwilling to go before that bureau or present the matter in a businesslike way and they have declined to come before us and make a showing of any kind. In these desperate financial times our committee is unwilling to make appropriations that way.

Mr. WILLIAM E. HULL. It seems to me that we ought to be reasonable. The gentleman admits they are going to have these two buildings completed, and I think we ought to appropriate enough money to heat them. I think we ought to consider it.

Mr. TAYLOR of Colorado. My thought is that Congress has no right to appropriate a half million dollars without any showing or hearing before any committee or Budget recommendations or anything to base it on. It is utterly unbusinesslike. No one can justify making appropriations this way.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that debate upon this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GAVAGAN. Mr. Chairman and ladies and gentlemen of the committee, a good part of my constituency are vitally interested in the fine work that Howard University is doing for the colored race.

Furthermore, that constituency deeply appreciates the aid and assistance given to Howard University by the Federal Government. That constituency has no quarrel whatever with the committees of this House for failing to provide in this bill for the construction of a new power plant. The fault lies directly with the Bureau of the Budget. They originally recommended $460,000 for the beginning of work and the completion of the new power plant, and then withdrew their recommendation, for what reason no one knows. That is where the fault lies. Wherever the fault may lie, the fact remains that next fall, two buildings, the educational building and the chemistry building, will have been completed, and the present power plant is wholly inadequate to provide heat, light, and power. Now we are faced with an absolute fact, admitted by the subcommittee of this House and by the records of the Bureau of Mines. What are we going to do about it? Are we going to have two buildings, completed, without heat, light, and power? There is something else we can do about it. We can go out and purchase the power necessary, but that is not economy. So I urge the Members of this House that now is the time to start work on this power plant so it will be completed by the time these two buildings, the educational building and the chemistry building, are completed.

I sincerely hope that this House to-day will approve of the amendment offered by the gentleman from Illinois [Mr. DE PRIEST].

I yield back the balance of my time, Mr. Chairman.

Mr. HASTINGS. Mr. Chairman, I rise in opposition to the amendment.

Let us see what the situation is with reference to the amendment. In the first place, permit me to say that neither did the subcommittee nor the full committee allow a single item in any bureau in the entire bill that was not estimated for by the Bureau of the Budget. I grant that improvements are asked for all over the country in connection with all kinds of schools, but the committee did not recommend a single item anywhere that was not recommended by the Bureau of the Budget. Now, is that not the safe thing to follow?

Mr. MOUSER. Will the gentleman yield for a question?

Mr. HASTINGS. No; I do not have time to yield now.

There was not a single item, not one in my State, not one in the whole United States, that was allowed, that was not recommended by the Bureau of the Budget, nor did we increase a single item.

Here is an item of $460,000. That is a very sizable item. That is a very large amount of money. We have tried to economize in every way. I want to call attention to the fact that Howard University is not a Government school. That must be kept in mind. This is not a Government institution. It is not a Government school. It is not incumbent upon the Government of the United States to pay the entire expenses of Howard University. It is true we contribute to it. It is purely an act of grace. I want to ask if we have not made a pretty fair contribution to this school? In this bill we contribute $632,500 toward Howard University. That is a fair contribution by the Federal Government to an institution that is not a Government institution. I ask you what would any one of you say about a member of this committee,

when we are trying in every possible way to economize, if we had come here and recommended $460,000 that was not recommended by the Bureau of the Budget? You know we would have been criticized by every Member of the House. We would have been turned down by the full committee, and we would not have been justified in making the recommendation.

Mr. SCHAFER. Will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. SCHAFER. The gentleman states that there were not any items favorably reported by his committee that were not reported by the Bureau of the Budget. Is it not a fact that the Bureau of the Budget did not recommend an estimate of $250,000 to increase the heating-plant capacity at St. Elizabeths Hospital?

Mr. HASTINGS. Oh, that was done by the Bureau of the Budget. They estimated for it. I repeat now to Members on both sides of the Chamber that there is not an item recommended by this committee in this bill that was not estimated for by the Bureau of the Budget.

Mr. BANKHEAD. Will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. BANKHEAD. Is there any substantial evidence, either before the gentleman's committee or otherwise, that this is, as a matter of fact, an emergency situation?

Mr. HASTINGS. In answer to the gentleman, it was only casually suggested before the committee.

Mr. MOUSER. Will the gentleman yield?

Mr. HASTINGS. I beg the gentleman's pardon. I only have five minutes. I want to answer the gentleman from Alabama.

It was not considered by the subcommittee when the Howard University items were presented and when we allowed the $632,500. There was some reference to it, but the committee did not consider it at all, and there was not any estimate furnished.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WILLIAM E. HULL. Mr. Chairman, I rise in favor of the amendment.

I read from the RECORD a letter addressed to Albert I. Cassell, architect for Howard University, signed by Scott Turner, of the Bureau of Mines, in which he says:

> Your letter dated Washington, D. C., November 29, regarding statements and calculations covering the proposed power plant for Howard University and Freedmen's Hospital, has been received.
>
> The Bureau of Mines has checked the various surveys made and has arrived at $460,000 as the minimum sum required at this time for a power plant. It is considered that an emergency need is involved; at least $40,000 would be needed to change over the group of buildings to be able to use alternating current; a study of the calculations submitted shows them to be essentially correct.
>
> Yours faithfully,
>
> SCOTT TURNER, *Director*.

That letter was written on November 30, 1932.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. TAYLOR of Colorado. They made the same report a year ago.

Mr. WILLIAM E. HULL. That is all right. But the gentleman in his statement said that he wanted them to go back to the Budget. This letter is less than three weeks old.

Mr. TAYLOR of Colorado. But that was furnished to the gentleman from Illinois [Mr. DE PRIEST] and not to our committee.

Mr. WILLIAM E. HULL. But the statement is right here in the CONGRESSIONAL RECORD. The gentleman could have read it. Now, what is the use quibbling over something that is a necessity?

We all know what Howard University is. If you are going to stop Howard University, bring in a resolution to stop it; but if you are going to continue it as a hospital, then provide sufficient funds for its operation.

Mr. HASTINGS. It is not a Government school; we do not pay all the expenses of Howard University.

Mr. WILLIAM E. HULL. I will admit all the gentleman says, but if you are going to stop Howard University, stop it. If you are going to keep Howard University running, do not cripple it, but put in the heating plant that is required.

Mr. MOUSER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. MOUSER. As a matter of fact, the Government has recognized it at least as a quasi-governmental institution, because it has been the practice to appropriate money to give poor colored boys an opportunity for an education.

Mr. WILLIAM E. HULL. Certainly; we all know that. There is not any Member in this House, be he Democrat or Republican, but who wants to see Howard University continue. That being so, why cripple it now by refusing to appropriate for this heating plant this year? It will be in the bill again next year if we do not provide for it now.

Mr. HASTINGS. Does not the gentleman think that $632,500 is a generous contribution toward Howard University for the present?

Mr. WILLIAM E. HULL. I will admit it is a good, big item; but when we are putting out money for other things, why not put it out also for this heating plant which is so necessary? I tell you again, right now, if you do not do it now, you will have to do it next year, and you will probably find it harder to do next year than you find it now, and what do you want to let it go over for?

I think this ought to go through. I am earnest about it. I am not trying here to secure something I do not think is right, and I am not doing it because of the colored people. I am doing it because this is an institution Congress has been helping for the last 10 years I have been in Congress. Why do you want to destroy it? Why not pass this emergency appropriation of $460,000? The money will not all be spent at once; you are simply authorizing the appropriation and they will use the money as they need it.

Mr. GAVAGAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. GAVAGAN. I think the gentleman wants to be fair and I know the gentleman is usually very fair in his statements, but when he says we want to destroy it, or when he asks why do we wish to destroy it——

Mr. WILLIAM E. HULL. You will destroy it if you do not heat it.

Mr. GAVAGAN. Does not the gentleman think the Bureau of the Budget could have found that out?

Mr. WILLIAM E. HULL. I am not running the Bureau of the Budget. I am in Congress. So is the gentleman from New York.

Mr. GAVAGAN. I do not want the gentleman's remarks to be interpreted in the least that this House rejected or attempted to strike out from the appropriation bill that item.

Mr. WILLIAM E. HULL. I did not say that. I said we have tried to carry this thing along and why destroy it? That is what I said. I did not say, "We are going to destroy it." I said, "Why destroy it?"

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. SCHAFER. Our Democratic colleague is trying to place responsibility upon the Bureau of the Budget for political purposes instead of placing it upon Congress; and if this heating plant fails, the responsibility will not be placed upon the Director of the Budget but upon the Democratic majority.

Mr. WILLIAM E. HULL. I think the members of the Democratic Party are as much in favor of it as I am. I know they are.

Mr. MOUSER. Mr. Chairman, I rise in favor of the amendment.

As a matter of fact, this is the only institution helping colored people in the United States with governmental assistance. This institution trains colored men and women for the professions to administer among their own race. This institution turns out doctors, lawyers, engineers, dentists, and other professional men. This Congress is spending several hundred thousands of dollars for new buildings.

I say to you it is the falsest kind of economy to permit new structures intended to meet the needs of the rapidly growing population of this university because of the interest of colored people in enlightenment and education to permit these buildings to be unoccupied under the guise of economy and stop these men and women from getting learning in the professions to administer among their own people.

Mr. Chairman, if this money for the power plant is not appropriated, a considerable investment will necessarily have to lie idle. The gentleman from Illinois [Mr. DE PRIEST] put in a letter from the power company of Washington advising us that the Government could manufacture power cheaper for that school than they as a public utility could furnish it. It is only in the interest of good public business to appropriate $460,000 for a power plant to light and heat those new buildings. Otherwise you are leaving them vacant.

Mr. BYRNS. Mr. Chairman, this is an absolutely simple proposition that confronts us. We are asked here to appropriate $460,000 out of the Public Treasury, without an estimate from the President or the Director of the Budget or without one line of testimony before the committee which considered this appropriation bill. There has not been a particle of testimony presented to the Committee on Appropriations showing why this $460,000 should be appropriated at this time.

I am not here to attach responsibility to anyone; but I submit that if any responsibility attaches at the outset, and if anybody is responsible for failure to get this matter properly before the committee and before the Congress, that responsibility rests with the President of the United States and the Director of the Budget, who failed to include it in their estimates, and I assume for a perfectly good reason because I am not here criticizing them. I assume they did it after a thorough investigation because they felt that in the interest of economy it was not necessary to carry it in the appropriations for this year. There could be no other assumption. If it had been necessary, or if the investigations of the Director of the Budget had shown that they needed this central heating plant to be appropriated for in this bill, do you not know that the President of the United States and the Director of the Budget would have sent it up here and said that we ought to appropriate the money?

We have not made appropriations here that have not been estimated for. Why are you asked to make an exception in this instance and do it, as I say, without the slightest evidence from anybody who is officially responsible for presenting the evidence to you and to me, and vote $460,000 out of the Treasury of the people? Those who vote for it will do so for purely political purposes, and it will be so recognized by the people.

I am astounded at the position some of my friends have taken with reference to this particular appropriation. What are the facts? How do you and I know that it is going to take $460,000 to put up this central heating plant? The gentleman from Colorado told you that several years ago they said it would cost $460,000. You know that the cost of material has gone down considerably; and if you are going to build a central heating plant or if the Director of the Budget and the President had thought it necessary, do you not know it could be done for much less than the estimates that were submitted a year ago?

We are spending millions of dollars on a central heating plant here in the city of Washington. I do not know and I am not going to tell you or even intimate that it can be done, but we are building a large heating plant; and how do you and I know but that there will be a way devised whereby heat can be furnished to the university from this heating plant, just as we are undertaking to furnish it to the Pan American Union Building in a bill which passed here a few days ago.

So I say, let us not be driven off our feet by a proposition of this sort. This university can survive and furnish itself with heat for another year. Let us have a little time to look into this, and let us have somebody come before us with authority and with information who can tell us whether or not it is necessary. I hope the amendment will not be adopted. [Applause.]

[Here the gavel fell.]

The question was taken; and on a division (demanded by Mr. DE PRIEST) there were—ayes 35, noes 61.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Appropriations herein made for field work under the General Land Office, the Bureau of Indian Affairs, the Bureau of Reclamation, the Geological Survey, and the National Park Service shall be available for the hire, with or without personal services, of work animals and animal-drawn and motor-propelled vehicles and equipment.

Mr. BYRNS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this concludes the reading of the bill. I shall detain the committee only a moment to get a little information and call the attention of the House and some of the departments to a situation which I understand exists in some of them.

The House will recall that the economy bill carries a provision authorizing the departments and various independent activities of the Government to transfer from one appropriation to another within the department or independent establishment, 12 per cent of the amount of the appropriation. Of course, Congress, in making this provision, intended that this sum should be used so as to avoid any possible deficiency, in view of the very heavy reductions that were being made in many of the appropriations last year. I dare say it was never intended—I know it was never intended—that where Congress had made a specific appropriation for salaries and for clerical service in these various activities, that any head of department or any chief of bureau should undertake to transfer from some other fund in his department, for instance, a lump-sum appropriation for construction 12 per cent or any other amount under 12 per cent in order to frustrate the will of Congress and provide more money for salaries and clerical expenses than Congress had originally appropriated.

In the hearings on the Post Office and Treasury bill the subcommittee, as members of the subcommittee who are here now will recall, went into the matter with every bureau, and I can say that I think this was not done in any one of those two departments. We found no evidence of any such transfer.

I have had my attention called to the fact that in the War Department transfers have been made, if I remember correctly, to the War College from lump-sum appropriations made for War Department purposes in order to keep a force there that Congress had cut out and did not intend should be kept during this year.

This is one instance that has been called to my attention, and I want to ask the gentlemen in charge of this bill whether or not in their investigations with reference to the Interior Department they found any similar occurrences?

Mr. HASTINGS. If the gentleman from Tennessee will permit, I will say we did, and I invite the gentleman's attention and also the attention of the members of the committee to the statement on pages 7 and 8 of the hearings showing such transfers.

There was a transfer from the National Park Service for roads and trails in the national parks of four items totaling $150,000. There was a further transfer from the roads and trails in national parks to salaries of the Office of Education, $30,000. There was a transfer from the roads and trails appropriation for national parks to the Geological Survey, $284,400. There was a transfer from certain items within the Bureau of Indian Affairs of various items shown on page 8 totaling $241,700.

The total of all these transfers, according to the statement furnished the subcommittee, aggregates $706,100. With the permission of the House, I will insert the details of these estimates in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The table is as follows:

Transfers between appropriations of the Department of the Interior for the fiscal year 1933 under the provisions of section 317 of the legislative act of June 30, 1932

From—	To—	Amount
NATIONAL PARK SERVICE	GENERAL LAND OFFICE	
Roads and trails, national parks	Surveying the public lands, 1933.	$75,000
Do	Protecting public lands, timber, etc., 1933.	60,000
Do	Contingent expenses of land offices, 1933.	10,000
Do	Salaries, General Land Office, 1933.	5,000
Total		150,000
	OFFICE OF EDUCATION	
Roads and trails, national parks	Salaries, Office of Education, 1933.	30,000
	GEOLOGICAL SURVEY	
Do	U. S. Geological Survey, 1933 (salaries, Geological Survey).	18,750
Do	U. S. Geological Survey, 1933 (topographic surveys).	38,400
Do	U. S. Geological Survey, 1933 (geological surveys in the United States).	48,750
Do	U. S. Geological Survey, 1933 (fundamental research in geologic science).	6,000
Do	U. S. Geological Survey, 1933 (volcanologic surveys).	2,250
Do	U. S. Geological Survey, 1933 (mineral resources of Alaska.)	9,000
Do	U. S. Geological Survey, 1933 (gaging streams).	75,000
Do	U. S. Geological Survey, 1933 (classification of lands).	15,000
Do	U. S. Geological Survey, 1933 (printing and binding).	18,000
Do	U. S. Geological Survey, 1933 (preparation of illustrations).	3,000
Do	U. S. Geological Survey, 1933 (engraving and printing geologic and topographic maps).	16,500
Do	U. S. Geological Survey, 1933 (mineral leasing).	33,750
Total		284,400
BUREAU OF INDIAN AFFAIRS	BUREAU OF INDIAN AFFAIRS	
Improvements, Fort Hall irrigation project, Idaho, reimbursement, 1932-33.	Salaries, Bureau of Indian Affairs, 1933.	15,000
Indian school buildings, 1932-33 (new construction).	do	7,500
Indian school buildings, 1933 (repairs and improvements).	do	7,500
Conservation of health among Indians, 1931-1933 (Pierre, S. Dak., Sanatorium and employees' quarters, construction and equipment).	do	7,500
Conservation of health among Indians, 1931-1933 (Albuquerque, N. Mex., sanatorium and employees' quarters, construction and equipment).	do	7,500
Roads, Indian reservations, 1932-33	do	15,000
Do	Pay of judges, Indian courts, 1933.	2,000
Indian school buildings, 1932-33 (construction of physical improvements).	Pay of Indian police, 1933	10,000
Improvements, Fort Hall irrigation project, Idaho, reimbursement, 1932-33.	Supervising mining operations on leased Indian lands, 1933.	9,000
Indian boarding schools, 1933	Education, Sioux Nation, 1933	20,000
Conservation of health among Indians, 1933	Education of natives of Alaska, 1932-33.	40,000
Do	Asylum for insane Indians, Canton, S. Dak., 1933.	5,000
Improvements, Fort Hall irrigation project, Idaho, reimbursement, 1932-33.	Support of Indians and administration of Indian property, 1933.	6,000
Indian boarding schools, 1932-33	do	28,900
Do	do	4,300
Indian schools, support, 1933	do	30,000
Indian schools, Five Civilized Tribes, Oklahoma, 1933.	do	5,000
Roads, Indian reservations, 1932-33	do	21,500
Total		241,700
Grand total		706,100

Mr. BYRNS. Mr. Chairman, the statement made by the gentleman from Oklahoma bears out the information to the effect that in these transfers there has been a plain violation of the intent of Congress, when they took from the emergency construction fund $30,000 and other sums, as read by the gentleman from Oklahoma, and transferred them to clerical expenses in another bureau which has nothing to do with emergency relief or construction.

I submit that it is a practice that ought to be stopped, and stopped at once, because I know there was not a single Member of Congress who contemplated that this construction fund, this money voted for the relief of unemployment, should be diverted simply because we did the unusual thing, in order to avoid deficiencies, of giving the heads of departments authority to transfer from one fund to another 12 per cent of the amount of the appropriation.

If that matter had been called to our attention when the Post Office and Treasury bill was up, we would have included a provision to prevent it. But I hope if that be necessary—and it certainly ought not to be necessary—the Economy Committee and the Appropriations Committee of the Senate, where the Treasury and Post Office bills are now pending, will write into it a provision preventing any further misuse of the funds appropriated by this Congress.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BANKHEAD. I think these transfers have been more prevalent than the gentleman has stated. Twelve per cent of the gross appropriation constitutes an immense sum of money. It seems to me, that in orderly procedure, as a matter of legislation, there ought to be restrictions put in all these appropriation bills or some general restriction prohibiting the use by any department head of any excess of funds except those appropriated by specific appropriation, and if it is necessary for a department in its administration of affairs to expend more, to come back and ask for a deficiency appropriation.

Mr. BYRNS. I agree with the gentleman.

Mr. BANKHEAD. I have had occasion to give some little examination to this matter. I think it has been grossly abused, and that the Congress itself ought to put strict limitations upon the part of the executive officers who abuse the confidence of Congress.

Mr. BYRNS. Mr. Chairman, I agree with the gentleman from Alabama. That was one of the reasons which actuated me, and I think my friend from Indiana [Mr. WOOD] last year when we expressed our personal disapproval of the provision authorizing the transfer of funds within the departments. But it was agreed on then simply because heavy reductions were being made, and we felt in the interest of economy we ought to try it out for a limited period.

Mr. WOOD of Indiana. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD of Indiana. Mr. Chairman and members of the committee, the instances just cited by the gentleman from Tennessee [Mr. BYRNS] have demonstrated the very great danger of making it possible to transfer from one fund to another. I know both the gentleman from Tennessee and I have opposed such a transfer ever since I have been a member of the Committee on Appropriations, and the abuse that is now going on demonstrates the necessity of not permitting it, when the emergency that caused it to be granted at this time is past. They are defeating the very purpose of the economy bill, and they are doing it in absolute violation of the intent of Congress.

As stated by the gentleman from Tennessee, when this privilege was granted, this authorization put in the various appropriation bills, it was intended for but one purpose, and that was when they found that they were going to have a surplus appropriated for in one division or bureau, in order to carry out the same purpose in another division where there was a deficiency, it might be transferred in order to carry out the purposes for which the bureau was created. There is no one who has been abusing it but knows it was never intended to be used in the payment of salaries or in keeping on the pay roll those that Congress intended should be released therefrom. It is a bad practice, and unless inquiry is made and close watch is kept Congress

is not able to find out the extent of these abuses. If the testimony before the subcommittee on the Treasury and Post Office bill is truthful, then I am glad to say that up to the time of the presentation of that testimony that practice had not obtained down there; but with the knowledge now, as disclosed in this discussion, that it is being done by at least two departments, it is notice to the others, if we let it go by unchallenged, that they can do it, too, and they will do it, and that thwarts the very purpose for which this privilege has been given. As suggested by the gentleman from Alabama [Mr. BANKHEAD], there should be a limitation put on every one of these bills or a rule brought in making it in order to apply it to all in one measure, so that this abuse can not be continued.

Mr. FRENCH. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FRENCH. Mr. Chairman, I regret that the general criticisms that have been made could not have been made on some other bill than the Interior Department appropriation bill. The Interior Department bill was the only bill, as Members will recall, that last year was not sent to conference. The Interior Department bill passed this House, went over to the Senate, was there reported by the committee of the Senate to the Senate, and then upon the floor of the Senate was subjected to an arbitrary reduction of 10 per cent. Then the bill as it passed the Senate was concurred in by the House, without having been sent to conference at all. Generally speaking, I think that these provisions transferring 12 per cent or any other per cent under the head of interchangeable funds is a mistaken policy. Yet, in view of what occurred last year, I was one of those who went before the Economy Committee and urged that for the time being and to meet the emergency we should carry that provision into the bill.

But we did not limit the department to the use of money transferred. For instance, there are activities where personnel means practically everything. Of course, a bureau or a department ought not to expend money for a purpose not authorized; but if Congress authorizes transfers, it may be quite necessary to apply part of the money transferred to payment of existing personnel in carrying forward a project fully within the general plan of the Congress. The department within the limited range of 12 per cent was called upon to choose the most urgent needs.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 13710, the Interior Department appropriation bill, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. TAYLOR of Colorado. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. DE PRIEST. Mr. Speaker, I move that the bill be recommitted to the Committee on Appropriations.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DE PRIEST. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DE PRIEST moves to recommit the bill to the Committee on Appropriations with instructions to that committee to report the same back forthwith with the recommendation that the amendment relating to Howard University be agreed to.

Mr. BANKHEAD. Mr. Speaker, I make a point of order against the motion, that it is indefinite and uncertain and does not conform to the rules of the House.

Mr. SNELL. Mr. Speaker, there is nothing indefinite about that motion.

Mr. BANKHEAD. The House is entitled to be acquainted with the amount involved, at least.

The SPEAKER. The Chair understands the amendment previously offered is now in the office of the reporters of debates. The gentleman from Illinois will have to reduce his motion to writing, as required by the rules of the House.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 500. Joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at a nominal price to the needy.

The message also announced that the Vice President had appointed Mr. JOHNSON and Mr. FLETCHER members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of Commerce.

LAWS AND REGULATIONS RELATING TO RELIEF OF VETERANS

Mr. McDUFFIE. Mr. Speaker, I send to the desk a resolution and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

House Joint Resolution 527

Resolved, etc., That the time within which the joint committee to investigate the operation of the laws and regulations relating to the relief of veterans, created by section 701 of the legislative appropriation act for the fiscal year ending June 30, 1933, approved June 30, 1932, shall report to the Senate and the House of Representatives is hereby extended to and including the 3d of March, 1933.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. SNELL. Reserving the right to object, as I understood the reading of the resolution it simply extends the time for the report. It does not call for any appropriation or anything else except an extension of time. Is that correct?

Mr. McDUFFIE. That is correct. The committee did not ask and has not asked, and we hope it will not be called upon to ask for any appropriation at the hands of Congress to carry on its work.

Mr. SNELL. If the gentleman has not asked for any appropriation but is simply asking for an extension of time, I think it ought to be given to him.

Mr. McDUFFIE. May I say to the Members that this committee was not able to function in the interim, after the adjournment of Congress, for various reasons.

Mr. SNELL. There was other business before the country. [Laughter.]

Mr. McDUFFIE. We endeavored to organize as soon as possible. The gentleman will recognize it is a large subject, broad in scope, to investigate all laws dealing with relief for all veterans. The committee is trying to make of the work an intelligent report. It can not do it within the limited time allowed, and we hope to be able to make a report by February 1, but in order to have time and to avoid the necessity of coming back and asking for further time to carry out the provisions of the resolution properly, we are

asking now to be permitted to make the report not later than the 3d of March.

The SPEAKER. Is there objection?

Mr. KVALE. Reserving the right to object, the gentleman from Alabama [Mr. McDUFFIE] can assure the House that there is no possibility of having the report brought in on March 3 as a basis for legislation, which would then be considered under suspension of the rules?

Mr. McDUFFIE. Any report by the committee would doubtless be referred to a standing committee of the House, and the committee's hope is that the new Congress will take up this subject and deal with it immediately.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the House joint resolution was passed was laid on the table.

INTERIOR DEPARTMENT APPROPRIATION BILL

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DE PRIEST moves to recommit the bill to the Committee on Appropriations with instructions to that committee to report the same back forthwith with the following amendment: "On page 98, line 12, after the figures '$220,000,' add the following: 'for construction and completion of a heat, light, and power plant at Howard University, $460,000, to be immediately available.'"

Mr. TAYLOR of Colorado. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The question was taken; and on a division (demanded by Mr. DE PRIEST) there were—ayes 34, noes 73.

Mr. DE PRIEST. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 110, nays 95, not voting 224, as follows:

[Roll No. 134]

YEAS—110

Adkins	Eaton, Colo.	Knutson	Sinclair
Andresen	Englebright	Kurtz	Snell
Arentz	Finley	Kvale	Snow
Bachmann	Fish	Lambertson	Stalker
Bacon	Foss	Lankford, Va.	Stewart
Black	French	Leavitt	Strong, Kans.
Bolton	Garber	Lonergan	Stull
Britten	Gilchrist	Lovette	Summers, Wash.
Burtness	Goss	Luce	Sutphin
Cable	Guyer	McClintock, Ohio	Sweeney
Campbell, Iowa	Hadley	McCormack	Swick
Carter, Calif.	Hall, N. Dak.	Magrady	Swing
Carter, Wyo.	Hancock, N. Y.	Mapes	Taber
Christgau	Haugen	Michener	Taylor, Tenn.
Clarke, N. Y.	Hawley	Millard	Temple
Colton	Hoch	Moore, Ohio	Thatcher
Condon	Hollister	Mouser	Tinkham
Cooper, Ohio	Holmes	Murphy	Wason
Crowther	Hope	Nelson, Me.	Watson
Culkin	Houston, Del.	Parker, N. Y.	Weeks
Curry	Hull, Morton D.	Person	Welch
Darrow	Hull, William E.	Pettengill	White
Davis, Pa.	James	Pittenger	Wigglesworth
Delaney	Jenkins	Ransley	Williamson
De Priest	Kahn	Robinson	Woodruff
Dieterich	Keller	Rogers, Mass.	Yates
Dowell	Kelly, Pa.	Schneider	
Dyer	Ketcham	Shreve	

NAYS—95

Allgood	Castellow	Elizey	Johnson, Mo.
Almon	Chavez	Fernandez	Johnson, Okla.
Arnold	Cochran, Mo.	Fiesinger	Johnson, Tex.
Ayres	Collier	Fulmer	Jones
Bankhead	Collins	Gasque	Kemp
Barton	Cooper, Tenn.	Glover	Kunz
Bland	Cross	Green	Lambeth
Blanton	Crowe	Gregory	Lamneck
Boehne	Davis, Tenn.	Hare	Lanham
Bolleau	DeRouen	Hastings	Lankford, Ga.
Boland	Dickinson	Hill, Ala.	Lozier
Briggs	Dies	Hill, Wash.	McClintic, Okla.
Buchanan	Disney	Huddleston	McDuffie
Byrns	Doughton	Jacobsen	McReynolds
Carden	Doxey	Jeffers	McSwain
Mansfield	Parks	Sanders, Tex.	Thomason
Milligan	Parsons	Sandlin	Timberlake
Mitchell	Patterson	Shallenberger	West
Montague	Polk	Spence	Whittington
Moore, Ky.	Pratt, Harcourt J.	Stevenson	Williams, Mo.
Morehead	Rainey	Sumners, Tex.	Williams, Tex.
Norton, Nebr.	Rayburn	Swank	Wilson
Oliver, Ala.	Reilly	Tarver	Woodrum
Parker, Ga.	Romjue	Taylor, Colo.	

NOT VOTING—223

Abernethy	Crump	Igoe	Pratt, Ruth
Aldrich	Cullen	Johnson, Ill.	Purnell
Allen	Davenport	Johnson, S. Dak.	Ragon
Amlie	Dickstein	Johnson, Wash.	Ramseyer
Andrew, Mass.	Dominick	Kading	Ramspeck
Andrews, N. Y.	Douglas, Ariz.	Kelly, Ill.	Rankin
Auf der Heide	Douglass, Mass.	Kendall	Reed, N. Y.
Bacharach	Doutrich	Kennedy, Md.	Reid, Ill.
Baldrige	Drane	Kennedy, N. Y.	Rich
Barbour	Drewry	Kerr	Rogers, N. H.
Beam	Driver	Kinzer	Rudd
Beck	Eaton, N. J.	Kleberg	Sabath
Beedy	Erk	Kniffin	Sanders, N. Y.
Biddle	Eslick	Kopp	Schafer
Bloom	Estep	LaGuardia	Schuetz
Bohn	Evans, Calif.	Larrabee	Seger
Bowman	Evans, Mont.	Larsen	Seiberling
Boylan	Fishburne	Lea	Selvig
Brand, Ga.	Fitzpatrick	Lehlbach	Shannon
Brand, Ohio	Flannagan	Lewis	Shott
Browning	Flood	Lichtenwalner	Simmons
Brumm	Frear	Lindsay	Sirovich
Brunner	Free	Loofbourow	Smith, Idaho
Buckbee	Freeman	Ludlow	Smith, Va.
Bulwinkle	Fulbright	McFadden	Smith, W. Va.
Burch	Fuller	McGugin	Somers, N. Y.
Burdick	Gambrill	McKeown	Sparks
Busby	Gavagan	McLeod	Stafford
Butler	Gibson	McMillan	Steagall
Campbell, Pa.	Gifford	Maas	Stokes
Canfield	Gilbert	Major	Strong, Pa.
Cannon	Gillen	Maloney	Sullivan, N. Y.
Carley	Golder	Manlove	Sullivan, Pa.
Cartwright	Goldsborough	Martin, Mass.	Swanson
Cary	Goodwin	Martin, Oreg.	Thurston
Cavicchia	Granfield	May	Tierney
Celler	Greenwood	Mead	Treadway
Chapman	Griffin	Miller	Turpin
Chase	Griswold	Mobley	Underhill
Chindblom	Haines	Montet	Underwood
Chiperfield	Hall, Ill.	Nelson, Mo.	Vinson, Ga.
Christopherson	Hall, Miss.	Nelson, Wis.	Vinson, Ky.
Clague	Hancock, N. C.	Niedringhaus	Warren
Clancy	Hardy	Nolan	Weaver
Clark, N. C.	Harlan	Norton, N. J.	Whitley
Cochran, Pa.	Hart	O'Connor	Wingo
Cole, Iowa	Hartley	Oliver, N. Y.	Withrow
Cole, Md.	Hess	Overton	Wolcott
Connery	Hogg, Ind.	Owen	Wolfenden
Connolly	Hogg, W. Va.	Palmisano	Wolverton
Cooke	Holaday	Partridge	Wood, Ga.
Corning	Hooper	Patman	Wood, Ind.
Cox	Hopkins	Peavey	Wright
Coyle	Hornor	Perkins	Wyant
Crail	Horr	Pou	Yon
Crosser	Howard	Prall	

The Clerk announced the following pairs:

On this vote:

Mr. Hess (for) with Mr. Warren (against).
Mr. Connolly (for) with Mr. Kniffen (against).
Mr. Celler (for) with Mr. Miller (against).
Mr. Beck (for) with Mr. Wingo (against).
Mr. Golder (for) with Mr. Fuller (against).
Mr. Wolfenden (for) with Mr. Browning (against).
Mr. Doutrich (for) with Mr. Eslick (against).
Mr. Stokes (for) with Mr. Ragan (against).
Mr. Gavagan (for) with Mr. Driver (against).
Mr. Martin of Massachusetts (for) with Mr. Kleberg (against).
Mr. Bloom (for) with Mr. Mobley (against).
Mr. Kinzer (for) with Mr. Larsen (against).
Mr. Cullen (for) with Mr. Gilbert (against).
Mr. McLeod (for) with Mr. Drane (against).
Mr. Granfield (for) with Mr. Cartwright (against).
Mr. Connery (for) with Mr. McKeown (against).
Mr. Buckbee (for) with Mr. Flanagan (against).
Mr. Fitzpatrick (for) with Mr. Vinson of Georgia (against).
Mr. Chindblom (for) with Mr. Bulwinkle (against).

Until further notice:

Mr. Greenwood with Mr. Biddle.
Mr. Lindsay with Mr. Evans of California.
Mr. Crosser with Mr. Manlove.
Mr. Gamble with Mr. Frear.
Mrs. Norton of New Jersey with Mr. Barbour.
Mr. Douglas of Arizona with Mr. Bowman.
Mr. Beam with Mr. Free.
Mr. Maloney with Mr. Hopkins.
Mr. Harlan with Mr. McGugin.
Mr. Carley with Mr. Holaday.
Mr. Rankin with Mr. Cavicchia.
Mr. Burch with Mr. Kopp.
Mr. Overton with Mr. Campbell of Pennsylvania.
Mr. Kennedy of New York with Mr. Coyle.

Mr. McMillan with Mr. Freeman.
Mr. Boylan with Mr. Horr.
Mr. Rudd with Mr. Johnson of Washington.
Mr. Clark or North Carolina with Mr. Kendall.
Mr. Douglass of Massachusetts with Mr. Davenport.
Mr. Haines with Lehlbach.
Mr. Steagall with Mr. Niedringhaus.
Mr. Brunner with Mrs. Pratt.
Mr. Underwood with Mr. Reed of New York.
Mr. Mead with Mr. Whitley.
Mr. Lewis with Mr. Thurston.
Mr. Wood of Georgia with Mr. Underhill.
Mr. Tierney with Mr. Chiperfield.
Mr. Busby with Mr. Turpin.
Mr. Cox with Mr. Hooper.
Mr. Auf der Heide with Mr. Clague.
Mr. Cole of Maryland with Mr. Wolverton.
Mr. Evans of Montana with Mr. Treadway.
Mr. Kennedy of Maryland with Mr. Wyant.
Mr. Dickstein with Mr. Sparks.
Mr. Wright with Mr. Perkins.
Mr. Lea with Mr. Selvig.
Mr. Montet with Mr. LaGuardia.
Mr. Pou with Mr. Nelson of Wisconsin.
Mr. Fishburn with Mr. Simmons.
Mr. Vinson of Kentucky with Mr. Hogg of West Virginia.
Mr. O'Connor with Mr. Cochran of Pennsylvania.
Mr. Smith of Virginia with Mr. Clancy.
Mr. Weaver with Mr. Loofbourow.
Mr. Prall with Mr. Smith of Idaho.
Mr. Palmisano with Mr. Ramseyer.
Mr. Ramspeck with Mr. Nolan.
Mr. Yon with Mr. Schafer.
Mr. Abernethy with Mr. Wolcott.
Mr. Brand of Georgia with Mr. Strong of Pennsylvania.
Mr. Cannon with Mr. Chase.
Mr. Larrabee with Mr. Amlie.
Mr. Howard with Mr. Burdick.
Mr. Gillen with Mr. Allen.
Mr. Canfield with Mr. Cooke.
Mr. Griswold with Mr. Aldrich.
Mr. Fulbright with Mr. Hardy.
Mr. Drewry with Mr. Estep.

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

Mr. SNELL. Mr. Speaker, may we have the vote announced?

The SPEAKER. It has developed there is not a quorum present.

Mr. SNELL. Mr. Speaker, what was the vote?

The SPEAKER. It is not necessary to give that out, so the Parliamentarian informs the Chair, but the Chair may announce that so far the vote is—yeas 110, nays 95. There is not a quorum present.

The gentleman from Illinois moves that the House do now adjourn.

The Chair puts the question of seconding the motion. Those seconding the motion of the gentleman from Illinois that the House do now adjourn will rise. [After counting.] Those opposed to seconding the motion will now rise.

The question being taken, the House divided; and there were—ayes 140, noes 21.

So a second was ordered.

The SPEAKER. The question is on the motion of the gentleman from Illinois to adjourn.

The question was taken, and the motion was agreed to.

ADJOURNMENT

Accordingly (at 4 o'clock and 41 minutes p. m.) the House adjourned until to-morrow, Friday, December 23, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, December 23, 1932, as reported to the floor leader:

EXPENDITURES

(10.30 a. m.)

Continue hearings on President's message relative to consolidation of governmental activities.

EXECUTIVE COMMUNICATIONS, ETC.

835. Under clause 2 of Rule XXIV, a letter from the chairman of the Reconstruction Finance Corporation, transmitting a report of activities and expenditures for November, 1932, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case (H. Doc. No. 515), was taken from the Speaker's table, referred to the Committee on Banking and Currency, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BUCHANAN: Committee on Appropriations. H. R. 13872. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes; without amendment (Rept. No. 1807). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTSON: Committee on Indian Affairs. H. R. 11810. A bill providing for payment of $25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States; without amendment (Rept. No. 1808). Referred to the House Calendar.

Mr. WILSON: Committee on Flood Control. H. R. 13523. A bill in reference to land in the Bonnet Carre floodway area; without amendment (Rept. No. 1809). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 13259) for the relief of Edward F. Smith, and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHANNON: A bill (H. R. 13871) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCHANAN: A bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes; to the Committee on Appropriations.

By Mr. MARTIN of Massachusetts: A bill (H. R. 13873) to amend section 751 of the revenue act of 1932; to the Committee on Ways and Means.

By Mr. McLEOD: A bill (H. R. 13874) to save the United States Government the sum of approximately $150,000,000 annually in interest charges by the issuance of low-interest rate tax-exempt bonds to retire the $6,286,099,450 4¼ per cent Liberty bonds callable October 15, 1933; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H. R. 13875) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved May 29, 1930; to the Committee on the Civil Service.

By Mr. LANKFORD of Georgia: A bill (H. R. 13876) to provide for the acceptance of farm-land securities as the basis for the issuance of currency, and for other purposes; to the Committee on Banking and Currency.

By Mr. EVANS of Montana: A bill (H. R. 13877) to regulate service of contest notices in all cases affecting mining locations or claims, and for other purposes; to the Committee on the Public Lands.

By Mr. McLEOD: A bill (H. R. 13878) to amend the Reconstruction Finance Corporation act, as amended by the emergency relief and construction act of 1932, by adding thereto a new section providing for direct loans to banks, trust companies, insurance companies, and building and loan associations, for the specific purpose of preventing foreclosures on homes and farms; to the Committee on Banking and Currency.

By Mr. COCHRAN of Missouri: A bill (H. R. 13879) authorizing the Secretary of the Treasury to sell certain prop-

erty in St. Louis, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. McSWAIN: A bill (H. R. 13880) to authorize the adjustment of a part of the western boundary line of the Plattsburg Barracks Military Reservation, N. Y.; to the Committee on Military Affairs.

By Mrs. OWEN: A bill (H. R. 13881) to authorize the Secretary of War, on behalf of the War Department, to make, execute, and deliver a deed to Fort Marion and all of the Fort Marion Reservation, in the city of St. Augustine, Fla., to the city of St. Augustine, a municipal corporation under the laws of Florida, for exhibition and park purposes; to the Committee on Military Affairs.

By Mr. McLEOD: Joint resolution (H. J. Res. 524) requesting the President of the United States to call a conference of the governors of the several States and the mayors of the various cities for the purpose of discussing ways and means of declaring a moratorium on sales of homes and farms by States and municipalities because of tax delinquency; to the Committee on the Judiciary.

By Mr. PERSON: Joint resolution (H. J. Res. 525) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. LEA: Joint resolution (H. J. Res. 526) authorizing the Secretary of the Navy to sell surplus coal at nominal prices for distribution to the needy; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRITTEN: A bill (H. R. 13882) for the relief of Michael Anderson; to the Committee on Military Affairs.

By Mr. CAMPBELL of Iowa: A bill (H. R. 13883) for the relief of Mrs. H. H. Brugmann; to the Committee on Claims.

By Mr. GASQUE: A bill (H. R. 13884) granting a pension to Lillian T. Skinner; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H. R. 13885) granting an increase of pension to Averill A. Jury; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 13886) granting a pension to Anna DeBussey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13887) granting a pension to Samuel Edwards; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13888) granting a pension to Ella Beagle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13889) granting a pension to Austin S. Elliott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13890) for the relief of William McMurray; to the Committee on Military Affairs.

Also, a bill (H. R. 13891) for the relief of Robert Moyer; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 13892) granting an increase of pension to Beuna J. Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13893) granting an increase of pension to Lucy A. Cartmell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13894) granting an increase of pension to Clarissa J. Morgan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13895) granting an increase of pension to Nannie Queen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13896) granting a pension to J. E. Barrows; to the Committee on Pensions.

Also, a bill (H. R. 13897) for the relief of Garfield Maynard; to the Committee on Claims.

Also, a bill (H. R. 13898) granting a pension to Stella B. Holstein; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13899) granting a pension to Victoria Boalman; to the Committee on Pensions.

By Mr. HUDDLESTON: A bill (H. R. 13900) granting a pension to Mary Ware; to the Committee on Pensions.

By Mr. JOHNSON of Missouri: A bill (H. R. 13901) granting an increase of pension to Delilah J. Chapman; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H. R. 13902) for the relief of Charles F. Hult; to the Committee on Naval Affairs.

Also, a bill (H. R. 13903) for the relief of Walter E. Patten; to the Committee on Military Affairs.

Also, a bill (H. R. 13904) for the relief of Alice O'Brien; to the Committee on Claims.

Also, a bill (H. R. 13905) for the relief of Charles McCarren; to the Committee on Naval Affairs.

Also, a bill (H. R. 13906) for the relief of Albert Edward Vincent; to the Committee on Naval Affairs.

By Mr. SHANNON: A bill (H. R. 13907) granting a pension to Hattie M. Warner; to the Committee on Invalid Pensions.

By Mr. STOKES: A bill (H. R. 13908) granting a pension to Charles S. Benson; to the Committee on Invalid Pensions.

By Mr. TARVER: A bill (H. R. 13909) for the relief of James Harold Hunter; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 13910) for the relief of Charles T. Moll; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9178. By Mr. BACHMANN: Petition of C. J. Snider and other citizens of Monongah, W. Va., urging the passage of the stop-alien-representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9179. Also, petition of A. H. Billingsley and other citizens of Fairview and Marion County, W. Va., urging the passage of the stop-alien-representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9180. By Mr. BOYLAN: Letter from the National Council of Business Mail Users, New York City, opposing increased rate in postage, etc.; to the Committee on the Post Office and Post Roads.

9181. Also, letter from the National Federation of Federal Employees, Brooklyn, N. Y., opposing further reduction in Federal employees' salaries; to the Committee on Ways and Means.

9182. By Mr. BUCKBEE: Petition of Mrs. Bert Ashton and 56 citizens of Morris, Ill., asking the House to vote favorably on the Sparks-Capper alien representation amendment to the Constitution; to the Committee on the Judiciary.

9183. By Mr. COCHRAN of Pennsylvania: Petition of citizens of Oil City, Pa., urging the passage of the stop-alien-amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9184. By Mr. CONDON: Petition of Manel Davis and 35 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9185. Also, petition of Charles J. Maguire and 83 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9186. By Mr. CROWTHER: Petition of residents of Amsterdam, N. Y., urging passage of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.



9187. Also, petition of International Brotherhood of Paper Makers, Local No. 45, of Deferiet, N. Y., asking Congress for immediate tariff protection of the pulp and paper industry; to the Committee on Ways and Means.

9188. By Mr. DOWELL: Petition of citizens of the towns of Hartford, Carlisle, and Swan, Iowa, protesting against the counting of aliens for representation; to the Committee on the Judiciary.

9189. Also, petition of citizens of the towns of Indianola, Hartford, Carlisle, and Swan, Iowa, protesting against the counting of aliens for representation; to the Committee on the Judiciary.

9190. By Mr. ESTEP: Memorial of the First United Presbyterian Church of Pittsburgh, Pa., protesting against repeal of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

9191. By Mr. FOSS: Petition of Walter A. Lane and 11 other residents of Southbridge, Mass., urging the passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9192. By Mr. GOLDSBOROUGH: Petition of 25 members of Woman's Christian Temperance Union of Rising Sun, Md., favoring stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9193. By Mr. HILL of Washington: Petition of Women's Home Missionary Society of St. Paul's Methodist Episcopal Church, of Spokane, Wash., asking for Government regulation and censorship of the motion-picture industry, and urging the passage of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

9194. By Mr. HOGG of West Virginia: Petition of Pittsburgh Central Labor Union, protesting against a continuance of the furlough provision in the economy law beyond the present fiscal year; to the Committee on Ways and Means.

9195. Also, petition of citizens of Tyler County, W. Va., opposing the legalizing of beer and the repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on Ways and Means.

9196. By Mr. KVALE: Petition of National Association of Post Office Carriers, Local No. 45, Minneapolis, Minn., protesting against further reductions in salaries of postal clerks and letter carriers; to the Committee on Expenditures in the Executive Departments.

9197. Also, petition of Farmers Covenant of Blue Earth County, Minn., urging that (1) all foreclosures be stopped during the depression; (2) that a 2-year moratorium be granted; (3) that lower rates of interest be arranged; (4) that a pure fabrics law be enacted by Congress; (5) that a flat rate of railroad freight be granted on all perishable farm products; (6) that a world conference on silver be called to relieve the money stringency by giving us more primary money; to the Committee on Banking and Currency.

9198. Also, petition of Central Labor Union, Minneapolis, Minn., protesting against cancellation of foreign debts; to the Committee on Foreign Affairs.

9199. Also, petition of Farmers Union of Pipestone County, Minn., urging enactment of the Swank-Thomas bill, and (2) that Congress grant a moratorium on all feed and seed loans; to the Committee on Agriculture.

9200. Also, petition of Farmers Union of Pipestone County, Minn., urging a moratorium on all farm mortgages; (2) that the farmers be refinanced at as low a rate of interest as given foreign countries; (3) that the Federal reserve bank issue new currency and place it in circulation; to the Committee on Banking and Currency.

9201. Also, petition of 27 residents of Evansville, Minn., urging enactment of the stop-alien-representation amendment; to the Committee on Immigration and Naturalization.

9202. Also, petition of Anderson Miller Post, No. 163, American Legion, Willow River, Minn., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

9203. Also, petition of Women's Home Missionary Society of Montevideo, Minn., urging enactment of bill 1079 on the Senate Calendar and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

9204. By Mr. LAMBETH: Petition of the Women's Home Missionary Society of the Methodist Episcopal Church of Randleman, N. C., requesting Congress to enact a law which will establish a Federal motion-picture commission, and urging the passage of bill 1079 on the Senate Calendar and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

9205. By Mr. LANKFORD of Virginia: Petition of Franklin (Va.) Chapter of the Woman's Christian Temperance Union, expressing disapproval of repeal of the eighteenth amendment and opposing modification of the Volstead Act; to the Committee on the Judiciary.

9206. By Mr. LINDSAY: Petition of Mailograph Co., New York City, urging the reduction of first-class postage to the 2-cent letter rate; to the Committee on Ways and Means.

9207. Also, petition of Naval Militia of the State of New York, urging appropriations for their proper maintenance; to the Committee on Appropriations.

9208. By Mr. NIEDRINGHAUS: Petition of 15 names sent in by the St. Louis Woman's Christian Temperance Union, protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

9209. By Mr. PERSON: Petition of J. C. Gibson and 83 other residents of Lansing, Mich., urging the passage of the stop-alien-representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9210. By Mr. ROBINSON: Petition signed by Rev. C. W. Cleveland, pastor of the Methodist Episcopal Church of Geneva, Iowa, and about 50 other citizens of Geneva, Iowa, protesting against the repeal of the eighteenth amendment and the beer bill; to the Committee on Ways and Means.

9211. By Mr. RUDD: Petition of the State of New York, headquarters Naval Militia, office of the commanding officer, opposing reduction in drills and training, and favoring $600,000 be added to the Naval Reserve item of the naval appropriation bill, with the proviso that the seagoing units of the Fleet Naval Reserve be allowed 48 drills and 15 days' training for the year; to the Committee on Appropriations.

9212. Also, petition of Marine Corps League (New York), Detachment No. 1, Brooklyn, N. Y., opposing any reduction of the personnel of the United States Marine Corps; to the Committee on Appropriations.

9213. Also, petition of Mailograph Co., of New York City, favoring the reduction of first-class postage to the 2-cent rate; to the Committee on the Post Office and Post Roads.

9214. By Mr. SPARKS: Petition of citizens of Barclay and Osage City, Kans., submitted by Edna Wilson and Mrs. H. W. Miller and signed by 42 others, opposing any measure permitting the sale of beer or wine; to the Committee on the Judiciary.

9215. Also, resolution of the Woman's Christian Temperance Union of Phillipsburg and Spring Creek, Kans., submitted by Jessie C. Taubion and Phebe Moore, respective presidents of the above-named organizations, protesting against the annulment or modification of the Volstead Act or repeal of the eighteenth amendment; and petition of the Ellis County Woman's Christian Temperance Union and majority of the members of the Protestant churches of Ellis County, Kans., submitted by D. O. Hemphill, committee chairman, protesting against any alteration in the eighteenth amendment or the Volstead Act; to the Committee on the Judiciary.

SENATE

FRIDAY, DECEMBER 23, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, bestower of every blessing, make us glad with the remembrance of Thy choicest gift in the birth of Thy dear Son, and renew the earth grown old with its burden of care, as again the voice of the Christ Child rings out with delight its message that we are all the children of God. Remove from the portal of each heart the barrier of doubt that love may enter there and be our dearest guest. Consecrate to all anew the sanctities of home, the love and laughter of children, the sacrament of friendship, the joy and privilege of service, that each may share the other's gift and the whole world give back the song of "Peace on the earth, good will towards men," by which heaven's starry cloisters were made ware of that first Christmas Day. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Wednesday, December 21, and Thursday, December 22, 1932, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President approved and signed the following acts:

On December 19, 1932:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

On December 22, 1932:

S. 1863. An act to authorize and direct the transfer of Widow's Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 527) extending the time for filing the report of the Joint Committee to Investigate the Operation of the Laws and Regulations Relating to the Relief of Veterans, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 500) authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy, and it was signed by the Vice President.

PETITIONS AND MEMORIALS

Mr. FESS presented petitions, numerously signed, of sundry citizens of the State of Ohio, praying for the passage of legislation known as the Capper-Kelly fair trade bill, which were ordered to lie on the table.

Mr. CAPPER presented memorials of the ladies of the Friendly Class, West Side Presbyterian Church, of Wichita, and sundry citizens of Udall, in the State of Kansas, remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

PROHIBITION ENFORCEMENT

Mr. SHEPPARD. I present a petition to the Congress of the United States from the Baptist General Convention of Texas, relating to the eighteenth amendment and the Volstead Act, and ask that it may be set out in the RECORD and appropriately referred.

There being no objection, the petition was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

PETITION TO THE CONGRESS OF THE UNITED STATES

(Unanimously adopted by the Baptist General Convention of Texas, November 17, 1932)

At its meeting in Abilene, Tex., November 17, 1932, more than 2,000 delegates present and hundreds of visitors also approving. Names of delegates and visitors are given herein, many of whom signed individual petitions also.

This convention has a constituency of 537,388 members and 2,000,000 adherents in Texas, and joins with a host of others in this petition.

We, the members of the Baptist General Convention of Texas, are opposed to the repeal of the eighteenth amendment or the modification of the Volstead Act so as to admit wine and beer, or any other intoxicating beverage, but we are in favor of strict enforcement of the same; and we hereby petition and urge our Senators and Members of the lower House of Congress from Texas to vote against any measure looking toward any such modification and repeal.

And we also petition and urge the members of the Legislature of Texas to oppose any repeal or lessening of the force of our existing State prohibition laws, and would appreciate such action on their part.

This petition has no partisan political significance whatever, but is joined in by voters of all political faiths and parties.

J. C. HARDY,
President of the Convention.
J. L. TRUETT,
D. B. SOUTH,
Secretaries.

PAYMENTS TO VETERANS

Mr. ROBINSON of Indiana presented resolutions adopted by Fountain County Old Guard Post, No. 2395, Veterans of Foreign Wars, and Wilbur Fulton Post, No. 291, the American Legion, both of Covington, Ind., which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas the United States Chamber of Commerce and the National Economy League have heretofore and are now spreading propaganda against the patriots who bore arms in defense of our United States; and

Whereas these two organizations are sponsoring the slashing of pension payments of Spanish-American War veterans, their widows and orphans; and

Whereas the two organizations are desirous of separating the classes from the masses in a proposed cut in appropriations for World War soldiers, their widows and orphans; and

Whereas no provision is made as to retired officers by reductions in their pay: Therefore be it

Resolved, That Fountain County Old Guard Post, No. 2395, Veterans of Foreign Wars, and Wilbur Fulton Post, No. 291, the American Legion, go on record as opposed to the passage of any bill in the present session of this Congress assembled looking toward the reduction of payment of pensions, compensation, or disability allowances of the veterans of any wars; and further be it

Resolved, That a copy of this resolution be sent to Hon. ARTHUR R. ROBINSON and JAMES E. WATSON, of the United States Senate, and to Hon. FRED S. PURNELL and COURTNEY C. GILLEN, of the House of Representatives.

FOUNTAIN COUNTY OLD GUARD POST, NO. 2395,
VETERANS OF FOREIGN WARS,
WILBUR FULTON POST, NO. 291,
THE AMERICAN LEGION,
Covington, Ind.

Commander GEORGE W. KELLER,
Veterans of Foreign Wars, Post No. 2395,
Covington, Ind.

Official:
CHARLES D. COTTRELL, *Adjutant.*

BRANCH BANKING

Mr. KING. Mr. President, I have received a letter in the nature of a memorial or protest from the Southern Utah Bankers Association of my State in which they oppose the provision of the banking bill permitting state-wide branch banking by national banks, particularly in those States where branch banking is not permitted under the State laws. I ask that the letter may be published in the RECORD and referred to the Committee on Banking and Currency.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

SOUTHERN UTAH BANKERS ASSOCIATION,
Richfield, Utah, December 13, 1932.

Hon. WILLIAM H. KING,
United States Senator, Washington, D. C.

DEAR SENATOR KING: At a meeting of the Southern Utah Bankers Association, held at Ephraim, Utah, December 10, 1932, it

was resolved that the Southern Utah Bankers Association, in convention assembled, hereby expresses its opposition to section 19 of the Glass bill which would grant state-wide branch-banking power to national banks in all States regardless of restrictions as to branch banking on State banks by State laws.

That Utah's Congressmen be notified and requested to do whatsoever be necessary to defeat said proposed legislation.

Your cooperation is kindly requested.

Very truly yours,

SOUTHERN UTAH BANKERS ASSOCIATION,
By D. P. JENSEN, *Secretary*.

P. S.—All banks of San Pete, Sevier, and Wayne Counties are members of the above association.

HOSPITALIZATION OF VETERANS

Mr. KING. Mr. President, I have received a number of communications and resolutions from various sources protesting against rendering service to veterans for anything other than service-connected disability. These protests extend to other matters. I will send one to the desk and have it referred to the committee which is considering veterans' legislation. I also ask that it may be published in the RECORD.

There being no objection, the letter in the nature of a memorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

RESOLUTIONS PASSED BY THE STAFF OF THE THOMAS D. DEE MEMORIAL HOSPITAL

OGDEN, UTAH, *December 10, 1932*.

Senator WILLIAM H. KING,
Washington, D. C.

DEAR SENATOR KING: Because of the many and varied abuses made in the administration of the Veterans' Bureau, we submit the following resolutions: Be it

Resolved:

First. That we protest against rendering service to veterans for anything other than service-connected disability.

Second. We protest against hospitalization of veterans for anything other than service-connected disability.

Third. We protest against the rendering of medical services to families of veterans other than those of men killed in action or rendered totally disabled from service-connected disability.

Fourth. We are against increasing beds in veterans' hospitals, and believe in the greater use of private hospitals for veterans' care, contending that hospitalization can be rendered for less expense in private hospitals.

As taxpayers we recommend these as expedient economy measures, and contend that the present veterans' law is unfair competition to the medical profession and hospitals and an injustice to the American taxpayer.

Respectfully,

HENRY W. NELSON,
President, Staff of Dee Memorial Hospital.

RESOLUTIONS OF INTERMOUNTAIN ECONOMIC CONFERENCE

Mr. KING. Mr. President, I submit a series of resolutions adopted by the Intermountain Economic Conference, consisting of representatives of the business interests of the States of Montana, Wyoming, Idaho, Utah, Colorado, Arizona, and New Mexico, and, without taking the time of the Senate, I should like to have inserted in the RECORD several of the most important resolutions.

The VICE PRESIDENT. Without objection, the resolutions will be referred to the Committee on Finance, and the portions indicated by the Senator from Utah [Mr. KING] will be printed in the RECORD.

The matter referred to is as follows:

RESOLUTIONS ADOPTED BY INTERMOUNTAIN ECONOMIC CONFERENCE SEPTEMBER 1, 2, AND 3, 1932

GOVERNMENT IN BUSINESS

Whereas during the past several years there has been a steadily increasing injection of Government functions into business which is clearly outside of the intent and purpose of the Constitution, and

Whereas this has reached a point where Government funds in large sums have been advanced to finance cooperative enterprises in the manufacture and distribution of food products in direct competition with long-established and successful concerns and said advances are made at rates of interest substantially below prevailing commercial rates; and

Whereas these subsidized enterprises enjoy further concessions and immunities in regard to income taxes, restraint of trade, etc.: Now be it

Resolved by the Intermountain Economic Conference, That in our opinion this gross misuse of Government power and authority is an unfair and unwarranted function which, in our opinion, has been a factor in bringing about the present period of depression and is seriously interfering with the efforts of business to readjust itself to the present situation; and be it further

Resolved, That we recognize the right of all groups to organize for mutual benefit and offer no objection to said enterprises on this score; but we insist that all competitive ventures shall be on the same basis.

SILVER

It is now manifest that the maintenance of the gold standard is dependent upon increasing the monetary metal reserves of the world; and

The present reserve of monetary gold and the prospect for future gold production afford no hope that gold will continue to serve unaided as a sufficient and satisfactory monetary and credit base; and

The present level of commodity prices and the interchange of commodities are rapidly approaching a point where productive industry is becoming unprofitable, and the payment of taxes and other debts is becoming impossible, a condition which will inevitably result in repudiation; and

The use of silver metal as a supplement to gold and as an aid to the gold standard is entirely feasible and practical, and in our judgment indispensable to adequate and permanent recovery;

The Intermountain Economic Conference meeting in Colorado Springs, September 1, 2, and 3, 1932, urges upon Congress and the President the acceptance of the views herein expressed.

Furthermore, this conference urges upon the President the appointment as members of the delegation to represent the United States at the forthcoming economic and monetary conference in London, at least two members conversant with and sympathetic toward the point of view herein expressed.

CREDIT

Resolved, That, as an aid to more rapid business recovery, banks in the Intermountain States be urged to anticipate requirements of their customers in good credit standing, for aid in their legitimate businesses, and should it seem desirable that additional funds be made available for the purpose, banks are urged to make full use of the facilities of the Federal reserve bank and the Reconstruction Finance Corporation; and that the President of the United States be requested to exercise his influence to speed up the granting of such credits. This resolution is adopted in the belief that prompter recognition of business needs and greater cooperation between banks and their customers and the above-mentioned Federal agencies, will greatly speed business recovery.

GOVERNMENT COMPETITION

Whereas the development of this Nation to the leadership of the world in industry has been attained through private initiative and private capital; and

Whereas the Government has encroached upon this principle and is now engaged in various projects and enterprises directly or indirectly competing with already established private business agencies; and

Whereas the Government threatens even further encroachment in the field of private capital and enterprise: Now, therefore, be it

Resolved, That it is the sense of this conference that Government should refrain from any further encroachments on and cease present competition with private capital and enterprise; and be it further

Resolved, That where the welfare of its citizens justifies a Government enterprise whereby by-products result, the disposition of which enters the competitive field with private enterprise, that said by-products be first offered for disposition and distribution through the then-existent private channels for said commodities or services.

TRANSPORTATION

Resolved, That the competing forms of transportation shall not be subsidized in any preferential manner one as against the other by the use of taxpayers' money through the Federal and State Governments. That common carriers or competing forms of transportation operating for hire or profit when using inland waterways, highways, or other projects developed by governmental use of taxpayers' money, shall pay a charge which will include items for interest, obsolescence, and maintenance on such projects. That the Federal Government, at the earliest possible moment, shall discontinue their operation of competing forms of transportation. That the Intermountain Economic Conference held in Colorado Springs, September 1, 2, and 3, 1932, call upon the President of the United States, upon the Members of Congress, upon the chamber of commerce, and others of the interior mountain section to actively support the purpose of this resolution.

UNREGULATED FORMS OF TRANSPORTATION

Resolved, That unregulated competition with regulated forms of transportation is unfair, contrary to the public interest in the losses which are caused, and inequitable to shippers whose interest is in dependable service and conditions; that intercoastal and other forms of unregulated competing transportation should be regulated at the earliest possible moment in the same manner and to the same extent as regulated forms of transportation.

FOREIGN BONDS HELD IN THE UNITED STATES

Mr. KING. Mr. President, an organization of foreign bondholders exists in New York, and it has been engaged for some time, as I am advised, in trying to protect the holders of bonds which have been sold to the people of the United States by foreign countries. This organization has

prepared a statement dealing with the nations of South America and Europe, some of whose bonds are held by stockholders of this organization. I ask unanimous consent that the statement may be incorporated in the RECORD and referred to the Committee on Finance.

There being no objection, the statement was ordered to be printed in the RECORD and referred to the Committee on Finance, as follows:

FOREIGN BONDHOLDERS NATIONAL COMMITTEE (INC.),
501 Madison Avenue, New York City.

The nations of South America and Europe, whose bonds we hold, will pay if given any fair opportunity to do so.

The very fact that bonds of the great states and cities of South America, which bonds we purchased a few years ago at par, and even above par, are now selling as low as 7 proves one thing conclusively—that a world situation exists which is unnatural, abominable, and unnecessary, and which fairly shrieks for intelligent treatment and correction.

THE SORE SPOT

"Gold appreciation," which is but another name for the depression, has been and is the sole difficulty.

By dint of hard thinking the business world has at last identified and isolated "gold appreciation" as the mischief maker, and just as certainly as science has identified and isolated the germ of smallpox.

"Overproduction," "aftermath of the war," "extravagance," and other alibis were put forward successively, only to be disproved and rejected.

North America has been hit just as hard by "gold appreciation" as has South America and Europe. The scarcity of gold and the mad scramble to get it depressed United States Steel from 266 to 21, Anaconda from 174 to 3. Great American cities have been unable to pay school-teachers.

There are only eleven billions of gold in the world and over four hundred billions of debts in the United States alone.

CAUSE OF DEFAULTS

As measured in wheat, cotton, rubber, copper, silver, and perfectly good securities, the dollar is to-day worth from four to twenty times its normal value.

This grotesque change in monetary value has increased fourfold and even more the burden of debtor nations and debtor individuals.

Those at home and abroad who denounce the present dollar as "dishonest" are more than justified. But denunciation alone is not sufficient. We must do something about it.

This committee proposes to enlist every power of our Federal Government at Washington.

SERVICE RESUMPTION AIM

Through our State Department we shall keep in friendly touch with the countries whose bonds we hold.

We shall appeal to Congress for legislation to bring the dollar back to normal. That is the crux.

We shall strive for fractional service on our defaulted bonds where full service is impossible. Many debtor nations are depositing their own currency against future service, showing that at least partial service would be possible now through suitable arrangements.

If necessary, we shall sponsor a New York-Brazil trading corporation, a New York-Colombia trading corporation, and so on through the list, whereby our members may exchange their past-due coupons for the currency of the debtor nations, using such currency to buy commodities in the country of the debtor, to be sold here, the proceeds to be distributed to our bondholders.

INTERNATIONAL BANKER HOSTILITY

Ironical as it is, the international bankers who sold us our bonds have now turned our worst enemies. They are rabid cancellationists and would sacrifice our bonds to the strange dogma that the single gold standard must be kept afloat, even if all else sinks.

To save the single gold standard the international bankers present to the world the astounding proposal that all international debts, public and private, shall be canceled or repudiated through defaults except debts owing to themselves.

The theory of this proposal is that under the single gold standard there will not be gold enough to go around, and that the debts owing to the international bankers must be paid at all hazards "to save the single gold standard" and that the debts owing to the rest of us are not important.

WHAT PRICE GOLD?

One ship could transport all the gold there is in the world at a single voyage.

The world could and would be prosperous if all the gold there is was at the bottom of the sea.

Human eye seldom sees the gold. It reposes in subbasements. The Bank of England paid us by sending the janitor below to change the tags on a few bags.

The very meagerness of gold makes it a magic mace, and the holders at once become the dictators of world credit, world commerce, and world property values.

The international bankers, holding the golden mace aloft in sullied hands, have dictated the ruin of the world the past three years and their victim lies prostrate.

"You shall not crucify mankind upon this cross of gold." The crucifixion has taken place. But the day of reckoning is at hand.

NEW DEAL HAILED

America has overwhelmingly voted a new deal. That mandate shall not be nullified.

Nation-wide cooperation of bondholders is invited, and a favorable response is confidently counted upon.

FOREIGN BONDHOLDERS NATIONAL COMMITTEE (INC.).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COHEN:

A bill (S. 5280) granting a pension to Sarah Pool and Mary Pool Newsom; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 5281) granting a pension to William A. Hone; to the Committee on Pensions.

A bill (S. 5282) for the relief of James J. Walker; to the Committee on Military Affairs.

A bill (S. 5283) authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U. S. S. *Newport;* to the Committee on Naval Affairs.

By Mr. BANKHEAD:

A bill (S. 5284) authorizing the President to transfer and appoint Lieut. (Junior Grade) Ralph B. McRight, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy; to the Committee on Naval Affairs.

By Mr. SMOOT:

A bill (S. 5285) for the relief of Grace Pring Lambert; to the Committee on Claims.

By Mr. SHORTRIDGE:

A bill (S. 5286) for the relief of Addie I. Tryon and Lorin H. Tryon; to the Committee on Claims.

A bill (S. 5287) for the relief of Jeremiah Sullivan, alias Jerry Sullivan; to the Committee on Military Affairs.

A bill (S. 5288) granting a pension to Annie Sargent Schwerdtfeger; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 5289) to authorize the Commissioners of the District of Columbia to reappoint George N. Nicholson in the police department of said District; to the Committee on the District of Columbia.

By Mr. BINGHAM:

A bill (S. 5290) to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes; to the Committee on Finance.

By Mr. VANDENBERG:

A bill (S. 5291) to create a Federal time-deposit insurance fund, to provide for the payment of time deposits in certain banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. KEAN:

A bill (S. 5293) to provide for the appointment of deputy collectors of the Internal Revenue Service; to the Committee on Finance.

By Mr. NORRIS:

A joint resolution (S. J. Res. 225) proposing an amendment to the Constitution of the United States abolishing the Electoral College; to the Committee on the Judiciary.

PROPOSED FINANCIAL LEGISLATION

Mr. THOMAS of Oklahoma. Mr. President, in to-day's issue of the Wall Street Journal I find a very important news item under the title "Federal Deficit Problems Vital—$4,800,000,000 Rise in National Debt Absorbing Country's Liquid Capital, Savings."

Mr. President, I desire to introduce a bill that will, in some way, provide a means of carrying out the suggestions made by this article. Preliminary to the introduction of the bill, I ask unanimous consent to have printed in the RECORD the article just referred to.

The VICE PRESIDENT. Without objection, that order will be made.

The article referred to is as follows:

[From the Wall Street Journal, December 23, 1932]

FEDERAL DEFICIT PROBLEMS VITAL—$4,800,000,000 RISE IN NATIONAL DEBT ABSORBING COUNTRY'S LIQUID CAPITAL, SAVINGS—BANKS HEAVILY LOADED

Since December 30, 1930, our national debt has increased $4,786,000,000, or by nearly 30 per cent. Of this rise, $3,471,000,000 was caused by the excess of expenditures over receipts in the past 12 calendar months.

What does this unprecedented peace-time debt expansion mean to the average citizen, to our banks, to security holders, and to business in general? How long can the Government proceed on its present course of spending more than it takes in? How can the Treasury finance itself during the next year and how can it balance its Budget? These are some of the broad problems which Sherwin Badger of the Wall Street Journal staff discusses in this and succeeding articles on Government finance.

ARTICLE I

By Sherwin C. Badger

The hook-up between the average citizen and Government finance is much closer than is generally realized. It is not merely a question of taxes, important as they obviously are. At the present time, 25 cents out of every dollar of bank deposits is invested in United States Government securities. Before the depression started, only 12 cents of every dollar of deposits was so invested. Furthermore, over 25 per cent of the backing of the aggregate paper money outstanding in the country consists of Government securities. Obviously the average bank depositor need have no fear as to the ultimate soundness of these investments, but he is vitally interested in the price at which such investments are rated in the market.

The banker is only too well aware that at every directors' meeting the question "What shall we do with our governments?" is the subject of long discussion. This is a most pressing problem, facing every highly liquid bank in the country. And the distressing feature is that it is a problem which no banker can solve because he has no means for determining with intelligence the outlook for the Government bond market. The best he can do is to adopt a makeshift policy.

TYPICAL BANK PROBLEM

Consider the position of a typical liquid bank. With $3,500,000 of deposits, it has $1,500,000 in United States governments. Of this, $100,000 is in Treasury certificates maturing February 1 and currently selling at a premium. Shall it sell and get the advantage of the premium? If it sells, what shall it do with the money? Or shall it hold until maturity, so that it will not lose its "position" and right to an allotment of whatever new security the Treasury may issue in place of the maturing certificate? Will the bank want to own the new issue which the Treasury will offer? If the new offering is a short-term bill, the yield will be negligible. If the new offering is a 5-year 2¾ per cent note, will the bank want to obligate itself to such a holding? And does the bank want to increase its already large investments in medium-term governments, subject to price fluctuations, at a 2¾ per cent return, when it knows that as soon as business recovers it can employ its funds at 5 per cent or 6 per cent?

How is the banker to answer this question and the similar questions that will arise throughout 1933 as his holdings of short-term governments mature? He can not answer until he can get some reasonable idea of the relative supply and demand for Government securities during the coming year. On the supply side he does not know how great will be the Government deficit; that is, how heavy will be the Treasury's demands for new financing on the capital markets. Furthermore, on the supply side he does not know how soon or in what volume the Federal reserve banks might reduce their holdings of governments, currently $1,851,000,000, a record high. On the demand side he does not know when the large city banks will cease to become buyers because of the saturation of their portfolios.

DEPRIVES BUSINESS OF FUNDS

But the bankers' troubles do not end here. For overhanging all his operations in both loans and investments is the constant specter of new governmental financing far in excess of the savings of the country. A sort of vicious circle results. All banks now have on their books some unrealized capital losses on securities and doubtful loans. A rise in security prices would eradicate many of these losses, but a substantial price rise is virtually precluded so long as the Government deficit is absorbing so much of the country's savings and liquid capital. The average banker feels he is already carrying more than enough risks in his depreciated investment holdings and undercollateraled loans; consequently, his inclination is to play safe by putting his liquid funds in riskless short-term governments, low yield notwithstanding. The Government's financing requirements are thus depriving the business man and the security markets of the funds so sorely needed to aid business recovery and are thus prolonging and intensifying the unbalanced Federal Budget.

By necessity the Treasury has been financing itself with relatively short term, almost riskless issues which have presented an ideal medium for the hoarding of billions of capital which has accumulated ready for investment in productive enterprise, but which will not assume the risks inherent to a potentially overburdened capital market in addition to ordinary risks. If the riskless outlet for capital offered by the steady stream of short-term governments could be blocked off, there is little doubt that investors, both individual and bank, would soon find there is a real shortage of high and even medium grade securities. If this shortage could be allowed to operate, the true balance sheets of most banks would improve in short order and the way would be opened for business to borrow at really low rates of interest.

It is in this relationship of the Government deficit to the capital markets that the individual citizen is most concerned. Under the capitalistic system there is only one way to maintain employment and to restore to the unemployed his job, and that is by the restoration of profits. A prerequisite to profits is that the entrepreneur must have access to the capital market. For all practical purposes that market is to-day closed to him even at very high rates. Many of the problems of the heavy industries, building and real estate especially, could be solved by employment of the hoarded funds that are now safely tucked away in riskless securities supplied by the Federal Government.

TREASURY'S PROBLEM ACUTE

If the banker is in a dilemma, the United States Treasury is in a worse one. The Government has committed itself, through the Reconstruction Finance Corporation, the Federal land banks, and other agencies, to a program of extending Government credit to fiduciary institutions, local governments, and private business to prevent the spread of financial collapse and, if possible, to start general economic recovery. Over and above the current running expenses of the Government, the capital demands of these governmental agencies must be financed by the Treasury. In addition, the Treasury must find funds to make up the difference between Government operating expenses and revenue. Regardless of what action Congress takes in the coming short session, the Treasury will have to sell not less than $1,000,000,000 new securities during the calendar year 1933 and may be called upon to sell upward of $3,000,000,000. These sales would all represent new funds—i. e., would increase the national debt and deplete the capital markets.

But this is not all. During the calendar year 1933 the Treasury will have to replace over $2,930,000,000 maturing securities. Thus financing operations of between $4,000,000,000 and $6,000,000,000 must be arranged.

The Treasury's problem boils down to "What shall it sell and to whom can it sell?" Should it continue to pour out short-term certificates, bills, and notes? Can it sell a long-term issue at a rate high enough to attract the individual investor without depressing the price of all currently outstanding long-term issues?

The solution of the banker's and the Treasury's dilemma rests with Congress. Will the seventy-second session make a serious and honest effort to balance the Budget? The answer is the key to the immediate economic outlook.

Mr. THOMAS of Oklahoma. I therefore introduce a bill and ask that it may be printed in the RECORD immediately following the printing of the news story.

There being no objection, the bill (S. 5292) to regulate the value of money, to stabilize its purchasing power by the controlled expansion and contraction of the currency, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby directed to have prepared United States Treasury notes, non-interest bearing, in the same general form, size, and denominations as the United States Treasury notes loaned to the Federal reserve banks and known as Federal reserve notes but omitting on such new notes all reference to the Federal reserve banks. An engraving of the Goddess of Liberty shall be placed in the center of such notes and they shall be designated and known as "Liberty notes."

The volume of Liberty notes shall be made available in the Treasury at all times, in a minimum amount equal to $4 per capita of the people of the continental United States.

In the event of any deficit in the current revenues the Secretary of the Treasury shall meet such deficit accrued or accruing, by using Liberty notes and paying current expenses of the Government therefrom until the general commodity index of the United States Department of Labor returns to 100.

If the general commodity index rises above 103, the Secretary shall retire such Liberty notes from circulation out of current revenues, or if necessary he may issue and sell United States bonds bearing such rate of interest, in such form and running for such periods of time as he may determine and from the proceeds thereof withdraw such Liberty notes from circulation to the extent necessary to reduce the general commodity index to 100.

In the event such index shall at any time fall below 97, the Secretary of the Treasury shall put in circulation such Liberty notes by paying the current expense of the Government therewith or by the purchase of outstanding interest-bearing obligations of the United States with such Liberty notes until such index shall rise again to 100.

The Secretary of the Treasury is hereby charged with the duty of maintaining the general commodity index aforesaid and the value of money as nearly at the normal index of 100 as may be

found practicable by the controlled expansion and contraction of the Liberty notes aforesaid and in the manner as indicated by this act.

SEC. 2. In the event the Secretary of the Treasury should issue bonds as authorized herein, he shall provide a sinking fund for the amortization of such bonds in the same manner as provided by law for other bond issues of the United States, and under such rules and regulations as he may prescribe.

SEC. 3. All Liberty notes issued and placed in circulation shall be kept by the Secretary of the Treasury at parity with gold in pursuance of the provisions of the gold standard act of March 14, 1900, and by the means therein provided.

SEC. 4. That this act shall take effect and be in force from and after its passage.

Mr. THOMAS of Oklahoma. Mr. President, I ask at this time to have printed in the RECORD, immediately following the printing of the bill, a copy of a letter written by a former Member of the Senate from my State, Hon. Robert L. Owen.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

DECEMBER 8, 1932.

Subject: Regulating the value of money—H. R. 13012.

Hon. JOHN E. RANKIN, M. C.,

House of Representatives, Washington, D. C.

MY DEAR MR. RANKIN: Accept my thanks for a copy of your bill, H. R. 13012, "to regulate the value of money." I comment on it, as you request.

The United States Government alone has the financial power "to regulate the value of money" and, therefore, to stabilize it. It is surely a financial, commercial, and social necessity.

As the United States Constitution, Article I, paragraph 8, authorizes Congress "to coin money and regulate the value thereof," Congress alone has the political power to perform this duty.

The supreme need for regulating the value and volume of money should be self-evident to thoughtful, informed people.

The failure "to regulate the value of money" has resulted in or permitted the most destructive changes in its purchasing power, as we have seen within the last three years—where money, in terms of commodities, has increased in purchasing power over 50 per cent and, in terms of stocks and bonds, from 100 per cent to 1,000 per cent and more; and the same thing is true with regard to other forms of property.

To regulate the value of money and make it relatively stable in purchasing power is required to make it a just medium of exchange between debtor and creditor—a matter of imperative importance, considering that the debts in the United States exceed $200,000,000,000; and the debt burden has been increased over 50 per cent by the unintelligent breaking down of our national credit structure.

Moreover, the manufacturer, merchant, and business man must be able to know that money shall continuously have a stable value in measuring the goods which they create and distribute, so that they can make their contracts on a basis of dependable security.

The fluctuation in the value of money within the last three years has caused the bankruptcy of 76,000 commercial and manufacturing companies and the suspension of over 5,000 banks, and ruined millions of our people. It needs no argument to establish the controlling importance of stability in the purchasing power of money, for that means stability in the rewards of human labor and of its employment.

THE BILL H. R. 13012

The bill presents in concrete terms a method for making effective the principle of the Goldsborough bill, which declared the public policy of restoring and maintaining the purchasing power of money; and the plan you propose of controlled expansion and controlled contraction in the volume of money is a sound method upon which it can be adequately done.

The bill proposes to expand the currency with Treasury notes until the general commodity index rises to 100; if it goes above 103, to contract the currency until the index falls; if it goes below 97, to expand the currency again; and by controlled expansion and controlled contraction, to keep the general commodity index—that is, the value of money and commodities—as nearly as practicable at 100.

Some do not understand what the general commodity index is. For that reason I think you should explain it on convenient occasions.

THE GENERAL COMMODITY INDEX

The general commodity index is a number selected by the United States Department of Labor to show the relative average value of commodities on the wholesale markets or the purchasing power of money by comparison of one month with another month, of one year with another year. The index was based on 550 (now 784) commodities selling on the wholesale markets.

The year 1926 was taken at 100 by the Department of Labor as a basis of this comparison. It is a fair average approximately of the value of commodities and of the purchasing power of money for the years 1921–1929, inclusive. During these nine years there was a fluctuation only of 3 or 4 per cent, and there was no fluctuation in 1926. Even the bull market in stocks and bonds of 1927 to 1929 did not affect the general commodity index. The general commodity index stood at 98 in July, 1929. The index of the purchasing power of money of 1926 was also 100, for the obvious reason that the general commodity index represents the relative purchasing power of money in terms of commodities.

When the general commodity index falls below 100, the index representing the purchasing power of money rises by inverse ratio, so that at present when the general commodity index is 64 (as it has been substantially for many months), the index of the average purchasing power of money in commodities is 156, obtained by dividing 100 by 64. If the general commodity index should go down to 50, the index of the average purchasing power of money would be 200; and if the general commodity index should rise to 200, the index of the purchasing power of money would fall to 50.

In Bulletin 493, issued by the Department of Labor, on page 30 and on page 246 will be found the general commodity index of average commodity values and the index of the average purchasing power of money running for many years. It is the best practical standard of the comparative measure of the average value of commodities and the average purchasing power of money which has ever been established by any government, and has cost very many millions of dollars to accomplish it.

Your using the general commodity index, therefore, as a standard is not only advisable, it is absolutely essential and necessary, and furnishes a dependable basis upon which, by controlled expansion and controlled contraction of money, Congress can discharge its constitutional function and automatically "regulate the value of money."

THE GOLD STANDARD

Your bill in section 3 expressly provides that the new money proposed to be issued and retired under controlled expansion and contraction shall be kept at parity with gold in pursuance of the provisions of the gold standard act of March 14, 1900, and by the means therein provided.

The gold standard act referred to requires all money issued by the United States to be kept at parity with gold. It established a fund of $150,000,000 of gold coin for this purpose and authorized and directed the Secretary of the Treasury to keep all forms of money at parity with gold. It further authorized him to issue 3 per cent gold bonds whenever necessary to prevent the gold coin from going below $100,000,000. The gold coin of $150,000,000 remains untouched in the Treasury after 32 years. The United States now has nearly $4,500,000,000 of gold, and it is steadily growing. There is not the slighest danger of our going off the gold standard There is no necessity for going off the gold standard.

The purchasing power of gold does not control the purchasing power of the United States dollar, but the purchasing power of the United States dollar controls the purchasing power of gold. This has been pointed out by such men as Sir Edward Holden (deceased), former Chancellor of the British Exchequer and head of the London City and Midland Bank; by Sir Reginald McKenna, former Chancellor of the British Exchequer and now head of the London City and Midland Bank, the greatest bank in the world; by Hon. John M. Keynes, the greatest economist in England; by Gustave Cassel, world-known international economist of Sweden; etc.

There is a sound reason for this. The value of anything depends upon the demand for it. The demand for gold in the United States is—

(1) For industrial purposes, which is comparatively small—probably not exceeding $50,000,000 annually.

(2) For redemption purposes, which is negligible and consumes no gold at all, the redemption taking place by mere bookkeeping cross entries.

(3) For international shipments, where the net annual balances for a very long period of time have been running in favor of the United States.

Even in the year 1931, when there were heavy withdrawals of gold from the United States, there was a net gain of gold by the United States of $145,000,000; and when the figures shall have been made up for 1932, it will be found that our loss of gold will be of no importance. But while the demand for gold is small, as above stated, the demand for dollars have been and are absolutely colossal.

The demand for dollars is demonstrated by the extent to which dollars are used. For example, in 1929 the actual payments by the banks against individual, corporate, and Government deposits amounted to $1,200,000,000,000, and for the 12 months past amounted to approximately $600,000,000,000. These figures are obtained from the Federal Reserve Board's Bureau of Research. The demand for dollars in 1929 was over 100 times all the gold in the world, and is over 50 times all the gold in the world for the last year.

This demand for dollars and the relative contraction of credit and of currency by hoarding has caused the purchasing power of the dollar in terms of commodities to rise to 156; and that means that gold, which is pegged to the dollar by weight (25.8 grains troy 9/10 fine being a statutory dollar), has also risen in purchasing power 56 per cent.

When the purchasing power of gold, therefore, is thus raised 56 per cent in the United States, it is raised throughout the world in the same way—because all nations, even if they are for the time being off the gold standard, still think in terms of gold and their commodities have fallen in inverse ratio in terms of gold to approximately 64 per cent. Gold is a commodity, and we have caused its value to increase 56 per cent throughout the world by

pegging it to the American dollar. We can bring it back to normal by restoring the American dollar to normal.

CAUSE OF THE INCREASED PURCHASING POWER OF THE AMERICAN DOLLAR

We have about $5,500,000,000 of currency outside of the Treasury and reserve banks, of which about $1,000,000,000 is in the bank vaults and about $4,000,000,000 is in the pockets of the people now very rigidly hoarded.

During the years 1927, 1928, and 1929 (the bull market) brokers' loans were expanded to about $11,000,000,000, secured by margined stocks of about $14,000,000,000. Most of these loans were subject to call within 24 hours. These loans were obtained from the New York City banks in about $1,000,000,000, outside banks in about a like amount, and the balance from bank deposits belonging to our industrial corporations and citizens and from foreigners.

Between October 23 and November 30, 1929, about $6,000,000,000 of these loans were suddenly called—precipitating short selling, bear raiding, intense fear, and loss of confidence, and a violent crash in the stock market with a loss in market value of listed securities of about $30,000,000,000. A great major bear movement ensued. The calling of these loans continued until over $10,500,000,000 were called by July, 1932, at which time listed and unlisted stocks and bonds had fallen in value under the mass psychology of fear about $100,000,000,000, and other forms of property almost a like amount.

But the $200,000,000,000 of debts of the people of the United States—personal, corporate, and Government—remained due and payable with interest; and there was the demand for dollars to pay these debts, to pay the interest on them, to pay taxes, to pay fixed charges and the cost of living, and to carry on the business of the country; so that the demand for dollars was very great while the available supply of dollars had decreased:

(1) By contraction of bank loans $14,500,000,000;

(2) By the hoarding of deposits which were not used any further than necessity compelled;

(3) By the calling, hoarding, or refusal of bank credits;

(4) By the withdrawal of bank deposits by $13,500,000,000;

(5) By the rigid hoarding of nearly all the money in the pockets of the people.

As a consequence commodity values fell to 64 per cent of what they had been before and individual stock values fell to one-fourth or one-tenth or one-twentieth of what they had been. Stock values fell far more than commodities, for the reason that commodities as a whole were not overproduced—they were actually of much less volume. Our national annual production income fell from $90,000,000,000 to $42,000,000,000; but stocks had been expanded in volume approximately from 220,000,000 shares in 1922 to about 1,290,000,000 shares in 1930, and therefore when the stock-market crash took place there was a great oversupply of stocks and an undersupply of money and credit with which to buy them.

Moreover, when the colossal losses above cited took place in stock and bond values, they were distributed among 20,000,000 shareholders, and the loss in value of other forms of property was distributed among 120,000,000 people. As a consequence, all the people began to economize rigidly. During the fall of 1929 consumption, production, and employment immediately fell 25 per cent—and the less employment, the less consumption, production, and employment—until we reached the point where we have now less than half our previous consumption and production and probably 12,000,000 persons unemployed and 30,000,000 on part time, cut wages, or at labor which is receiving no compensation.

THE REMEDY

There is but one way of promptly beginning the restoration of consumption, production, and employment, and to cut down the enormous burden on the people being compelled to pay debts, interest, taxes, etc., in such costly dollars; and that is to raise the value of property by controlled expansion of money—the basis of all credit and of all values measured by money—and thus restore confidence.

It is futile to say that there is plenty of money and credit, when the money is congealed and credit is frozen.

Your bill provides this remedy, and it wisely provides at the same time for both controlled expansion and controlled contraction, by an agency of the Government alone. When money is expanded it will immediately have an effect on commodities, and as commodities rise the value of all forms of property will rise. With the expansion of money, credit will be relaxed and hoarded money will begin to flow. For that reason the law must provide, as you have proposed, for controlling expansion and preventing its going too far.

OBJECTIONS

You will be opposed with the cry of "inflation." But inflation means an unjustified expansion, and you are not inflating—you are expanding because of a great national exigency, and you are controlling the expansion by automatic contraction so that it shall not go too far.

You will be met with the charge of "fiat" money. But fiat money is money not redeemable in gold, and the money you propose is redeemable in gold and therefore is not fiat money and is not inflationary money.

You will be met with the charge that there is plenty of money. This is obviously untrue, because the money is largely not functioning and, to that extent, might as well not exist.

You will be met with the charge that there is plenty of credit. This is not true, for the reason that the normal credit is not available for normal purposes.

You will be met with the charge that the money you emit will flow into the banks and by the banks be paid over to the reserve banks and will retire just as many Federal notes as your issue of Liberty notes.

The answer to the last point is that if this were true—and it is partly true to the extent that the Liberty notes should pass into the banks and from the banks to the reserve banks and replace Federal reserve notes, but in that event the banks will receive in exchange for Liberty notes (or the Federal reserve notes retired) their bonds and their eligible bills on which the reserve notes were issued and will gain quick assets just in that amount, and therefore will be made more liquid and stronger than ever. They can, then, better pay back the loans of the Reconstruction Finance Corporation.

When the banks have accumulated unemployed cash, they will have a strong motive to lend it for productive purposes. When the banks have an oversupply of cash, they will no longer be afraid of their depositors withdrawing cash; and, what is more important, the depositors will not be afraid of the banks as they have been in the past.

With rising value of commodities, of stocks, bonds, lands, and property, the courage and optimism of the people will be stimulated and the spirit of the depression will pass away. With the rise of commodity values, merchants will more readily buy and factories produce and those who have been waiting for a reaction of the stock market will soon begin buying stocks, and you will find that stocks which are now far below their book value will steadily rise.

As the value of commodities rises and as the value of property rises, the people will be stimulated to consume more and to gratify their needs and desires by buying, because they will realize and anticipate the increasing value of their property. With increased consumption will come increased production and employment.

PRODUCTIVE POWER

The potential productive power of the people is as great now as it was in 1929, when we had a production income of $90,000,000,000. We have the same valuable raw materials, the same fertile fields, forests, mines, transportation and distributing facilities, the same magnificently equipped factories with their powers of mass production. We have the same intelligent, trained people, willing, anxious, and even begging to work. When we stabilize the purchasing power of money and restore commodity and property values and confidence based thereon, the energy of the American people will again produce as they did in 1927, 1928, and 1929, and with shorter working hours unemployment should cease.

SOME OTHER EFFECTS OF CONTROLLED EXPANSION

It will balance the Budget permanently by restoring income and taxable values and the means by which to pay taxes. You can not balance the Budget by taxing a vacuum. Men with common sense should realize this.

You can not liquidate labor and the debts of the world on the present increased purchasing power of money and decreased value of commodities and property without universal bankruptcy. The debts of Europe and America amount to $500,000,000,000; and an increase of 56 per cent in the purchasing power of money and gold means an increase of over $250,000,000,000 in these debts measured in commodity values and labor.

Bringing the purchasing power of money back to normal will raise the commodity values in Europe and will enable them to liquidate their debts to us in commodities and services and labor without paying a penalty of 56 per cent—of which they might justly complain.

SOUND MONEY

The Democratic platform stands for sound money, and with that principle we all are in vigorous accord. We all believe in an honest, sound dollar—but the present dollar is not an honest dollar. It is not a sound dollar. It is a dollar buying 56 per cent more in commodities and 500 per cent more in stocks and other forms of property than normal. It is a thief stealing the property of the debtor under the color and protection of law; it is stealing the savings of a lifetime from innocent people who are the victims of a national financial mismanagement or worse.

OTHER METHODS HAVE PROVED UNAVAILING

Other methods have been tried by the administration and have failed. We have authorized the public credit to be used through the Reconstruction Finance Corporation to the extent of $3,800,000,000. This has been no expansion of credit.

It has been merely a substitution of public credit for the benefit of the private creditor, under the color or need of saving the private debtor from bankruptcy threatened by private creditors. The debts still have to be paid with interest—with dollars as difficult to get; and the private creditor has his funds released at a most opportune time when he can buy at bargain prices. We have substituted the public credit for private credit.

The administration—after three years of waging an uproarious "battle on a thousand fronts" against depression and making a great physical effort—has had not the slightest effect in raising commodity values, which have gone steadily down, nor any noteworthy effect in balancing the Budget nor in relieving the country of increasing distress. The remedies tried have proved inadequate.

The contraction of credit and currency has been permitted to proceed when it is perfectly well known that it is the contraction of credit and currency—as the Democratic platform proclaims and the Republican platform confesses—which has caused these evils and created our distress. There is but one way to

correct the evil consequences of contraction, and that is to reverse the process of contraction and expand the currency upon which the credit structure rests, upon which it is compelled to rest.

THE CREDIT STRUCTURE

The credit structure rests on currency. The colossal activities of the American people using $600,000,000,000 during the last year is cleared by checks drawn against deposits; and the security, stability, and velocity of use of these deposits depends upon confidence that the banks can pay cash on demand.

The banks, with $900,000,000 of cash in their vaults and $2,300,000,000 of cash in the reserve banks, are carrying deposits of over $40,000,000,000, and in 1929 with the same cash were carrying over $55,000,000,000 of deposits. The paralysis of credit and the congealing and withdrawal of deposits and hoarding of cash is due to fear of not being able to get cash. The way to remove the fear is to issue cash in volume sufficient to accomplish that end: and the way to prevent an overissue is by controlled automatic contraction. Hon. KENT KELLER introduced last session two different bills, both containing this principle, to which I call your attention.

I recall that the bill introduced by Congressman GOLDSBOROUGH declaring the same principle as a national policy received the unanimous support, barring one vote, of the Committee on Banking and Currency of the House of Representatives; and, after several days' debate received the votes of 117 Republican Congressmen and 172 Democratic Congressmen. Before the committee it was supported by the representatives of the National Farmers Union, of the National Grange, of the National Federation of Farm Bureaus, of the American Federation of Labor, and by the ablest economists. I have no doubt that you will find in the House of Representatives and in the people of the United States the support needed to secure their relief.

Do not indulge in any overconfidence because there are powerful forces determined to liquidate labor and property on the present basis. Their friends, allies, and agencies will denounce your effort as "inflation," as "fiat money," as "unsound money," "as printing-press money," as an "impossible" effort to "manipulate commodity prices"—as Mr. Ogden Mills proclaimed from Portland to Los Angeles.

The American people passed on these leading issues of this administration, but now their efforts will be to submerge and divert this vitally needed relief by consuming the short session with other questions and preventing an extra session in which the needed relief could be worked out. The ancient struggle between the policies of Hamilton and Jefferson is in vigorous existence right now, in spite of the imperative mandate of the last election which demanded and was promised every effort for prompt relief.

Justice delayed is justice denied, and in this national exigency would be unpardonable.

This country has no time to lose. Immediate, energetic attention should be given to this relief by those whom the people have trusted with their power.

It is my profound conviction from a very careful study of this question that the principles of this bill, if carried out, will give the country prompt relief, will give the world relief, and lay the foundation for an era of continuous stability in industry, commerce, transportation, and employment, and will restore the American people to a condition of permanent and unprecedented prosperity and happiness.

Yours very respectfully,

ROBERT L. OWEN.

AVIATION HOLDING COMPANIES, ETC.

Mr. NYE. I send to the desk a resolution and ask that it may be read. I will then request unanimous consent for its immediate consideration.

The VICE PRESIDENT. Let the resolution be read.

The Chief Clerk read the resolution (S. Res. 312), as follows:

Resolved, That the Federal Trade Commission be, and hereby is, requested to obtain and furnish to the Senate at the earliest practicable date the following information, to wit: (1) List of stocks held by aviation holding corporations; (2) list showing the various corporations owning stock in air mail transport lines and the amount of stock held in each instance; (3) list showing directors of aviation holding companies owning aviation stocks in air mail transport lines and having membership on the board of directors of such air transport companies; (4) list showing airplane manufacturers, airplane-motor manufacturers, and airplane parts and instrument manufacturers owning stock in either aviation holding companies or air mail transport lines and the amount so held in each instance; (5) list of officers and directors of aviation holding companies who through stock ownership are officers and directors of air mail transport lines and companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments; (6) list showing employees of aviation holding companies who are also employees of air mail transport lines and companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments, and the compensation, if any, received in each instance; (7) list of employees, officers, and directors now in the employ of air mail transport lines or aviation holding companies or companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments who were formerly employed by the United States Post Office Department, giving the position each formerly held in the Post Office Department and the compensation received while in the employ of the said department and the compensation they are now receiving in the aviation industry; and (8) list of employees, officers, and directors of air mail transport lines and aviation holding companies and companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments who are relatives of present employees or officials in the said Post Office Department, all such listings to be as of December 20, 1932.

Mr. NYE. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. MOSES. I object.

The VICE PRESIDENT. Objection is made, and the resolution will go over under the rule.

TRANSFER OF THE GENERAL LAND OFFICE

Mr. CAREY submitted the following resolution (S. Res. 313), which was referred to the Committee on Public Lands and Surveys:

Resolved, That so much of Executive order dated December 9, 1932, by the President of the United States under authority of sections 401 and 403 of title 4, part 2 of the act of Congress approved June 30, 1932, which proposes to transfer the General Land Office from the Department of the Interior to the Department of Agriculture, being paragraph 2 of said Executive order, and reading as follows: "The General Land Office, which is hereby transferred from the Department of the Interior to the Department of Agriculture," be, and the same is, under authority of section 407 of said act of Congress of June 30, 1932, disapproved, set aside, and declared null and void.

INVESTIGATION OF THE NATIONAL PARK SERVICE

On motion of Mr. CAREY, and by unanimous consent, the resolution (S. Res. 255) to investigate the activities of the National Park Service (submitted by Mr. BROOKHART on June 27, 1932), was taken from the table and referred to the Committee on Public Lands and Surveys.

DISTRIBUTION OF GOVERNMENT-OWNED COTTON

Mr. BINGHAM. Mr. President, two or three days ago the House passed the bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress. This measure would permit the Red Cross to have 350,000 bales of cotton in addition to the 500,000 bales previously given them for use in the manufacture of clothing. They added also bedding. The bill was referred to the Committee on Agriculture and Forestry. The chairman of that committee, the senior Senator from Oregon [Mr. MCNARY] is not here, being detained on account of illness, but has told me he has no objection to the unanimous-consent request which I am about to make, that the committee may be discharged from the further consideration of the bill and the bill put upon its passage. I now make that unanimous-consent request.

Mr. ROBINSON of Arkansas. Mr. President, I understand there is need for the provision made in the bill and that the arrangement will prove a material measure of relief. I have no objection to the request of the Senator from Connecticut.

The VICE PRESIDENT. Is there objection?

Mr. SMITH. Mr. President, a previous allocation of cotton for this purpose has worked so admirably, and in view of the abundance of the material we have and the suffering of the people and the dire necessity for clothing and food, I believe no better disposition could be made of some of the surplus clothing material than that in the bill the Senator from Connecticut proposes to bring before the Senate. As ranking member of the Committee on Agriculture and Forestry I am perfectly willing to indorse the action of the chairman of that committee, the Senator from Oregon [Mr. MCNARY] in approving the unanimous-consent request to have the committee discharged and the bill considered.

Mr. MCKELLAR. Mr. President, will the Senator from Connecticut state whether the wording of the bill follows the wording of the act of the last session? It will be remembered there was quite a controversy about that meas-

ure, and my only purpose is that the Senator in this bill shall follow the exact wording of the previous act.

Mr. BINGHAM. This is not my bill. It is a bill introduced in the House of Representatives by Representative JONES, of Texas. It was debated in the House, as shown in the RECORD, at page 711, of December 19. At the hearings Judge Payne, of the Red Cross, stated there is great need for the additional cotton to be so used. The wording of the bill is slightly different from that of the bill of last year. It has been approved by the House and passed and is now before the Committee on Agriculture and Forestry of the Senate.

Mr. McKELLAR. The Senator will recall that the wording of the bill last year would have cost the Government a very large sum of money and would have required certain moneys to be paid back into the hands of the Farm Board. Has that point been eliminated?

Mr. BINGHAM. Apparently there is to be no cost to the Government in connection with this proposal.

Mr. McKELLAR. Will the Senator wait a few moments until we can ascertain just what is in the bill and make sure that it conforms to the language of the previous act?

Mr. BINGHAM. Very well; I will withdraw the request for the present.

Mr. COPELAND. Mr. President, I ask permission to address the Senate for a moment or two.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from New York is recognized.

Mr. COPELAND. I want to say to the Senator from Connecticut [Mr. BINGHAM] that the relief agencies in New York are very anxious that this bill may be passed. I had a long telegram from Mr. Gibson, chairman of our committee, who has just raised $14,000,000 for poor relief from persons in New York City. He urges that this measure may be passed promptly. No matter how much private agencies may give, it is very necessary that relief may be had through public agencies. I hope there may be found some way by the Senator from Connecticut that the matter may be disposed of to-day so those in distress may be given the immediate benefit of this action.

Mr. BINGHAM. Mr. President, may I say to the Senator from New York that it is my intention to offer an amendment defining bedding as comforts and blankets. That is the only amendment proposed to be offered to the bill as it passed the House. I understand that is agreeable to those in the House who are interested in the measure. We are so near Christmas that it seems to me the bill ought to be passed promptly if we are going to do it, since the cotton previously devoted to this purpose has been completely used up.

Mr. COPELAND. Nothing that we could discuss is more important, in my opinion, than the relief of human suffering. Will the bill be brought up again to-day, may I ask the Senator from Connecticut?

Mr. BINGHAM. I hope to bring it up as soon as the Senator from Tennessee is satisfied.

Mr. McKELLAR. Mr. President, I have looked at the bill. It is an authorization and not an appropriation at all. It carries no appropriation. I imagine the request for an appropriation will come afterwards. I doubt if the cotton can be turned over until there is an appropriation. Therefore the wording here is not material and, if I may, I wish to ask unanimous consent to have the authorization bill considered at this time. The necessary wording will appear in the appropriation bill, which will be presented afterwards, and therefore, so far as I am concerned, the bill may be taken up now.

Mr. BINGHAM. Mr. President, I renew my unanimous-consent request for the discharge of the committee and the present consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. GEORGE. Mr. President, I ask for the regular order. I want to read the bill before any action is taken.

Mr. NORRIS. So do I.

Mr. BINGHAM. Very well; I withdraw the request for the time being.

MISSISSIPPI RIVER BRIDGES, MISSISSIPPI

Mr. VANDENBERG. Mr. President, from the Committee on Commerce I report back favorably without amendment the bill (S. 5260) granting the consent of Congress to the Board of Supervisors of Marion County, Miss., to construct a bridge across Pearl River, and I submit a report (No. 1011) thereon. I also report back favorably without amendment the bill (S. 5261) granting the consent of Congress to the Board of Supervisors of Monroe County, Miss., to construct a bridge across Tombigbee River, and I submit a report (No. 1012) thereon. I invite the attention of the Senator from Mississippi [Mr. HARRISON] to the bills.

Mr. HARRISON. Mr. President, I ask unanimous consent for the immediate consideration of the first bill reported.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Board of Supervisors of Marion County, Miss., and their successors and assigns, to construct, maintain, and operate a free bridge and approaches thereto across the Pearl River, at a point suitable to the interests of navigation, at or near Columbia, in the county of Marion, in the State of Mississippi, in accordance with provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. HARRISON. I ask unanimous consent for the consideration of the second bill reported by the Senator from Michigan.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Board of Supervisors of Monroe County, Miss., and their successors and assigns to construct, maintain, and operate a free bridge and approaches thereto across the Tombigbee River at a point suitable to the interests of navigation, at or near Old Cotton Gin Port, in the county of Monroe, in the State of Mississippi, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

REFERENCE OF BILLS TO COMMITTEE ON INTEROCEANIC CANALS

Mr. WALSH of Montana. Mr. President, during the closing days of the last session, on a day when the calendar was called, a number of bills dealing with the Canal Zone which had been reported by the Committee on Interoceanic Canals were committed, some of them to the Judiciary Committee, some of them to the Committee on Post Offices and Post Roads, and others to the Committee on Finance. These bills are all related to each other and ought to be considered together. I think the action was taken because the situation was not thoroughly explained. I was not here myself and I presume probably no other member of the Committee on Interoceanic Canals was present. I think the action was inadvertently taken.

The bills ought all to be considered together. They were all prepared by a committee appointed to revise the laws of the Canal Zone. That committee employed an experienced codifier, one of the employees of the West Publishing Co., and the measures were all considered by a committee of lawyers and laymen of the Canal Zone. Upon their recommendation the Committee on Interoceanic Canals was polled and in that way recommended the enactment of the measures, but it was thought perhaps that sufficient care was not given to them. If the action which I suggest shall be taken, I shall see that the Committee on Interoceanic Canals at an early date gives consideration to the bills and returns them to the Senate.

Accordingly, I ask that the action taken by the Senate committing to the Committee on the Judiciary H. R. 7519, H. R. 7520, H. R. 7521, and H. R. 7523, and the action of the Senate in committing to the Committee on Post Offices and Post Roads H. R. 7514 and to the Committee on Finance

H. R. 7515 be vacated and that the bills be recommitted to the Committee on Interoceanic Canals.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REPORT OF JOINT COMMITTEE ON OPERATION OF VETERANS' RELIEF LAWS

The VICE PRESIDENT. The Chair lays before the Senate a joint resolution coming from the House of Representatives, which will be read.

The Chief Clerk read the joint resolution (H. J. Res. 527) extending the time for filing the report of the joint committee to investigate the operation of the laws and regulations relating to the relief of veterans, as follows:

Resolved, etc., That the time within which the joint committee to investigate the operation of the laws and regulations relating to the relief of veterans, created by section 701 of the legislative appropriation act for the fiscal year ending June 30, 1933, approved June 30, 1932, shall report to the Senate and the House of Representatives, is hereby extended to and including the 3d day of March, 1933.

Mr. WALSH of Massachusetts. I ask unanimous consent for the immediate consideration of the joint resolution. It simply extends the time for the joint committee to report from January 1 to March 3, 1933.

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

DISTRIBUTION OF GOVERNMENT-OWNED COTTON

The VICE PRESIDENT. Morning business is closed.

Mr. BINGHAM. Mr. President, I now renew my unanimous-consent request that the Committee on Agriculture and Forestry be discharged from the further consideration of the bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress.

Mr. GEORGE. Mr. President, when the matter was under discussion a few moments ago I asked that it go over until I could have an opportunity to read the bill. I have done so, and have now no objection to the request.

The VICE PRESIDENT. Is there objection to the request of the Senator from Connecticut?

Mr. KING. Mr. President, before consent is given for the consideration of the bill—and I may add that I think the Senator ought not to press it to-day, but that it ought to be considered by the committee—I should like him to make some explanation and tell us what disposition was made of the cotton heretofore obtained, what the cost of the bill will be, who is to pay for it, and what is the modus operandi by which the cost of this cotton—which, as I am told, will be perhaps forty or fifty million dollars—is to be met.

Mr. BINGHAM. Mr. President, I quote from the statement made on the floor of the House, on page 711 of the RECORD, by Mr. JONES, a Representative from Texas, who introduced the bill which was reported from the committee:

The testimony of the officers of the National Red Cross shows that these distributions were handled through 3,489 chapters of that organization, including 12,000 branches, in every State of the Union; that more than 4,000,000 families have been furnished with food and with clothing in that distribution; that the mills have handled it without any profit whatever; that the local committees of the American Red Cross and volunteer committees have handled the making of garments in many instances without any expense at all, so that a very great percentage of the raw materials has been translated into actual forms of relief.

In a speech made by Mrs. ROGERS, Representative in Congress from Massachusetts, she states:

My information is that only 20 per cent of the requests by the local chapters of the Red Cross have been filled. Early in December requests were approved by the Red Cross for 52,021,557 yards of cotton cloth, and in addition purchases of underwear, hosiery, overalls, trousers, and knickers, which total 1,306,508 dozen. The Red Cross estimates that this cloth and clothing is needed by 4,202,267 families.

And she goes on to cite the testimony of Col. John Barton Payne.

Mr. President, the Senator from Utah knows that I have frequently opposed measures putting the Federal Government into the business of looking after the general welfare, but in this instance the action taken last year has been so beneficial, the need is so great during the winter—which threatens to be a very severe one—particularly for comforts and blankets, that I hope the Senator will not object to the immediate consideration of the bill. The actual cost to the Government is not connected with the action of the Red Cross, but only in losing the value of the cotton which we bought and for which there is no market at the present time.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Tennessee?

Mr. BINGHAM. I yield.

Mr. McKELLAR. Mr. President, everybody realizes that this is a proper measure, but last year the trouble with a similar authorizing act was that under it Congress was required to pay the entire value of the cotton and the difference between what was owed on the cotton by the Farm Board and what it received at the market price was turned back to the board and became a part of the board's revolving fund. The Senator will probably recall that the Senate would not agree to that, and it was changed in the appropriation bill.

In order to prevent any such situation at this time I ask the Senator if he will accept an amendment striking out, on page 2 of the bill, lines 19, 20, and 21 and the remainder of the sentence on line 22.

Mr. BINGHAM. I have no objection to that amendment.

Mr. McKELLAR. Then, I ask unanimous consent that that amendment may be agreed to.

The VICE PRESIDENT. The bill has not as yet been laid before the Senate. Is there objection to the request of the Senator from Connecticut that the Committee on Agriculture and Forestry be discharged from the further consideration of the bill and that it be laid before the Senate.

Mr. KING. Mr. President, I should like to ask the Senator from Tennessee to explain the significance of his motion.

The VICE PRESIDENT. Does the Senator from Connecticut yield for that purpose?

Mr. BINGHAM. I yield.

Mr. McKELLAR. The Senator will notice on page 2 the words—

The Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the cotton delivered hereunder.

That is all right, but the money will have to be appropriated by the Congress later in order to accomplish that purpose. Under this bill the Congress will have to appropriate not only the money for that, but the difference between what they have borrowed on it and the market price of the cotton and to return that difference into the revolving fund of the Farm Board. It is not my desire to turn any more money into the Farm Board's revolving fund, and I think that was the view of the Senate last time. So, in my judgment, we ought to amend this bill so as to make certain that the same course will be followed as was followed last year in the case of a similar measure.

Mr. BINGHAM. I have no objection to that, Mr. President.

Mr. SMOOT. Mr. President, I think if that is done, it will be unfair to the Federal Farm Board. I do not see why the Federal Farm Board should incur a loss by giving this cotton away and then be charged up with it, with the result that some Senators upon the floor of the Senate later will say, "Here is what the Federal Farm Board have lost. They have squandered this money."

Therefore I think the proposal is unjust. Why not leave the matter just the way the House has it?

Mr. BINGHAM. Will not the Senator permit us to get the bill up first, and then discuss the amendments?

Mr. SMOOT. I thought it was up.

The VICE PRESIDENT. Is there objection to the request? If the request is granted, that will bring the bill before the Senate.

Mr. KING. I hope that this measure may not be taken up for consideration without further effort to clarify its provisions and make known its implications. No opportunity has been given Senators to examine the bill, and it comes to the floor of the Senate without a report of the committee and without the committee, as I am advised, having had an opportunity to consider it. I am informed that there are members of the Agriculture Committee who have not even heard of the bill. Not infrequently the Senate is asked to pass measures calling for large appropriations and dealing with important if not vital questions without knowing anything about the proposed measures or what their effects would be. There is too much hasty and ill-considered legislation, and the result is that Congress is frequently called upon to attempt to rectify serious mistakes made and to avert, so far as possible, impending evils flowing from such legislation. Often the passage of measures is urged by appeals to the emotions of Senators and by presenting facts which on their face seem to warrant prompt action. There are too many so-called emergency measures and emotional propositions submitted to legislative bodies. That is particularly true in periods of depression such as that in which the people now find themselves.

May I remark in passing that the present unfortunate economic situation creates demands for legislation and large appropriations, and under such conditions Congress should act with prudence and should not be swept away by emotional appeals or induced to pass bills without a most careful examination of their provisions and an understanding of their consequences.

At the last session of Congress a measure was passed that called for a large appropriation to discharge claims against wheat and cotton which had been purchased by the Federal Farm Board and were held by so-called stabilization corporations. The adventure of the Federal Farm Board into wheat and cotton speculation had resulted disastrously, and the measure referred to had the effect of relieving the Federal Farm Board and its subsidiaries of obligations which had been created in the execution of the unwise and unsound policies of the Federal Farm Board and its subsidiaries. These so-called stabilization corporations—creatures of the Federal Farm Board—were owing millions of dollars upon wheat and cotton which had been purchased by them and which they were holding at mounting costs. As stated, these adventures into speculative fields were in violation of every business principle and wholly inconsistent with the purpose for which the Federal Farm Board was created. It was contended by some of the proponents of the measure that the distribution of large quantities of wheat and cotton held by the board and its stabilization corporations enabled the Farm Board to realize a credit upon the $500,000,000 which it had obtained from the Government. The holding of this grain and cotton materially increased the liens and charges upon the same, and would tend to diminish their value and reduce the ultimate amount which might be realized from the sale of the same. The original project was intended to make a better showing for the Farm Board by crediting it with the cost of the wheat and cotton, and not entering upon the books the depreciation in the value of the commodity since purchased, together with the charges for storage, insurance, and the liens upon the same created by the stabilization corporations which had borrowed from commercial banks and directly or indirectly pledging the cotton and the wheat for the payment of the same.

As Senators recall, the Farm Board and its stabilization corporations became gamblers in wheat and cotton, and by their improper and wholly unsound policies lost several hundred million dollars of the funds of the $500,000,000 appropriated by Congress. The Cotton Stabilization Corporation purchased millions of dollars worth of cotton and has lost enormous sums in its attempts to advance or maintain prices. As I am advised, substantially all the cotton now held by it has charges on account of millions of dollars borrowed from commercial institutions and growing out of storage, insurance, and other charges. The cotton if sold to-day would result in enormous losses to the Cotton Stabilization Corporation and to the Farm Board. Perhaps the stabilization corporation would have difficulty in obtaining funds with which to discharge the liens and other charges against the cotton.

The bill before us, as I understand its terms, will call for several millions of dollars out of the Treasury of the United States in order to free the cotton from the liens and charges against it. In a way this bill is an appropriation to the Federal Farm Board and augments the $500,000,000 heretofore appropriated by Congress to that voracious Federal instrumentality. This bill in effect is to enable the Federal Farm Board to obtain an appropriation, or at least a credit, to which it is not entitled and to conceal or minimize the losses resulting from its unsound policies and maladministration.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to his colleague?

Mr. KING. I will in a moment when I complete the thought I am attempting to express.

It seems to me that we should treat this transaction—if we are to go forward along the lines suggested in the bill—as a purchase by the Government from the Federal Farm Board of the amount of cotton provided in the bill, and then credit the Federal Farm Board only with the value of the cotton at the day of its delivery to the Red Cross, less, of course, all advances made by the Government in the payment of liens, warehouse charges, insurance, and so forth. It may be that the cotton will not sell for sufficient to meet all of the liens, charges, and so forth, in which event, of course, no credit should be allowed the Federal Farm Board, but, upon the contrary, there should be a charge against the revolving fund, and the amount of the deficit should be subtracted from any sum or amount which the Federal Farm Board now claims to hold either in its own coffers or in the Treasury of the United States.

Mr. President, this method of legislating to me is unwise. As I have indicated, it is an imperfect effort to shield the Federal Farm Board, or at least cover up its losses. If Congress desires to further aid the unemployed, I would very much prefer to make a direct appropriation for that purpose. There are thousands of farmers who are holding their cotton. If the Government is to furnish cotton to the Red Cross to aid the unemployed, then would it not be better to purchase the cotton and thus help the farmers who have cotton for sale? It would stimulate prices and, as I have stated, would be of advantage to the cotton farmers.

Before the bill is taken up for consideration some of its terms which are not clear should be made more specific and certain; and I suggest to the Senator that he accept amendments along the lines indicated, in which event I shall not object to the consideration of the bill, although I think the theory of the bill is not sound.

Mr. BINGHAM. I shall be glad to accept the amendments.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. The senior Senator from Utah.

Mr. BINGHAM. Mr. President, has consent for the consideration of the bill been granted?

The VICE PRESIDENT. Not yet.

Mr. SMOOT. Mr. President, either my colleague [Mr. KING] does not understand the amendments offered by the Senator from Tennessee [Mr. MCKELLAR] or else I do not understand them. The Senator from Tennessee has just handed me his copy of the bill, and I want to call the attention of the Senate to the amendments.

The first amendment is found in section 3. Section 3 reads, in part, as follows—I shall not read it all, but down to line 22:

> In so far as cotton is delivered to relief agencies by the Cotton Stabilization Corporation under this act the Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the cotton delivered hereunder, less the current market value of the cotton delivered.

That is stricken out, as well as these words:

And to deduct the amount of such loans canceled from the amount of the revolving fund established by the agricultural marketing act.

Then on page 3, in the same section, the Senator from Tennessee desires, beginning on line 6, to strike out " and for meeting interest payments on commercial or intermediate-credit bank loans." After striking out those words, it would read:

Carrying and handling charges, and——

Mr. MOSES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MOSES. Is the bill before the Senate?

The VICE PRESIDENT. The bill is not before the Senate. The unanimous-consent request has not yet been granted.

Mr. MOSES. Then we are following the usual senatorial practice of debating something that is not before the Senate.

Mr. KING. Mr. President, I object to the consideration of the bill at this time.

The VICE PRESIDENT. Objection is made. The calendar is in order.

THE CALENDAR

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Let the first bill on the calendar be stated. Then the Senator will be recognized.

The first business on the calendar was the bill (S. 268) to amend subdivision (c) of section 4 of the immigration act of 1924, as amended.

Mr. LA FOLLETTE. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

AMENDMENT OF NATIONAL PROHIBITION ACT

Mr. BINGHAM. Mr. President, I move that the Senate proceed to the consideration of Senate bill 436, Order of Business 671, to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor.

The VICE PRESIDENT. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (S. 436) to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor.

The VICE PRESIDENT. The bill is reported adversely.

Mr. ROBINSON of Arkansas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ROBINSON of Arkansas. The motion now made by the Senator from Connecticut is not debatable at the time it is being made?

The VICE PRESIDENT. That is correct.

Mr. ROBINSON of Arkansas. May I ask the indulgence of the Senate to ask the Senator from Connecticut a question?

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. ROBINSON of Arkansas. Does the Senator expect to have this bill disposed of now?

Mr. BINGHAM. Mr. President, my optimism is great, but I have heard sundry murmurings around the Capitol that make me fear that it might not be; but I hope it may be.

Mr. ROBINSON of Arkansas. Mr. President, I ask to be indulged in a brief statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Arkansas is recognized.

Mr. ROBINSON of Arkansas. Mr. President, just a day or two ago the House of Representatives passed a bill imposing a tax on beer and increasing the legalized alcoholic content of beer.

By action of the Senate yesterday that bill was referred to the Committee on the Judiciary, and it is expected that the committee will consider the bill and make a prompt report, so that the Senate will have the opportunity of disposing of the measure within a reasonable and short time.

There is no disposition upon the part of anyone for whom I speak to delay unduly the consideration of the legislation referred to. As everyone must realize, there is a constitutional or legal question involved in the legislation, and for that reason the House measure has been referred to the Committee on the Judiciary.

A similar question arises in connection with this bill. Believing that no wholesome end will be accomplished by taking up the bill of the Senator from Connecticut at this juncture, and that the same question arises on his bill relating to its constitutionality, I shall vote first against proceeding to the consideration of the bill; and if the bill be taken up by the Senate, if the motion of the Senator should prevail notwithstanding my objection to proceeding with it on the motion, I shall then move to commit the bill to the Committee on the Judiciary.

I thank the Senate for indulging me to make this statement.

Mr. BINGHAM. Mr. President, I ask unanimous consent to make a brief statement.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Is there objection to the Senator from Connecticut making a brief statement? The Chair hears none. Does the Senator from Connecticut yield to the Senator from Montana for a question?

Mr. BINGHAM. I yield to the Senator.

Mr. WALSH of Montana. Mr. President, it is reported that the Senator from Connecticut has in mind, if the bill should be taken up for consideration, substituting the House bill for consideration, or making a motion to the effect that everything after the enacting clause be stricken out and the House bill be substituted. Has the Senator such procedure in mind?

Mr. BINGHAM. Not exactly, Mr. President. I shall explain in a moment what would be my policy in case we take up the bill. I ask the indulgence of the Senate for just a few moments.

The VICE PRESIDENT. That request has been granted.

CROP PRODUCTION AND HARVESTING LOANS

Mr. SMITH. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from South Carolina?

Mr. BINGHAM. I yield.

Mr. SMITH. Time is so essential to a bill in which I was interested yesterday, in connection with which the Senator from Connecticut gave notice of a motion for reconsideration, that I ask the Senator if he will not withdraw that motion and let the bill be disposed of.

Mr. BINGHAM. I am willing to withdraw it.

The VICE PRESIDENT. Without objection, the Senator from Connecticut withdraws his motion to reconsider the vote whereby Senate bill 5160 was passed.

Mr. GRAMMER. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Washington?

Mr. BINGHAM. For what purpose?

Mr. GRAMMER. A statement.

Mr. BINGHAM. I can not yield for a statement, since this motion is not debatable.

The VICE PRESIDENT. The Senator from Connecticut declines to yield at this time. The Senator from Washington can be recognized later.

AMENDMENT OF NATIONAL PROHIBITION ACT

Mr. BINGHAM. Mr. President, when the House passed the Collier bill a few days ago I had hoped that it might receive prompt consideration by the Senate. I had no desire to take advantage of the fact that there have been pending on the calendar ever since the 3d day of May two bills dealing with the same subject, which we tried, unsuccessfully, last May and last July, to get before the Senate. I had hoped that we might get prompt action on the Collier bill. However, I understand that it is the purpose to refer the Collier bill first to the Judiciary Committee and then to the Committee on Finance.

Believing that that will lead to very considerable delay, which in a short session would make it impossible to secure

any action at all until the end of this Congress, and hoping that we might secure an agreement to take up one of these two bills and secure action on it in the near future, I have made this motion.

I do not desire to make any remarks derogatory to any committee, least of all of the Judiciary Committee. I do not wish my remarks to be applicable to any one person; but a year ago, on the 17th of December, I expressed to the chairman of the Judiciary Committee on the floor of the Senate the hope that the committee would hold hearings on some of my proposed amendments to the Constitution; and I stated that I hoped the hearings would be held—

> At an early date, in order, this being the long session of Congress, that we may have an opportunity for debating, under the rules of the Senate, at an appropriate time this question and similar questions closely related to it.

The chairman of the committee then very courteously replied that he would refer the bill to a subcommittee, and said:

> If the Senator who submits it is anxious for a hearing and the appointment of a subcommittee, I have no doubt that the request will be granted without any delay whatever.

The Senator from Nebraska [Mr. NORRIS], the chairman of the committee, kept his word, and promptly appointed a subcommittee in the latter part of December, a few days after making that remark. He had some little difficulty in getting Members to serve on it. Some of the Members who were appointed stated that they did not regard it as an important matter, and declined to serve. Others were appointed in their place, however, and I pressed for prompt and early hearings; but, Mr. President, no hearings were held until the 14th day of April, four months later.

The Judiciary Committee have had before them bills for the modification of the Volstead Act, one introduced by the Senator from New York proposing that physicians be given certain privileges which they ought to have, and others. They have had bills before them for years in regard to modification, as well as resolutions in regard to repeal; and, so far as I know, never have reported any of them out.

The subcommittee appointed to consider some of the measures for repeal did hold hearings in April, and perhaps some in the early part of May. The chairman of the subcommittee, the distinguished junior Senator from Wisconsin [Mr. BLAINE], then endeavored to get a meeting of the subcommittee of five to make a report to the full committee. His subcommittee of five consisted of the Senator from Rhode Island [Mr. HERBERT] and myself, both sympathetic with the object of the repeal resolution, and three Senators generally classified as drys, not sympathetic.

The drys did not attend the meeting of the committee, and it was impossible to secure a quorum. Another effort was made, and no quorum was present, so the subcommittee made no report to the full committee. Instead of our getting a chance to debate the matter during the long session, no report has yet come from that committee on repeal resolutions introduced more than a year ago. Is it strange that I should like to bring the matter out on the floor and get it settled?

I congratulate the Democratic party on the very frank and clear nature of their platform in this regard. Their plank met my approval, as I stated on the floor of the Senate and elsewhere. I regret that the plank of my own party was not as clear and concise and satisfactory as was the Democratic plank. The country approved their plank by enormous majorities. It contained a definite promise for immediate modification of the Volstead Act to permit the manufacture and sale of beer.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Connecticut yield to the Senator from Massachusetts?

Mr. BINGHAM. In just a moment. The House has acted with extraordinary rapidity and promptness, and it is very unusual to get an important matter through in December of a short session. I am pressing the pending motion only because I fear that if this matter goes to the Committee on the Judiciary, it being a House bill, hearings will be held by that committee, which will drag along; it will then go to the Finance Committee, and hearings will be held there, and it will drag along, and we will be lucky if it gets back here by the middle of February. Even if it got back by the first of February, we would be extraordinarily lucky, and everyone knows that with appropriation bills pressing a highly controversial matter of this kind could not possibly be gotten through the Senate before the 4th of March. It is for that reason that I am pressing that the matter may be made the unfinished business of the Senate at this time. There is a bill on the calendar which can be taken up.

In answer to the question of the Senator from Montana, may I say that I had intended to substitute the text of the Collier bill, but I learn that the first two or three paragraphs of that bill deal with a revenue matter; and, therefore, it would not be in order for the bill to be attached to a Senate bill. However, on the statute books of the United States at the present time there is provision for a satisfactory tax on beer of $6 a barrel, which would yield more revenue than the bill passed in the House, under which the tax would be only $5 a barrel. I believe there would be no difficulty whatever in collecting the $6 tax. That was the opinion expressed by the Bureau of Internal Revenue. Therefore, there is necessarily no object in considering the first section of the Collier bill; and it would be my purpose to offer the remaining sections in lieu of my bill.

The necessity of taking testimony in regard to the constitutionality would not seem to be as important as it would be if the House committee had not taken a large amount of testimony on this subject, and if the Senate Committee on Manufactures had not within a year taken testimony covering 574 printed pages on the question of modification of the Volstead Act to permit the manufacture and sale of beer of an alcoholic content of 3.2 per cent by weight. Since the committee, under the able chairmanship of the senior Senator from Wisconsin [Mr. LA FOLLETTE], has spent so much time on the bill and heard so much testimony, I can see nothing to be gained by having further hearings and more delay in the Committee on the Judiciary and the Committee on Finance.

Now I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Mr. President, does not the Senator think it is only fair to say, in justification of the delays by the Judiciary Committee, that prior to the party conventions in June last there was an overwhelming majority in both the House and the Senate against any proposal to modify the Volstead law? It seems to me that it is not fair to let the record stand, as the Senator portrays it, of delay and postponement on the part of the Committee on the Judiciary, when it was apparent that there was merely a handful of votes in this Chamber and the other Chamber in favor of modification prior to the time of the political conventions.

Mr. BINGHAM. Mr. President, I yield to my friend from Massachusetts in his statement, but may I remind him that there was an election on the 8th of November, and that since that time Congress has been in session nearly a month and nothing has as yet come from the Judiciary Committee on the subject?

Mr. WALSH of Massachusetts. I concur and agree with the Senator that it is time now for prompt action, and I commend the House for having acted as promptly as it has acted. I sincerely hope the Senate will follow the example set by the House, and I am prepared to cooperate in every way to the end that speedy action may be had. The country earnestly desires this measure to be disposed of without delay.

Mr. BINGHAM. These matters have been before the Senate Committee on the Judiciary for years, and certain hearings were held on them last April. It would have been perfectly possible for them to have carried out the mandate of the people of the United States by promptly reporting out at least one of the repeal measures within a week or two after the opening of this session of Congress; but there has

been no evidence that one is coming out in the near future, although we hear that one is likely to come out.

Mr. President, while I would like to see a repeal measure passed first and gotten out of the way, there is no repeal resolution on the calendar. There is a bill on the calendar for the modification of the Volstead Act, on which long hearings have been held. I do not believe there is anyone in this Chamber who does not know to-day whether he is going to vote for 3.2 per cent beer or against it. Hearings and delay will not get us anywhere. I want an opportunity to get prompt action. If we send the matter to the Committee on the Judiciary, there will be long delay if they hold hearings, and there is nothing to prevent them doing so, the chairman of the committee, in an interview given out yesterday, saying it was the custom of the committee to hold hearings whenever they were requested.

The Senator from Massachusetts, who is entirely sympathetic with me in this matter, and with whose position I am sympathetic, knows that the drys are determined that this bill shall not pass. He knows that the drys have announced they are going to do everything they can to prevent the will of the people as expressed in the November election being carried out. He knows there are in this body certain very eminent Senators who are earnestly for the dry cause, contrary to his belief and to my belief, and it is to be expected that they will use every means within their power, naturally, in accordance with their position and their belief, to postpone such consideration. Therefore I hope the pending motion may prevail.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. BINGHAM] that the Senate proceed to the consideration of the bill (S. 436) to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. STEIWER (when his name was called). On this vote I have a pair with the senior Senator from New Mexico [Mr. BRATTON], who is unavoidably detained from the Chamber. If he were present, I believe he would vote "nay." If I were at liberty to vote, I should vote "yea."

May I state that my colleague [Mr. MCNARY] is unavoidably detained on account of illness?

Mr. SWANSON (when his name was called). Has the senior Senator from Illinois [Mr. GLENN] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. SWANSON. I have a general pair with the senior Senator from Illinois. In his absence I withhold my vote. If I were permitted to vote, I should vote "nay."

Mr. THOMAS of Oklahoma (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr. HATFIELD]. I understand, however, that if he were present he would vote as I would vote. Therefore I consider myself at liberty to vote, and I vote "nay."

Mr. TYDINGS (when his name was called). On this vote I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I understand that if he were present he would vote the same as I shall vote, and I therefore vote "yea."

The roll call was concluded.

Mr. BINGHAM. I have a general pair with the Senator from Virginia [Mr. GLASS], which I transfer to the Senator from New Jersey [Mr. KEAN], and vote "yea."

Mr. SHEPPARD. I desire to state that the Senator from Nevada [Mr. PITTMAN] and the Senator from Louisiana [Mr. BROUSSARD] are necessarily detained on official business.

I wish also to state that the Senator from New Mexico [Mr. BRATTON], the Senator from West Virginia [Mr. NEELY], and the Senator from Louisiana [Mr. LONG] are necessarily out of the city. I am not informed how these Senators would vote on this question.

Mr. TRAMMELL. My colleague the senior Senator from Florida [Mr. FLETCHER] is necessarily detained from the Senate on account of illness.

Mr. HARRISON. I desire to state that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is necessarily detained at his home by illness.

Mr. HASTINGS. I desire to announce that the junior Senator from Rhode Island [Mr. HEBERT] has a pair with the senior Senator from Florida [Mr. FLETCHER]. If the Senator from Rhode Island [Mr. HEBERT] were present, he would vote "yea."

Mr. ROBINSON of Arkansas (after having voted in the negative). I have a pair with the senior Senator from Pennsylvania [Mr. REED]. I transfer that pair to the junior Senator from Mississippi [Mr. STEPHENS], and allow my vote to stand.

Mrs. CARAWAY. I have a pair with the junior Senator from New Jersey [Mr. BARBOUR], which I transfer to the senior Senator from Nevada [Mr. PITTMAN], and vote "nay." I understand that if the junior Senator from New Jersey were present, he would vote "yea."

Mr. COSTIGAN. The junior Senator from West Virginia [Mr. NEELY] is unavoidably absent. He has authorized me to state that if present he would vote "nay."

Mr. LA FOLLETTE. I desire to announce that the senior Senator from Iowa [Mr. BROOKHART] is absent on account of illness.

The PRESIDING OFFICER (Mr. FESS). I am advised that a special pair has been arranged on this question between the Senator from Rhode Island [Mr. METCALF] and the Senator from West Virginia [Mr. HATFIELD]. If present, the Senator from West Virginia [Mr. HATFIELD] would vote "nay," and the Senator from Rhode Island [Mr. METCALF] would vote "yea."

I also desire to announce a special pair on this question between the Senator from Connecticut [Mr. WALCOTT] and the Senator from Iowa [Mr. BROOKHART]. If present, the Senator from Connecticut [Mr. WALCOTT] would vote "yea," and the Senator from Iowa [Mr. BROOKHART] would vote "nay."

I also wish to announce the following general pairs:

The Senator from New Hampshire [Mr. KEYES] with the Senator from Louisiana [Mr. LONG]; and

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from West Virginia [Mr. NEELY].

The result was announced—yeas 23, nays 48, as follows:

YEAS—23

Bingham	Dill	Moses	Tydings
Blaine	Grammer	Oddie	Wagner
Bulkley	Hawes	Reynolds	Walsh, Mass.
Coolidge	Johnson	Schall	Watson
Copeland	La Follette	Shortridge	Wheeler
Davis	Lewis	Trammell	

NAYS—48

Ashurst	Cohen	Hastings	Patterson
Austin	Connally	Hayden	Robinson, Ark.
Bailey	Costigan	Howell	Robinson, Ind.
Bankhead	Couzens	Hull	Sheppard
Barkley	Dale	Kendrick	Shipstead
Black	Dickinson	King	Smith
Borah	Fess	Logan	Smoot
Bulow	Frazier	McGill	Thomas, Idaho
Byrnes	George	McKellar	Thomas, Okla.
Capper	Gore	Norbeck	Vandenberg
Caraway	Hale	Norris	Walsh, Mont.
Carey	Harrison	Nye	White

NOT VOTING—25

Barbour	Glenn	McNary	Stephens
Bratton	Goldsborough	Metcalf	Swanson
Brookhart	Hatfield	Neely	Townsend
Broussard	Hebert	Pittman	Walcott
Cutting	Kean	Reed	
Fletcher	Keyes	Schuyler	
Glass	Long	Steiwer	

So the Senate refused to proceed to the consideration of Senate bill 436.

Mr. ROBINSON of Arkansas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBINSON of Arkansas. Is it now in order to move to refer to a committee the bill of the Senator from Connecticut?

The PRESIDING OFFICER. The Chair thinks such a motion could not be made, because the bill is not before the Senate.

Mr. ROBINSON of Arkansas. That was my impression and the reason I asked the question.

Mr. President, it is perfectly apparent what the Senator from Connecticut [Mr. BINGHAM] is attempting to do. He is still trying to gain some sort of partisan advantage by attempting to bring up a beer bill under conditions when every Senator knows it can not be promptly disposed of. There is no disposition, so far as I know, on this side of the Chamber to delay unfairly the consideration of this legislation. We are interested in a report from the Judiciary Committee for the reason that a conclusion by the Committee on Manufactures as to the constitutionality of the measure does not carry that binding force and effect which is carried by a report from the law committee of the Senate. In making that statement I cast no reflection on the Committee on Manufactures or any member of it. Every Senator entertains personal affection as well as sincere esteem for the able Senators who compose that committee.

But in this connection it may be pointed out that the ruse of the Senator from Connecticut in having a judicial or legal question of controlling significance affecting legislation passed on by the Committee on Manufactures rather than by the Judiciary Committee warrants the Senate and those who recognize not only their obligation to party platform but also their obligation to the supreme law of this land, the Constitution of the United States, in asking a reference of these measures to the Committee on the Judiciary. I have no authority to speak for that committee. I am not a member of the committee. It probably is the only important committee of the Senate upon which it has not been my privilege to serve during the long period that I have been honored by being a Member of this great body. But I know the membership of the committee, and I feel warranted in declaring that prompt consideration will be given to the subject and that action will be taken in a reasonable time.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. ROBINSON of Arkansas. I yield.

Mr. WALSH of Massachusetts. Would the Senator be willing, in the event it is discovered later that there is an unreasonable delay and an attempt to filibuster this bill by holding it in the committee, to move to discharge the committee from further consideration of the bill?

Mr. ROBINSON of Arkansas. Beyond any question. I hold myself and the party to which I belong committed to the policy of passing upon this question, and I carry that responsibility unhesitatingly and with resolution. I would not be willing at this juncture, merely because there has been delay in previous sessions of Congress upon the part of committees to report upon this or other legislation, to make the suggestion or cast the reflection that there is a possibility that the great Committee on the Judiciary will not measure up to the very hightest standards of responsibility and duty.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Arizona?

Mr. ROBINSON of Arkansas. I yield.

Mr. ASHURST. The speech of the able Senator from Arkansas is worthy of the best traditions of the Senate. What I am about to say now I may say without embarrassment because I am not a member of the subcommittee of the Committee on the Judiciary which is considering this subject. I am able to say that the chairman of the Committee on the Judiciary, Mr. NORRIS, assembled the committee at once when this session of the Congress convened and appointed a subcommittee consisting of members who for diligence and for learning in the law are not eclipsed by anyone. I have but to mention their names—BLAINE, BORAH, HEBERT, WALSH of Montana, and DILL. For legal attainment and for diligence in public service no better committee could have been selected.

That subcommittee with unremitting zeal has been at work, and is now at work, on the question of repeal of the eighteenth amendment.

The Senator from Arkansas, in my judgment, demonstrated true statesmanship when he asked that the Judiciary Committee consider the beer bill because there is, as every Senator must know, a grave constitutional question involved.

Mr. COUZENS and Mr. BLAINE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Michigan and then I shall be glad to yield to the Senator from Wisconsin.

Mr. COUZENS. I appreciate the fact that the Senator from Arkansas is devoting his attention to the Judiciary Committee, but does not the Senator also believe the Committee on Finance has jurisdiction over the matter of revenues?

Mr. ROBINSON of Arkansas. Without doubt, and I intend to speak of that. That is a phase of the subject I had not yet reached, and if the Senate will indulge me for just a few moments I would like to go into that aspect of it, particularly with reference to the policy announced by the Senator from Connecticut.

Mr. COUZENS. May I say that I pleaded with the Senator from Connecticut yesterday not to do this very thing until the Finance Committee had an opportunity to consider the revenue features of the bill. I want to make that a matter of record.

Mr. ROBINSON of Arkansas. I yield now to the Senator from Wisconsin.

Mr. BINGHAM. Mr. President, will the Senator from Arkansas first permit me to answer the remark of the Senator from Michigan in regard to my action?

Mr. ROBINSON of Arkansas. Very well.

Mr. BINGHAM. May I say to the Senator that in the bill which I asked to have taken up to-day there are no revenue features whatever. It is merely a difference in the single figure in the so-called Volstead Act.

Mr. ROBINSON of Arkansas. That is the very point to which I intend to address myself, but before doing so I wish to extend the courtesy of yielding to my friend, the Senator from Wisconsin.

Mr. BLAINE. I thank the Senator for yielding. I wish to make just a suggestion in relation to what the Senator has said respecting the jurisdiction of the Committee on the Judiciary. As I read the bill there is no constitutional question raised by the bill. There is no question in the bill which requires the attention of the Judiciary Committee. It is purely a revenue act, of course, imposing certain fines or penalties for violation, no different, however, than similar penal provisions in other revenue acts. The constitutionality of the bill, in my opinion, can not be brought into question because it has nothing to do with the proposition as I conceive it. In other words, the Volstead Act is merely an enforcement measure. The proposed bill would amend the Volstead Act and to that extent only does the Congress propose to affect the eighteenth amendment.

Mr. ROBINSON of Arkansas. All that the Senator from Wisconsin has said is true; but it is also true that there arises in the mind of every Senator, whether he be a so-called wet or a so-called dry, a question as to whether the alcoholic content in beer provided for in the bill in fact constitutes it an intoxicating beverage and therefore disregards the Constitution. There is no escaping that fact. Every Senator knows that is an accurate statement of the fact.

Now, let me address myself to the remarks of the Senator from Connecticut. He has assumed that the virtue in his motion lies in the fact that he proposes to eliminate from the substitute—the House bill—those provisions which relate to revenue. Mr. President, one of the most important features of the legislation, and I might say at this time perhaps the most important feature, is the revenue feature contained in the House bill. To eliminate that feature

would be to divide the subject matter of the legislation, prolong the controversy that will arise over its passage, and probably defeat the enactment of revenue legislation at this session, even though the beer bill in its naked terms and without revenue provisions might be enacted into law.

In my judgment that shows the unwisdom of the strategy of the Senator from Connecticut. One of the primary justifications for this legislation is as a revenue measure. Everyone knows in general terms the condition of the United States Treasury. Everyone realizes that during the present session it may become necessary to find additional sources of revenue, sources in addition to beer. But to eliminate it now for the mere purpose of trying to embarrass some one or trying to make it appear that some Members of the Senate are not loyal to their party platform is poor strategy on the part of the Senator from Connecticut if he sincerely desires to pass beer legislation.

I yield now to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, the Senator from Arkansas probably did not hear me state that there were on the statute books of the United States to-day provisions which would produce a larger revenue than would be provided by the Collier bill.

Mr. ROBINSON of Arkansas. I heard the Senator.

Mr. BINGHAM. And therefore the Senator is not fair in assuming that I am endeavoring to do away with the revenue feature. The revenue feature is in the law to-day and we do not need to consider any amendment to the revenue laws at all.

Mr. ROBINSON of Arkansas. O Mr. President, the Senator is right as to a revenue feature that he says has been in force during a period when beer with the alcoholic content proposed has not been regarded as a source of revenue; but everyone knows that the appropriate committee of the House took up this subject, considered it, worked out the details with respect to revenue legislation, and passed the bill; and now the Senator proposes to eliminate the most material and important feature of the bill. He will have to excuse me when he asks me to go along with him in that program.

Mr. BINGHAM. Very well, Mr. President. I realize——

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, I should like to ask a question. It appears to me that if the bill sponsored by the Senator from Connecticut should be taken up by the Senate and disposed of it would be in effect a substitute for the bill which has passed the House and is now before the Senate Judiciary Committee, and it seems to me it would be a duplication of effort and a waste of time to take it up.

Mr. ROBINSON of Arkansas. That is my impression.

Mr. SHIPSTEAD. There is no reason to believe that the Judiciary Committee will not report back the House bill, so that the question will again come before the Senate.

Mr. ROBINSON of Arkansas. Certainly.

Mr. SHIPSTEAD. I voted against the motion of the Senator from Connecticut because I thought we were wasting time here in taking this matter up now.

Mr. ROBINSON of Arkansas. I concur in that opinion, and I think every Member of the Senate except the Senator from Connecticut knows that there is not the slightest chance of disposing of this legislation to-day.

Mr. NORRIS. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Nebraska.

Mr. NORRIS. I should like to suggest to the Senator from Arkansas, right along the line of the question asked by the Senator from Minnesota, suppose we had taken up the bill of the Senator from Connecticut and had passed it, it would then have gone to the House of Representatives. They having already legislated and passed a bill on the subject, it would really be a discourtesy to the House of Representatives to pass a new bill when they had already legislated and sent their bill to the Senate; and if they did anything, they would probably take the bill, strike out all after the enacting clause, put in the bill which they had already passed, and send it back here again.

Mr. ROBINSON of Arkansas. And we would be exactly where we are to-day.

Mr. NORRIS. We would be just exactly where we are now.

Mr. ROBINSON of Arkansas. And instead of promoting a decision respecting the legislation, the Senator from Connecticut would have contributed to unnecessary and unreasonable delay.

Mr. VANDENBERG. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. I yield to the Senator from Michigan.

Mr. VANDENBERG. Will the Senator permit me to state, in his time, that his logic respecting this motion precisely paraphrases my own views? I consider that Michigan by direct referendum rendered a mandate in the recent election inferentially in favor of a constitutional liberalization of the Volstead Act, and specifically in favor of the submission of the repeal of the eighteenth amendment upon an appropriate basis. I propose promptly at this session to validate that mandate; but I do not propose to be driven into snap judgment without the benefit of an adequate study and report from the appropriate committees of the Senate. Snap judgment could hazard the validity and the success of the entire program. I propose to be sure of my constitutional ground; then I propose to proceed as indicated. This is not delay. It is merely a denial of the haste that makes waste.

Mr. ROBINSON of Arkansas. I thank the Senator from Michigan. He has confirmed me in the consciousness that the position I am taking is correct.

I think, Mr. President, I have said all I desire to say on the subject.

Mr. BINGHAM. Mr. President——

Mr. SHORTRIDGE. Mr. President, a parliamentary inquiry. What is before the Senate?

Mr. NORRIS. Mr. President, I want to ask the Chair if this debate is not proceeding by unanimous consent?

Mr. ROBINSON of Arkansas. It is.

The PRESIDING OFFICER. The debate is proceeding by unanimous consent.

Mr. NORRIS. Then I want to submit a request for unanimous consent in behalf of the Senator from Washington [Mr. GRAMMER], who desires to address the Senate briefly. I ask unanimous consent that he may be permitted to do so.

Mr. BINGHAM. Mr. President, I had addressed the Chair before the Senator from Nebraska rose for a parliamentary inquiry.

Mr. NORRIS. But the Senator had not been recognized.

The PRESIDING OFFICER. The Senator from Connecticut will state his parliamentary inquiry.

Mr. BINGHAM. I understood that the Senator from Nebraska had submitted a parliamentary inquiry after I had addressed the Chair. I merely desire to make a few remarks in reply to what the Senator from Arkansas has said.

Mr. HARRISON. Mr. President——

Mr. NORRIS. I ask that my request be submitted to the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

Mr. HARRISON. Mr. President, reserving the right to object, I desire to say that I would be delighted to hear from the Senator from Washington, and I am sure the Senate would; but it is a little unfair that the Senator from Connecticut, who has occupied about ninety-nine one hundredths of the time this morning, should want to speak again, and then for some of us here who desire to reply to the distinguished Senator from Connecticut to have our remarks broken into by a discussion of a matter totally different from that now under discussion. If the Senator from Connecticut speaks again, I shall want to get the



floor, or some other Senator on this side will want to get the floor to discuss the particular question. I have no objection if the Senator from Washington now wishes to speak, and, then, if the Senator from Connecticut wants to speak, we can follow him.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska [Mr. NORRIS] that the Senator from Washington [Mr. GRAMMER] be permitted to address the Senate? The Chair hears none, and the Senator from Washington is recognized.

DEBT MORATORIUM—NOTICE OF A BILL

Mr. GRAMMER. Mr. President, in view of the tremendous emergency extant, which has impeded all business relations, which is depriving the people of their right to maintain themselves, which is causing many thoughtful ones to ponder other forms of government, which is defeating every proposed measure to combat it, I wish to serve notice that soon after the holiday recess I expect to introduce for the consideration of the Senate a proposal that the Congress shall declare a 12-month moratorium over all existing contracts and obligations of every kind and nature, with few exceptions.

The far-reaching relief of such a proposal is evident. Timid ones may say it is unconstitutional and that it can not be done. The answer is, the people are suffering and the people are more powerful than the law.

I trust that Senators will have the courage to fight even to digging the trenches to alleviate the suffering which, sir, is humiliating this proud Nation.

AMENDMENT OF NATIONAL PROHIBITION ACT

Mr. BINGHAM. Mr. President, my genial friend the Senator from Arkansas, the eminent leader of the Democratic Party in the Senate, has endeavored to ascribe to me some——

Mr. NORRIS. Mr. President, I ask unanimous consent that the Senator from Connecticut may be permitted to address the Senate at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Connecticut is recognized.

Mr. BINGHAM. I always yield to my masters, Mr. President.

Mr. THOMAS of Oklahoma. Mr. President, I suggest the absence of a quorum.

Mr. BINGHAM. I hope the Senator will not do that. I only desire to address myself to those Senators who are present.

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Oklahoma for the purpose he suggests?

Mr. BINGHAM. I do not yield for that purpose. I know that many of my friends in the Senate are at luncheon, and I do not desire to bring them from it. I merely wanted to remind my friend, the eminent Senator from Arkansas, who ascribed to me motives which seemed to him entirely proper and admirable, that I have been, for nearly two years and a half, trying to get this matter before the Senate. Struggling up hill, with various adverse votes from time to time is not a pleasant procedure, but when his party went on record as advocating what is known as immediate beer last July I was delighted. I made no effort to make fun of the Democratic Party for doing that at that time. On the contrary, I made every effort to take advantage of the then legislative situation to get a beer bill adopted as an amendment to a bill which had to go back to the other House. After the election, when we came back here in December, I made no effort to take away from the Democratic Party that which rightfully belonged to it by reason of the election; namely, the thanks of the country for promoting immediate modification of the Volstead Act. I sat here patiently all during the month of December without making any move at all, hoping that the Judiciary Committee would report one of the bills which has been before them for 10 years and more past, but nothing has happened. Now we see that the bill which has come over from the House is going to be referred to two important committees of the Senate, where hearings will be held.

May I remind the Senator, who accuses me of trying to divorce the revenue feature from the bill, that being its most important provision, that there was no necessity whatever for a revenue feature's being in the House bill, except, so far as I am able to judge, without casting any aspersions upon any committee at the other end of the Capitol, that the Judiciary Committee of the other body that might have reported it without a revenue clause, was not disposed to deal with the question of prohibition in the manner which the people of the United States expressed themselves as favoring on the 8th of last November.

The Ways and Means Committee were more disposed to grant the wishes of the majority in that regard, and naturally they put into their bill a revenue proposal. One of the members of the committee presented a minority report against the bill because, he said, it was not a revenue bill properly at all; that it was a bill that should have come from the Judiciary Committee; and that was his excuse for voting against the measure.

As a matter of fact, the present laws on the statute books of the United States—which I am sure my friend, the eminent Senator from Arkansas, will not claim have been vitiated or invalidated by any previous action of the Congress—impose a higher tax and will produce a greater revenue from the modification of the Volstead Act than will the bill which came over to us from the House. Therefore it seems to me that it is not quite fair for him to accuse me of trying to do away with one of the most important features of the law, since the passage of the remainder of the Collier bill without section 1 would produce a larger revenue than to insert any revenue features in the bill.

That was all I endeavored to explain, Mr. President. I am sorry that it embarrassed anyone. I was glad to see that there were certain of those who have been laboring ardently in this vineyard for some years who voted "yea" even though the rest of their friends on the other side of the aisle had all agreed to vote "nay."

There is one other matter to which I desire to refer, Mr. President, and that is that in the dialogue which occurred just before the Senator from Washington [Mr. GRAMMER] addressed the Senate there was a statement in regard to something said by the Senator from Minnesota [Mr. SHIPSTEAD] to the effect that the action which I propose would not lead to any gaining of time at all. It was said that if the bill which I had asked the Senate to consider had been passed and sent to the House they would have substituted their own bill for it and then returned it, and we would then be just where we are to-day.

May I call his attention to the fact that that would not be the case? It would not be necessary to refer that bill to a committee; a simple motion in the Senate that the Senate agree to the House amendment would be all that would be necessary, if the Senate is pleased with the Collier bill, and we might then have modification of the Volstead Act within the early days of January. But, Mr. President, thanks to the action which has just been taken by the Senate, with the wisdom of which I have no quarrel, for I do not quarrel with the action of the majority, the question of getting any modification of the Volstead Act has been postponed for some time to come.

There was a statement made by a distinguished Democrat, in the excitement following the 8th of November, that we might have beer by Christmas. That has gone by the board this morning.

Some one hoped we might have beer by New Year's. That has also gone into the discard. It has been suggested that we might have beer with which to celebrate St. Valentine's Day; but that has gone into the discard, because it is obvious that the Finance Committee and the Judiciary Committee can not possibly finish by that time their learned hearings on the constitutionality of 3.2 per cent beer. Certainly it is a testimony to the judicial aspect of the members of that

committee that they are the only committee in the Senate that can determine whether or not good, wholesome beer is intoxicating.

I should like to be present when the committee make that decision. Nothing would give me greater joy than to see them testing good, wholesome beer and deciding whether or not it was intoxicating. That is the question before them. That is the great constitutional question which the Committee on Manufactures, under the able leadership of the Senator from Wisconsin [Mr. LA FOLLETTE], from the vicinity of Milwaukee—where they certainly know more about those things than they do in the Judiciary Committee—were not able to determine.

Mr. President, it is indeed sad that we can not have beer by St. Valentine's Day, nor possibly by Washington's Birthday. I fear, in fact, that we can not have it until the entire benefit therefrom shall duly be laid at the door of the next Congress, which was elected on a proper platform, and which, having majorities in both bodies and a member of the dominant party at the head of the Government, will undoubtedly give it to us in time, let us hope, for next Christmas, if not for the Fourth of July. [Manifestations of applause in the galleries.]

The VICE PRESIDENT. There must be no demonstrations in the galleries.

ARMY AND OTHER NOMINATIONS

Mr. ROBINSON of Arkansas. Mr. President, I do not rise for the purpose of replying to the dirge just sung by my friend the Senator from Connecticut [Mr. BINGHAM]. He has spoken mournfully, and I think his sadness is not justified under the circumstances. The committees will report in due time.

I rise for the purpose of asking unanimous consent, as in executive session, for the consideration of certain executive nominations.

The VICE PRESIDENT. Let them be stated.

Mr. ROBINSON of Arkansas. They are sundry military nominations. The Senator from Pennsylvania [Mr. REED] is absent. He requested me some days ago to submit this request in the event it became practicable to do so. The only general officers on the list reported are in the reserve; and, as is well known, they are initially chosen or recommended by the organizations of the State guard. I ask unanimous consent for their consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. WATSON. Mr. President, I shall not object, of course, because I understand it is part of the program that the naval and military promotions are to go through pro forma. I wanted to ask, however, in view of a vote taken by the Senate the other day in which an executive session was denied, and in view of the fact that I have either seen it in the press or heard it rumored that some sort of a committee had been appointed, I think by the Democratic caucus, headed by the Senator from Arkansas——

Mr. ROBINSON of Arkansas. An informal committee was selected by myself, as chairman of the Democratic conference, to consider the question as to whether these nominations come within the rule of action that had been set up.

Mr. WATSON. That is to say, only the nominations to which the Senator now refers and those that the Senator from California [Mr. SHORTRIDGE] will bring to the attention of the Senate?

Mr. ROBINSON of Arkansas. There is one other nomination that I was just about to bring to the attention of the Senate. That is the nomination of G. Wallace W. Hanger to be a member of the Board of Mediation for a term expiring five years after January 1, 1933. An exception is asked respecting that, because, under the railway labor act——

Mr. WATSON. It dies with the limitation.

Mr. ROBINSON of Arkansas. Yes; it expires on the 31st of the present month, and under the language of the act he can not function after that time.

Mr. WATSON. I understand that.

Mr. ROBINSON of Arkansas. So I am asking that Mr. Hanger's nomination be confirmed as in open executive session.

Mr. WATSON. I think, because of the act, that is entirely appropriate; but I was just wondering whether or not the action of the Democratic caucus in the appointment of this committee by the chairman, the able leader on the other side, finally fixes the limitation within which we may act in the future as to confirmations.

Mr. ROBINSON of Arkansas. Mr. President, the committee, as I have stated, is informal. It acts only on behalf of the conference. My understanding from the Senator from Oregon [Mr. MCNARY] was that the question of proceeding otherwise on nominations probably will not be again raised during the session.

Mr. WATSON. I shall interpose no objection to the request of the Senator from Arkansas.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. COUZENS. Should not the matter go first to the Committee on Interstate Commerce to pass on those members?

Mr. ROBINSON of Arkansas. There is only one. If the Senator insists upon it, I would not object to that nomination's going to the committee; but it would carry the matter over until after the end of the term, and I think there is no possible objection to this nomination. I have looked up the nominee's record.

Mr. WATSON. If the Senator will permit me, when the term of Mr. Hanger, or any other member of the Board of Mediation, expires, that ends it. He can not hold on.

Mr. COUZENS. I understand.

Mr. WATSON. Therefore, he can not function as a member of the board. Inasmuch as the Senator and I, as members of the Committee on Interstate Commerce, hitherto have voted to confirm Mr. Hanger, and his service, as I understand, has been entirely satisfactory, I personally have no objection to his confirmation at this time.

Mr. MOSES. Does that mean that the board can not function?

Mr. WATSON. No; it does not mean that the board can not function.

Mr. ROBINSON of Arkansas. It does not mean that the board can not function; but the railway labor act is very peculiar. It is different from almost any other statute. It does mean that at a time when there are more cases for mediation than perhaps at any other time in recent years—something like 300—this member and the one who operates with him will both be unable to function.

I do not think there can be any possible objection to the confirmation of this nomination. I would not have any objection, of course, to its going to the committee if the Senator from Michigan insists; but under the circumstances it would create a lapse, and for a period at least prevent him from functioning. That is the reason I made this request.

Mr. COUZENS. When does his term expire?

Mr. ROBINSON of Arkansas. The 31st of December. As is well understood, it is expected that the Senate will recess or adjourn to-day until Tuesday, and then will be in recess or adjournment for three days at a time until the 3d of January.

Mr. COUZENS. I understand that this is a 5-year appointment.

Mr. ROBINSON of Arkansas. Yes.

Mr. COUZENS. I do not think the Senator ought to ask to have a 5-year appointment passed upon without reference to the committee.

Mr. ROBINSON of Arkansas. The Senator, of course, can object if he desires.

Mr. COUZENS. I do not want to object. I think we ought to follow the routine, however. That is a long time, and I remember that in reporting nominations for the Federal Trade Commission and Radio Commission and In-

terstate Commerce Commission the committee has always insisted on seeing the men and knowing what their past activities have been.

Mr. ROBINSON of Arkansas. May I make a statement about this man?

Mr. COUZENS. Yes.

Mr. ROBINSON of Arkansas. He was appointed to the United States Bureau of Labor in 1887. He served there for 26 years.

In 1913 he was appointed a member of the United States Board of Mediation and Conciliation by President Wilson, serving five years, until, in 1918, he was appointed Assistant Director of Labor, United States Railroad Administration, by Director General McAdoo, serving two years there, until its active operations were terminated.

Then he was immediately appointed, in 1920, to the then newly created United States Railroad Labor Board by President Wilson for a term of two years.

In 1922 he was reappointed by President Harding for a term of five years, serving through the whole existence of the Labor Board, and then immediately, in 1926, appointed member of the newly created United States Board of Mediation by President Coolidge for a 2-year term.

In 1928 he was reappointed by President Coolidge for a 5-year term, which expires December 31, 1932; and, as is well known, he has been renominated for membership.

Mr. COUZENS. Would the Senator be willing to send the nomination to the committee and let us take it up on the 3d or 4th of January? I promise him we will call the committee together and take prompt action on the nomination. The 1st and 2d of January are holidays anyway.

Mr. ROBINSON of Arkansas. If the Senator objects, of course——

Mr. COUZENS. I should like to have that done, if possible. I do not want to put myself in the position of objecting.

Mr. ROBINSON of Arkansas. Very well. The Senator may ask, as in open executive session, that the nomination be referred to the Committee on Interstate Commerce. The Senator can make that request.

Mr. MOSES. Mr. President, is the Senator from Arkansas willing that any other nominations shall be so referred as in open executive session?

Mr. ROBINSON of Arkansas. No; I do not think that should be done. If any Senator objects, of course, he can hold up this nomination.

Mr. MOSES. Oh, no; I would not object to the confirmation of as good a Democrat as Mr. Hanger.

The VICE PRESIDENT. Is there objection to the request that the nomination be referred?

Mr. BARKLEY. Mr. President, reserving the right to object, I should like to inquire of the chairman of the Committee on Interstate Commerce whether that committee is likely to meet between now and the 2d or 3d of January.

Mr. COUZENS. No. I had just pointed out to the Senator from Arkansas, before the Senator from Kentucky came in——

Mr. BARKLEY. I was in the Chamber all the time; but I could not hear what was being said over on the other side.

Mr. COUZENS. I stated that I would call a meeting for the 3d, and that as long as the 1st and 2d are holidays there will not be much time lost; and the Senator from Arkansas consented.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination of Mr. Hanger is referred to the Committee on Interstate Commerce.

Is there objection to the request of the Senator from Arkansas that the nominations in the Army be confirmed en bloc? The Chair hears none, and, without objection, the nominations are confirmed.

Mr. SHORTRIDGE. Mr. President, I request that, as in executive session, certain nominations in the Marine Corps be taken up and considered. In making the request, I may state that these nominations are in regular order of seniority as required by law, and in each case the officer nominated has passed the prescribed examination. I ask that they be considered and confirmed as in executive session.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

Mr. SHORTRIDGE. I make like request, that certain nominations in the Navy be considered. These officers nominated for promotion to the ranks of rear admiral, captain, and commander were selected by selection boards; and all officers nominated for promotion have qualified for the appointments indicated.

I make this request as applied to all of these nominations, with this one exception, for the RECORD: The nomination of Naval Constructor Emory S. Land to be Chief Constructor and Chief of the Bureau of Construction and Repair in the Department of the Navy, with the rank of rear admiral, for a term of four years.

With that exception, I ask that these nominations be confirmed as in open executive session.

The VICE PRESIDENT. Is there objection to the request of the Senator from California? The Chair hears none, and, without objection, with the exception of the one named, the nominations will be confirmed.

The Senate resumed legislative session, and Mr. WATSON obtained the floor.

DISTRIBUTION OF GOVERNMENT-OWNED COTTON

Mr. BINGHAM. Mr. President, I desire to renew my request, made earlier in the day, for the consideration of the cotton relief measure. I understand that the Senator from Utah [Mr. KING] is willing to withdraw his objection.

Mr. McKELLAR. On condition that the two amendments suggested by me be adopted; and, as I understand, the Senator from Connecticut is willing to accept those amendments.

Mr. BINGHAM. I have no objection to those amendments.

The VICE PRESIDENT. Is there objection to the request of the Senator from Connecticut? The Chair hears none.

The Senate proceeded to consider the bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress, which was read, as follows:

Be it enacted, etc., That the Federal Farm Board is authorized and directed to take such action as may be necessary to make available, at any time prior to May 1, 1934, on application of the American National Red Cross or any other organization designated by the Red Cross, the remainder (not in excess of 350,000 bales) of the cotton of the Cotton Stabilization Corporation, for use in providing cloth, wearing apparel, and bedding for the needy and distressed people of the United States and Territories. Such cotton shall be delivered upon any such application only upon the approval of the President of the United States and in such amounts as the President may approve.

SEC. 2. No part of the expenses incident to the delivery, receipt, and distribution of such cotton shall be borne by the United States or the Federal Farm Board. In order to carry out the purposes of this act such cotton may be manufactured into, exchanged for, or disposed of and the proceeds used for acquiring cloth or wearing apparel or other articles of clothing or bedding made of cotton; but such manufacture, exchange, or sale shall be without profit to any mill, organization, or other person.

SEC. 3. In so far as cotton is delivered to relief agencies by the Cotton Stabilization Corporation under this act the Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the cotton delivered hereunder, less the current market value of the cotton delivered, and to deduct the amount of such loans canceled from the amount of the revolving fund established by the agricultural marketing act. To carry out the provisions of this act such sums as may be necessary are hereby authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for the following purposes: For advancing to such corporation amounts to repay loans held by commercial or intermediate credit banks against cotton which would be released for donations under this act and to retire all storage and carrying charges against cotton, including compression charges, at the time of the approval of this act; and for meeting carrying and handling charges, and interest payments on commercial or intermediate credit bank loans, on or against cotton which would be released for donations under this act between the date of its approval and the delivery of the cotton to the American National Red Cross or other organization.

SEC. 4. The Federal Farm Board shall execute its functions under this act through its usual administrative staff, and such additional clerical assistance as may be found necessary, without additional appropriations beyond its usual administrative appropriations.

Mr. McKELLAR. On page 2, line 19, after the word "hereunder," I move to strike out the words "less the current market value of the cotton delivered, and to deduct the amount of such loans canceled from the amount of the revolving fund established by the agricultural marketing act," so as to read:

SEC. 3. In so far as cotton is delivered to relief agencies by the Cotton Stabilization Corporation under this act, the Federal Farm Board is authorized to cancel such part of its loans to such corporation as equals the proportionate part of said loans represented by the cotton delivered hereunder.

Mr. BINGHAM. I have no objection.

The amendment was agreed to.

Mr. McKELLAR. On page 3, line 6, after the word "meeting," I move to strike out the words "carrying and handling charges, and," so as to read:

To carry out the provisions of this act such sums as may be necessary are hereby authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for the following purposes: For advancing to such corporation amounts to repay loans held by commercial or intermediate credit banks against cotton which would be released for donations under this act and to retire all storage and carrying charges against cotton, including compression charges, at the time of the approval of this act; and for meeting interest payments on commercial or intermediate credit bank loans, on or against cotton which would be released for donations under this act between the date of its approval and the delivery of the cotton to the American National Red Cross or other organization.

Mr. BINGHAM. I have no objection.

The amendment was agreed to.

Mr. BINGHAM. Mr. President, I desire to offer an amendment, on page 1, line 10, after the word "bedding," to insert a comma and the words "comforters, and blankets," so as to read:

That the Federal Farm Board is authorized and directed to take such action as may be necessary to make available, at any time prior to May 1, 1934, on application of the American National Red Cross, or any other organization designated by the Red Cross, the remainder (not in excess of 350,000 bales) of the cotton of the Cotton Stabilization Corporation, for use in providing cloth, wearing apparel, and bedding, comforters, and blankets for the needy and distressed people of the United States and Territories. Such cotton shall be delivered upon any such application only upon the approval of the President of the United States and in such amounts as the President may approve.

The amendment was agreed to.

Mr. KING. Mr. President, does the Senator so interpret this bill as that the Federal Farm Board will not receive credit for any sum or amount whatever for the cotton so furnished, save and except any amount which may be found due at the market price of the cotton after the insurance and obligations now held by commercial banks against the cotton have been discharged?

Mr. BINGHAM. I refer the question to the Senator from Tennessee [Mr. McKELLAR], who is more familiar with the matter inquired about than I am.

Mr. McKELLAR. Mr. President, by reason of the adoption of an amendment recently agreed to, the Farm Board will not get anything whatsoever except the payment of the charges on the cotton.

Mr. KING. Mr. President, my understanding is that the charges are such as to be the equivalent in amount to the price of cotton at the present market price; in other words, that the Farm Board will receive no credit whatever. What I am anxious to avoid is the possibility of the Farm Board getting credit for something to which it is not entitled.

Mr. McKELLAR. It will not, under this measure.

Mr. KING. Personally, I would have preferred a direct appropriation out of the Treasury of the United States to purchase such cotton as may be required to carry out the purposes of this measure. If we should provide such an appropriation, we would stimulate the price of cotton and aid the farmers who still have cotton on hand.

Mr. McKELLAR. Mr. President, at present there are 800,000 bales of cotton on hand in the Farm Board, which constitutes a very great menace to the price of the entire crop; and the taking of these 350,000 bales will tend to aid the cotton growers and the cotton owners very much, and I believe in a much greater way than if the cotton were bought on the market for that purpose.

Mr. WATSON. Mr. President, as I understand it, I have the floor, and I understood that Senators had agreed on the terms of this bill. If they have not agreed, and there is to be long discussion, I decline to yield further.

Mr. McKELLAR. Let it be voted on.

Mr. ASHURST. Mr. President, I seek recognition on this bill.

Mr. WATSON. I think I have the floor. If Senators have agreed on the terms of the bill, I am entirely willing that it shall go through, and I think it ought to go through, but if there is to be long caviling and debate, there is no use in endeavoring to legislate on the floor.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. WATSON. I decline to yield further, because the senior Senator from Kansas [Mr. CAPPER] informs me that there are other amendments which are to be offered to the bill.

Mr. CAPPER. Mr. President, I know certain Senators want to present amendments. The bill has not been before the Committee on Agriculture and Forestry, and the chairman of that committee is absent from the floor. Therefore, it seems to me that the bill ought to go over.

Mr. BINGHAM. Mr. President, may I say to the Senator from Kansas that the chairman of the committee, the Senator from Oregon [Mr. McNARY] this morning personally expressed to me his willingness that the committee should be relieved from further consideration of the bill and the bill be brought to the floor; and the ranking Democratic member of the committee, the Senator from South Carolina [Mr. SMITH], also expressed his willingness that the committee should be discharged from the consideration of the bill, in order that this measure may go through promptly and relief be had as early as possible.

Mr. CAPPER. I was visited by a committee this morning, who told me they have an amendment they wish to have added to the bill, and they stated that they desired to have an opportunity to appear before the Committee on Agriculture and Forestry.

Mr. WATSON. Mr. President, I decline to yield further.

The VICE PRESIDENT. The Senator from Indiana declines to yield further, and the bill will go to the calendar.

Mr. COPELAND. Mr. President, will not my friend the Senator from Indiana yield to me?

Mr. WATSON. I yield to the Senator from New York, and then I will yield to the Senator from Arizona and to nobody else.

Mr. COPELAND. Mr. President, I have an amendment or two which I would like to offer, but I am told by Mr. Harvey Gibson and other men who are engaged in voluntary relief work, raising large sums of money by private subscription, that the relief which would be afforded by this measure is badly needed now, and I beg my friend from Kansas not to offer any objection to the consideration of the bill, because we can, after the holidays, perhaps, formulate some other legislation which will cover the amendment he has in mind and those which I myself desire to offer.

SENATOR ASHURST'S VIEW ON PROHIBITION

Mr. WATSON. I now yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, I have received letters discussing prohibition, and I now read to the Senate a letter I have sent in reply to requests for information:

DECEMBER 21, 1932.

Yours received regarding prohibition.

At the election in 1914 the people of Arizona voted dry. I had promised them that as their Senator I would regard their vote at the polls to be an instruction as to how I should vote in the Senate on prohibition, because I was to be their servant, and their vote would constitute a mandate to me.

In 1928, when the prohibition question was again prominent, I stated that I had always regarded the referendum votes of the people of Arizona as an instruction to me to vote dry and that I would continue to carry out the will of the people as expressed by their referendum votes and would vote dry until they changed their instructions at the polls.

In 1932 Arizona voted wet. I regard that vote as a mandate to me to vote to submit the eighteenth amendment for repeal. I have made it a rule of my public life to keep my word with the people. If I refused to keep my pledge to carry out the will of the people of Arizona as expressed at the polls, I would be an unfaithful servant and unworthy of a seat in the Senate. This vote involves a great principle of the American Government, and I can not and should not override or ignore that principle.

Until the people of Arizona shall change their instructions by another referendum, I am in honor compelled to vote to submit to the States the repeal of the eighteenth amendment and to vote for such liberalization of the Volstead Act as is permissible under the Constitution as it now stands.

Respectfully yours, HENRY F. ASHURST.

On November 15, 1932, I gave to the press the following statement:

Honesty and good faith require that platform pledges be kept. The Democrats would make themselves "embezzlers of power" if they refused to live up to their own political-platform promises.

The Democratic national platform specifically favors a repeal of the eighteenth amendment and also includes a demand that complete supervision and control of the manufacture and sale of intoxicating liquors be restored to the States. As a Democratic Senator it is therefore my duty to vote for a joint resolution proposing a constitutional amendment to be submitted to representative conventions in the States for the repeal of the eighteenth amendment.

As a Senator from Arizona I have always considered and still consider the constitution of the State of Arizona to be the best indication of the will of the people respecting how I should vote on modification or retention of the national prohibition laws. The people of Arizona at the recent election having changed their organic law and having repealed State prohibition, my plain duty requires that I vote to carry out their mandate on this subject.

HENRY F. ASHURST.

(At this point Mr. BINGHAM addressed Mr. WATSON sotto voce.)

Mr. WATSON. Mr. President——

Mr. ASHURST. Mr. President, I did not hear what the Senator from Connecticut said, but by the peculiar snarl and the sneer which seemed to accompany what he said, I assume that the remarks he made were not complimentary. Will the Senator please repeat what he said.

Mr. WATSON. I object.

Mr. ASHURST. I have not yielded the floor.

Mr. WATSON. I have the floor. What the Senator from Connecticut said was to me personally, sotto voce.

Mr. ASHURST. Mr. President, my personal relations with the Senator from Connecticut are friendly in the extreme. I admire his scholarship, I admire him as a man. The great fault with him, the grand defect of his political career is that he judges other men's motives by his own. The Senate knows me, the country knows the Senator from Connecticut, and I am content.

Mr. WATSON. Mr. President, I will yield now to the Senator——

The VICE PRESIDENT. The Chair will hold that if the Senator continues yielding he will lose the floor.

ADJOURNMENT TO TUESDAY

Mr. WATSON. I move that the Senate now adjourn until next Tuesday at 12 o'clock.

The motion was agreed to; and the Senate (at 1 o'clock and 55 minutes p. m.) adjourned until Tuesday, December 27, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 7, 1932

MEMBER OF THE BOARD OF MEDIATION

G. Wallace W. Hanger, of the District of Columbia, to be a member of the Board of Mediation for a term expiring five years after January 1, 1933. (Reappointment.)

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from July 1, 1932

First Lieut. Edward Miller Sager, Medical Corps Reserve.
First Lieut. Allan Brodie Ramsay, Medical Corps Reserve.
First Lieut. Achilles Lacy Tynes, Medical Corps Reserve.
First Lieut. Robert Barrett Skinner, Medical Corps Reserve.
First Lieut. Dwight Lawson, Medical Corps Reserve.
First Lieut. Joseph Pease Russell, Medical Corps Reserve.
First Lieut. James Little Murchison, Medical Corps Reserve.
First Lieut. Norman Webb White, Medical Corps Reserve.
First Lieut. William Clarence Knott, Medical Corps Reserve.
First Lieut. Paul Edmund Keller, Medical Corps Reserve.
First Lieut. Albert Henry Robinson, Medical Corps Reserve.
First Lieut. John Frederick Blatt, Medical Corps Reserve.
First Lieut. John Randolph Copenhaver, Medical Corps Reserve.
First Lieut. Cyril Edward McEnany, Medical Corps Reserve.
First Lieut. Frank Yearsley Leaver, Medical Corps Reserve.
First Lieut. Joe Harrell, Medical Corps Reserve.
First Lieut. John Ellsworth Roberts, Medical Corps Reserve.

To be first lieutenants with rank from August 2, 1932

First Lieut. Leonard Neil Swanson, Medical Corps Reserve.
First Lieut. Francis Patrick Kintz, Medical Corps Reserve.
First Lieut. Albert Russel Dreisbach, Medical Corps Reserve.
First Lieut. William Weaver Nichol, Medical Corps Reserve.
First Lieut. Richard Paul Johnson, Medical Corps Reserve.
First Lieut. Joseph Upton Weaver, Medical Corps Reserve.
First Lieut. George Darsie McGrew, Medical Corps Reserve.
First Lieut. Leonard Frank Wilson, Medical Corps Reserve.
First Lieut. Major Samuel White, Medical Corps Reserve.
First Lieut. Fred Campbell Turley, Medical Corps Reserve.
First Lieut. Robert James Wilson, Medical Corps Reserve.
First Lieut. Clifford Hayes Mack, Medical Corps Reserve.

To be first lieutenants with rank from September 1, 1932

First Lieut. Llewellyn Lancelot Barrow, Medical Corps Reserve.
First Lieut. Leonard Theodore Peterson, Medical Corps Reserve.
First Lieut. George Prazak, Medical Corps Reserve.

To be first lieutenants with rank from September 10, 1932

First Lieut. Fred Rueb, jr., Medical Corps Reserve.
First Lieut. Alfred Henry Brauer, Medical Corps Reserve.

DENTAL CORPS

To be first lieutenants with rank from July 1, 1932

First Lieut. John Kenneth Sitzman, Dental Corps Reserve.
First Lieut. Howard Newton Burgin, Dental Corps Reserve.
First Lieut. Robert Earl Hammersberg, Dental Corps Reserve.

VETERINARY CORPS

To be second lieutenants with rank from July 1, 1932

Second Lieut. Russell McNellis, Veterinary Corps Reserve.
Second Lieut. Richard George Yule, Veterinary Corps Reserve.

MEDICAL ADMINISTRATIVE CORPS

To be second lieutenant

Sergt. James Coney Bower, Medical Department, with rank from July 1, 1932.

CHAPLAIN

To be chaplain with the rank of first lieutenant

First Lieut. Vernon Paul Jaeger, Chaplain Reserve, with rank from November 7, 1932.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Lieut. Col. Elmer Cuthbert Desobry, Infantry (detailed in Adjutant General's Department), September 27, 1932, with rank from June 1, 1932.

Capt. Charles Allen Easterbrook, Field Artillery (detailed in Adjutant General's Department), October 19, 1932, with rank from July 1, 1920.

Capt. Harold Napoleon Gilbert, Infantry (detailed in Adjutant General's Department), with rank from July 1, 1920.

TO QUARTERMASTER CORPS

Lieut. Col. Olan Cecil Aleshire, Cavalry (assigned to duty with Quartermaster Corps), August 27, 1932, with rank from November 26, 1926.

Maj. Otho Wilder Humphries, Infantry (assigned to duty with Quartermaster Corps), with rank from November 1, 1931.

Capt. Wallace James Redner, Cavalry (detailed in Quartermaster Corps), July 19, 1932, with rank from May 21, 1920.

Capt. Edward Marple Daniels, Cavalry (detailed in Quartermaster Corps), August 30, 1932, with rank from July 1, 1920.

Capt. Thomas Willis Jones, Field Artillery, July 25, 1932, with rank from July 1, 1920.

First Lieut. Lewis Edward Weston Lepper, Field Artillery (detailed in Quartermaster Corps), with rank from August 6, 1926.

TO FINANCE DEPARTMENT

First Lieut. Clarence Archibald Frank, Infantry (detailed in Finance Department), September 30, 1932, with rank from January 23, 1924.

TO ORDNANCE DEPARTMENT

First Lieut. Albert Smith Rice, Infantry (detailed in Ordnance Department), July 19, 1932, with rank from July 8, 1924.

TO CAVALRY

Capt. Holmes Gill Paullin, Quartermaster Corps, September 15, 1932, with rank from July 1, 1920.

TO INFANTRY

Capt. Perry Cole Ragan, Adjutant General's Department, August 24, 1932, with rank from July 8, 1924.

TO FIELD ARTILLERY

First Lieut. Irving Arthur Duffy, Cavalry, with rank from October 1, 1931.

TO AIR CORPS

Second Lieut. William Tell Hefley, jr., Corps of Engineers (detailed in Air Corps), July 19, 1932, with rank from June 9, 1928.

Second Lieut. Charles Theodore Arnett, Infantry (detailed in Air Corps), with rank from June 13, 1929.

Second Lieut. Daniel Francis Callahan, jr., Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Marcellus Duffy, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Robert Alan Stunkard, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Gordon Aylesworth Blake, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Joseph Francis Carroll, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. A. J. McVea, Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Donald Norton Yates, Cavalry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Hoyt Daniel Williams, Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Paul Gordon Miller, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. William John Bell, Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Ernest Moore, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Royden Eugene Beebe, jr., Cavalry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Earle William Hockenberry, Cavalry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Louis Augustine Guenther, Cavalry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Milton Wylie Arnold, Cavalry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. David Northup Motherwell, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Millard Chester Young, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Henry Keppler Mooney, Cavalry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Robert Merrill Lee, Cavalry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Robert Freeman Fulton, Coast Artillery Corps (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Dean Coldwell Strother, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. George Frederick Hartman, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Carl Wilbert Carlmark, Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Richard Hungerford Wise, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Charles Francis Densford, Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. John Robert Skeldon, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Jacob Edward Smart, Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Lester LeRoy Hilman Kunish, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Robert Edward Lee Eaton, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Carl Fillmore Damberg, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Wendell Washington Bowman, Field Artillery (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Hilbert Fred Muenter, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. John Autrey Feagin, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Raymond Taylor Lester, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. John Clarence Gordon, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Arthur Raphael Kerwin, jr., Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Charles Bowman Dougher, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. David William Hutchison, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Gerald Evan Williams, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Edward Julius Timberlake, jr., Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. John Tazewell Helms, Infantry (detailed in Air Corps), with rank from June 11, 1931.

Second Lieut. Russell Hunter Griffith, Infantry (detailed in Air Corps), with rank from June 11, 1931.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lieut. Col. Arthur George Fisher, Air Corps, from August 1, 1932.

Lieut. Col. Edwin Oliver Saunders, Judge Advocate General's Department, from August 1, 1932.

Lieut. Col. Walter Krueger, Infantry, from August 1, 1932.

Lieut. Col. Asa Leon Singleton, Infantry, from August 1, 1932.

Lieut. Col. George Grunert, Cavalry, from August 1, 1932.

Lieut. Col. William Rivers Pope, Cavalry, from September 1, 1932.

Lieut. Col. Staley Alfred Campbell, Infantry, from September 1, 1932.

Lieut. Col. John Rowe Brewer, Infantry, from September 1, 1932.

Lieut. Col. John Pope McAdams, Infantry, from September 1, 1932.

Lieut. Col. Richard Wetherill, Infantry, from October 1, 1932.
Lieut. Col. Hartman Lewis Butler, Coast Artillery Corps, from October 1, 1932.
Lieut. Col. Harry Arthur Wells, Infantry, from October 19, 1932.
Lieut. Col. Ralph Middleton Parker, Cavalry, from October 24, 1932.
Lieut. Col. George Warren Harris, Infantry, from November 1, 1932.
Lieut. Col. Pat N. Stevens, Infantry, from November 1, 1932.
Lieut. Col. William Holt Peek, Field Artillery, November 1, 1932.
Lieut. Col. John Hastings Howard, Air Corps, from November 1, 1932.
Lieut. Col. John Joshua Fulmer, Infantry, from November 1, 1932.
Lieut. Col. Joseph Irving McMullen, Judge Advocate General's Department, from November 1, 1932.
Lieut. Col. Matt Combes Bristol, Finance Department, from November 10, 1932.
Lieut. Col. Francis Cassius Endicott, Infantry, from November 25, 1932.
Lieut. Col. Thomas Pitcher Bernard, Field Artillery, from December 1, 1932.
Lieut. Col. Daniel D. Tompkins, Cavalry, from December 1, 1932.
Lieut. Col. Clarence Anderson Dougherty, Cavalry, from December 1, 1932.
Lieut. Col. Henry Hossfeld, Infantry, from December 1, 1932.

To be lieutenant colonels

Maj. Charles Dudley Hartman, Quartermaster Corps, from August 1, 1932.
Maj. Edgar Simpson Miller, Infantry, from August 1, 1932.
Maj. Albert Lee Sneed, Air Corps, from August 1, 1932.
Maj. Lester David Baker, Infantry, from August 1, 1932.
Maj. Walter Reed Weaver, Air Corps, from August 1, 1932.
Maj. Raymond Hope Fenner, Coast Artillery Corps, from August 1, 1932.
Maj. William Whinery Hicks, Coast Artillery Corps, from August 1, 1932.
Maj. Richard Herbert Somers, Ordnance Department, from September 1, 1932.
Maj. Eugene Bonfils Walker, Coast Artillery Corps, from September 1, 1932.
Maj. Frederick Colwell Phelps, Infantry, from September 1, 1932.
Maj. John Burges Johnson, Cavalry, from September 1, 1932.
Maj. Edmund Russell Andrews, Infantry, from September 1, 1932.
Maj. Joseph Albert Rogers, Field Artillery, from September 1, 1932.
Maj. Max Robert Wainer, Quartermaster Corps, from October 1, 1932.
Maj. Karl Ferguson Baldwin, Coast Artillery Corps, from October 1, 1932.
Maj. Charles Kleber Wing, Coast Artillery Corps, from October 1, 1932.
Maj. Charles Elting Coates, Infantry, from October 1, 1932.
Maj. Austin Henry Brown, Finance Department, from October 1, 1932.
Maj. Arthur Hamilton MacKie, Infantry, from October 19, 1932.
Maj. Samuel Roland Dishman, Quartermaster Corps, from October 24, 1932.
Maj. Charles Henry McDonald, Judge Advocate General's Department, from November 1, 1932.
Maj. Charles Redding Williams, Judge Advocate General's Department, from November 1, 1932.
Maj. Edward Postell King, jr., Field Artillery, from November 1, 1932.
Maj. Martin Conrad Shallenberger, Infantry, from November 1, 1932.
Maj. John Henry Pirie, Air Corps, from November 1, 1932.
Maj. Kenneth Sheild Perkins, Field Artillery, from November 1, 1932.
Maj. Eugene Reybold, Corps of Engineers, from November 1, 1932.
Maj. Robert George Kirkwood, Field Artillery, from November 1, 1932.
Maj. Harold Everett Marr, Field Artillery, from November 1, 1932.
Maj. Hugo Ernest Pitz, Coast Artillery Corps, from November 10, 1932.
Maj. Thomas Clair Cook, Coast Artillery Corps, from November 25, 1932.
Maj. Olin Harrington Longino, Coast Artillery Corps, from December 1, 1932.
Maj. Peter Hill Ottosen, Coast Artillery Corps, from December 1, 1932.
Maj. Edgar Hall Thompson, Coast Artillery Corps, from December 1, 1932.
Maj. Frank Keet Ross, Field Artillery, from December 1, 1932.

To be majors

Capt. Warfield Monroe Lewis, Infantry, from August 1, 1932.
Capt. Walter Wilton Warner, Ordnance Department, from August 1, 1932.
Capt. William Ormon Butler, Air Corps, from August 1, 1932.
Capt. Rex Webb Beasley, Field Artillery, from August 1, 1932.
Capt. Joseph Lawton Collins, Infantry, from August 1, 1932.
Capt. Walter Francis Vander Hyden, Ordnance Department, from August 1, 1932.
Capt. James Oscar Green, jr., Infantry, from August 1, 1932.
Capt. Ira Adam Crump, Ordnance Department, from August 1, 1932.
Capt. Elbert Louis Ford, jr., Ordnance Department, from August 8, 1932.
Capt. James Lord Hayden, Coast Artillery Corps, from September 1, 1932.
Capt. Scott Brewer Ritchie, Ordnance Department, from September 1, 1932.
Capt. John Tupper Cole, Cavalry, from September 1, 1932.
Capt. George Sampson Beurket, Field Artillery, from September 1, 1932.
Capt. Stephen Huntting Sherrill, Signal Corps, from September 1, 1932.
Capt. Charles Hunter Gerhardt, Cavalry, from September 1, 1932.
Capt. Lincoln Ferris Daniels, Infantry, from September 1, 1932.
Capt. Frederick Augustus Irving, Infantry, from September 1, 1932.
Capt. Burnett Ralph Olmsted, Ordnance Department, from September 1, 1932.
Capt. Herbert Charles Holdridge, Adjutant General's Department (transferred from Cavalry during the recess of the Senate), from October 1, 1932.
Capt. Matthew Bunker Ridgway, Infantry, from October 1, 1932.
Capt. Albert Cowper Smith, Cavalry, from October 1, 1932.
Capt. Richard Mars Wightman, Field Artillery, from October 1, 1932.
Capt. Percy Gamble Black, Field Artillery, from October 1, 1932.
Capt. Charles Walter Yuill, Infantry, from October 1, 1932.
Capt. William Willis Eagles, Infantry, from October 1, 1932.
Capt. Joel Grant Holmes, Ordnance Department, from October 19, 1932.

Capt. Albert Charles Stanford, Field Artillery, from October 24, 1932.

Capt. James Arthur Code, jr., Signal Corps, from November 1, 1932.

Capt. William Sackville, Coast Artillery Corps, from November 1, 1932.

Capt. Louis LeRoy Martin, Cavalry, from November 1, 1932.

Capt. John Allen Stewart, Field Artillery, from November 1, 1932.

Capt. William Kelly Harrison, jr., Cavalry, from November 1, 1932.

Capt. Leroy Henry Lohmann, Coast Artillery Corps, from November 1, 1932.

Capt. Ernest Nason Harmon, Cavalry, from November 1, 1932.

Capt. Francis Graves Bonham, Infantry, from November 1, 1932.

Capt. Norman Daniel Cota, Infantry, from November 1, 1932.

Capt. Christian Gingrich Foltz, Coast Artillery Corps, from November 1, 1932.

Capt. Joseph Scranton Tate, Field Artillery, from November 1, 1932.

Capt. Robert Bundy Ransom, Infantry, from November 1, 1932.

Capt. Arthur McKinley Harper, Field Artillery, from November 1, 1932.

Capt. Carleton Coulter, jr., Infantry, from November 1, 1932.

Capt. Aaron Bradshaw, jr., Coast Artillery Corps, from November 10, 1932.

Capt. Robert Newton Kunz, Signal Corps, from November 25, 1932.

Capt. Charles Solomon Kilburn, Cavalry, from December 1, 1932.

Capt. Willis Richardson Slaughter, Ordnance Department, from December 1, 1932.

Capt. George Hatton Weems, Infantry, from December 1, 1932.

Capt. Roy Lindsay Bowlin, Ordnance Department, from December 1, 1932.

Capt. Charles Radcliffe Johnson, jr., Cavalry, from December 1, 1932.

To be captains

First Lieut. George Clement McDonald, Air Corps, from July 23, 1932.

First Lieut. Thomas Judson Weed, Quartermaster Corps, from July 24, 1932.

First Lieut. Peter Emanuel Skanse, Air Corps, from August 1, 1932.

First Lieut. Alfred Evans Waller, Air Corps, from August 1, 1932.

First Lieut. Harold Ames Moore, Air Corps, from August 1, 1932.

First Lieut. Malcolm Nebeker Stewart, Air Corps, from August 1, 1932.

First Lieut. John George Shannonhouse, Chemical Warfare Service, from August 1, 1932.

First Lieut. James Austin Gilruth, Infantry, from August 1, 1932.

First Lieut. Odas Moon, Air Corps, from August 1, 1932.

First Lieut. Arthur George Liggett, Air Corps, from August 1, 1932.

First Lieut. Westside Torkel Larson, Air Corps, from August 1, 1932.

First Lieut. Andrew Daniel Hopping, Infantry, from August 1, 1932.

First Lieut. Edward Herendeen, Field Artillery, from August 1, 1932.

First Lieut. Newton Longfellow, Air Corps, from August 1, 1932.

First Lieut. Lloyd Barnett, Air Corps, from September 1, 1932.

First Lieut. John Arthur Laird, jr., Air Corps, from September 1, 1932.

First Lieut. Bushrod Hoppin, Air Corps, from September 1, 1932.

First Lieut. Charles William Steinmetz, Air Corps, from September 1, 1932.

First Lieut. John Myrddin Davies, Air Corps, from September 1, 1932.

First Lieut. William Norris White, Field Artillery, from September 1, 1932.

First Lieut. Walter Thomas Meyer, Air Corps, from September 1, 1932.

First Lieut. Reuben Dallam Biggs, Air Corps, from September 1, 1932.

First Lieut. Wendell Brown McCoy, Air Corps, from September 1, 1932.

First Lieut. James Edward Duke, jr., Air Corps, from September 1, 1932.

First Lieut. Martinus Stenseth, Air Corps, from September 1, 1932.

First Lieut. Rex Kirkland Stoner, Air Corps, from September 1, 1932.

First Lieut. James Bernard Carroll, Air Corps, from September 1, 1932.

First Lieut. Harold Franklyn Rouse, Air Corps, from October 1, 1932.

First Lieut. Thomas Lonnie Gilbert, Air Corps, from October 1, 1932.

First Lieut. James Douglas Givens, Air Corps, from October 1, 1932.

First Lieut. Oliver Williams De Gruchy, Finance Department, from October 1, 1932.

First Lieut. Harold De Lancey Stetson, Quartermaster Corps, from October 1, 1932.

First Lieut. William Cushman Farnum, Air Corps, from October 1, 1932.

First Lieut. Charles Milton Cummings, Air Corps, from October 1, 1932.

First Lieut. William Turnbull, Air Corps, from October 1, 1932.

First Lieut. Joseph Williams Benson, Air Corps, from October 1, 1932.

First Lieut. Frederick Dan Lynch, Air Corps, from October 1, 1932.

First Lieut. James Atwater Woodruff, Air Corps, from October 1, 1932.

First Lieut. Robert Wallace Burke, Infantry, from October 1, 1932.

First Lieut. Lester James Maitland, Air Corps, from October 1, 1932.

First Lieut. William Warren Welsh, Air Corps, from October 1, 1932.

First Lieut. Arthur Ignatius Ennis, Air Corps, from October 1, 1932.

First Lieut. Caleb Vance Haynes, Air Corps, from October 14, 1932.

First Lieut. Jean Edens, Infantry, from October 19, 1932.

First Lieut. Emil Frederick Kollmer, Field Artillery, from October 24, 1932.

First Lieut. LeRoy William Yarborough, Infantry, from November 1, 1932.

First Lieut. Richard Francis Stone, Infantry, from November 1, 1932.

First Lieut. James Norwood Ancrum, Infantry, from November 1, 1932.

First Lieut. William Wallace Brier, jr., Infantry, from November 1, 1932.

First Lieut. John Brandon Franks, Quartermaster Corps, from November 1, 1932.

First Lieut. John Joseph Turner, Field Artillery, from November 1, 1932.

First Lieut. Orville Ervin Davis, Quartermaster Corps, from November 1, 1932.

First Lieut. John Thomas McKay, Quartermaster Corps, from November 1, 1932.

First Lieut. Percival Adams Wakeman, Signal Corps, from November 1, 1932.

First Lieut. John Leon McElroy, Infantry, from November 1, 1932.

First Lieut. Herman Jackson Crigger, Field Artillery, from November 1, 1932.

First Lieut. Floyd Thomas Gillespie, Signal Corps, from November 1, 1932.

First Lieut. Hal C. Bush, Infantry, from November 1, 1932.

First Lieut. Charles Homer Martin, Cavalry, from November 1, 1932.

First Lieut. William Henry Speidel, Infantry, from November 1, 1932.

First Lieut. Herbert Linus Berry, Field Artillery, from November 1, 1932.

First Lieut. Robert Owen Montgomery, Field Artillery, from November 1, 1932.

First Lieut. Martin Owen Cahill, Quartermaster Corps, from November 1, 1932.

First Lieut. Horace Napoleon Gibson, Infantry, from November 1, 1932.

First Lieut. James Leonard Hogan, Coast Artillery Corps, from November 1, 1932.

First Lieut. Sidney Frank Wharton, Infantry, from November 1, 1932.

First Lieut. Stephen Eugene Bullock, Field Artillery, from November 1, 1932.

First Lieut. Dayton Locke Robinson, Infantry, from November 1, 1932.

First Lieut. Homer Banister Pettit, Corps of Engineers, from November 1, 1932.

First Lieut. James Yancey Le Gette, Field Artillery, from November 8, 1932.

First Lieut. Sherman Edgar Willard, Coast Artillery Corps, from November 10, 1932.

First Lieut. Howard Samuel Paddock, Signal Corps, from November 25, 1932.

First Lieut. Harold Arthur Bartron, Air Corps, from December 1, 1932.

First Lieut. John Spalding Miller, Infantry, from December 1, 1932.

First Lieut. Joseph Albert Sullivan, Field Artillery, from December 1, 1932.

First Lieut. James Bryan McDavid, Infantry, from December 1, 1932.

First Lieut. Lloyd Henry Gibbons, Infantry, from December 1, 1932.

First Lieut. Henry Elmer Sowell, Field Artillery, from December 1, 1932.

First Lieut. William Stilwell Conrow, Cavalry, from December 1, 1932.

First Lieut. James Webb Newberry, Infantry, from December 1, 1932.

First Lieut. John Frederick Whiteley, Air Corps, from December 1, 1932.

First Lieut. Edward Clay Johnson, Infantry, from December 1, 1932.

To be first lieutenants

Second Lieut. Claude Augustus Billingsley, Field Artillery, from July 23, 1932.

Second Lieut. Gerald Geoffrey Johnston, Air Corps, from July 24, 1932.

Second Lieut. Elmer Joseph Rogers, jr., Air Corps, from July 26, 1932.

Second Lieut. John Francis Fiske, Field Artillery, from July 29, 1932.

Second Lieut. Malcolm Faulhaber, Field Artillery, from August 1, 1932.

Second Lieut. Horace Whitfield Johnson, Infantry, from August 1, 1932.

Second Lieut. Ross Drum Lustenberger, Corps of Engineers, from August 1, 1932.

Second Lieut. John Caswell Crosthwaite, Air Corps, from August 1, 1932.

Second Lieut. John Dean Hawkins, Infantry, from August 1, 1932.

Second Lieut. Clarence Shortridge Irvine, Air Corps, from August 1, 1932.

Second Lieut. Gregg Miller Lindsay, Field Artillery, from August 1, 1932.

Second Lieut. Mason Harley Lucas, Field Artillery, from August 1, 1932.

Second Lieut. Ralph Emerson Holmes, Air Corps, from August 1, 1932.

Second Lieut. John Francis Mathew Kohler, Cavalry, from August 1, 1932.

Second Lieut. Darr Hayes Alkire, Air Corps, from August 1, 1932.

Second Lieut. Francis Albert Rudolph, Infantry, from August 1, 1932.

Second Lieut. Thurston H. Baxter, Air Corps, from August 7, 1932.

Second Lieut. Albert Gallatin Franklin, jr., Coast Artillery Corps, from August 8, 1932.

Second Lieut. Chester Erwin Margrave, Field Artillery, from August 16, 1932.

Second Lieut. John Albert Tarro, Air Corps, from August 26, 1932.

Second Lieut. John Titcomb Sprague, Air Corps, from September 1, 1932.

Second Lieut. Frederick August Bacher, jr., Air Corps, from September 1, 1932.

Second Lieut. Walter Byron Larew, Signal Corps, from September 1, 1932.

Second Lieut. Edward James Doyle, Cavalry, from September 1, 1932.

Second Lieut. William Orsen Van Giesen, Corps of Engineers, from September 1, 1932.

Second Lieut. Ward Jackson Davies, Air Corps, from September 1, 1932.

Second Lieut. Frank Coffin Holbrook, Field Artillery, from September 1, 1932.

Second Lieut. Yantis Halbert Taylor, Air Corps, from September 1, 1932.

Second Lieut. Newell Edward Watts, Infantry, from September 1, 1932.

Second Lieut. George Leroy Murray, Air Corps, from September 1, 1932.

Second Lieut. Claire Stroh, Air Corps, from September 1, 1932.

Second Lieut. Charles William Stratton, Field Artillery, from September 1, 1932.

Second Lieut. Charles Albert Sheldon, Cavalry, from September 1, 1932.

Second Lieut. Francis Edgar Cheatle, Air Corps, from September 1, 1932.

Second Lieut. Stewart Fredric Yeo, Field Artillery, from September 24, 1932.

Second Lieut. Robert Jones Moulton, Coast Artillery Corps, from October 1, 1932.

Second Lieut. James Trimble Brown, Infantry, from October 1, 1932.

Second Lieut. Charles Weller McCarthy, Infantry, from October 1, 1932.

Second Lieut. Benjamin Branche Talley, Corps of Engineers, from October 1, 1932.

Second Lieut. John Gibson Van Houten, Infantry, from October 1, 1932.

Second Lieut. Kenneth Holmes Kinsler, Infantry, from October 1, 1932.

Second Lieut. Edgar Albert Gans, Infantry, from October 1, 1932.

Second Lieut. Howard Ravenscroft Johnson, Infantry, from October 1, 1932.

Second Lieut. Albert Samuel Baron, Coast Artillery Corps, from October 1, 1932.

Second Lieut. George Edwin Steinmeyer, jr., Infantry, from October 1, 1932.

Second Lieut. Herbert Charles Lichtenberger, Air Corps, from October 1, 1932.

Second Lieut. Arthur Joseph Lehman, Air Corps, from October 1, 1932.

Second Lieut. Oscar Frederick Carlson, Air Corps, from October 1, 1932.

Second Lieut. George Edley Henry, Air Corps, from October 1, 1932.

Second Lieut. Richard Dodge Reeve, Air Corps, from October 1, 1932.

Second Lieut. Henry Louis Luongo, Infantry, from October 1, 1932.

Second Lieut. Herbert Butler Powell, Infantry, from October 1, 1932.

Second Lieut. Signa Allen Gilkey, Air Corps, from October 14, 1932.

Second Lieut. Edward Francis Merchant, Infantry, from October 17, 1932.

Second Lieut. Layton Allen Zimmer, Coast Artillery Corps, from October 19, 1932.

Second Lieut. Jay B. Lovless, Infantry, from October 24, 1932.

Second Lieut. Clinton William Davies, Air Corps, from October 29, 1932.

Second Lieut. James Byron Colson, Infantry, from November 1, 1932.

Second Lieut. William Hans Brunke, Infantry, from November 1, 1932.

Second Lieut. Thomas Beverley Harper, Infantry, from November 1, 1932.

Second Lieut. Paul August Jaccard, Coast Artillery Corps, from November 1, 1932.

Second Lieut. James David O'Brien, Infantry, from November 1, 1932.

Second Lieut. Reuben Kyle, jr., Air Corps, from November 1, 1932.

Second Lieut. Paul Burnham Nelson, Coast Artillery Corps, from November 1, 1932.

Second Lieut. Harvey Flynn Dyer, Air Corps, from November 1, 1932.

Second Lieut. Robert Bartlett McCleave, Infantry, from November 1, 1932.

Second Lieut. John Edwin Mortimer, Coast Artillery Corps, from November 1, 1932.

Second Lieut. Earl Clinton Robbins, Air Corps, from November 1, 1932.

Second Lieut. Andrew Joseph Kerwin Malone, Air Corps, from November 1, 1932.

Second Lieut. Russell Keillor, Air Corps, from November 1, 1932.

Second Lieut. Mark Darrow Stephen Steensen, Air Corps, from November 1, 1932.

Second Lieut. Ernest Harold Lawson, Air Corps, from November 1, 1932.

Second Lieut. John Edward Bodle, Air Corps, from November 1, 1932.

Second Lieut. William Harold Doolittle, Air Corps, from November 1, 1932.

Second Lieut. Russell Scott, Air Corps, from November 1, 1932.

Second Lieut. Burton Murdock Hovey, jr., Air Corps, from November 1, 1932.

Second Lieut. Richard Eastman Cobb, Air Corps, from November 1, 1932.

Second Lieut. Dale Davis Fisher, Air Corps, from November 1, 1932.

Second Lieut. Henry Weisbrod Dorr, Air Corps, from November 1, 1932.

Second Lieut. Irvin Alberta Woodring, Air Corps, from November 1, 1932.

Second Lieut. Carlisle Iverson Ferris, Air Corps, from November 1, 1932.

Second Lieut. Elwood Richard Quesada, Air Corps, from November 1, 1932.

Second Lieut. Willard Roland Wolfinbarger, Air Corps, from November 1, 1932.

Second Lieut. Hans William Holmer, Corps of Engineers, from November 1, 1932.

Second Lieut. Harold Albert Kurstedt, Corps of Engineers, from November 1, 1932.

Second Lieut. Edward Grow Daly, Corps of Engineers, from November 8, 1932.

Second Lieut. Donald Chamberlin Hawkins, Corps of Engineers, from November 10, 1932.

Second Lieut. Theodore Addison Weyher, Corps of Engineers, from November 25, 1932.

Second Lieut. Robert Hammiell Naylor, Corps of Engineers, from December 1, 1932.

Second Lieut. Paul Dunn Charles Berrigan, Corps of Engineers, from December 1, 1932.

Second Lieut. Henry Gordon Douglas, Corps of Engineers, from December 1, 1932.

Second Lieut. Joseph Winston Cox, jr., Corps of Engineers, from December 1, 1932.

Second Lieut. George Townsend Derby, Corps of Engineers, from December 1, 1932.

Second Lieut. Max Sherred Johnson, Corps of Engineers, from December 1, 1932.

Second Lieut. Lee Bird Washbourne, Corps of Engineers, from December 1, 1932.

Second Lieut. John Robert Crume, jr., Corps of Engineers, from December 1, 1932.

Second Lieut. George Woodburne McGregor, Air Corps, from December 1, 1932.

Second Lieut. John Leonard Hines, jr., Cavalry, from December 1, 1932.

Second Lieut. Charles Albert Harrington, Air Corps, from December 1, 1932.

Second Lieut. Charles H. McNutt, Corps of Engineers, from December 1, 1932.

MEDICAL CORPS

To be captains

First Lieut. Herbert Theodore Berwald, Medical Corps, from July 17, 1932.

First Lieut. Robert Reeve Estill, Medical Corps, from September 5, 1932.

First Lieut. Charles Laurn Leedham, Medical Corps, from September 19, 1932.

First Lieut. Willis Hinton Drummond, Medical Corps, from September 19, 1932.

First Lieut. Charles Chute Gill, Medical Corps, from September 19, 1932.

DENTAL CORPS

To be lieutenant colonels

Maj. Herman Stanton Rush, Dental Corps, from November 11, 1932.

Maj. Lester Caris Ogg, Dental Corps, from November 12, 1932.

To be captain

First Lieut. Henry Richard Sydenham, Dental Corps, from October 17, 1932.

VETERINARY CORPS

To be colonel

Lieut. Col. Robert Cessna Musser, Veterinary Corps, from July 24, 1932.

To be majors

Capt. Henry Lawrence Watson, Veterinary Corps, from July 18, 1932.

Capt. James Earl Noonan, Veterinary Corps, from August 6, 1932.

Capt. Gardiner Bouton Jones, Veterinary Corps, from August 11, 1932.

Capt. John Richard Ludwigs, Veterinary Corps, from September 26, 1932.

Capt. Nathan Menzo Neate, Veterinary Corps, from November 24, 1932.

To be captains

First Lieut. Harry Raymond Leighton, Veterinary Corps, from August 4, 1932.

First Lieut. Verne Clifford Hill, Veterinary Corps, from August 19, 1932.

First Lieut. Elmer William Young, Veterinary Corps, from August 19, 1932.

MEDICAL ADMINISTRATIVE CORPS

To be first lieutenant

Second Lieut. Charles Lawrence Driscoll, Medical Administrative Corps, from December 3, 1932.

CHAPLAINS

To be chaplain with the rank of lieutenant colonel

Chaplain Wallace Hubbard Watts (major), United States Army, from September 23, 1932.

To be chaplains with the rank of major

Chaplain Mariano Vassallo (captain), United States Army, from July 19, 1932.

Chaplain Benjamin Joseph Tarskey (captain), United States Army, from August 8, 1932.

Chaplain John Francis Monahan (captain), United States Army, from August 8, 1932.

Chaplain Luther Deck Miller (captain), United States Army, from August 15, 1932.

Chaplain William Donoghue Cleary (captain), United States Army, from August 16, 1932.

Chaplain Edmund Charles Sliney (captain), United States Army, from September 10, 1932.

Chaplain Harlan Judson Ballentine (captain), United States Army, from September 20, 1932.

Chaplain Hal Coleman Head (captain), United States Army, from September 26, 1932.

Chaplain Walter John Donoghue (captain), United States Army, from September 26, 1932.

Chaplain Oscar Whitefield Reynolds (captain), United States Army, from October 6, 1932.

Chaplain John MacWilliams (captain), United States Army, from October 31, 1932.

Chaplain Reuben Earl Boyd (captain), United States Army, from November 1, 1932.

Chaplain Roy Hartford Parker (captain), United States Army, from November 7, 1932.

Executive nomination received by the Senate December 9 (legislative day of December 8), 1932

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO THE FIELD ARTILLERY

Second Lieut. James Knox Wilson, jr., Infantry, with rank from June 12, 1930.

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICERS

To be major general, reserve

Maj. Gen. Henry Dozier Russell, Georgia National Guard, from October 25, 1932.

To be brigadier general, reserve

Brig. Gen. Amos Thomas, Nebraska National Guard, from September 12, 1932.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

To be brigadier general, reserve

Brig. Gen. Albert Lyman Cox, reserve, from November 10, 1932.

Executive nominations received by the Senate December 7, 1932

PROMOTIONS IN THE NAVY

Capt. Henry E. Lackey to be a rear admiral in the Navy from the 1st day of June, 1932.

Capt. Cyrus W. Cole to be a rear admiral in the Navy from the 1st day of July, 1932.

The following-named captains to be rear admirals in the Navy from the 1st day of September, 1932:

Charles E. Courtney, an additional number in grade.

Adolphus E. Watson.

Capt. Harry L. Brinser to be a rear admiral in the Navy from the 26th day of September, 1932.

Capt. Edgar B. Larimer to be a rear admiral in the Navy from the 1st day of October, 1932.

Commander Alfred W. Brown to be a captain in the Navy from the 5th day of June, 1932.

Commander Guy E. Davis to be a captain in the Navy from the 30th day of June, 1932.

Commander William C. Barker, jr., to be a captain in the Navy from the 1st day of July, 1932.

Commander Lemuel M. Stevens to be a captain in the Navy from the 1st day of August, 1932.

The following-named commanders to be captains in the Navy from the 1st day of September, 1932:

Joseph S. Evans, an additional number in grade.

Chester H. J. Keppler.

The following-named commanders to be captains in the Navy from the 26th day of September, 1932:

Charles A. Dunn, an additional number in grade.

John W. Lewis.

Lieut. Commander James C. Clark to be a commander in the Navy from the 1st day of May, 1932.

The following-named lieutenant commanders to be commanders in the Navy from the 1st day of June, 1932:

James C. Monfort.

Harold Dodd.

Lieut. Commander Guy C. Hitchcock to be a commander in the Navy from the 5th day of June, 1932.

The following-named lieutenant commanders to be commanders in the Navy from the 30th day of June, 1932:

Schuyler Mills.

Davis De Treville.

Lieut. Commander Homer C. Wick to be a commander in the Navy from the 1st day of July, 1932.

Lieut. Commander Robert A. Lavender to be a commander in the Navy from the 1st day of August, 1932.

Lieut. Commander Robert S. Haggart to be a commander in the Navy from the 2d day of August, 1932.

Lieut. Commander Raymond E. Kerr to be a commander in the Navy from the 1st day of September, 1932.

Lieut. Commander George H. Fort to be a commander in the Navy from the 26th day of September, 1932.

The following-named lieutenant commanders to be commanders in the Navy from the 1st day of October, 1932:

Lunsford L. Hunter.

Ernest W. Broadbent.

Lieut. Commander Forrest U. Lake to be a commander in the Navy from the 23d day of October, 1932.

Lieut. Robert R. Ferguson to be a lieutenant commander in the Navy from the 4th day of June, 1931.

The following-named lieutenants to be lieutenant commanders in the Navy from the 4th day of December, 1931:

Thomas J. Haffey.

Clarence R. Johnson.

Lieut. Walker P. Rodman to be a lieutenant commander in the Navy from the 4th day of June, 1931.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June, 1931:

Harold J. Brow.

Lyman C. Avery.

Lieut. George L. Compo to be a lieutenant commander in the Navy from the 1st day of March, 1932.

Lieut. William J. Graham to be a lieutenant commander in the Navy from the 12th day of March, 1932.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of May, 1932:

Orie H. Small.

Elmer B. Robinson.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of June, 1932:

Elijah E. Tompkins.

Homer E. Curlee.

Ratcliffe C. Welles.

Lieut. Homer B. Davis to be a lieutenant commander in the Navy from the 5th day of June, 1932.

The following-named lieutenants to be lieutenant commanders in the Navy from the 14th day of June, 1932:

James M. Connally.

Arthur E. Bartlett.

Lieut. Harold J. Wright to be a lieutenant commander in the Navy from the 16th day of June, 1932.

Lieut. Alfred J. Byrholdt to be a lieutenant commander in the Navy from the 20th day of June, 1932.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June, 1932:

Carl Hupp.	Robert E. Davenport.
Charles A. Goebel.	William Wakefield.
Stonewall B. Stadtler.	Harry L. Dodson.
Stephen E. Haddon.	Duane L. Taylor.
Edward H. Smith.	Rex L. Hicks.
William E. McClendon.	Matthias G. Gardner.
Henry C. Flanagan.	Howard W. Fitch.
Frank A. Saunders.	Winfield A. Brooks.
Will F. Roseman.	Ernest E. Herrmann.
Jesse G. McFarland.	William E. Hilbert.
John P. Dix.	Hugh W. Olds.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of July, 1932:

Maurice H. Stein.	William M. Callaghan.
Hobart A. Sailor.	Harold L. Challenger.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of August, 1932:

Thomas P. Jeter.
Adolph O. Gieselmann.

Lieutenant Jeffrey C. Metzel to be a lieutenant commander in the Navy from the 11th day of August, 1932.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of September, 1932:

Festus F. Foster.
Russell M. Ihrig.

Lieut. (Junior Grade) Edwin R. Duncan to be a lieutenant in the Navy from the 7th day of June, 1931.

Lieut. (Junior Grade) Daniel N. Cone, jr., to be a lieutenant in the Navy from the 1st day of October, 1931.

Lieut. (Junior Grade) Charles A. Parker to be a lieutenant in the Navy from the 12th day of March, 1932.

Lieut. (Junior Grade) John R. McKinney to be a lieutenant in the Navy from the 1st day of April, 1932.

Lieut. (Junior Grade) John A. Morrow to be a lieutenant in the Navy from the 8th day of April, 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of May, 1932:

Horatio Ridout.
Victor B. Tate.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of June, 1932:

Henry F. Agnew.
Dominic J. Tortorich, jr.
Ralph W. D. Woods.

Lieut. (Junior Grade) John D. Shaw to be a lieutenant in the Navy from the 5th day of June, 1932.

Lieut. (Junior Grade) Harry E. Morgan to be a lieutenant in the Navy from the 10th day of June, 1932.

Lieut. (Junior Grade) Edward S. Mulheron to be a lieutenant in the Navy from the 14th day of June, 1932.

Lieut. (Junior Grade) William A. Graham to be a lieutenant in the Navy from the 20th day of June, 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June, 1932:

Henry F. Mulloy.	William A. Hickey.
George W. Allen.	Ralph E. Wilson.
Irving T. Duke.	Louis W. Neusse.
Chester C. Wood.	Merle A. Sawyer.
Frederick A. L. Dartsch.	Leo A. Bachman.
Edward L. Woodyard.	William M. Cole.
William G. Fisher.	Clifford A. Fines.
John A. Hayes.	Edward W. Rawlins.
Orville F. Gregor.	Edward F. Crowe.
George C. Towner.	Elmer E. Berthold.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of July, 1932:

William G. Michelet.	Wallace M. Beakley.
Francis J. Grandfield.	Hallsted L. Hopping.

Lieut. (Junior Grade) Stephen G. Barchet to be a lieutenant in the Navy from the 25th day of July, 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of August, 1932:

William P. Tammany.	Bob O. Mathews.
Shirley Y. Cutler.	Ephraim R. McLean, jr.
Rae E. Arison.	Walter V. R. Vieweg.

Lieut. (Junior Grade) Richard F. Stout to be a lieutenant in the Navy from the 2d day of August, 1932.

Lieut. (Junior Grade) Willford M. Hyman to be a lieutenant in the Navy from the 11th day of August, 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of September, 1932:

Bernard L. Austin.
Joseph M. P. Wright.
Albert Handly.

Lieut. (Junior Grade) Norman W. Ellis to be a lieutenant in the Navy from the 26th day of September, 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of October, 1932:

James R. Pahl.
William J. Longfellow.

Lieut. (Junior Grade) George W. Patterson, jr., to be a lieutenant in the Navy from the 23d day of October, 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of November, 1932:

Joseph A. Callaghan.	James S. Laidlaw.
Howard L. Collins.	Adrian M. Hurst.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of June, 1932:

Knight Pryor.	William I. Darnell.
Earl A. Junghans.	Stanley G. Strong.
Clair LeM. Miller.	Paul J. Nelson.
Leonard O. Fox.	William E. Pennewill.
Baron J. Mullaney.	Lloyd K. Greenamyer.
John W. Davison.	Donald T. Eller.
William L. Kabler.	Rob R. McGreger.
Elliott W. Parish, jr.	William S. Arthur.
Walter S. Denham.	Francis D. Jordan.
Paul Foley, jr.	Erle V. Dennett.
Robert G. Brownlee, 2d.	Adolph J. Miller.
Henry B. Twohy.	Almon E. Loomis.
Edward C. Folger, jr.	Egbert A. Roth.
Edward F. Hutchins.	Henry J. McRoberts.
Herman L. Ray.	William G. Waltermire.
Edward J. O'Donnell.	Charles R. Fenton.
Arthur S. Hill.	Calvin A. Walker, jr.
Warner S. Rodimon.	Harold Nielsen.
Frank B. Stephens.	Robert J. Connell.
Benjamin Coe.	Whitmore S. Butts.
Roy S. Benson.	James H. Flatley, jr.
Howard C. Bernet.	William S. Stovall, jr.
John R. Yoho.	Charles K. Hutchison.
Frederick W. Kuhn.	Carl E. Giese.
George F. Beardsley.	Carl R. Armbrust.
William T. Easton.	Frank A. Brandley.
James H. Mills, jr.	John H. McElroy.
Kemp Tolley.	Leonard V. Duffy.
Clayton G. McCauley.	William Oliver.

Passed Asst. Surg. James Humbert to be a surgeon in the Navy, with the rank of lieutenant commander, from the 4th day of December, 1931.

Passed Asst. Surg. Charles W. Robles to be a surgeon in the Navy, with the rank of lieutenant commander, from the 30th day of June, 1931.

The following named assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenants, from the 20th day of June, 1932:

Charles F. Flower.	Raymond W. Hege.
Walter F. James.	Bruce E. Bradley.
Albert Ickstadt, jr.	

The following-named citizens to be assistant surgeons in the Navy, with the rank of lieutenant (junior grade) from the 27th day of July, 1932:

Harold E. Gillespie, a citizen of Minnesota.
Frank R. Urban, a citizen of Illinois.

Edgar Ricen, a citizen of Oregon.
Howard A. Baynton, a citizen of Wisconsin.
Paul Peterson, a citizen of Mississippi.
Clarence R. Pentz, a citizen of Pennsylvania.
Paul E. Leahy, a citizen of Illinois.

Alton R. Higgins, a citizen of Maine, to be an assistant surgeon in the Navy, with the rank of lieutenant (junior grade), from the 2d day of August, 1932.

The following-named citizens to be assistant surgeons in the Navy, with the rank of lieutenant (junior grade), from the 2d day of September, 1932:

Charles W. Tidd, a citizen of California.
Luther G. Bell, a citizen of South Carolina.

Carl V. Green, jr., a citizen of California, to be an assistant surgeon in the Navy, with the rank of lieutenant (junior grade), from the 2d day of October, 1932.

Dental Surg. Alexander G. Lyle to be a dental surgeon in the Navy, with the rank of commander, from the 1st day of September, 1931.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy, with the rank of lieutenant, from the 20th day of June, 1932:

Herman P. Riebe.
Eric B. Hoag.
Rae D. Pitton.
Alvin F. Miller.
James L. Purcell.
Ralph W. Malone.
Clifford T. Logan.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy, with the rank of lieutenant, from the 30th day of June, 1932:

Frank K. Sullivan.
Arthur Siegel.
Alfred Dinsmore.
Edward H. Delaney.
Hector J. A. MacInnis.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1931:

Howard M. Shaffer.
John M. Holmes.
Timothy J. Mulcahy.
Oscar J. Phillips.
James Gately.
Lewis S. Sutliff.
Charles H. Breyer.
Frederick Scherberger, jr.
Fred A. Abbott.
William H. McKenna.
Orly Tagland.
Herman W. Johnson.
Michael J. Dambacher.
Albert S. Freedman.
William C. Jahnke.
Michael J. Kirwan.
Walter T. Cronin.
Leonard A. Klauer.
Nathaniel E. Disbrow.
James Fellis.
Clarence A. Miley.
Roy L. Walford.
Ralph J. Dindot.
Lloyd C. Sowell.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 30th day of June, 1931:

Cyrus D. Bishop.
William M. Christie.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 1st day of February, 1932:

Francis L. Gaffney.
Russell D. Calkins.

Passed Asst. Paymaster Dillon F. Zimmerman to be a paymaster in the Navy, with the rank of lieutenant commander, from the 12th day of March, 1932.

Acting Chaplain George LaC. Markle to be a chaplain in the Navy, with the rank of lieutenant, from the 20th day of June, 1932.

Naval Constructor Horatia G. Gillmor to be a naval constructor in the Navy, with the rank of rear admiral, from the 1st day of October, 1932.

Boatswain LeRoy S. Williams to be a chief boatswain in the Navy, to rank with but after ensign, from the 9th day of August, 1930.

The following-named gunners to be chief gunners in the Navy, to rank with but after ensign, from the 2d day of September, 1932:

Monroe V. Evans.
Earnest A. Brook.
Warren F. Condit.

The following-named electricians to be chief electricians in the Navy, to rank with but after ensign, from the 2d day of September, 1932:

Stanley E. Phillips.
Ralph A. Turner.
Thomas W. Hardisty.
George L. Nasi.
Arthur W. Kershner.
Corliss D. Keller.
Raymond W. Miller.

Radio Electrician William R. LaVelle to be a chief radio electrician in the Navy, to rank with but after ensign, from the 13th day of May, 1932.

Radio Electrician Merrill M. Holt to be a chief radio electrician in the Navy, to rank with but after ensign, from the 18th day of May, 1932.

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the 2d day of September, 1932:

Charles T. Foley.
Thomas J. Doyle.
Garrett L. Prible.
Raymond Baker.
Gerald J. Holtham.
Harry J. Jurjens.
Robert R. Wakefield.
Harley F. Smart.
Marion L. Bucham.
Earl A. Thomas.

Pay Clerk Orval S. Karns to be a chief pay clerk in the Navy, to rank with but after ensign, from the 14th day of August, 1930.

Pay Clerk Gaylord B. Abbaduska to be a chief pay clerk in the Navy, to rank with but after ensign, from the 3d day of September, 1931.

The following-named pay clerks to be chief pay clerks in the Navy, to rank with but after ensign, from the 12th day of June, 1932:

Ernest M. Joyce.
George W. Moores.
Clifford B. Pischner.
Ernest W. Rogers.

Pay Clerk Roy P. Strange to be a chief pay clerk in the Navy, to rank with but after ensign, from the 25th day of July, 1932.

Pay Clerk Willard V. Haynes to be a chief pay clerk in the Navy, to rank with but after ensign, from the 31st day of July, 1932.

The following-named lieutenant commanders to be lieutenant commanders in the Navy, to rank from the dates indicated to correct the date of rank from which they take rank as previously nominated and confirmed:

John F. Warris, June 4, 1931.
Francis E. Fitch, June 18, 1931.
Fred C. Dickey, June 30, 1931.
Frank C. Fake, June 30, 1931.
Rutledge Irvine, June 30, 1931.
Alfred M. Pride, July 1, 1931.
David Rittenhouse, July 1, 1931.
Robert L. Fuller, August 1, 1931.
Cyril T. Simard, September 1, 1931.
Lester T. Hundt, October 1, 1931.
Thomas A. Gray, October 1, 1931.
Byron J. Connell, December 29, 1931.
Arthur Gavin, January 1, 1932.
Arthur H. Cummings, February 1, 1932.
Henry A. Stuart, February 1, 1932.
Arthur L. Karns, June 1, 1932.

The following-named lieutenants to be lieutenants in the Navy, to rank from the dates indicated, to correct the date of rank from which they take rank as previously nominated and confirmed:

Robert L. Dennison, September 1, 1930.
Roland M. Huebl, September 13, 1930.
Stanhope C. Ring, October 1, 1930.
George K. Hodgkiss, October 1, 1930.
Kenneth P. Hartman, October 10, 1930.
Charles F. Coe, October 16, 1930.
Thayer T. Tucker, October 24, 1930.
Thomas B. Williamson, October 28, 1930.
John M. McIsaac, November 1, 1930.
Frank H. Bond, November 14, 1930.
Thomas L. Turner, December 9, 1930.
John L. Welch, December 21, 1930.
Frederick M. Trapnell, December 30, 1930.

Louis F. Teuscher, January 1, 1931.
William K. Mendenhall, jr., January 20, 1931.
Richard M. Scruggs, January 23, 1931.
Peter W. Haas, jr., February 1, 1931.
John C. Goodnough, February 9, 1931.
Joseph L. Kane, February 20, 1931.
James H. Willett, March 4, 1931.
Fred W. Walton, April 1, 1931.
Thomas B. Birtley, jr., May 1, 1931.
Leon N. Blair, May 8, 1931.
Harry D. Felt, May 24, 1931.
Robert H. Rodgers, June 1, 1931.
Samuel G. Fuqua, June 18, 1931.
Marvin M. Stephens, June 30, 1931.
Thomas E. Boyce, July 1, 1931.
Richard M. Oliver, July 31, 1931.
Arthur L. Maher, August 1, 1931.
Henry M. Cooper, September 1, 1931.
Burton Davis, September 2, 1931.
Donald E. Wilcox, October 1, 1931.
Paul B. Koonce, October 1, 1931.
Louis A. Drexler, jr., October 6, 1931.
Frank H. Newton, jr., October 11, 1931.
Samuel P. Comly, jr., November 1, 1931.
Henry D. Batterton, November 1, 1931.
Francis L. Robbins, November 1, 1931.
John L. Brown, November 6, 1931.
Richard P. McDonough, November 6, 1931.
Thomas E. Kelly, November 17, 1931.
Frederick J. Nelson, December 1, 1931.
Joyce A. Ralph, December 1, 1931.
George A. T. Washburn, December 29, 1931.
Guy M. Neely, January 1, 1932.
William P. Burford, January 1, 1932.
Robert R. Buck, January 7, 1932.
Philip D. Lohmann, February 1, 1932.
Wallace E. Guitar, February 1, 1932.
William A. Fly, February 21, 1932.
Harry A. Dunn, jr., April 15, 1932.
Beverley R. Harrison, jr., June 14, 1932.
John P. B. Barrett, June 16, 1932.

The following-named surgeons to be surgeons in the Navy, with the rank of lieutenant commander, to rank from the 4th day of June, 1931, to correct the date of rank from which they take rank as previously nominated and confirmed:

Robert F. Sledge.
Emil J. Stelter.
James F. Terrell.
Jesse D. Jewell.
Harvey W. Miller.
Joseph F. Lankford.
Frank W. Quin.
Francis E. Tierney.
Charles A. Costello.

The following-named surgeons to be surgeons in the Navy, with the rank of lieutenant commander, to rank from the 18th day of June, 1931, to correct the date of rank from which they take rank as previously nominated and confirmed:

Elwin C. Taylor.
Joseph J. Kaveney.
Edward H. Sparkman, jr.

The following-named passed assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenant, to rank from the 20th day of June, 1932, to correct the date of rank from which they take rank as previously nominated and confirmed:

Harold V. Packard.
Leon D. Carson.
Gerald W. Smith.
Thomas M. Arrasmith, jr.
Franklin V. Sunderland.
Arthur W. Loy.
Albert T. Walker.
Thomas Jackson, jr.
Henry M. Walker.
Glenn S. Campbell.
Herman M. Mavetey.
Charles R. Wilcox.
French R. Moore.
Joseph W. Kimbrough.
Theophilus F. Weinert.

The following-named dental surgeons to be dental surgeons in the Navy, with the rank of lieutenant commander, to rank from the 4th day of June, 1931, to correct the date of rank from which they take rank as previously nominated and confirmed:

Frank V. Davis.
Walton C. Carroll.
Charles L. Tompkins.
George L. Reilly.
Frederick W. Mitchell.

Dental Surg. Edwin N. Cochran to be a dental surgeon in the Navy, with the rank of lieutenant commander, to rank from the 4th day of December, 1931, to correct the date of rank from which he takes rank as previously nominated and confirmed.

Chief Pay Clerk Stanley C. King to be a chief pay clerk in the Navy, to rank with but after ensign, from the 20th day of November, 1923, to correct the date of rank from which he takes rank as previously nominated and confirmed.

MARINE CORPS

Lieut. Col. William P. Upshur to be a colonel in the Marine Corps from July 27, 1932.

Maj. Sidney S. Lee to be a lieutenant colonel in the Marine Corps from July 27, 1932.

Maj. Ross E. Rowell to be a lieutenant colonel in the Marine Corps from August 1, 1932.

The following-named majors to be majors in the Marine Corps to correct the dates from which they take rank as previously nominated and confirmed:

Leo D. Hermle from October 29, 1931.
Lemuel C. Shepherd, jr., from April 1, 1932.
Roswell Winans from May 1, 1932.

Capt. Robert Blake to be a major in the Marine Corps from June 1, 1932.

Capt. Charles I. Murray to be a major in the Marine Corps from July 27, 1932.

Capt. Percy D. Cornell to be a major in the Marine Corps from August 1, 1932.

Capt. Samuel C. Cumming to be a major in the Marine Corps from November 1, 1932.

The following-named captains to be captains in the Marine Corps to correct the dates from which they take rank as previously nominated and confirmed:

George D. Hamilton from June 1, 1931.
Lemuel A. Haslup from June 7, 1931.
Norman E. True from June 20, 1931.
Robert S. Pendleton from June 25, 1931.
George L. Maynard from July 1, 1931.
Carl W. Meigs from July 25, 1931.
Floyd W. Bennett from July 31, 1931.
Harry E. Leland from August 4, 1931.
Brady L. Vogt from September 1, 1931.
Irving E. Odgers from October 1, 1931.
William E. Quaster from October 29, 1931.
Francis Kane from December 1, 1931.
Clinton W. McLeod from January 1, 1932.
Paul A. Lesser from March 1, 1932.
Alexander Galt from April 1, 1932.
William D. Bassett from April 29, 1932.

First Lieut. Raymond T. Presnell to be a captain in the Marine Corps from September 1, 1931.

First Lieut. Edward F. O'Day to be a captain in the Marine Corps from April 20, 1932.

First Lieut. James D. Waller to be a captain in the Marine Corps from May 1, 1932.

First Lieut. Clifford Prichard to be a captain in the Marine Corps from June 1, 1932.

First Lieut. Cyril W. Martyr to be a captain in the Marine Corps from July 1, 1932.

First Lieut. Frank S. Gilman to be a captain in the Marine Corps from July 1, 1932.

First Lieut. Melvin E. Fuller to be a captain in the Marine Corps from July 27, 1932.

First Lieut. Francis I. Fenton to be a captain in the Marine Corps from August 1, 1932.

First Lieut. Ralph W. Luce to be a captain in the Marine Corps from August 1, 1932.

First Lieut. Willard R. Enk to be a captain in the Marine Corps from August 11, 1932.

First Lieut. Gerald C. Thomas to be a captain in the Marine Corps from November 1, 1932.

First Lieut. John W. Cunningham to be a captain in the Marine Corps from November 1, 1932.

Second Lieut. John R. Lanigan to be a first lieutenant in the Marine Corps from July 27, 1932.

Second Lieut. Raymond E. Hopper to be a first lieutenant in the Marine Corps from August 1, 1932.

Second Lieut. Francis B. Loomis, jr., to be a first lieutenant in the Marine Corps from August 1, 1932.

Second Lieut. John H. Coffman to be a first lieutenant in the Marine Corps from August 11, 1932.

Second Lieut. Robert H. McDowell to be a first lieutenant in the Marine Corps from September 1, 1932.

Second Lieut. Charles E. Chapel to be a first lieutenant in the Marine Corps from September 21, 1932.

Second Lieut. Thomas D. Marks to be first lieutenant in the Marine Corps from October 26, 1932.

Second Lieut. Wallace O. Thompson to be a first lieutenant in the Marine Corps from November 1, 1932.

Second Lieut. John H. Griebel to be a first lieutenant in the Marine Corps from November 1, 1932.

Second Lieut. Peter P. Schrider to be a first lieutenant in the Marine Corps from November 1, 1932.

Second Lieut. James F. Shaw, jr., to be a first lieutenant in the Marine Corps from December 1, 1932.

Quartermaster Clerk Fletcher B. Crugar to be a chief quartermaster clerk in the Marine Corps, to rank with but after second lieutenant, from July 1, 1932.

Pay Clerk Timothy E. Murphy to be a chief pay clerk in the Marine Corps, to rank with but after second lieutenant, from August 2, 1932.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 23, 1932

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from July 1, 1932

Edward Miller Sager.
Allan Brodie Ramsay.
Achilles Lacy Tynes.
Robert Barrett Skinner.
Dwight Lawson.
Joseph Pease Russell.
James Little Murchison.
Norman Webb White.
William Clarence Knott.
Paul Edmond Keller.
Albert Henry Robinson.
John Frederick Blatt.
John Randolph Copenhaver.
Cyril Edward McEnany.
Frank Yearsley Leaver.
Joe Harrell.
John Ellsworth Roberts.

To be first lieutenants with rank from August 2, 1932

Leonard Neil Swanson.
Francis Patrick Kintz.
Albert Russel Dreisbach.
William Weaver Nichol.
Richard Paul Johnson.
Joseph Upton Weaver.
George Darsie McGrew.
Leonard Frank Wilson.
Major Samuel White.
Fred Campbell Turley.
Robert James Wilson.
Clifford Hayes Mack.

To be first lieutenants, with rank from September 1, 1932

Llewellyn Lancelot Barrow.
Leonard Theodore Peterson.
George Prazak.

To be first lieutenants, with rank from September 10, 1932

Fred Rueb, jr.
Alfred Henry Brauer.

DENTAL CORPS

To be first lieutenants, with rank from July 1, 1932

John Kenneth Sitzman.
Howard Newton Burgin.
Robert Earl Hammersberg.

VETERINARY CORPS

To be second lieutenants, with rank from July 1, 1932

Russell McNellis.
Richard George Yule.

MEDICAL ADMINISTRATIVE CORPS

To be second lieutenant, with rank from July 1, 1932

James Coney Bower.

CHAPLAIN

To be chaplain with the rank of first lieutenant

Vernon Paul Jaeger.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Lieut. Col. Elmer Cuthbert Desobry.
Capt. Charles Allen Easterbrook.
Capt. Harold Napoleon Gilbert.

TO QUARTERMASTER CORPS

Lieut. Col. Olan Cecil Aleshire.
Maj. Otho Wilder Humphries.
Capt. Wallace James Redner.
Capt. Edward Marple Daniels.
Capt. Thomas Willis Jones.
First Lieut. Lewis Edward Weston Lepper.

TO FINANCE DEPARTMENT

First Lieut. Clarence Archibald Frank.

TO ORDNANCE DEPARTMENT

First Lieut. Albert Smith Rice.

TO CAVALRY

Capt. Holmes Gill Paullin.

TO INFANTRY

Capt. Perry Cole Ragan.

TO FIELD ARTILLERY

First Lieut. Irving Arthur Duffy.

TO AIR CORPS

Second Lieut. William Tell Hefley, jr.
Second Lieut. Charles Theodore Arnett.
Second Lieut. Daniel Francis Callahan, jr.
Second Lieut. Marcellus Duffy.
Second Lieut. Robert Alan Stunkard.
Second Lieut. Gordon Aylesworth Blake.
Second Lieut. Joseph Francis Carroll.
Second Lieut. A. J. McVea.
Second Lieut. Donald Norton Yates.
Second Lieut. Hoyt Daniel Williams.
Second Lieut. Paul Gordon Miller.
Second Lieut. William John Bell.
Second Lieut. Ernest Moore.
Second Lieut. Royden Eugene Beebe.
Second Lieut. Earle William Hockenberry.
Second Lieut. Louis Augustine Guenther.
Second Lieut. Milton Wylie Arnold.
Second Lieut. David Northup Motherwell.
Second Lieut. Millard Chester Young.
Second Lieut. Henry Keppler Mooney.
Second Lieut. Robert Merrill Lee.
Second Lieut. Robert Freeman Fulton.
Second Lieut. Dean Coldwell Strother.
Second Lieut. George Frederick Hartman.
Second Lieut. Carl Wilbert Carlmark.
Second Lieut. Richard Hungerford Wise.
Second Lieut. Charles Francis Densford.
Second Lieut. John Robert Skeldon.
Second Lieut. Jacob Edward Smart.
Second Lieut. Lester LeRoy Hilman Kunish.
Second Lieut. Robert Edward Lee Eaton.
Second Lieut. Carl Fillmore Damberg.
Second Lieut. Wendell Washington Bowman.
Second Lieut. Hilbert Fred Muenter.
Second Lieut. John Autrey Feagin.
Second Lieut. Raymond Taylor Lester.
Second Lieut. John Clarence Gordon.
Second Lieut. Arthur Raphael Kerwin, jr.
Second Lieut. Charles Bowman Dougher.
Second Lieut. David William Hutchison.
Second Lieut. Gerald Evan Williams.

Second Lieut. Edward Julius Timberlake, jr.
Second Lieut. John Tazewell Helms.
Second Lieut. Russell Hunter Griffith.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Arthur George Fisher, Air Corps.
Edwin Oliver Saunders, Judge Advocate General's Department.
Walter Krueger, Infantry.
Asa Leon Singleton, Infantry.
George Grunert, Cavalry.
William Rivers Pope, Cavalry.
Staley Alfred Campbell, Infantry.
John Rowe Brewer, Infantry.
John Pope McAdams, Infantry.
Richard Wetherill, Infantry.
Hartman Lewis Butler, Coast Artillery Corps.
Harry Arthur Wells, Infantry.
Ralph Middleton Parker, Cavalry.
George Warren Harris, Infantry.
Pat M. Stevens, Infantry.
William Holt Peek, Field Artillery.
John Hastings Howard, Air Corps.
John Joshua Fulmer, Infantry.
Joseph Irving McMullen, Judge Advocate General's Department.
Matt Combes Bristol, Finance Department.
Francis Cassius Endicott, Infantry.
Thomas Pitcher Bernard, Field Artillery.
Daniel D. Tompkins, Cavalry.
Clarence Anderson Dougherty, Cavalry.
Henry Hossfeld, Infantry.

To be lieutenant colonels

Charles Dudley Hartman, Quartermaster Corps.
Edgar Simpson Miller, Infantry.
Albert Lee Sneed, Air Corps.
Lester David Baker, Infantry.
Walter Reed Weaver, Air Corps.
Raymond Hope Fenner, Coast Artillery Corps.
William Whinery Hicks, Coast Artillery Corps.
Richard Herbert Somers, Ordnance Department.
Eugene Bonfils Walker, Coast Artillery Corps.
Frederick Colwell Phelps, Infantry.
John Burges Johnson, Cavalry.
Edmund Russell Andrews, Infantry.
Joseph Albert Rogers, Field Artillery.
Max Robert Wainer, Quartermaster Corps.
Karl Ferguson Baldwin, Coast Artillery Corps.
Charles Kleber Wing, Coast Artillery Corps.
Charles Elting Coates, Infantry.
Austin Henry Brown, Finance Department.
Arthur Hamilton MacKie, Infantry.
Samuel Roland Dishman, Quartermaster Corps.
Charles Henry McDonald, Judge Advocate General's Department.
Charles Redding Williams, Judge Advocate General's Department.
Edward Postell King, jr., Field Artillery.
Martin Conrad Shallenberger, Infantry.
John Henry Pirie, Air Corps.
Kenneth Sheild Perkins, Field Artillery.
Eugene Reybold, Corps of Engineers.
Robert George Kirkwood, Field Artillery.
Harold Everett Marr, Field Artillery.
Hugo Ernest Pitz, Coast Artillery Corps.
Thomas Clair Cook, Coast Artillery Corps.
Olin Harrington Longino, Coast Artillery Corps.
Peter Hill Ottosen, Coast Artillery Corps.
Edgar Hall Thompson, Coast Artillery Corps.
Frank Keet Ross, Field Artillery.

To be majors

Warfield Monroe Lewis, Infantry.
Walter Wilton Warner, Ordnance Department.
William Ormon Butler, Air Corps.
Rex Webb Beasley, Field Artillery.
Joseph Lawton Collins, Infantry.
Walter Francis Vander Hyden, Ordnance Department.
James Oscar Green, jr., Infantry.
Ira Adam Crump, Ordnance Department.
Elbert Louis Ford, jr., Ordnance Department.
James Lord Hayden, Coast Artillery Corps.
Scott Brewer Ritchie, Ordnance Department.
John Tupper Cole, Cavalry.
George Sampson Beurket, Field Artillery.
Stephen Hunting Sherrill, Signal Corps.
Charles Hunter Gerhardt, Cavalry.
Lincoln Ferris Daniels, Infantry.
Frederick Augustus Irving, Infantry.
Burnett Ralph Olmsted, Ordnance Department.
Herbert Charles Holdridge, Adjutant General's Department.
Matthew Bunker Ridgway, Infantry.
Albert Cowper Smith, Cavalry.
Richard Mars Wightman, Field Artillery.
Percy Gamble Black, Field Artillery.
Charles Walter Yuill, Infantry.
William Willis Eagles, Infantry.
Joel Grant Holmes, Ordnance Department.
Albert Charles Stanford, Field Artillery.
James Arthur Code, jr., Signal Corps.
William Sackville, Coast Artillery Corps.
Louis LeRoy Martin, Cavalry.
John Allen Stewart, Field Artillery.
William Kelly Harrison, jr., Cavalry.
Leroy Henry Lohmann, Coast Artillery Corps.
Ernest Nason Harmon, Cavalry.
Francis Graves Bonham, Infantry.
Norman Daniel Cota, Infantry.
Christian Gingrich Foltz, Coast Artillery Corps.
Joseph Scranton Tate, Field Artillery.
Robert Bundy Ransom, Infantry.
Arthur McKinley Harper, Field Artillery.
Carleton Coulter, jr., Infantry.
Aaron Bradshaw, jr., Coast Artillery Corps.
Robert Newton Kunz, Signal Corps.
Charles Solomon Kilburn, Cavalry.
Willis Richardson Slaughter, Ordnance Department.
George Hatton Weems, Infantry.
Roy Lindsay Bowlin, Ordnance Department.
Charles Radcliffe Johnson, jr., Cavalry.

To be captains

George Clement McDonald, Air Corps.
Thomas Judson Weed, Quartermaster Corps.
Peter Emanuel Skanse, Air Corps.
Alfred Evans Waller, Air Corps.
Harold Amos Moore, Air Corps.
Malcolm Nebeker Stewart, Air Corps.
John George Shannonhouse, Chemical Warfare Service.
James Austin Gilruth, Infantry.
Odas Moon, Air Corps.
Arthur George Liggett, Air Corps.
Westside Torkel Larson, Air Corps.
Andrew Daniel Hopping, Infantry.
Edward Herendeen, Field Artillery.
Newton Longfellow, Air Corps.
Lloyd Barnett, Air Corps.
John Arthur Laird, jr., Air Corps.
Bushrod Hoppin, Air Corps.
Charles William Steinmetz, Air Corps.
John Myrddin Davies, Air Corps.
William Norris White, Field Artillery.
Walter Thomas Meyer, Air Corps.
Reuben Dallam Biggs, Air Corps.
Wendell Brown McCoy, Air Corps.
James Edward Duke, jr., Air Corps.
Martinus Stenseth, Air Corps.
Rex Kirkland Stoner, Air Corps.
James Bernard Carroll, Air Corps.
Harold Franklyn Rouse, Air Corps.
Thomas Lonnie Gilbert, Air Corps.
James Douglas Givens, Air Corps.



Oliver Williams De Gruchy, Finance Department.
Harold De Lancey Stetson, Quartermaster Corps.
William Cushman Farnum, Air Corps.
Charles Milton Cummings, Air Corps.
William Turnbull, Air Corps.
Joseph Williams Benson, Air Corps.
Frederick Dan Lynch, Air Corps.
James Atwater Woodruff, Air Corps
Robert Wallace Burke, Infantry.
Lester James Maitland, Air Corps.
William Warren Welsh, Air Corps.
Arthur Ignatius Ennis, Air Corps.
Caleb Vance Haynes, Air Corps.
Jean Edens, Infantry.
Emil Frederick Kollmer, Field Artillery.
LeRoy William Yarborough, Infantry.
Richard Francis Stone, Infantry.
James Norwood Ancrum, Infantry.
William Wallace Brier, jr., Infantry.
John Brandon Franks, Quartermaster Corps.
John Joseph Turner, Field Artillery.
Orville Ervin Davis, Quartermaster Corps.
John Thomas McKay, Quartermaster Corps.
Percival Adams Wakeman, Signal Corps.
John Leon McElroy, Infantry.
Herman Jackson Crigger, Field Artillery.
Floyd Thomas Gillespie, Signal Corps.
Hal C. Bush, Infantry.
Charles Homer Martin, Cavalry.
William Henry Speidel, Infantry.
Herbert Linus Berry, Field Artillery.
Robert Owen Montgomery, Field Artillery.
Martin Owen Cahill, Quartermaster Corps.
Horace Napoleon Gibson, Infantry.
James Leonard Hogan, Coast Artillery Corps.
Sidney Frank Wharton, Infantry.
Stephen Eugene Bullock, Field Artillery.
Dayton Locke Robinson, Infantry.
Homer Banister Pettit, Corps of Engineers.
James Yancey Le Gette, Field Artillery.
Sherman Edgar Willard, Coast Artillery Corps.
Howard Samuel Paddock, Signal Corps.
Harold Arthur Bartron, Air Corps.
John Spalding Miller, Infantry.
Joseph Albert Sullivan, Field Artillery.
James Bryan McDavid, Infantry.
Lloyd Henry Gibbons, Infantry.
Henry Elmer Sowell, Field Artillery.
William Stilwell Conrow, Cavalry.
James Webb Newberry, Infantry.
John Frederick Whiteley, Air Corps.
Edward Clay Johnson, Infantry.

To be first lieutenants

Claude Augustus Billingsley, Field Artillery.
Gerald Geoffrey Johnston, Air Corps.
Elmer Joseph Rogers, jr., Air Corps.
John Francis Fiske, Field Artillery.
Malcolm Faulhaber, Field Artillery.
Horace Whitfield Johnson, Infantry.
Ross Drum Lustenberger, Corps of Engineers.
John Caswell Crosthwaite, Air Corps.
John Dean Hawkins, Infantry.
Clarence Shortridge Irvine, Air Corps.
Gregg Miller Lindsay, Field Artillery.
Mason Harley Lucas, Field Artillery.
Ralph Emerson Holmes, Air Corps.
John Francis Mathew Kohler, Cavalry.
Darr Hayes Alkire, Air Corps.
Francis Albert Rudolph, Infantry.
Thurston H. Baxter, Air Corps.
Albert Gallatin Franklin, jr., Coast Artillery Corps.
Chester Erwin Margrave, Field Artillery.
John Albert Tarro, Air Corps.
John Titcomb Sprague, Air Corps.
Frederick August Bacher, jr., Air Corps.
Walter Byron Larew, Signal Corps.
Edward James Doyle, Cavalry.
William Orsen Van Giesen, Corps of Engineers.
Ward Jackson Davies, Air Corps.
Frank Coffin Holbrook, Field Artillery.
Yantis Halbert Taylor, Air Corps.
Newell Edward Watts, Infantry.
George Leroy Murray, Air Corps.
Claire Stroh, Air Corps.
Charles William Stratton, Field Artillery.
Charles Albert Sheldon, Cavalry.
Francis Edgar Cheatle, Air Corps.
Stewart Frederic Yeo, Field Artillery.
Robert Jones Moulton, Coast Artillery Corps.
James Trimble Brown, Infantry.
Charles Weller McCarthy, Infantry.
Benjamin Branche Talley, Corps of Engineers.
John Gibson Van Houten, Infantry.
Kenneth Holmes Kinsler, Infantry.
Edgar Albert Gans, Infantry.
Howard Ravenscroft Johnson, Infantry.
Albert Samuel Baron, Coast Artillery Corps.
George Edwin Steinmeyer, jr., Infantry.
Herbert Charles Lichtenberger, Air Corps.
Arthur Joseph Lehman, Air Corps.
Oscar Frederick Carlson, Air Corps.
George Edley Henry, Air Corps.
Richard Dodge Reeve, Air Corps.
Henry Louis Luongo, Infantry.
Herbert Butler Powell, Infantry.
Signa Allen Gilkey, Air Corps.
Edward Francis Merchant, Infantry.
Layton Allen Zimmer, Coast Artillery Corps.
Jay B. Lovless, Infantry.
Clinton William Davies, Air Corps.
James Byron Colson, Infantry.
William Hans Brunke, Infantry.
Thomas Beverley Harper, Infantry.
Paul August Jaccard, Coast Artillery Corps.
James David O'Brien, Infantry.
Reuben Kyle, jr., Air Corps.
Paul Burnham Nelson, Coast Artillery Corps.
Harvey Flynn Dyer, Air Corps.
Robert Bartlett McCleave, Infantry.
John Edwin Mortimer, Coast Artillery Corps.
Earl Clinton Robbins, Air Corps.
Andrew Joseph Kerwin Malone, Air Corps.
Russell Keillor, Air Corps.
Mark Darrow Stephan Steensen, Air Corps.
Ernest Harold Lawson, Air Corps.
John Edward Bodle, Air Corps.
William Harold Doolittle, Air Corps.
Russell Scott, Air Corps.
Burton Murdock Hovey, jr., Air Corps.
Richard Eastman Cobb, Air Corps.
Dale Davis Fisher, Air Corps.
Henry Weisbrod Dorr, Air Corps.
Irvin Alberta Woodring, Air Corps.
Carlisle Iverson Ferris, Air Corps.
Elwood Richard Quesada, Air Corps.
Willard Roland Wolfinbarger, Air Corps.
Hans William Holmer, Corps of Engineers.
Harold Albert Kurstedt, Corps of Engineers.
Edward Grow Daly, Corps of Engineers.
Donald Chamberlin Hawkins, Corps of Engineers.
Theodore Addison Weyher, Corps of Engineers.
Robert Hammiell Naylor, Corps of Engineers.
Paul Dunn Charles Berrigan, Corps of Engineers.
Henry Gordon Douglas, Corps of Engineers.
Joseph Winston Cox, jr., Corps of Engineers.
George Townsend Derby, Corps of Engineers.
Max Sherred Johnson, Corps of Engineers.
Lee Bird Washbourne, Corps of Engineers.
John Robert Crume, jr., Corps of Engineers.
George Woodburne McGregor, Air Corps.

John Leonard Hines, jr., Cavalry.
Charles Albert Harrington, Air Corps.
Charles H. McNutt, Corps of Engineers.

MEDICAL CORPS

To be captains

Herbert Theodore Berwald.
Robert Reeve Estill.
Charles Laurn Leedham.
Willis Hinton Drummond.
Charles Chute Gill.

DENTAL CORPS

To be lieutenant colonels

Herman Stanton Rush.
Lester Caris Ogg.

To be captain

Henry Richard Sydenham.

VETERINARY CORPS

To be colonel

Robert Cessna Musser.

To be majors

Harry Lawrence Watson.
James Earl Noonan.
Gardiner Bouton Jones.
John Richard Ludwigs.
Nathan Menzo Neate.

To be captains

Harry Raymond Leighton.
Verne Clifford Hill.
Elmer William Young.

MEDICAL ADMINISTRATIVE CORPS

To be first lieutenant

Charles Lawrence Driscoll.

CHAPLAINS

To be chaplain with the rank of lieutenant colonel

Wallace Hubbard Watts.

To be chaplains with the rank of major

Mariano Vassallo.
Benjamin Joseph Tarskey.
John Francis Monahan.
Luther Deck Miller.
William Donoghue Cleary.
Edmund Charles Sliney.
Harlan Judson Ballentine.
Hal Coleman Head.
Walter John Donoghue.
Oscar Whitefield Reynolds.
John MacWilliams.
Reuben Earl Boyd.
Roy Hartford Parker.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

To Field Artillery

Second Lieut. James Knox Wilson, jr.

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICERS

To be major general, reserve

Henry Dozier Russell.

To be brigadier general, reserve

Amos Thomas.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

To be brigadier general, reserve

Albert Lyman Cox.

PROMOTIONS IN THE NAVY

To be rear admirals

Henry E. Lackey.
Cyrus W. Cole.
Charles E. Courtney (an additional number in grade).
Adolphus E. Watson.
Harry L. Brinser.
Edgar B. Larimer.

To be captains

Alfred W. Brown.
Guy E. Davis.
William C. Barker, jr.
Lemuel M. Stevens.

To be commanders

Joseph S. Evans (an additional number in grade).
Chester H. J. Keppler.
Charles A. Dunn (an additional number in grade).
John W. Lewis.
James C. Clark.
James C. Monfort.
Harold Dodd.
Guy C. Hitchcock.
Schuyler Mills.
Davis De Treville.
Homer C. Wick.
Robert A. Lavender.
Robert S. Haggart.
Raymond E. Kerr.
George H. Fort.
Lunsford L. Hunter.
Ernest W. Broadbent.
Forrest U. Lake.

To be lieutenant commanders

Robert R. Ferguson.
Thomas J. Haffey.
Clarence R. Johnson.
Walker P. Rodman.
Harold J. Brow.
Lyman C. Avery.
George L. Compo.
William J. Graham.
Orie H. Small.
Elmer B. Robinson.
Elijah E. Tompkins.
Homer E. Curlee.
Ratcliffe C. Welles.
Homer B. Davis.
James M. Connally.
Arthur E. Bartlett.
Harold J. Wright.
Alfred J. Byrholdt.
Carl Hupp.
Charles A. Goebel.
Stonewall B. Stadtler.
Stephen E. Haddon.
Edward H. Smith.
William E. McClendon.
Henry C. Flanagan.
Frank A. Saunders.
Will F. Roseman.
Jesse G. McFarland.
John P. Dix.
Robert E. Davenport.
William Wakefield.
Harry L. Dodson.
Duane L. Taylor.
Rex L. Hicks.
Matthias B. Gardner.
Howard W. Fitch.
Winfield A. Brooks.
Ernest E. Herrmann.
William E. Hilbert.
Hugh W. Olds.
Maurice H. Stein.
Hobart A. Sailor.
William M. Callaghan.
Harold L. Challenger.
Thomas P. Jeter.
Adolph O. Geiselmann.
Jeffrey C. Metzel.
Festus F. Foster.
Russell M. Ihrig.

To be lieutenants

Edwin R. Duncan.
Daniel N. Cone, jr.
Charles A. Parker.
John R. McKinney.
John A. Morrow.
Horatio Ridout.
Victor B. Tate.
Henry F. Agnew.
Dominic J. Torterich, jr.
Ralph W. D. Woods.
John D. Shaw.
Harry E. Morgan.
Edward S. Mulheron.
William A. Graham.
Henry F. Mulloy.
George W. Allen.
Irving T. Duke.
Chester C. Wood.
Frederick A. L. Dartach.
Edward L. Woodyard.
William G. Fisher.
John A. Hayes.
Orville F. Gregor.
George C. Towner.
William A. Hickey.
Ralph E. Wilson.
Louis W. Nuesse.
Merle A. Sawyer.
Leo A. Bachman.
William M. Cole.
Clifford A. Fines.
Edward W. Rawlins.
Edward F. Crowe.
Elmer E. Berthold.
William G. Michelet.
Francis J. Grandfield.
Wallace M. Beakley.
Hallsted L. Hopping.
Stephen G. Barchet.
William P. Tammany.
Shirley Y. Cutler.
Rae E. Arison.
Bob O. Mathews.
Ephraim R. McLean, jr.
Walter V. R. Vieweg.
Richard F. Stout.
Willford M. Hyman.
Bernard L. Austin.
Joseph M. P. Wright.
Albert Handly.
Norman W. Ellis.
James R. Pahl.
William J. Longfellow.
George W. Patterson.
Joseph A. Callaghan.
Howard L. Collins.
James S. Laidlaw.
Adrian M. Hurst.

To be lieutenants (junior grade)

Knight Pryor.
Earl A. Junghans.
Clair LeM. Miller.
Leonard O. Fox.
Baron J. Mullaney.
John W. Davison.
William L. Kabler.
Elliott W. Parish, jr.
Walter S. Denham.
Paul Foley, jr.
Robert C. Brownlee, 2d.
Henry B. Twohy.
Edward C. Folger, jr.
Edward F. Hutchins.
Herman L. Ray.
Edward J. O'Donnell.
Arthur S. Hill.
Warner S. Rodimon.
Frank B. Stephens.
Benjamin Coe.
Roy S. Benson.
Howard C. Bernet.
John R. Yoho.
Frederick W. Kuhn.
George F. Beardsley.
William T. Easton.
James H. Mills, jr.
Kemp Tolley.

Clayton C. McCauley.
William I. Dernell.
Stanley C. Strong.
Paul J. Nelson.
William E. Pennewill.
Lloyd K. Greenamyer.
Donald T. Eller.
Rob R. McGregor.
William S. Arthur.
Francis D. Jordan.
Erle V. Dennett.
Adolph J. Miller.
Almon E. Loomis.
Egbert A. Roth.
Henry J. McRoberts.
William C. Waltermire.
Charles R. Fenton.
Calvin A. Walker, jr.
Harold Nielsen.
Robert J. Connell.
Whitmore S. Butts.
James H. Flatley, jr.
William S. Stovall, jr.
Charles K. Hutchison.
Carl E. Giese.
Carl R. Armbrust.
Frank A. Brandley.
John H. McElroy.
Leonard V. Duffy.
William Oliver.

To be surgeons

James Humbert.
Charles W. Robles.

To be passed assistant surgeons

Charles F. Flower.
Walter F. James.
Albert Ickstadt, jr.
Raymond W. Hege.
Bruce E. Bradley.

To be assistant surgeons

Harold E. Gillespie.
Frank R. Urban.
Edgar Ricen.
Howard A. Baynton.
Paul Peterson.
Clarence R. Pentz.
Paul E. Leahy.
Alton R. Higgins.
Charles W. Tidd.
Luther G. Bell.
Carl V. Green, jr.

To be dental surgeon

Alexander G. Lyle.

To be passed assistant dental surgeons

Herman P. Riebe.
Eric B. Hoag.
Rae D. Pitton.
Clifford T. Logan.
Alvin F. Miller.
James L. Purcell.
Ralph W. Malone.
Frank K. Sullivan.
Arthur Siegel.
Hector J. A. MacInnis.
Alfred Dinsmore.
Edward H. Delaney.

To be paymasters

Howard M. Shaffer.
John M. Holmes.
Timothy J. Mulcahy.
Oscar J. Phillips.
James Gately.
Lewis S. Sutliff.
Charles H. Breyer.
Frederick Scherberger, jr.
Fred A. Abbott.
William H. McKenna.
Orly Tagland.
Herman W. Johnson.
Michael J. Dambacher.
Albert S. Freedman.
William C. Jahnke.
Michael J. Kirwan.
Walter T. Cronin.
Leonard A. Klauer.
Nathaniel E. Disbrow.
James Fellis.
Clarence A. Miley.
Roy L. Walford.
Ralph J. Dindot.
Lloyd C. Sowell.
Cyrus D. Bishop.
William M. Christie.
Francis L. Gaffney.
Russell D. Calkins.
Dillon F. Zimmerman.

To be chaplain

George LaC. Markle.

To be naval constructor

Horatio G. Gillmor.

To be chief boatswain

LeRoy S. Williams.

To be chief gunners

Monroe V. Evans.
Earnest A. Brook.
Warren F. Condit.

To be chief electricians

Stanley E. Phillips.
Ralph A. Turner.
Thomas W. Hardisty.
George L. Nasi.
Arthur W. Kershner.
Corliss D. Kellar.
Raymond W. Miller.

To be chief radio electricians

William R. LaVelle.
Merrill M. Holt.

To be chief machinists

Charles T. Foley.
Thomas J. Doyle.
Gerald J. Holtham.
Harry J. Jurjens.
Robert R. Wakefield.
Garrett L. Pribble.
Raymond Baker.
Harley F. Smart.
Marion L. Buchan.
Earl A. Thomas.

To be chief pay clerks

Orval S. Karns.
Gaylord B. Abbaduska.
Ernest M. Joyce.
George W. Moores.
Clifford B. Pischner.
Ernest W. Rogers.
Roy P. Strange.
Willard V. Haynes.

To be lieutenant commanders

John F. Warris.
Francis E. Fitch.
Fred C. Dickey.
Frank C. Fake.
Rutledge Irvine.
Alfred M. Pride.
David Rittenhouse.
Robert L. Fuller.
Cyril T. Simard.
Lester T. Hundt.
Thomas A. Gray.
Byron J. Connell.
Arthur Gavin.
Arthur H. Cummings.
Henry A. Stuart.
Arthur L. Karns.

To be lieutenants

Robert L. Dennison.
Roland M. Huebl.
Stanhope C. Ring.
George K. Hodgkiss.
Kenneth P. Hartman.
Charles F. Coe.
Thayer T. Tucker.
Thomas B. Williamson.
John M. McIsaac.
Frank H. Bond.
Thomas L. Turner.
John L. Welch.
Frederick M. Trapnell.
Louis F. Teuscher.
William K. Mendenhall, jr.
Richard M. Scruggs.
Peter W. Haas, jr.
John C. Goodnough.
Joseph L. Kane.
James H. Willett.
Fred W. Walton.
Thomas B. Birtley, jr.
Leon N. Blair.
Harry D. Felt.
Robert H. Rodgers.
Samuel G. Fuqua.
Marvin M. Stephens.
Thomas E. Boyce.
Richard M. Oliver.
Arthur L. Maher.
Henry M. Cooper.
Burton Davis.
Donald E. Wilcox.
Paul B. Koonce.
Louis A. Drexler, jr.
Frank H. Newton, jr.
Samuel P. Comly, jr.
Henry D. Batterton.
Francis L. Robbins.
John L. Brown.
Richard P. McDonough.
Thomas E. Kelly.
Frederick J. Nelson.
Joyce A. Ralph.
George A. T. Washburn.
Guy M. Neely.
William P. Burford.
Robert R. Buck.
Philip D. Lohmann.
Wallace E. Guitar.
William A. Fly.
Harry A. Dunn, jr.
Beverley R. Harrison, jr.
John P. B. Barrett.

To be surgeons

Robert F. Sledge.
Emil J. Stelter.
James F. Terrell.
Jesse D. Jewell.
Harvey W. Miller.
Joseph F. Lankford.
Frank W. Quin.
Francis E. Tierney.
Charles A. Costello.
Edwin C. Taylor.
Joseph J. Kaveney.
Edward H. Sparkman, jr.

To be passed assistant surgeons

Harold V. Packard.
Leon D. Carson.
Gerald W. Smith.
Thomas M. Arrasmith, jr.
Franklin V. Sunderland.
Arthur W. Loy.
Albert T. Walker.
Thomas Jackson, jr.
Henry M. Walker.
Glenn S. Campbell.
Herman M. Maveety.
Charles R. Wilcox.
French R. Moore.
Joseph W. Kimbrough.
Theophilus F. Weinert.

To be dental surgeons

Frank V. Davis.
Walton C. Carroll.
Charles L. Tompkins.
George L. Reilly.
Frederick W. Mitchell.
Edwin N. Cochran.

Chief pay clerk

Clerk Stanley C. King.

MARINE CORPS

To be colonel

William P. Upshur.

To be lieutenant colonels

Sidney S. Lee. Ross E. Rowell.

To be majors

Leo D. Hermle. Charles I. Murray.
Lemuel C. Shepherd, jr. Percy D. Cornell.
Roswell Winans. Samuel C. Cumming.
Robert Blake.

To be captains

George D. Hamilton. Alexander Galt.
Lemuel A. Haslup. William D. Bassett.
Norman E. True. Raymond T. Presnell.
Robert S. Pendleton. Edward F. O'Day.
George L. Maynard. James D. Waller.
Carl W. Meigs. Clifford Prichard.
Floyd W. Bennett. Cyril W. Martyr.
Harry E. Leland. Frank S. Gilman.
Brady L. Vogt. Melvin E. Fuller.
Irving E. Odgers. Francis I. Fenton.
William E. Quaster. Ralph W. Luce.
Francis Kane. Willard R. Enk.
Clinton W. McLeod. Gerald C. Thomas.
Paul A. Lesser. John W. Cunningham.

To be first lieutenants

John R. Lanigan. Thomas D. Marks.
Raymond E. Hopper. Wallace O. Thompson.
Francis B. Loomis, jr. John H. Griebel.
John H. Coffman. Peter P. Schrider.
Robert H. McDowell. James F. Shaw.
Charles E. Chapel.

To be chief quartermaster clerk

Fletcher B. Crugar.

To be chief pay clerk

Timothy E. Murphy.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 23, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father who art in heaven, hallowed be Thy name. Thy kingdom come. Thy will be done on earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive them who trespass against us. And lead us not into temptation, but deliver us from evil: For thine is the kingdom, and the power, and the glory, forever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read.

The SPEAKER. Without objection, the Journal will stand approved.

Mr. MAPES. Mr. Speaker, reserving the right to object, I would like to ask the Speaker if the Journal shows a record of the roll call on the motion to recommit when the point of no quorum was developed immediately before the adjournment of the House yesterday. The RECORD does not.

The SPEAKER. The Journal does not show the roll call on the motion to recommit.

Mr. MAPES. Then, Mr. Speaker, I desire to call the Speaker's attention and the attention of the House to the Journal and the RECORD and to ask for a correction of both.

Mr. Speaker, in this connection, I desire to say that in looking over the RECORD this morning I saw that the roll call was not in the RECORD, and I assumed that its omission was merely an oversight.

Mr. BANKHEAD. Would it interrupt the gentleman to answer a question before he proceeds further?

Mr. MAPES. No.

Mr. BANKHEAD. I did not fully understand the gentleman's request. Does the gentleman propose to ask the Speaker to have the Journal corrected?

Mr. MAPES. Yes; the Journal and the RECORD. As I was saying, when I noticed the omission of the roll call in the RECORD, I assumed the omission was an oversight, but a short time ago I took occasion to call the Parliamentarian and was assured by him that its omission was not an oversight. I have not had time to investigate the matter and to look up the precedents as much as I would like to do, but I do not want the Journal to be approved without calling the attention of the Speaker and of the House to the omission. It seems to me that failure to record the roll call in the Journal and the RECORD is such a wide departure from the practice and from what I conceive to be the correct practice, that it ought to be called to the attention of the Speaker and the membership of the House generally before the Journal is approved.

Mr. Speaker, the Constitution provides—and to be accurate I will read the provision of the Constitution:

> That each House shall keep a Journal of its proceedings and from time to time publish the same, except such parts as may in their judgment require secrecy.

The Journal is supposed to be a correct transcript of the proceedings of the House and I submit, Mr. Speaker, it is not such a correct transcript if as important a matter as a roll call can be omitted from the proceedings, and I do not believe that it is a compliance even with the provision of the Constitution if it is omitted.

I am told by the Parliamentarian that the basis for the omission is contained in the last sentence of Rule XV, subsection 4, which says that when a situation is developed such as was developed yesterday that all proceedings under this section shall be vacated. I will read the entire sentence:

> At any time after the roll call has been completed, the Speaker may entertain a motion to adjourn, if seconded by a majority of those present, to be ascertained by actual count by the Speaker; and if the House adjourns, all proceedings under this section shall be vacated.

What the proper construction of the last clause in that sentence is may be open to some argument, but to me it is a violent construction of it to construe it to mean that an actual roll call in the House of Representatives shall not be recorded in the Journal.

I am calling the matter to the Speaker's attention so that it may not be passed over lightly and in order that we may have a definite ruling on the question.

I venture to say that in the entire experience of the Speaker in this House, covering 30 years, this has never occurred before. I do not recall its having occurred in the 20 years I have been here.

My recollection this morning went back to the procedure in the first session of the Sixty-third Congress, during the summer of 1913, and I recalled that the minority leader at that time, Mr. Mann, demanded a roll call on the adjournment of the House of Representatives from day to day as it was transacting no particular business; but in looking up that record I found that the roll call was on the actual motion to adjourn. Mr. Mann and his followers forced a roll call each day on the motion to adjourn to show there was not a quorum. That is not a parallel case with this as I thought it might be before I reviewed the record. I remember also that the majority leader at that time, Mr. Underwood, in order to keep Members of Congress in Washington and on the job, and particularly the members of his own party, introduced and had passed in the House of Representatives a resolution providing that the Members who were absent could not draw their salary. That resolution continued in effect until the close of the session, when it was repealed.

But, Mr. Speaker, if an actual roll call of the House is not recorded in the Journal, then no one knows who is actually present and who is not, and no one could tell, under a resolution such as Mr. Underwood fathered at that time, by the RECORD, whether a Member of the House was entitled to draw his salary or not. Take the present situation:

The Speaker, I understand, has fathered the notion that the House of Representatives and the Congress should not adjourn over the holidays at this time. Here was a roll call yesterday afternoon. A great many of us were here and answered to our names. Our constituents or the critics of Congress, who say that we ought to be here to transact business, have no way of knowing from the RECORD or the Journal, whether we were here or not, and I think on an actual roll call the Journal ought to show that fact and to correctly record the proceedings.

Mr. BYRNS. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BYRNS. I would like to ask the gentleman what significance he gives to the word "vacated" in the rule? A majority of the House took action when it seconded the motion to adjourn. I would like to know how the gentleman construes it.

Mr. MAPES. That was after the roll call was completed. The proceedings are void from then on. If the gentleman from Tennessee and the Speaker will permit, the roll call yesterday afternoon, whether it was of any importance or not, was a pretty close party division, the Republicans voting one way and the Democrats another.

Is it not important from the standpoint of the integrity of the proceedings that the members of the different parties in this House be able to have their votes recorded as they cast them, even though certain Members do see fit to go down town shopping or to leave the Chamber for some other purpose, perhaps for the very purpose of preventing a quorum and, if this practice should prevail, a record vote. The very purpose of an automatic call in the rule is to enable any Member to secure a record vote and to show what the position of the Members of the House is on any given question.

The matter seems to be of such importance and the omission of the roll call such a variation from all precedents that I thought it ought to be called to the attention of the Speaker and the House.

Mr. BANKHEAD. Mr. Speaker, I would like to be heard briefly on the proposition. As the gentleman from Michigan has well said, this might be a matter of considerable importance because of the dignity of the Journal as showing the historical proceedings of the House of Representatives.

The gentleman from Michigan has well pointed out that the Constitution does provide that—

> The House shall keep a Journal of its proceedings and from time to time publish the same except such parts as may in their judgment require secrecy.

But that provision of the Constitution does not directly or by implication go to the extent of saying that the House has not the right to control the interpretation and say what entries in the Journal shall be made.

The Manual, section 71, says:

> The House controls its Journal and may decide what are proceedings, to the extent of omitting things actually done or recording things not done.

The rule that the gentleman from Michigan referred to a few minutes ago is not susceptible of any ambiguous construction. It is plain, simple, direct, and is mandatory in its provisions. An automatic roll call was had, a motion to adjourn, seconded by a majority of those present by actual count by the Speaker, and up to that point the requirements of the rule were actually complied with in all details; but the rule goes further, and this is the section which governs the proper construction of the situation by the Speaker:

> And if the House adjourn—

Which it did do under the preceding sections—

> all proceedings under this section shall be vacated.

What does "vacated" mean? The gentleman from Tennessee [Mr. BYRNS] asked the gentleman from Michigan [Mr. MAPES] his construction of that term, and I desire to read into the RECORD the definition given in Webster's New International Dictionary of that term, which I think is conclusive on the Chair in an interpretation of this matter. "Vacate" means:

> To make vacant; to leave empty; to cease from filling or occupying; as, to vacate a throne or house. To annul; to make void; to deprive of force; to make of no authority or validity; as, to vacate a charter. To render useless, ineffectual, or hollow.

It seems to me there is nothing left for the Speaker of the House to do in this state of the record except to carry out and instruct the officials of the House who are in charge of the Journal to carry out this positive and direct mandate of the rule covering not only the House but particularly the Speaker with reference to a transaction of this sort.

Mr. CLARKE of New York. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. CLARKE of New York. Does the gentleman think it is fair to us who stick here on the job, trying to carry on the work as we see it, to not have the RECORD show that we are on the job as against the fellows who are off the job?

Mr. BANKHEAD. Mr. Speaker, in reply to the gentleman I would say that a question involving the integrity and correctness of the official proceedings of this House does not involve any possible condition of convenience or criticism with reference to the absence or presence of any Member, nor do I think there is warrant for the suggestion made by the gentleman from Michigan that this was a political issue, and, therefore, in order that his side might possibly derive some benefit from the correct statement of a ruling, that a matter of politics ought to enter into a correct Journal. It is impossible to maintain the dignity of the RECORD of this House if any possible social or political relation should enter into it.

Mr. UNDERHILL. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. UNDERHILL. The gentleman was occupying the chair on the day previous, and he made from the Chair a decision which does not appear in the RECORD, whether the result of a mistake or error or what. On page 847 of the RECORD it will be found that I objected to an extension of time and remarks. The gentleman from New York [Mr. SIROVICH] moved to strike out the last word. The gentleman from Wisconsin [Mr. STAFFORD] then made the point of order that the motion was not in order, which the Chair sustained. The gentleman from New York then moved to strike out the last three words. The Chair again sustained the point of order and declared that the regular order at that juncture was that the gentleman from New York had offered an amendment and that the gentleman from Michigan had offered an amendment and that the amendment proposed by the gentleman from New York would be an amendment in the third degree. Then follow the remarks of the gentleman from New York; and between that and that interval, a motion was made to strike out the enacting clause. Some question was raised as to whether that was a proper parliamentary procedure. The Chair ruled that it was, and that it was privileged. Yet that does not appear in the RECORD.

Mr. BANKHEAD. There are two answers to that suggestion: First, that the gentleman from Massachusetts could have exercised his right as a Member the next day and have risen to ask for a correction of the RECORD. There is no dispute with reference to the facts there, and the gentleman's position has no relevancy at all, it seems to me, in a discussion of the problem now pending, because the problem now before the House is purely one of construction by the Speaker on what appears to me to be a mandatory section of the rule.

Mr. WILLIAM E. HULL. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. WILLIAM E. HULL. Of course, I am going out of Congress, and it will not affect me one way or the other, but I am just wondering if this prevails—that is, the deleting of a record of the vote yesterday—if at any time in the future, when either the Democratic or the Republican Party

may be in power, and they do not want to publish a vote, whether this will make a precedent for all time to come—that these votes will not be recorded?

Mr. BANKHEAD. Certainly it will be a precedent and, in my opinion, a binding precedent as long as the present rule obtains. It is within the power of the House to change that rule if it sees fit to do so.

Mr. WILLIAM E. HULL. In other words, the gentleman's construction is that from now on, whenever you do not want a vote to be recorded, you will not record it.

Mr. BANKHEAD. If this is a correct construction of the rule to-day on the facts presented, it would necessarily follow that it would be a correct construction of the rule 10 years from now unless the rule were changed in the meantime.

Mr. WILLIAM E. HULL. It is all within the control of the majority of the House.

Mr. BANKHEAD. Absolutely.

Mr. TEMPLE. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. TEMPLE. Has it been the custom hitherto when proceedings of the House have been vacated to expunge the record of the proceedings that were vacated?

Mr. BANKHEAD. In the limited time I have had to look into this question this morning, I was unable to find in any of the precedents or journals a case similar to this in recent years.

Mr. TEMPLE. Many times proceedings have been vacated.

Mr. BANKHEAD. So that, so far as I know, it is a matter of first impression for the construction of the Speaker. My position is based exclusively on a fair, impartial, direct instruction of the phraseology of this rule, which I submit the Speaker has followed in his construction with reference to this journal.

Mr. TEMPLE. I have been present many times when the proceedings were vacated, and I do not remember that on any of those occasions the record of those proceedings had been expunged.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. HUDDLESTON. There seem to be two questions raised, one with relation to the Journal and the other with relation to the CONGRESSIONAL RECORD. The constitutional provision relating to the Journal has no application to the RECORD. The gentleman has not discussed, nor has anyone discussed, the rule under which we print the CONGRESSIONAL RECORD, or whether that rule permits the omission of material matter from the RECORD. It seems to me that is one of the points involved.

Mr. BANKHEAD. If my construction of this rule is correct, I think the same principle would govern. If my construction is correct, of course the record of the proceedings should conform to the rule itself, as well as the record in the Journal, because it would be a confusing and inconsistent thing to have the RECORD itself set out certain proceedings that the Journal did not justify. In other words, as I construe it, the Journal itself is a matter of more dignity and importance with reference to these records, under constitutional construction, than the RECORD itself. The RECORD is a matter of convenience. It is not a constitutional provision by any means. I therefore think if something were prohibited to be recorded by the Journal, it would follow, as a matter of construction and of sound parliamentary philosophy, that the same thing should be deleted from the record of the proceedings.

Mr. HUDDLESTON. May I call the gentleman's attention to the fact that we print the RECORD under a statute, and the terms of that statute govern what matter shall go into the RECORD. Whether it is proper to omit anything from the RECORD depends upon an interpretation of that statute, which is an entirely different thing.

Mr. BANKHEAD. The RECORD itself is supposed to contain an actual account of the proceedings of the House. The Journal says that under all the circumstances named all proceedings shall be vacated, and it seems to me that was what was done, and nothing more and nothing less.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BANKHEAD. I do not wish to take up further time, but I will be glad to yield to the gentleman.

Mr. CHINDBLOM. The gentleman has given some study to the matter, which some of us have not. Does the gentleman know anything about the history of the rule? I find it was adopted in 1896.

Mr. BANKHEAD. Which rule does the gentleman refer to?

Mr. CHINDBLOM. The one that is now being discussed, section 4, Rule XV.

Mr. BANKHEAD. I can not recall the genesis of this rule, nor what changes have been made from the original form of it.

That is all I desire to submit, Mr. Speaker.

Mr. MICHENER. Mr. Speaker, of course we all agree with the gentleman from Alabama as to Webster's definition of "vacate"; but just what does "vacate" mean as used in this rule? Does it mean expunging from the record by the deletion of what actually took place, or does it mean that the action in reference to the matter in question is nullified or vacated? It would be doing violence to the integrity of the record and would leave the record a meaningless thing if the statement of what occurred is not included in the record. There must be some action to vacate before any affirmative action is taken, and the record must show what that action was. In short, the effect of the action is vacated; but the record must be a memorial of what transpired.

The Clerks of the House and the Official Reporters are in a sense mechanical and must report the action of the House. These officials are not clothed with discretion to expunge or delete any action taken by the House, even though the rule might provide that such action on the part of the House was void of accomplishment and of no force whatever.

The Clerk must report daily a true account of the happenings while the House is in session—this is the Journal. The Official Reporters must chronicle exactly what transpires, and I repeat that these officials can not expunge, delete, or change the RECORD without the authority of the House.

The word "vacated," as used in the rule in question, is in no sense a direction to the Clerk or the Reporters. It does not tell them to omit or delete anything; but it does mean that the proceeding must be reported or set aside and held for naught.

We had a roll call on yesterday. Many of us were here and answered to our names; others were absent, and the record of the proceedings in the House on yesterday will be inaccurate and false unless it shows that fact. The effect of what actually transpired is another question, and under the rule the proceedings were vacated.

The only thing that changed the effect of the roll call was the lack of a quorum; and because there was no quorum present, the potency of the action is destroyed. The House went through the form of a roll call; but because of the fact that there was no quorum present, that roll call was of no avail, and under the rule could not decide the question at issue, and the construction of the rule of the House as advocated by the gentleman from Alabama [Mr. BANKHEAD] is not tenable.

The Speaker determined by count that there was not a quorum present, whereupon there was an automatic roll call.

The Clerk called the names of all Members; those present answered to their names, and the record was made and kept by the Clerk and is now in his office, but he has failed to include in the Journal this part of the proceedings.

As a Member of the House, I have a right to have the Journal show and to have the RECORD show that I was present and was not one of the absentees. I also have the right to have the RECORD show how I voted on the question before the House.

It would be a very dangerous precedent for the Speaker to hold that this roll call was no part of the proceedings of the House, and certainly any such holding would necessarily be

based upon arbitrary rules and not upon reason or logic, having in mind the purpose of the Journal and the purpose of the CONGRESSIONAL RECORD.

Mr. SNELL. Mr. Speaker, I would like to be heard just briefly. As I interpret section 4, Rule XV, it simply means that as far as the roll call on the motion to recommit is concerned, that amounts to nothing, and that when we start these proceedings all over we will start with a new roll call on that motion. It seems to me that is all there is to be vacated. In other words, we vacate the proceedings but not the record of the proceedings.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. SNELL. Yes.

Mr. BANKHEAD. Does not the gentleman construe and interpret the roll call to which he refers as a part of the proceedings under the motion on the part of the gentleman from Illinois?

Mr. SNELL. No; I would not at all.

Now, I am interested in this from another angle, from the standpoint of the general sanctity of the proceedings of the House of Representatives. I do not want a system to grow up where some one individual, or a group of individuals, who would like to have a special roll call expunged from the RECORD may have it expunged. There have been some roll calls since I have been here that I would like to have left out of the RECORD; but, as a matter of fact, it is a record of the actual proceedings of this House, and I think it is a very serious proposition to have it left out on the recommendation of any clerk or anyone else. If you are going to start the precedent of leaving it to the judgment or desire of a clerk to leave out or put in just what he wants to, you have actually destroyed the value and purpose of both the Journal and the RECORD. No one wants to do that, and the power to do it rests only in the House itself.

If the House wants to go on record by an actual vote that it wants to expunge the RECORD, all right; but otherwise under no circumstances should it be allowed. For the integrity of the proceedings of the House for all time it ought not to be done, and as far as I am familiar with the RECORD and the Journal it never has been done.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. COCHRAN of Missouri. If the question involved here now is the motion to recommit on which we voted last night, I have no hesitancy in advising the gentleman that I voted "nay." Is this the unfinished business?

Mr. SNELL. It will be the unfinished business, I take it.

Mr. COCHRAN of Missouri. If all that the gentleman's side desires is a roll call, if they just stay off the floor when the point of no quorum is made, they can get it.

Mr. SNELL. That is not the thing we are talking about. What we are talking about now is what happened in the House yesterday and is not a matter of the record of the proceedings of the House, and we propose to have the RECORD and Journal show exactly what was done or know the reason why.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. TABER. Is it not a fact that the question as to whether or not the names of those who vote shall appear is not only covered by paragraph 4 of Rule XV, but paragraph 3 of Rule XV, which requires those names to appear just as they voted or just as they answered to their names as called by the Clerk?

Mr. SNELL. That is the way I interpret the rules of the House and thank my colleague for calling my attention to that specific rule.

Mr. DYER. And the rule also requires that the absentees be recorded.

Mr. SNELL. Certainly.

Mr. TABER. May I, in the gentleman's time, read paragraph 3?

Mr. SNELL. Yes; it will be a good idea to read it right here.

Mr. TABER. Paragraph 3 of Rule XV reads:

On demand of any Member or at the suggestion of the Speaker, the names of Members sufficient to make a quorum in the Hall of the House who do not vote shall be noted by the Clerk and recorded in the Journal, and reported to the Speaker with the names of the Members voting, and be counted and announced in determining the presence of a quorum to do business.

Mr. SNELL. That is a very definite statement. There is no doubt but that this rule applies right here to point under consideration.

Mr. GOSS. I find under section 72 of the Manual and rules the following language:

The Journal should record the result of every vote and state in general terms the subject of it; but the result of a vote is recorded in figures only when the yeas and nays are taken or when a vote is taken by ballot, it having been determined in latest practice that the Journal should show not only the result but the state of the ballot or ballots.

Mr. SNELL. I do not know that that is quite as definite as the other two provisions, but in general it is applicable to the question in hand at the present time.

Mr. WILLIAM E. HULL. Mr. Speaker, will the gentleman yield? I would like to ask a question.

Mr. SNELL. I yield.

Mr. WILLIAM E. HULL. Whenever we have a question occur under the circumstances of the one which occurred yesterday and it is the desire of one side or the other not to show who voted for or against it, is it not true that all they would have to do would be to keep count up to the last 10 votes or 8 votes, and then have enough Members stay in the corridors or retire and in this way the vote would not count, and this could be continued indefinitely?

Mr. SNELL. That is partly true and in extreme cases might be used, but I am interested in the integrity of the proceedings of the House, the Journal and RECORD, that they show exactly what took place.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. MICHENER. Is there not a difference between vacating the effect of an action and leaving a memorial in the RECORD so that it may be shown on what the vacation is based?

Mr. SNELL. That is exactly what I tried to bring out in my original statement.

The SPEAKER. The Chair is ready to make a statement, if not a ruling.

During the last Congress the late Speaker Longworth, in a conversation with me, paid the Parliamentarian a very high compliment as to his philosophy and accuracy in trying to maintain the integrity of the rules of the House of Representatives. The result was that when I became Speaker I continued his services, and I have found him to be very capable.

This rule we are considering may be a bad rule; and if we were considering it originally, I am not certain that I would support it, but that it is a part of the rules of the House of Representaitves there can be no question.

The rule not only says that the proceedings shall all be vacated but is followed by other matter. The rule was adopted in 1896. It applies only to votes where a quorum is required; that is, the rule would vacate a vote if a quorum failed and the House adjourned. The rule, of course, does not apply to a motion to adjourn, since it does not require a quorum to agree to that motion. Now, to make the illustration: If the motion yesterday had been to adjourn, and no quorum developed on that motion, the vote would have appeared in the Journal; but it was not a motion to adjourn, it was a motion where a quorum was required, to wit, a motion to recommit the bill to the committee with instructions to report it back forthwith.

There was no legal action on that motion yesterday, and it seems to the Chair that under the circumstances the proceedings were void by reason of this language of the rule:

If the House adjourns, all proceedings under this section shall be vacated.

The Chair does not know what this language can mean unless it means that where a quorum failed on an automatic roll call and the House adjourned the entire proceedings relating to the call shall be vacated. What can it possibly mean other than to vacate the proceedings? And that, of course, includes the roll call.

The gentleman from Alabama called attention to the definition of "vacate" found in Webster's Dictionary. The Parliamentarian calls the Chair's attention to the definition appearing in Bouvier's Law Dictionary, which is:

To render null and void; to vacate an entry which has been made on a record.

That is exactly what was done in this case.

The Chair repeats again, this may be a bad rule, and its philosophy may be wrong, but it is a rule of the House, and that the Parliamentarian has complied with the rules of the House there is no doubt in the Speaker's mind.

The Speaker wants it understood that he is not wedded to this conclusion, and it is a matter for the House to determine itself what construction it will place on this particular rule. The Chair has no pride in it whatever; and if it is the wish of the House to allow it to go over until next Tuesday so we can look into it and philosophize about it, the Chair would not be opposed to such action.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. If the Speaker says that the motion will be in order on next Tuesday, I am perfectly willing to give him such time to look into the matter further. I think it is important that this question should be decided right for all time, because it is very important in so far as the proceedings of the House are concerned.

The SPEAKER. The Chair will recognize the gentleman from New York to make the motion now, if he desires to make it.

Mr. SNELL. Mr. Speaker, perhaps it would be a good idea for me to make the motion and have it pending. Would that be proper?

Mr. BANKHEAD. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. BANKHEAD. The question arises, I respectfully suggest, whether it would be in order to entertain that motion. In the absence of a quorum, officially shown on the record, there is a constitutional inhibition against any proceedings. I have no objection myself, of course.

Mr. SNELL. This is a new legislative day, and there has been no development of a quorum and no one has raised the issue.

Mr. BANKHEAD. I am in entire accord with the suggestion of the gentleman, but I do have serious doubt whether we could properly consider it in the absence of a quorum.

Mr. SNELL. If the Chair is willing, I will make the motion with the understanding it will not be taken up to-day but will be pending.

The SPEAKER. Let the Chair point out what the parliamentary situation would be next Tuesday. We have one motion pending at the present time as the unfinished business, to wit, the motion to recommit. If the gentleman makes a motion to correct the Journal, that would be the first business on Tuesday, as the Chair would interpret it.

Mr. SNELL. I would expect so.

The SPEAKER. Therefore, there would be pending on next Tuesday two propositions, one following the other: First, the approval of the Journal of yesterday's proceedings, and second, the motion to recommit the bill to the committee with instructions to report it back forthwith.

Let the Chair suggest to the gentleman from New York that we can adjourn, if the House desires, at the present time, and the Chair will recognize the gentleman from New York on next Tuesday to move to correct the Journal of the proceedings of yesterday.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mr. JACOBSEN, for one week, on account of business.

To Mr. STEVENSON, for one week, on account of important business.

To Mr. DOUGHTON, for 10 days, on account of important business.

To Mr. MOUSER, for 12 days, on account of illness in his family.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 154. Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 500. Joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 42 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Tuesday, December 27, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

836. A letter from the national headquarters of the United Spanish War Veterans transmitting a report of the proceedings of the stated convention of the thirty-fourth national encampment of the United Spanish War Veterans, held at Milwaukee, Wis., August 21–25, 1932 (H. Doc. No. 447), to be printed under authority of Public Resolutions 126 of the Seventy-first Congress; to the Committee on Military Affairs.

837. A letter from the Secretary of War, transmitting a letter, with the draft of a bill authorizing the acquisition of land for an addition to the national cemetery at Mobile, Ala.; to the Committee on Military Affairs.

838. A letter from the Secretary of War, transmitting a letter, with the draft of a bill to authorize the Secretary of War to dispose of certain plots of ground no longer needed for cemeterial purposes; to the Committee on Military Affairs.

839. A letter from the Acting Secretary of the Department of Commerce, transmitting a report with a brief statement of the action of the department in respect to accidents sustained or caused by barges while in tow through the open sea during the fiscal year 1932, pursuant to section 15 of the seamen's act of March 4, 1915; to the Committee on Merchant Marine, Radio, and Fisheries.

840. A communication from the President of the United States, transmitting a letter for the consideration of Congress a draft of a proposed provision pertaining to an existing appropriation for the salaries and expenses, Bureau of Immigration, Department of Labor, for the fiscal year 1933 (H. Doc. No. 516); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NIEDRINGHAUS: A bill (H. R. 13911) to extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAIL: Joint resolution (H. J. Res. 528) directing that the statues of Lucretia Mott, Susan B. Anthony, and Elizabeth Cady Stanton, now in the basement of the Capi-

tol, be permanently placed in the National Statuary Hall; to the Committee on the Library.

By Mr. JONES: Joint resolution (H. J. Res. 529) authorizing the Secretary of Agriculture to make loans for crop production, and for other purposes; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PERSON: A bill (H. R. 13912) granting an increase of pension to Mary Splane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13913) granting a pension to Sarah K. Graham; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 13914) granting an increase of pension to Sarah J. Washburn; to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13915) for the relief of Ellen Holleran; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9216. By Mr. EVANS of California: Petition of E. E. Stone and 24 others, urging the passage of the stop-alien representation amendment to the United States Constitution; to the Committee on Labor.

9217. By Mr. HARLAN: Petition of citizens of Oxford, Ohio, urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9218. Also, petition of Mrs. Clayton Miller, of Oxford, Ohio, urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9219. By Mr. SHREVE: Petitions signed by 17 residents of Crawford County and 26 residents of Erie County, Pa., favoring passage of the Sparks-Capper amendment to Constitution of the United States (H. J. Res. 356); to the Committee on the Judiciary.

9220. By Mr. TREADWAY: Petition of Rev. F. W. Hemenway and other citizens of Shelburne Falls, Mass., urging the adoption of an amendment to the Constitution to prevent alien representation in connection with future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

TUESDAY, DECEMBER 27, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Most Gracious Lord, whose mercy is over all Thy work, by whose knowledge the depths are broken up and the clouds drop down the dew; we yield Thee unfeigned thanks and praise for all the blessings of Thy merciful providence bestowed upon this Nation and people. And we humbly beseech Thee to give us a just sense of these Thy great mercies, such as may appear in our lives by an humble, holy, and obedient walking before Thee all our days to Thy honor and glory. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Friday, December 23, 1932, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

SUPPLEMENTAL ESTIMATES—LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 157)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the legislative establishment, United States Senate, for the fiscal year 1933 in the sum of $2,080, and for the fiscal year 1934 in the sum of $6,240, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CORRECTION OF STATEMENT IN WILLIAM TYLER PAGE'S ARTICLE

Mr. NORRIS. Mr. President, I am informed by the Presiding Officer, leaders, and others that there is a gentleman's agreement that no business will be transacted to-day. In pursuance of that agreement and carrying it out, it would be perfectly proper, of course, to make a speech.

Mr. President, I rise for the purpose of correcting a historical statement appearing in the New York Times of December 18 last. It is in an article written by William Tyler Page. The title of it is "Five Big Scenes in the Capitol's Drama." One of those five scenes Mr. Page believes to be the fight in the House of Representatives which took place quite a number of years ago over the rules, the fight known then and still known as the fight against Cannonism. In describing that scene Mr. Page used the following language:

> Champ Clark, Oscar Underwood, and Burleson, of Texas, all of them destined to future fame, led the coalition to shear Uncle Joe's parliamentary locks. NORRIS, of Nebraska, now Senator, was selected to open the campaign, and offered from the floor a resolution, later supplemented by a less cumbersome but equally effective one by Underwood, to oust the Speaker from the Rules Committee and to elect committee members instead of allowing the Speaker to appoint them.

Mr. President, Mr. Page has evidently forgotten some of the details of that historic controversy. Champ Clark, Oscar Underwood, and Mr. Burleson had nothing whatever to do with the resolution which was offered from the floor of the House on that occasion and knew nothing of its existence; in fact, no one except the author of the resolution knew that it had been carried for a long time awaiting an opportunity when the parliamentary situation would make it in order to offer it.

Mr. Page says that—

> NORRIS, of Nebraska, was selected to open the campaign.

That statement is absolutely without any foundation whatever. Mr. Page is entirely wrong about it. No such selection was made by anyone.

The natural conclusion from the language I have read is that Mr. Underwood offered a substitute resolution. There is no foundation for that statement. He did no such thing. There was a substitute resolution offered near the close of the fight when we were about ready to vote, but it was a resolution which had been agreed upon in conference and was offered on the floor of the House by the author of the original resolution.

Mr. President, it seemed to me that this much ought to be stated now, so that those who read the history of those days may not get an erroneous idea of what actually occurred at that time.

ADJOURNMENT TO FRIDAY

Mr. McNARY. Mr. President, I move that the Senate adjourn until Friday next at 12 o'clock noon.

The motion was agreed to; and (at 12 o'clock and 5 minutes p. m.) the Senate adjourned until Friday, December 30, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 27, 1932

The House met at 12 o'clock noon.

The Rev. Allan F. Poore, pastor of the Waugh Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Through Thy tender mercy, our Father, the day sprung from on high hath visited us to give light to them that sit in darkness and in the shadow of death, to guide our feet into the way of peace.

We thank Thee that in Christ genuine progress toward the perfect race began. By Him nature has been revealed.

Through Him men have received their divine calling. For Him all things exist to be finally adjusted and harmonized.

Bless Thou our people everywhere; comfort with the solace of Heaven those who are bowed down. Touch the heart that is wounded and give a portion of sweetness to the life that has long been accustomed to the bitter cup.

Lighten the burden of the heavy laden; relight the lamp of those whose hope is dying.

"God grant us wisdom in these coming days;
And eyes unsealed, that we, clear-visioned, see
Of that new world that Thou wouldst have us build
To life's ennoblement and Thy high ministry.

"God give us sense—God sense of life's new needs—
And souls aflame with new-born chivalries,
To cope with those black growths that foul the ways,
To cleanse our poisoned founts with God-born energies."

We ask this in the name of the Father, the Son, and the Holy Ghost. Amen.

CORRECTION OF THE JOURNAL OF THURSDAY, DECEMBER 22

Mr. SNELL. Mr. Speaker, I ask unanimous consent to correct the Journal of Thursday, December 22, and also the permanent RECORD of that same day by inserting in the same a record of the proceedings on a roll call on the motion to recommit made by the gentleman from Illinois [Mr. DE PRIEST] in connection with the Interior Department appropriation bill.

The SPEAKER. The gentleman from New York asks unanimous consent that the Journal and the permanent RECORD of last Thursday's proceedings be corrected so as to include the roll call on the motion to recommit the Interior Department appropriation bill.

Mr. SNELL. And pending that I would like to make a brief statement. I want to say that I have found an exact precedent, entirely on all fours with the situation which arose in the House last Thursday.

These proceedings took place under another distinguished Democratic Speaker, the Hon. Champ Clark, and the Hon. Claude Kitchin as majority leader, and show that we were correct in the position that we took on this side of the House last Friday. Therefore I think they ought to go in the RECORD at this time in order to clear up any situation of a like nature that may arise in the future.

This situation arose on February 3, 1919. The gentleman from Rhode Island, Mr. O'Shaunessy, made a motion to suspend the rules and pass a bill that had to do with the salaries of the Federal judges in Rhode Island. After the motion and some debate—I will read from the RECORD:

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken.

The SPEAKER. In the opinion of the Chair two-thirds——

Mr. WALSH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point that there is no quorum present, and evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. The question is on suspending the rules and passing the bill.

The question was taken; and there were—yeas 113, nays 96, answered "present" 4, not voting 216.

Then the names of those voting "yea," those voting "nay," and those not voting appear in the RECORD.

Mr. KITCHIN. I move that the House do now adjourn.

The motion was agreed to and the House adjourned.

Now, that is exactly on all fours with the situation in the House last week. I may say also that the Journal is the same as the RECORD, except that the names of the absentees are not recorded in the Journal. I think, Mr. Speaker, it is proper that this request should be granted, and I understand that my request is acquiesced in by the majority leader.

Mr. RAINEY. Mr. Speaker, reserving the right to object, I think the Speaker's interpretation of the rule is absolutely correct. If the rule is not plain enough to carry out the suggestions of the Speaker, I think it ought to be made so. The rule may need some clarifying in the next Congress. I see no objection to publishing these names. I hope there will be no objection to the request of the gentleman from New York.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SNELL]?

There was no objection.

The SPEAKER. The Chair asks unanimous consent of the House that the Speaker be permitted to extend his remarks concerning this question. Is there objection?

There was no objection.

The SPEAKER. The Chair in ruling on this question on Friday last stated his views relative to the construction to be placed on the provisions of clause 4 of Rule XV. The Chair has since that time given additional thought to the question raised by the gentleman from Michigan [Mr. MAPES]. It seems to the Chair that the language embodied in the last sentence of clause 4 of Rule XV, to wit, "If the House adjourns, all proceedings under this section shall be vacated," should not be disregarded. The present occupant of the chair endeavored to ascertain what that language could mean with respect to the rule now under consideration. The Chair believes that without the language, "And if the House adjourns, all proceedings under this section shall be vacated," the vote would have been void if a quorum failed on the vote. So that if the purpose of the language was merely to void the vote it was unnecessary. The Chair can not conceive of superfluous language being placed in any rule, and the Chair in this instance certainly does not think the above-quoted language is superfluous. Now, if the Chair is correct so far in his interpretation of the rule, the Chair will pursue the subject further. If the language is not necessary in order to void the vote where a quorum fails, then it must mean that the record of the proceedings is vacated and made of no effect, and consequently has no place in the Journal. In that connection the Chair may state that it has been the uniform practice in the past not to include in the Journal the proceedings whereby certain action of the House has been vacated when the request to vacate occurs on the same day that the action sought to be vacated occurred. For instance, where the House passes a bill on a certain day and later on during the same day a Member requests that the proceedings whereby the bill has been engrossed, read a third time, and passed be vacated in order that an amendment may be placed in the bill, and such request is granted and the amendment is then adopted, the bill engrossed and read a third time and passed, the Journal does not show the proceedings whereby the original action was vacated, but merely shows that the bill was considered, amended, engrossed, read a third time, and passed. In other words, the Journal shows the final action and not the incidental things that occur in consummating that action. The Chair thinks that that is an analogous case and that the same reasoning should apply in the question that has arisen.

The Chair in making this statement does not want it interpreted as meaning that he is in sympathy with the legal construction he has placed on the rule. The present occupant of the chair has always been in favor of giving the widest publicity to all the proceedings of government. The Chair wants it distinctly understood that he has ruled only on the legal aspects of the question. The Chair is not in sympathy with any rule that tends to make secret any governmental proceedings, but the Chair can not permit the merits of a particular rule to influence him in the legal construction of it. The Chair makes this statement merely to explain the reasons governing the Chair in the making of his ruling on last Friday. The House by agreeing to the request of the gentleman from New York [Mr. SNELL] has indicated that its interpretation of the rule is such as to permit the publication of the proceedings in the Journal as well as the RECORD.

THE JOURNAL

The SPEAKER. Without objection, the Journal of the proceedings of Thursday, December 22, 1932, will be approved.

There was no objection.

The SPEAKER. The Clerk will read the Journal of Friday, December 23, 1932.

Mr. MAPES. Mr. Speaker, before that is done may I rise to a parliamentary inquiry?

The SPEAKER. Certainly. The gentleman will state it.

Mr. MAPES. In connection with the proceedings relating to the correction of Thursday's Journal. Inasmuch as the unanimous consent of the minority leader has been agreed to, the RECORD of last Thursday will be corrected accordingly, but in view of the statement of the majority leader, it seems to me that the situation is left in a somewhat indefinite condition so far as the interpretation of the rule is concerned, and what the duty of the Journal clerk may be in similar cases arising in the future. I think it would be interesting to have the decision of the Speaker in respect to that. Suppose the same situation should develop to-day, for instance.

The SPEAKER. The Chair would carry out the will of the House as expressed to-day in the proceedings.

Mr. MAPES. That is, that the full proceedings would be incorporated in the Journal?

The SPEAKER. Yes. If the same question arises again, the names will be included in the Journal and the RECORD.

Mr. MAPES. I thought it well to have that understood.

The SPEAKER. The Clerk will read the Journal of Friday, December 23, 1932.

The Journal of the proceedings of Friday, December 23, 1932, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 527. Joint resolution extending the time for filing the report of the Joint Committee to Investigate the Operation of the Laws and Regulations relating to the Relief of Veterans.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 5160. An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes;

S. 5260. An act granting the consent of Congress to the Board of Supervisors of Marion County, Miss., to construct a bridge across Pearl River; and

S. 5261. An act granting the consent of Congress to the Board of Supervisors of Monroe County, Miss., to construct a bridge across Tombigbee River.

AGRICULTURAL APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to file a supplemental report to accompany the bill H. R. 13872, the agricultural appropriation bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, I reserve all points of order on the report.

INTERIOR DEPARTMENT APPROPRIATION BILL

The SPEAKER. The question is on the motion to recommit the bill H. R. 13710, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes. Without objection, the Clerk will again report the motion to recommit.

There was no objection, and the Clerk read as follows:

Mr. DE PRIEST moves to recommit the bill (H. R. 13710) to the Committee on Appropriations with instructions to that committee to report the same back forthwith with the following amendment: On page 98, line 12, after the figures "$220,000," add the following: "For construction and completion of a heat, light, and power plant at Howard University, $460,000, to be immediately available."

The question was taken; and on a division (demanded by Mr. DE PRIEST) there were—ayes 79, noes 67.

Mr. HASTINGS. Mr. Speaker, I object to the vote and make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 138, nays 105, not voting 185, as follows:

[Roll No. 135]

YEAS—138

Adkins	Dyer	Ketcham	Schafer
Andresen	Eaton, Colo.	Kinzer	Selvig
Bachmann	Englebright	Kopp	Simmons
Bacon	Evans, Calif.	Kurtz	Sinclair
Barbour	Evans, Mont.	Kvale	Smith, Idaho
Beck	Fiesinger	LaGuardia	Snell
Biddle	Finley	Lambertson	Snow
Black	Fitzpatrick	Lamneck	Sparks
Bloom	Frear	Lankford, Va.	Stalker
Boehne	Free	Leavitt	Stewart
Boylan	French	Lindsay	Strong, Kans.
Britten	Garber	Lonergan	Strong, Pa.
Burtness	Gavagan	Loofbourow	Stull
Cable	Goss	Lovette	Summers, Wash.
Campbell, Iowa	Granfield	Luce	Sutphin
Carter, Calif.	Guyer	McClintock, Ohio	Swing
Carter, Wyo.	Hadley	McCormack	Taber
Cavicchia	Hall, N. Dak.	Magrady	Temple
Chindblom	Hancock, N. Y.	Manlove	Timberlake
Christgau	Harlan	Mapes	Tinkham
Clague	Haugen	Moore, Ohio	Treadway
Clancy	Hawley	Murphy	Wason
Clarke, N. Y.	Hoch	Nelson, Me.	Watson
Cochran, Pa.	Hogg, W. Va.	Nelson, Wis.	Weeks
Colton	Holaday	Nolan	Welch
Condon	Hooper	Parker, N. Y.	White
Crosser	Hope	Perkins	Williamson
Crowther	Hopkins	Person	Wolcott
Cullen	James	Pittenger	Wolfenden
Darrow	Johnson, Ill.	Polk	Wolverton
Davis, Pa.	Kahn	Prall	Woodruff
Delaney	Keller	Ramseyer	Wyant
De Priest	Kelly, Pa.	Ransley	Yates
Dickstein	Kennedy, Md.	Robinson	
Dowell	Kennedy, N. Y.	Rogers, Mass.	

NAYS—105

Allgood	Disney	Lanham	Ramspeck
Almon	Doughton	Lankford, Ga.	Rayburn
Bankhead	Douglas, Ariz.	Lea	Reilly
Barton	Doxey	Lewis	Romjue
Boileau	Elzey	Lozier	Sanders, Tex.
Bowman	Fernandez	McClintic, Okla.	Sandlin
Briggs	Fishburne	McDuffie	Shallenberger
Brunner	Gambrill	McGugin	Smith, Va.
Buchanan	Gasque	McKeown	Spence
Bulwinkle	Gilchrist	McMillan	Swank
Burch	Glover	McReynolds	Tarver
Busby	Green	Milligan	Taylor, Colo.
Byrns	Greenwood	Mitchell	Thomason
Carden	Gregory	Montague	Vinson, Ga.
Castellow	Haines	Montet	Vinson, Ky.
Chavez	Hare	Morehead	Weaver
Clark, N. C.	Hastings	Norton, Nebr.	West
Cochran, Mo.	Hill, Wash.	O'Connor	Whittington
Cole, Md.	Huddleston	Oliver, Ala.	Williams, Mo.
Collier	Jeffers	Palmisano	Williams, Tex.
Collins	Johnson, Mo.	Parker, Ga.	Wilson
Cooper, Tenn.	Johnson, Okla.	Parks	Woodrum
Cross	Johnson, Tex.	Parsons	Wright
Davis, Tenn.	Jones	Patterson	Yon
DeRouen	Kemp	Pou	
Dickinson	Kniffin	Ragon	
Dies	Kunz	Rainey	

NOT VOTING—185

Abernethy	Carley	Eaton, N. J.	Hogg, Ind.
Aldrich	Cartwright	Erk	Hollister
Allen	Cary	Eslick	Holmes
Amlie	Celler	Estep	Hornor
Andrew, Mass.	Chapman	Fish	Horr
Andrews, N. Y.	Chase	Flannagan	Houston, Del.
Arentz	Chiperfield	Flood	Howard
Arnold	Christopherson	Foss	Hull, Morton D.
Auf der Heide	Cole, Iowa	Freeman	Hull, William E.
Ayres	Connery	Fulbright	Igoe
Bacharach	Connolly	Fuller	Jacobsen
Baldrige	Cooke	Fulmer	Jenkins
Beam	Cooper, Ohio	Gibson	Johnson, S. Dak.
Beedy	Corning	Gifford	Johnson, Wash.
Bland	Cox	Gilbert	Kading
Blanton	Coyle	Gillen	Kelly, Ill.
Bohn	Crail	Golder	Kendall
Boland	Crowe	Goldsborough	Kerr
Bolton	Crump	Goodwin	Kleberg
Brand, Ga.	Culkin	Griffin	Knutson
Brand, Ohio	Curry	Griswold	Lambeth
Browning	Davenport	Hall, Ill.	Larrabee
Brumm	Dieterich	Hall, Miss.	Larsen
Buckbee	Dominick	Hancock, N. C.	Lehlbach
Burdick	Douglass, Mass.	Hardy	Lichtenwalner
Butler	Doutrich	Hart	Ludlow
Campbell, Pa.	Drane	Hartley	McFadden
Canfield	Drewry	Hess	McLeod
Cannon	Driver	Hill, Ala.	McSwain

Maas	Overton	Schuetz	Swick
Major	Owen	Seger	Taylor, Tenn.
Maloney	Partridge	Selberling	Thatcher
Mansfield	Patman	Shannon	Thurston
Martin, Mass.	Peavey	Shott	Tierney
Martin, Oreg.	Pettengill	Shreve	Turpin
May	Pratt, Harcourt J.	Sirovich	Underhill
Mead	Pratt, Ruth	Smith, W. Va.	Underwood
Michener	Purnell	Somers, N. Y.	Warren
Millard	Rankin	Stafford	Whitley
Miller	Reed, N. Y.	Steagall	Wigglesworth
Mobley	Reid, Ill.	Stevenson	Wingo
Moore, Ky.	Rich	Stokes	Withrow
Mouser	Rogers, N. H.	Sullivan, N. Y.	Wood, Ga.
Nelson, Mo.	Rudd	Sullivan, Pa.	Wood, Ind.
Niedringhaus	Sabath	Sumners, Tex.	
Norton, N. J.	Sanders, N. Y.	Swanson	
Oliver, N. Y.	Schneider	Sweeney	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Buckbee (for) with Mr. Flannagan (against).
Mr. Allen (for) with Mr. Bland (against).
Mr. Culkin (for) with Mr. Lambeth (against).
Mr. Brumm (for) with Mr. Cartwright (against).
Mr. Andrews of New York (for) with Mr. Fuller (against).
Mr. Hollister (for) with Mr. Wood of Georgia (against).
Mr. Gibson (for) with Mr. Steagall (against).
Mr. Bolton (for) with Mr. Hill of Alabama (against).
Mr. Jenkins (for) with Mrs. Wingo (against).
Mr. Thatcher (for) with Mr. Mobley (against).
Mr. Celler (for) with Mr. Miller (against).
Mr. Goldsborough (for) with Mr. Browning (against).
Mr. Hess (for) with Mr. Gilbert (against).
Mr. Martin of Massachusetts (for) with Mr. Kleberg (against).
Mr. Niedringhaus (for) with Mr. Driver (against).
Mr. Shott (for) with Mr. Hancock of North Carolina (against).
Mr. Seger (for) with Mr. Patman (against).
Mr. Michener (for) with Mr. Cox (against).
Mr. Doutrich (for) with Mrs. Eslick (against).
Mr. Connolly (for) with Mr. Warren (against).
Mr. Bohn (for) with Mr. Rankin (against).
Mr. Rudd (for) with Mr. Larsen (against).
Mr. Carley (for) with Mr. Drane (against).
Mr. Griffin (for) with Mr. Brand of Georgia (against).
Mr. Sullivan (for) with Mr. Dominick (against).
Mr. Oliver of New York (for) with Mr. Flood (against).
Mr. Somers of New York (for) with Mr. Drewry (against).
Mrs. Norton (for) with Mr. Abernethy (against).
Mr. Auf der Heide (for) with Mr. Kerr (against).
Mr. Sirovich (for) with Mr. Ayres (against).
Mr. Mead (for) with Mr. Blanton (against).
Mr. Connery (for) with Mr. McSwain (against).
Mr. Douglass of Massachusetts (for) with Mr. Hall of Mississippi (against).
Mr. Dieterich (for) with Mr. Fulmer (against).
Mr. Fish (for) with Mr. Arnold (against).
Mr. Cooper of Ohio (for) with Mr. Crowe (against).
Mr. Bacharach (for) with Mr. Jacobsen (against).
Mr. Swick (for) with Mr. Mansfield (against).
Mr. Sweeney (for) with Mr. Stevenson (against).
Mr. Hartley (for) with Mr. Moore of Kentucky (against).
Mr. Lehlbach (for) with Mr. Boland (against).
Mr. Pettengill (for) with Mr. Maloney (against).

Until further notice:

Mr. Cannon with Mr. Eaton of New Jersey.
Mr. Gillen with Mr. Gifford.
Mr. Howard with Mr. Horr.
Mr. Larrabee with Mr. Millard.
Mr. Smith of West Virginia with Mr. McLeod.
Mr. Nelson of Missouri with Mr. Reed of New York.
Mr. May with Mr. Shreve.
Mr. Tierney with Mr. Knutson.
Mr. Beam with Mr. Stokes.
Mr. Schuetz with Mr. Turpin.
Mr. Martin of Oregon with Mr. Wood of Indiana.
Mr. Kelly of Illinois with Mr. Taylor of Tennessee.
Mr. Lichtenwalner with Mr. Wigglesworth.
Mr. Griswold with Mr. Rich.
Mr. Hart with Mr. McFadden.
Mr. Ludlow with Mr. Reid of Illinois.
Mr. Major with Mr. Golder.
Mr. Overton with Mr. Erk.
Mr. Shannon with Mr. Hogg of Indiana.
Mr. Underwood with Mr. Johnson of Washington.
Mrs. Owen with Mr. Andrew of Massachusetts.
Mr. Rogers with Mr. Beedy.
Mr. Sabath with Mr. Aldrich.
Mr. Fulbright with Mr. Cooke.
Mr. Hornor with Mr. Estep.
Mr. Igoe with Mr. Foss.
Mr. Canfield with Mr. Kendall.
Mr. Crump with Mr. Pratt.
Mr. Chapman with Mr. Purnell.
Mr. Cary with Mr. Swanson.
Mr. Corning with Mr. Underhill.

Mr. DOXEY. Mr. Speaker, I desire to announce that my colleague, Mr. RANKIN, is unavoidably detained on account of illness. If present and voting, he would vote "no."

Mr. DOUGHTON. Mr. Speaker, my colleague, Mr. LAMBETH, is unavoidably absent on account of illness. If present, he would vote "no."

Mr. CROSSER. Mr. Speaker, I am requested to announce that the gentleman from Maryland, Mr. GOLDSBOROUGH, is unavoidably absent. If present, he would vote "aye."

Mr. McDUFFIE. Mr. Speaker, the gentleman from North Carolina, Mr. HANCOCK, has serious illness in his family. The lady from New Jersey, Mrs. NORTON, is likewise absent on account of illness. The gentleman from Alabama, Mr. HILL, has illness in his family; the gentleman from Texas, Mr. PATMAN, and the gentleman from Arkansas, Mr. MILLER, are both absent on account of illness in their families.

Mr. SNELL. Mr. Speaker, I am requested to announce for my colleague from New York, Mr. FISH, that he is out of town on account of death in his family, and if present he would vote "aye."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I desire to announce that my colleague, Mr. CARTWRIGHT, is unavoidably absent. If present, he would vote "no."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. TAYLOR of Colorado. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report back the bill (H. R. 13710) making appropriations for the Interior Department for the fiscal year ending June 30, 1934, and for other purposes, with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

On page 98, line 12, after the figures "$220,000," add the following: "For construction and completion of a heat, light, and power plant at Howard University, $460,000, to be immediately available."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion by Mr. TAYLOR of Colorado, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE

Mr. BOEHNE. Mr. Speaker, my colleague the gentleman from Indiana, Mr. CANFIELD, is at home in Indiana on account of illness. I ask unanimous consent that he be excused indefinitely on account of illness.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes; and pending that motion, I desire to submit a unanimous-consent request.

Mr. GOSS. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state the point of order.

Mr. GOSS. Mr. Speaker, I make the point of order that the bill violates section 2a of rule 13. I will not press the point of order this morning, but a supplementary report has been filed which I have not had time to examine, and I wish to serve notice that in the future, if the Committee on Appropriations reports out these bills in violation of the rules I shall insist on the point of order.

The SPEAKER. The Chair is informed that the supplementary report was filed in order to take care of the point which the gentleman makes, and that the supplementary report does take care of that point.

Mr. GOSS. I withdraw the point of order.

Mr. BUCHANAN. Pending the motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to three hours, to be equally divided between the gentleman from Nebraska [Mr. SIMMONS] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13872, the Department of Agriculture appropriation bill, with Mr. MONTAGUE in the chair.

The Clerk read the title of the bill.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. PARKER].

Mr. PARKER of Georgia. Mr. Chairman, I wish, in the few minutes of time allotted to me, to voice my protest at the recent action of the Governor of the State of New Jersey in refusing to extradite, at the request of the Governor of the State of Georgia, an escaped convict from one of the prison camps in my State, who, according to information furnished by the press of the country, had committed the crimes of forgery in the State of New York, robbery in the State of Georgia, and bigamy in the State of Illinois. In my opinion, this judicial insult was an unprecedented and unwarranted affront to the sovereignty of a great State that will next year celebrate the two hundredth anniversary of its birth. The State of Georgia has been slandered by Governor Moore, of New Jersey.

In slandering my State, the Governor of New Jersey has offered a judicial insult to the State that was founded for the protection of America. In its earliest days the colony of Georgia separated the English-speaking people of the other American States north of it from the people of other races who were attempting to establish residence south of it. The inhabitants of the colony in those days were trained soldiers who had been organized as a buffer for the altruistic purpose of protecting others. How well they accomplished this task you already know. This is a matter of history.

It is with profound regret that I take note of the fact that at least one of those holding positions of trust and honor at the hands of the people of New Jersey appealed to the offending governor of her State to offer this insult to Georgia. I also note that her appeal was made in behalf of the mothers of America. I am wondering what the intent and the sources of her information are with respect to conditions that prevail in Georgia prison camps. I am also wondering if she has information that those of us who reside in Georgia do not possess.

The Governor of New Jersey has been quoted as saying: "Robert Elliott Burns will have a haven of refuge in the State of New Jersey as long as he remains a law-abiding citizen." My prediction is that he will reside in New Jersey for a long, long time before he commits felonious crimes that are more heinous and dastardly than those already accredited to him, namely, forgery, robbery, bigamy. If he should, at any time in the future, commit more serious crimes against society and leave in the State of New Jersey that same slimy trail that he has left in three of the other States, may God help the people of New Jersey—mothers included.

Mr. YON. Mr. Chairman, will the gentleman yield?

Mr. PARKER of Georgia. I yield.

Mr. YON. Does not the gentleman think he will have to join the racketeers pretty soon to do any worse than he has done in the past?

Mr. PARKER of Georgia. I certainly think so. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield 15 minutes to the gentleman from the Philippine Islands [Mr. GUEVARA].

Mr. GUEVARA. Mr. Chairman, the happy solution of our mutual problems is in sight. When this event becomes a reality, it will be a new chapter in the glorious history of the United States. No nation has ever made such a gallant and unselfish record in the history of mankind. It should be a source of satisfaction and pride to the American people to witness the success of their own undertakings. They will make possible the birth of a new nation in the Far East, and there is no doubt that it will be the broadcasting station of American ideals and principles.

Less fortunate peoples all over the world are now blessing America. She will voluntarily relinquish her sovereignty over 13,000,000 people and over a territory of 114,000 square miles which might be useful to her Asiatic trade and diplomatic position in world affairs. Loyal and faithful to her traditions and ideals, America refused to follow the path of the nations who in the past adopted the policy of forcible domination. Even though our present system of government as created by Congress could be oppressive, there was no oppression. Political liberties were and are guaranteed to the inhabitants. Freedom of speech, the right of petition, and the inviolability of homes are assured. America's market is open to the Philippines, and yet, heeding the wishes and longings of the Filipino people, she is about to decree their freedom as a nation. It is my expectation that experience will prove the wisdom of this policy. In passing, let me say that recognition of the right of self-determination is the surest way to friendly understanding. Political sovereignty not derived from the free will and consent of a people, no matter how benign and altruistic it may be, always breeds suspicion, unrest, and antagonism. It is human nature. The representatives of the American people, knowing this and acting under unselfish leadership, passed the bill which is soon to be reported by the conferees on the part of the House for its ratification, and I sincerely hope that the report of the conferees will be adopted as the Senate did a few days ago. No useful purpose can be served by the continuation of the present anomalous situation of the Philippines. America's interests in the Far East will be better served by settling definitely the Philippine question. The welfare of the Filipinos will be better promoted.

The time has come when a review of America's policy in the Philippines should be made, to prove to the world that altruism and not imperialism, humanitarianism and not self-aggrandizement, were the reasons for bringing the Philippines under the American flag.

The Filipino people have progressed in their education and culture to such an extent that they have reduced illiteracy to 36 per cent of their entire population. Education has ceased to be a privilege of the wealthy class and become to be the right and privilege of everyone. Now the Filipino people can claim that they are united by one language despite the existence of many dialects. The English language is spoken and understood in every nook and corner of the Philippines. English has substituted Spanish and the native dialects in social and business intercourse. Ten years ago, while I was still serving in the Philippine Senate and practicing law, I knew of many, many cases when, even in love affairs between people of the same region, English was used as the medium of communication and expression of their feelings, thoughts, and sentiments.

All this was done in less than 30 years of America's leadership in the Philippines. This accomplishment will forever endure in the hearts of this and future generations of Filipinos. Our younger generation who now almost control our population speak chiefly English, and they feel in their hearts that the English language is the best on earth.

The Filipino people have also progressed in sanitation, not only in the cities of Manila, Cebu, and Iloilo, where the greatest number of Americans and other foreigners have actually established their residence, but also in the small villages and towns, so that anyone can live there as safely as in any town in the United States.

Statistics for 1928, the most recent data available, show that there were 40 hospitals and 1,074 dispensaries at that time, with increase in sight, while it indicated that sanitation had reduced mortality to 17.3 per thousand. Infant mortality is almost negligible, and, consequently, in the last 30 years our population has increased from six to thirteen million. This accomplishment alone should be a source of admiration the world over.

Politically the progress accomplished by the Filipino people is the most remarkable. Almost 98 per cent of the offices of the government of the Philippines are held by Filipinos through civil service. Departmental secretaries, with the exception of the secretary of public instruction, are Filipinos, and so are all the heads of bureaus but one, the bureau of agriculture. With few exceptions, the judiciary is composed of Filipinos. The supreme court, which is the highest institution in the Philippine judiciary, is composed of five Filipinos and six Americans, notwithstanding the fact that they are all appointed by the President of the United States with the consent of the Senate. The Philippine judiciary has been, and still is, the recipient of much praise by distinguished American statesmen, especially the late William Howard Taft.

In commerce the Filipino people have made remarkable progress. Comparing the volume of business of Filipino capital managed by the Filipinos at present with that of 30 years ago, the United States is not mistaken in her belief that the Philippine Islands will be a prosperous and progressive nation in the future. As the economic development of any country is keeping pace with its political stability, there is no gainsaying the fact that with the uncertainty now prevailing, it has been arrested.

It is evident that the United States has furnished the Filipino people with all of the essentials for the building of their national edifice. Once the bill now reported by the conferees of the two Houses of the Congress is agreed upon, the glorious task of the United States should be considered ended and she can face the world and say that through her a new nation is about to be born.

There is no doubt that the American people will be closer to our hearts once we live our independent life. Our rivers and mountains, our lakes, bays, and seas—everything we possess—will be at the disposal of this nation in time of need. We will welcome American capital with open arms, and the doors of our homes will be open to Americans who may choose to come and establish their residence in our country. These are not mere words. I am positive I speak the minds and sentiments of the Filipino people.

Now that the unfortunate conditions in the islands are about to end and a new era, in complete harmony with American principles and traditions, is to be inaugurated, I am sure that confidence, friendship, and mutual understanding will be fully restored and cordially maintained as the foundation of our mutual daily relations.

It may happen that the Philippines will go through hardships and difficulties in her new life. However, we would rather face them at this time, when all nations of the world are confronted with similar situations. America has already given us the foundation of our future independent life, and now it is up to us to develop and to strengthen them in a way that we may be helpful to the United States as well as to ourselves.

We will struggle to live up to the responsibilities to be transferred to us, and we will glorify this generous action of the Congress of the United States. In our prayers for our own welfare we will not forget that we should also pray for your ever-increasing prosperity and power, for they have always been the instruments of justice and help to mankind.

It is true that some of the features of the bill have met with opposition from certain quarters. I wish to say, however, that no legislation is possible if the interested parties are not prepared to yield something. Let us remember that legislation everywhere is but the result of compromise. To be unyielding is equivalent to inaction. I am sure that no one cherishes the continuation of the unsettled political situation now prevailing in the Philippines.

To the Filipino people I wish to say that their representatives are not in possession of authority to write the bill that would best suit their interests and aspirations. Had we that authority there is no question that our duty would have been patriotically fulfilled. There is no reason why we will deliberately ignore the wishes of the people who elected us to represent them in this House. Their wishes are our wishes and their aspirations our aspirations.

However, in our struggle to reach the summit of our aspirations, we should not lose sight of the realities and the situation with which we are confronted. This is the case of the Filipino people.

Now, just a few more words. I wish to say that Members on both sides of the aisle of this House have always been kind and courteous to the Resident Commissioners of the Philippines to the United States. We have been accorded every opportunity, even in the midst of discussion of bills of importance to the American people, to voice the sentiments and aspirations of our constituents. Personally, and I know I interpret the sentiment of my colleague, Mr. OSIAS, we are very grateful to the Members of this House. To the Republican and Democratic leaders, we are equally indebted for the courtesy extended us. For the Speaker we have but admiration.

Now, Mr. Chairman, the doors of our homes are opened to you all, and we long for an opportunity to show you, one and all, the gratitude of the Filipino people. [Applause.]

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GUEVARA. I yield.

Mr. EATON of Colorado. What group of your people is it that so impudently states through the public press that they will not have this bill?

Mr. GUEVARA. There is no such group. There are some individuals in the Philippine Islands who have expressed opposition to this bill.

Mr. EATON of Colorado. Who are they? What group of people are they that gets the ear of representatives of the public press and has printed in the newspapers this impudent statement?

Mr. GUEVARA. There is no such group, as I said before, who oppose this bill. There are some individuals in the Philippine Islands, just as there are in the United States, who are opposed to some of the features of this bill.

Mr. EATON of Colorado. How is it they get the support of the public press?

Mr. GUEVARA. The responsible press in the Philippine Islands is not supporting them.

Mr. EATON of Colorado. Why was it printed in all the newspapers in the United States?

Mr. GUEVARA. I shall try to answer the gentleman's question. The public press in the Philippine Islands was opposed to this bill when there remained in it the clause excluding natives of the Philippine Islands from the United States. That exclusion clause has been modified by the committee on conference, so that instead of exclusion the natives of the Philippine Islands are placed on a quota basis, and this is acceptable to the Filipino people.

Mr. EATON of Colorado. Is it within your power, by cable or otherwise, to have this impudent statement withdrawn before the House acts upon this bill? Here is a copy of the newspaper item to which I have referred:

FILIPINOS DENOUNCE INDEPENDENCE BILL

MANILA, P. I., December 22.—Terms of the Hawes-Cutting Philippine independence bill were denounced as "unjust and insulting" by speakers at a mass meeting here Thursday attended by more than 5,000 people.

Speakers attacked immigration exclusion, sugar importation limitations during the transition period, and retention of naval bases by the United States.

Mr. GUEVARA. I will say to the gentleman from Colorado that I can not prevent individuals from going wrong. If anyone wants to oppose the bill or any of its provisions, I can not help it. He will understand that in the islands, as in the United States, it is not possible to have unanimity of opinion on any important bill or all its provisions. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to my colleague the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, that the plight of the producers of our country is a very pitiful one is a matter of common knowledge and observation. The unfortunate condition in which they find themselves is not restricted to or characteristic of any one section. It pervades our whole land. Many producers are unable to pay their taxes. Many have outstanding obligations against their homes and farms

which they are unable to meet. Many are reduced to the utmost economy for mere subsistence. Many are lost in conjecture as to the source of their daily bread.

To us as legislators these are necessarily matters of grave concern. Our chief interest must be the welfare of the people. Agriculture is a basic industry. Upon its success, in the final analysis, the prosperity of all industry must largely depend. Many of our present economic woes find their origin in the unfortunate state of the producers of our land. Closed factories, unemployed workmen, vacant office buildings, heart-rending bread lines, and many kindred misfortunes have followed as a natural result of the deplorable plight of our producers. The sooner we realize this fact the sooner shall we have cooperative effort in finding and applying the real and proper remedies for our rehabilitation.

I fear we have devoted too much of our time to a treatment of symptoms and have neglected to give heed to the real causes back of our troubles. Certain agencies have been established in our Government, bearing the attractive label of agricultural relief, which have proved nothing more than temporary and artificial stimulation and, after large outlays, have left the sufferers even worse than they were before. Some of these agencies are predicated very largely upon the old and foolish doctrine of pulling one's self up by one's boot straps. The failure of these futile attempts should point the way to a better course of procedure, though there is still the disposition on the part of many to continue the mere treatment of symptoms.

There is one result of the depression which does seem to call imperatively for prompt and efficient action before we proceed to remove the causes which have brought it about. To remove these causes and restore our country to normal conditions will necessarily require some time, but the particular result of which I speak is in the nature of an emergency demanding immediate attention. I refer to the necessity of affording relief in the matter of refinancing the obligations on the mortgaged farms of our Nation. Several bills having this purpose in view are now pending before the Committee on Banking and Currency. It is to be hoped that out of the combined judgment of the members of that committee and those who will appear at the hearings some feasible plan of extending relief in this regard may soon be formed. If the producers are to lose their lands, then our further steps toward rehabilitation would avail them little or nothing.

To my way of thinking, there are one or two factors now operating against the producers of this country which the artificial means of stimulation that have been applied fail to reach. In my opinion, a prime cause of our distress is the present tariff policy. It has stopped the flow of international trade which formerly carried our surplus products to the markets of the world and thereby assured good prices at home for the remainder left for domestic consumption. Under the present régime practically all of our bountiful crops are left upon our hands with a domestic demand in no way commensurate with their volume. The recent elections may fairly be interpreted as a popular revolt against the policy that now obtains. Let us busy ourselves, therefore, with removing this cause of depression rather than with the uncertain matter of discovering further methods of expensive artificial stimulation.

I realize that the matter of tariff readjustment is necessarily linked somewhat with the possibility of stabilization of exchange. The economic conference to be held this year should prove most helpful in making possible decisions and conclusions upon which a restoration of normal international trade may be predicated. This is a matter vital to us and to the nations of the world, and the present stringent conditions prevailing everywhere should prove a spur to friendly cooperation and effective remedies. Normal conditions of trade are necessarily a requisite for normal conditions of prosperity.

Whenever this subject is discussed the question of the debts owed us by foreign countries naturally arises. In some sections of our land there seems to be much maudlin sympathy for the nations abroad which owe us money. It is true that deplorable conditions exist over there as over here, but in a day when such circumstances are universal it occurs to me that it behooves us first to be mindful of our own and extend our sympathy and our aid principally to our own suffering people.

The debts owed us by foreign countries can not be canceled. Unfortunately, there has been too much of a disposition, especially on the part of European nations, to link and confuse the issue of reparations with that of these foreign debts. There is and can be no logical and rational connection between them. The question of reparations has to do with the European countries among themselves. We do not share in these reparations. The question of the debts owed us by foreign countries is peculiarly one between them and us.

Reparations have to do with indemnities in which we do not participate. The amount of the original reparation bill was three times that of the war debts owed to us. We have been most lenient in the matter of reducing these debts, and thereby the burden has necessarily been increased on the American taxpayer. The moratorium was another act of grace. Some contend now that we should make further reductions, others going to the extreme of arguing that these obligations should be canceled altogether. I sometimes think that in the financial line we are becoming international easy marks. With such distressful conditions existing in our own land, surely it is time to be thinking about our own people.

I have said that these foreign debts can not be canceled. Why? This is impossible because of the fact that this Government procured the money involved in these loans by the issuance of various series of bonds which are still outstanding. These obligations must be discharged either by the European countries which borrowed the money derived from them or by our own people who furnished the money in the first instance. The reduction in the amount of these loans has already increased the American burden; cancellation would thrust upon us the full double load of creditor and debtor, the load of both making the loans and paying the debts.

Besides, in my judgment, these loans should not be canceled. Why? Aside from the moral obligation upon the European countries to repay them, the economic situation does not make such repayment burdensome upon them. I think I am entirely correct in the statement that the annual payment due the United States by any of these debtor nations is not equal to 5 per cent of that nation's annual budget. In most instances the percentage is very much less. And it is worthy of note that the yearly expenditure of each of these countries for armaments is very vastly in excess of the installment we are entitled to receive. In a world burdened with past wars and clamoring for peace, preparation for future wars seems more important from the European viewpoint than paying for the last one. To meet these obligations might impress the lesson of the cost of armed conflict, if viewed merely from the financial angle, and insure a better predicate for the efforts for international peace.

Should the private international debts be canceled? The very expression of the thought would be answered with a prompt and vociferous and emphatic "no." Then why should the public international debts be canceled? They are obligations owed to all of our people.

Economists have impressed upon us the forceful truth that many of these nations are unable to pay us in gold, that under present conditions, with many of our vessels tied up at the docks, we have no need for their ships in the carriage of goods and the consequent opportunity such transportation would afford for repayment, and that the avenue of settlement must be largely that of trade. Many of our agricultural commodities are produced in such large quantities that a great percentage of them are surplus crops in so far as our own domestic needs are concerned. We must find foreign markets, therefore, in order for our trade to flourish.

Realizing the obligation to repay which every honest debtor must feel, these foreign debts in a sense should prove

a stimulus to trade, for a resumption of international trade would better enable the European nations to meet these loans and at the same time we should be furnished with an outlet for the large stored and surplus volume of our various commodities. I realize that there are difficulties in the way of a speedy resumption of such trade. There are barriers both of exchange and of tariff which must be leveled. The international conference to be held this year for the consideration of such matters should be a step toward the solution of these problems. The whole world has cause to hope that it will take us far in the way of such progress, for surely the restoration of normal conditions in agriculture and in industry must necessarily depend upon a return to normal international operations.

Most people and most political parties believe in some sort of tariff schedules. Doubtless some rates should be raised; certainly some should be lowered. The rates at any particular time must depend upon the conditions which prevail in various industries. Just at present the subject is peculiarly of economics rather than politics.

A few years ago the United States operated under the terms of the Fordney-McCumber Tariff Act. It imposed generally the highest rates we had had in the history of this country up to the time of its enactment. It has been superseded by the Smoot-Hawley Tariff Act, which took these rates to new and unprecedented altitudes. They came, unfortunately, at a time when the United States had become a creditor nation and international trade was imperative. The effects of this act have been to stop the flow of such trade. The barriers it placed about our borders were so high that foreign nations in retaliation raised similar barriers against our commodities, both raw materials and finished products.

What has been the result, first, with reference to agriculture? Our surplus products of the farm which went formerly to many foreign ports have been left on our hands. The supply has been very greatly in excess of the domestic demand. The natural consequence has been a sinking of commodity prices to new low levels. Various schemes have been proposed, and some of them tried, to raise commodity prices artificially in this country and relieve the farmers of the depressed condition of the markets, but such efforts necessarily have been attended with little success. As a consequence, agriculture has languished. To-day our chief concern should be in removing the cause of these troubles and not in merely seeking to find new treatments for the symptoms.

What has been the result with reference to industry? The finished products, as well as the raw materials, have been unable to jump the tariff barriers raised by foreign nations in retaliation for those which were built about our own country. But money and credit have an advantage over the commodity; they may go anywhere with but little restriction. The consequence has been that American manufacturers, unable by reason of these foreign walls to export their surplus products, have built mills and factories within those walls to escape the duties that they would impose and thus have an opportunity for successful competition. And thus it has come about that American capital, which should be building up this mighty Nation of ours and giving employment to our own citizens, is financing hundreds, if not thousands, of commercial establishments abroad and giving work to aliens across the seas, while our own people walk the streets asking in vain for something to do which will provide some means of support for themselves and their dependents.

The picture is not a pretty one but we must realize how accurate it is in this time of stress and strain. To brighten that picture is a task which to-day is challenging the brains and patriotism of the best thinkers. Surely in a multitude of counsel we shall find that wisdom which will lead us to undo some of the harmful things which have been done and to work our way back to those normal operations which alone can lead to our permanent prosperity.

Mr. SUMMERS of Washington. Mr. Chairman, I yield 25 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman and ladies and gentlemen of the committee, it is my desire at this time to make some remarks on the general economic situation, and to bring it down in its application to the actual contents of this bill, and to some of the things that are absolutely necessary, in my opinion, for this Congress to do if we are to consider the bill in relation to any kind of economic recovery.

You all know that the people of America are at this time tremendously burdened and oppressed by taxation. You all know that at this time we are short of balancing the Budget by approximately a billion dollars, and that it will be more than that by a long ways before the 1st of July next.

There are two ways of balancing the Budget—one by the reduction of expenditures and the other by the increase of taxation.

It has become necessary all over the United States for States, counties, and municipalities to put on new and increased taxes to meet the requirements of their budgets. In my own State of New York there is a deficit of $100,000,000 in this current year.

The only way that we can work out of this depression is to stop spending money. [Applause.] In my own opinion, no new construction whatever should be authorized except where it is necessary to complete such projects the Government has embarked upon or supplement that which is absolutely worthless without the additional expenditure.

And so I believe that we should not embark upon any project or any new expenditure of money unless it is absolutely forced and required at this time.

Now, this bill that has been brought before the House for its consideration carries approximately a cut of $1,019,000 in the general allotted expenditures of the Agriculture Department below the Budget estimate. It carries a cut of $4,800,000 on the Federal-aid highway item, and $2,000,000 on the forests, roads, and trails.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. TABER. I yield.

Mr. EATON of Colorado. Does that figure for forest roads and trails and Federal-aid highways furnish enough funds to carry through all the projects now under consideration and contemplated up to July 1, 1934?

Mr. TABER. Frankly, I do not know. I do not know whether it is the program of the party which will be in power after the 4th of March in all branches of the Government to bring in a deficiency bill to increase these figures, or whether it is their program that the expenditures for the fiscal year 1934 are all contained in this bill.

Mr. EATON of Colorado. I wondered if the gentleman could tell us whether the appropriations are sufficient to carry through the present program of the Bureau of Public Roads.

Mr. TABER. I do not know about that; it does not quite complete the authorizations which have been made by Congress. I have forgotten whether there is $15,000,000 or $22,000,000 remaining, but it is something approximating that amount. That is approximately the amount beyond the $35,000,000 carried here.

Mr. EATON of Colorado. Then at present there is no further authorization for any future operations for forest roads and trails and public highways beyond the date of July, 1934?

Mr. TABER. That is my understanding.

Mr. PARKS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. PARKS. I understand the gentleman is against any further authorization or appropriations for new projects.

Mr. TABER. Yes.

Mr. PARKS. Did the gentleman vote for the $460,000 item in the Interior appropriation bill?

Mr. TABER. Oh, that is an entirely different proposition from what I am discussing. That is a proposition to complete a set of buildings, which are already there, so that they can be used. If the gentleman voted against it, he wanted to prevent the use of those buildings which are already there and which needed this heating and power plant.



It is an entirely different proposition from embarking on new projects.

These things that I am kicking about are new projects which are not absolutely required to complete buildings. The buildings at Howard University are already there, and they are useless without the completion of the heat and power plant.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. ALLGOOD. I understand that they had $800,000 appropriated for a library there, and the suggestion was made that they could use a part of that fund for the heating plant, but that did not meet with their approval. It seems to me, instead of asking for an increased appropriation at this time, with the conditions that the gentleman has described existing in the country, and which we all know to be the fact, they could have transferred part of that appropriation from the library over to the heating plant, if the heating plant is so necessary.

Mr. TABER. I think they could probably get along without the library, but I do not see how they could get along without the heating plant. There might have been some question about the construction of these buildings in the first instance, but after we had committed ourselves to them, I do not see how we could go on without providing for the heating plant. That is the distinction that I would make in every Federal appropriation. Frankly, I think it was a great mistake for us to embark on the construction of all these buildings on Pennsylvania Avenue in such times as these, but we have embarked on that construction, and where the appropriations have already been made, we have to go on and spend the money to complete the structures that are already in process of construction. But to embark on new projects, on the laying out of new highways for which we have not already appropriated money is to do something which places a tremendous burden upon the taxpayer not only for construction but for maintenance on the people of the States, and it should be stopped and stopped now.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLACK. If everybody in private business took the same position that the gentleman takes, that they should embark on no new projects, would we ever get out of the depression?

Mr. TABER. If the Federal Government, and if the States and the municipalities would stop the foolish expenditure of money and the embarking on wildcat projects for things that we do not need and that are simply a burden to the taxpayers, we would thereby reduce the Federal, State, county, and municipal expenditures, and confidence would be restored and the people would have faith to go ahead with private enterprise and the depression would begin to end. Why can we not look on this situation with common sense, just as we would with our own private matters? The people are now beginning to work out of some of these tremendous debts that they got into, and which caused this depression; and as they work out of them, there will be an opportunity to recover unless the legislative bodies, both Federal, State, and local, do foolish things that hamper and retard recovery. To my mind embarking on these new projects that we do not need and can not afford to carry on is to do something that is bound to retard and prevent economic recovery.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. DICKSTEIN. I understand that it is no more a depression, but that it is a panic, that we are now over the depression. If the gentleman's statement is to be taken for what it is worth, we might as well put a wall around the United States and do nothing.

Mr. TABER. Oh, no. I want to stop the things that are keeping the panic going. We are in a panic; that is, the people fear. They fear to go ahead because Congress foolishly is embarking on projects which this country does not need, and must stop, if we are going to recover.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLACK. Therefore, the proposition of the gentleman is that if the Government fears to go ahead, if the Government lacks confidence, the rest of the people of the country will be instilled with a sublime hope?

Mr. TABER. No. If the Government has common sense enough to stop foolish expenditures on projects that we do not need, never did, and never will need, the people will realize that there is some hope for them, and that taxation will have some limitations, and that they will have an opportunity to go ahead with a balanced Federal, State, and municipal budget and do business in the old-fashioned, common, legitimate way.

Mr. BLACK. I agree with the gentleman, if he means prohibition.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. GOSS. I notice on page 7 of the bill an item of $850,000 for printing. The hearings on page 51 say that the amount carries $250,000 more than will be spent this year. On pages 57, 63, and 64 of the hearings we have the statement that there is a 12-year supply of pamphlets on hand. Does not the gentleman think that appropriation could be cut $240,000 without handicapping the work of the department?

Mr. TABER. I hope the gentleman will raise that question when the bill is read and move to reduce that appropriation by that amount, because the only way that we ever will get rid of these unnecessary expenditures is by cutting them out.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. DICKSTEIN. The gentleman indicates by his talk, which is very interesting, how we can get out of this depression, and says that we should not spend any more money or erect new buildings.

Mr. TABER. If the gentleman will permit, I said that we should not go on with any buildings or any projects that we do not absolutely need. The building of monuments is one of the curses and one of the causes of this depression.

Mr. DICKSTEIN. If we want to restore business and prosperity, there are three angles only in which we can do it, in my opinion. First, we must recognize Russia for commercial purposes; second, we must repeal the eighteenth amendment and restore light wines and beer; and, third, readjust the tariff—and we will have all the confidence and prosperity we want in this country, in my opinion.

Mr. TABER. Does the gentleman realize that as a result of the depreciated currency abroad the studies by the Tariff Commission show that we have practically no protection now compared with what we ought to have against the importation of foreign products? It seems to me the gentleman needs to study and get down to the fundamental things upon which this country has always prospered, namely, the saving of money and the getting out of debt. [Applause.]

Mr. SCHAFER. Will the gentleman yield?

Mr. TABER. I yield.

Mr. SCHAFER. The Democrats are always raising a bugaboo about the present tariff rates. The Democratic Party has had control of the House of Representatives in which tariff legislation, under the Constitution, must originate, for over a year, and it has not brought out a bill reducing a single, solitary tariff, not even the tariff on aluminum pants buttons, one-half of 1 per cent.

Mr. TABER. The gentleman also forgets they brought in a fake tariff bill which was designed to fool the people.

Mr. SCHAFER. And now they want to enter into tariff negotiations with foreign countries as Wilson did at Versailles, with a country like France, which will not even pay the $20,000,000 of her honest debt due this year.

Mr. TABER. That is a natural Democratic program.

Mr. COLTON. Will the gentleman yield?

Mr. TABER. I yield.

Mr. COLTON. Does the gentleman class unfinished road projects, roads which have been commenced but can not be completed by July 1, 1933, as unfinished projects? Do you favor appropriating money for those projects? For instance, in my State the roads have furnished employment for about 8,000 men during the last year. Unless this Congress authorizes and appropriates more money for roads, those men will not have work such as they have had in the past. I would like to know in what category the gentleman places road projects?

Mr. TABER. I will come to that in a very careful analysis of just what those road projects do for unemployment, and I think the gentleman will get an answer to his question. I will proceed with that road-project proposition right now.

In the fiscal year ending 1932 Federal-aid highways were built with very marked increases over previous years. The average cost of putting one man to work in that fiscal year was $3,900. That is, it required $3,900 of appropriation by this Congress to put one man to work for a year. Those are figures given by Mr. MacDonald, the head of the Bureau of Roads.

Mr. LAGUARDIA. And how much did the man get?

Mr. TABER. I will give a little illustration. They spent $800,000 on one Federal-aid highway in my territory, building about 8 miles, and three men in that locality received jobs at $1.50 a day for approximately three or four months. They had some men from outside the locality, but in the locality that was the sum total of the employment provided.

Mr. COLTON. Does the gentleman state that Mr. MacDonald gave those figures?

Mr. TABER. He gave those figures to me in April when I made a statement here, and he stated that for the coming fiscal year he estimated they would be able to put more men to work because of the decreased prices of labor and material, so that they would actually be able to employ one man for a year for $3,600.

Mr. COLTON. Will the gentleman yield further for a brief question?

Mr. TABER. Yes; I yield.

Mr. COLTON. The Roads Committee has conducted extensive hearings, and our conclusions are very different from those expressed by the gentleman. Our findings show that more of the road dollar goes to labor than any other dollar appropriated by the Federal Government.

Mr. TABER. I will give the story of the different projects as I get it from the heads of the different bureaus of the Government who have charge of expenditures of this character, so that the gentleman may have the whole picture.

For public buildings the cost of putting one man to work for a year under the Treasury Department was $5,600. For rivers and harbors the cost of putting one man to work for a year was $4,800. I received these figures about the middle of April. I do not have figures right down to date. For Federal-aid highways it was estimated to be for the fiscal year 1933 approximately $3,600. For Veterans' Bureau projects it was approximately $3,450, if I correctly remember the figure. I may get some of the later figures wrong, but I am sure of the first three I gave. For construction of projects under the Army and Navy, approximately $3,050. For flood control, where a very large percentage of labor was employed as compared with materials and contract work, approximately $1,200, and there, I understand, the labor price was very low.

Those are the figures I obtained about the middle of April.

Mr. BURTNESS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BURTNESS. I heard with interest the question asked by the gentleman from Utah [Mr. COLTON] and the reply made by the gentleman from New York. I wonder if this is any explanation of the difference in viewpoint between the two gentlemen. Is not the gentleman from New York [Mr. TABER] dealing solely with the allocation of the total appropriation for the individual men that are put to work on a specific Federal-aid project? For instance, when you are considering that and paying absolutely no attention to the labor that has been employed by those furnishing the material in the construction, the labor that may have been employed in the manufacture of the machinery that is used, and everything of that sort, that is looking at it from one viewpoint. And is not the gentleman from Utah in referring to the road dollar invested in labor referring to all of the labor that is employed all over the country, which finally culminates in the building of a specific piece of road?

Mr. TABER. That is probably so, because my figures show what was necessary to put one man to work on the projects involved.

Mr. BURTNESS. If that is so, then the gentleman does not want to create the impression that the cost of labor is so high, nor does he want to create the impression that labor as a whole scattered over the United States gets such infinitesimal benefits from the appropriation. I asked my question in a friendly spirit, because I am in sympathy with the gentleman's design to reduce these appropriations.

Mr. TABER. I want to make this clear: Employment has not been created, because very largely the articles that were used in construction work came within inventory rather than manufacture or direct process during the periods for which I have given the figures.

Mr. BURTNESS. That would be true of gravel, would it, for instance?

Mr. TABER. Oh, not on gravel. The expenditure for gravel is not a big item.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ALLGOOD. I have been in sympathy with the system of Federal aid in the construction of highways. I thought it was the best thing we could do. However, our people are criticizing the construction along the line that the specifications were of such a nature that the cost per mile was extremely high.

Mr. TABER. I am going to offer some amendments at the proper place in the bill designed to save the taxpayers large sums of money on things that are not needed and that do not provide any substantial employment.

I think we should save at least $35,000,000 out of the $111,000,000 in this bill.

Cutting 30 per cent off appropriations is the only way we can meet our responsibility to the people back home.

We must do it by eliminating those unnecessary functions of government which we can do without.

When these amendments are offered I hope they will receive the support of the House.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, the continuing pressure of economic conditions is liable to overshadow some of the meaner and more sordid things that have been done that only aggravated the depression.

This year Washington was visited by a group of respectable men and women out of work, having certificates of the United States Government in their possession which called for payment. These men came to Congress with the right of petition. Nobody in this House can say that the men of the bonus army did not treat each and every Member of the House with a great deal of respect. On the other hand, a great many Members of this House can say that other people have come to Washington in far better circumstances, with less claim of right, who treated nobody in Congress with respect.

At the outset these men saw to it that their ranks contained no men preaching revolution. The House heard their petition, acted on the cash payment, passed it. The bill went to the Senate. There it was defeated, and yet in the night of their great gloom and great disappointment these men who had fought for this country, expecting something more from it, assembled outside the Senate, and, as one man, in a tribute of respect to the Government, lifted up their voices in the song America. Within a few days

they were driven from Washington at the point of a bayonet, and nothing has been done on that.

I believe that the bonus army eviction was the greatest crime in modern history, and I believe that Congress has a duty to itself and a duty to the country to pillory all the culprits responsible therefor.

General Glassford, who was in command of the police at the time, has stated that it was not necessary to call out the Army; that he could have handled the situation. A strange thing about it to me was that there was no interference with the bonus army while Congress was in session; nobody in executive authority dared to resort to any extraordinary means to harass these men while Congress was in session, because they realized that Congress, speaking with the voice of the people, would have rebuked any such performance as I believe they had in mind; but immediately on the adjournment of Congress all force and fury broke out in Washington against these homeless men. General Glassford has published newspaper articles in which he stated that it was all anticipated by the men in charge of the armed forces of this country. If this be so, it is a serious charge and should be investigated. I do not subscribe to the belief that the President of the United States is infallible, nor do I believe that the White House is sacrosanct and should not be attacked.

I say that this Congress should not adjourn, no matter what else it has to do, until it ventilates everything concerning the orders given to the Army of the United States to drive from the streets of Washington and from their miserable hovels in Anacostia the men of the bonus army. The excuse was given that the half-demolished buildings on Pennsylvania Avenue were needed, but the contractor who had charge of the work said he was not in any hurry to demolish these buildings. [Applause.]

[Here the gavel fell.]

Mr. SIMMONS. Mr. Chairman, I yield 35 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I introduced a joint resolution this morning affecting interest rates. I will read it:

Joint resolution to aid in the balancing of the Budget, establish a conscionable rate of interest, and to place capital on a 5-day week basis

Whereas the deficit in the United States Treasury, notwithstanding all efforts of economy, has not been reduced, but is increasing; and

Whereas the revenue of the Government is insufficient to meet current expenses, and new sources of revenue are extremely difficult to find and of doubtful return; and

Whereas the President of the United States, in his message transmitting the Budget for the fiscal year ending June 30, 1934, has stated that "such a situation can not be continued without disaster to the Federal finances"; and

Whereas over $1,000,000,000 are now annually required to meet interest and sinking-fund requirements on the national debt, and this amount is increasing as the deficit increases; and

Whereas the debt-service requirement of the annual Budget equals almost 25 per cent of the total expense of the Government; and

Whereas the country is now in the throes of an economic crisis and approaching a new economic era; and

Whereas agricultural, industrial, and commercial conditions throughout the United States are at the lowest ebb in the history of the country, due to unbalanced ownership of property and widespread indebtedness requiring interest payments beyond all proportion to the possible production of farms, factories, and business; and

Whereas property owners and farmers are being deprived of their holdings and farms, respectively, thereby creating poverty and a class of tenant peasants inconsistent with the democratic principles of this Republic; and

Whereas there has been a reduction of commodity prices and property values, but not in interest rates artificially established years ago under a different agricultural and industrial condition; and

Whereas there is widespread unemployment throughout the country caused by the financial crisis and the displacement of labor by machines; and

Whereas it is urged and deemed necessary to place labor on a 5-day week basis; and

Whereas efforts to date to place labor on a 5-day week basis have invariably resulted in a reduction of wages, thereby compelling labor to pay the entire cost of a 5-day week; and

Whereas Government employees have likewise been placed on a 5-day week, but with corresponding reduction of salary; and

Whereas nation-wide reduction of salaries, wages, and pay has materially reduced the purchasing power of the American people; and

Whereas by reason of the reduced purchasing power of the country the normal production of farms and factories can not be consumed, and the people unable to purchase even necessaries of life, thus forming a vicious circle prolonging the depression; and

Whereas interest rate for money is calculated on a basis of 365 days a year; and

Whereas it is an economic necessity, in addition to being just and equitable, that capital likewise be placed on a 5-day week basis; and

Whereas at the present time the Government can take the initiative by readjusting its interest payments on such basis; and

Whereas there are 52 Saturdays and 52 Sundays in a year, making a total of 104 nonworking days in a year under a 5-day week basis; and

Whereas the Federal Reserve Board, through the Federal reserve banks and member banks, are constantly fixing the rate of call money which is used exclusively for transactions on the stock and commodity exchanges; and

Whereas the fixing of the rate of interest on call money, speculators, gamblers, and plungers are thereby facilitated and indirectly aided in artificially fixing prices on agricultural commodities to the disadvantage of the farmers and producers who are compelled and coerced to pay a fixed and higher rate of interest on their mortgages and crop loans; and

Whereas the home-loan bank recently established by the Congress is devoting substantially all of its time and efforts and resources to building and loan associations and financial institutions who, in turn, charge home owners high rates of interests, thereby serving no benefit and granting no relief to said home owners; and

Whereas the Reconstruction Finance Corporation has, as a matter of policy, maintained a high rate of interest, thereby prolonging the existing evil of high interest charges; and

Whereas it was the intent and purpose of the Congress in establishing financial institutions, such as the Reconstruction Finance Corporation, the home-loan bank, the farm-loan bank, and the Federal reserve system, to break the money monopoly and bring down unconscionable and unreasonable rates of interest on money: Therefore, be it

Resolved, etc., That the interest rate on all outstanding bonded indebtedness of the United States be, and the same is hereby, reduced by 29 per cent commencing 30 days after the approval of this joint resolution; that the Secretary of the Treasury be, and is hereby, authorized to issue new certificates in exchange for all outstanding Government bonds and other certificates of interest-bearing indebtedness bearing the new interest rates which shall equal 71 per cent of the interest rates now paid on the respective issues of bonds or certificates or Liberty loans or by whatever name interest-bearing indebtednss may be known; that on presentation of coupons or other evidence of indebtedness of interest, issued prior to but covering obligations subsequent to the date of the reduction of interest rate takes effect shall be paid at the rate of 71 per cent of the amount heretofore paid and stated on such coupons or certificates; that the President shall by public proclamation announce the new interest rates on all issues of outstanding bonds and interest-bearing certificates and the date from which such new interest rates take effect; that the legal rate of interest in the District of Columbia and in all territories subject to the jurisdiction of the United States, be, and is hereby, fixed from the date this resolution becomes effective, at 3 per cent per annum; that the discount rate for commercial papers, securities, and other credits discounted by the Federal reserve bank shall not exceed 2½ per cent interest per annum and that banks so discounting commercial papers or other securities shall not charge borrowers more than 3 per cent interest per annum; that the rate of interest on all money loaned by the Reconstruction Finance Corporation for new enterprises shall not exceed 3 per cent per annum interest and that all refinancing by the said Reconstruction Finance Corporation on existing outstanding bonds or other indebtedness shall be conditional upon the issuance of new securities bearing a rate of interest not in excess of 3 per cent per annum; that all loans hereinafter made by the home-loan bank direct to home owners shall not exceed interest rate of 3 per cent per annum and that all loans made to building and loan associations or other financial institutions shall not exceed the rate of 2½ per cent interest per annum, on condition that the loans made to home owners by such building and loan associations or financial institutions shall not exceed the interest rate of 3 per cent per annum; and that the intermediate farm-loan banks shall discount farm mortgages at a rate not exceeding 2½ per cent per annum, conditioned that the farm-loan banks discounting such mortgages shall in turn charge the borrower or mortgagor not more than 3 per cent interest per annum.

I want to take this opportunity to explain to my colleagues that it is couched in very simple language and that I use a very easy illustration to bring home my point. I may say to my colleagues that I have purposely used simple language and taken an easy illustration so that the bankers of the country can understand it. [Laughter.] I think I owe it to my colleagues to give the reason why it is so couched.

After all this talk we have had about putting labor on a 5-day-week basis, after all this we hear about lower com-

modity prices, I would simply put capital on a 5-day-week basis. If we did this, of course, we would bring down the interest rates. That is my reason for introducing the resolution and my purpose in taking the floor to-day—to compel discussion on the cost of money, unreasonably high interest rate, and to force remedial action.

Gentlemen, has it occurred to you that in the desperate efforts to pull out of the depression, we have heard suggested and carried out, if you please, plans lowering of the wage scale, and there has been reduction of salaries and wages and pay throughout the United States; commodity prices have gone down to such a low point that the farmer can not even afford to harvest his crop; advice has come to Washington from financial circles but not once has it been suggested that interest rates be reduced? Every refinancing proposition, every loan made in the midst of this depression, based upon lower wages and lower commodity prices, still maintains an unreasonable and unconscionable high rate of interest. All that we have suggested and every relief that has been offered to the farmers of this country is more loans at a higher rate of interest. I say higher rate of interest because every time there is a refinancing of a mortgage on a farm additional expenses are added to the original debt which carry interest charges.

There is nothing sacred or permanent about a 6 per cent interest rate or an 8 per cent interest rate. Present interest rates were artificially created at a time when an entirely different agricultural and industrial condition existed. Yet it is sought to maintain an interest rate so artificially created now that we are in the throes of the financial crisis and on the eve of a new economic era.

Mr. DICKSTEIN and Mr. ALLGOOD rose.

Mr. LAGUARDIA. Later on I shall yield.

We must start, as soon as possible, in bringing down the interest rates, and we can do this by the control of money which the United States Government has through its own financing and through the Federal reserve banks and the financial institutions created by Congress, such as the Reconstruction Finance Corporation, Federal farm-loan and intermediary banks, and home-loan banks.

Every refinancing or refunding of Government bonds should be on a basis of 3 per cent interest, and no higher. If necessary, the United States Government can call in every one of its bonds and issue new ones for them on a 3 per cent basis. This, of course, would have a psychological effect, just as it was urged upon Congress to bring down the wages of Government employees for the psychological effect on the employers in the industries. Yes; in this instance the effect was immediate, and wages were brought down with a vengeance.

But we can go farther. Has it occurred to you gentlemen that every effort made by the Government, through Congress, of course, to assist in the financing of industry, banks, railroads, farms, and homes was based, and is now administered, not with the main purpose of aiding or relieving the person or the entity in need of financial help but upon maintaining high interest rates for the purpose of benefiting the money lenders who then and now still hold the securities?

Let us take the Reconstruction Finance Corporation. It has two distinct purposes under existing law: One to refinance banks, insurance companies, financial institutions, and railroads and the other to provide capital for certain limited and specified new enterprises.

The policy of the Reconstruction Finance Corporation, bad as it is, is not as cruel as the home-loan bank that I am going to refer to in a moment. The policy of the Reconstruction Finance Corporation has been to maintain high rates of interest and, as they frankly and boastfully state, in order not to make their institutions attractive. When railroads and banks and financial institutions holding securities are in need of finances to meet current interest or principal on outstanding securities or must go under, here is an opportunity for the Reconstruction Finance Corporation to use its tremendous power and compel a refinancing of these securities on a 3 per cent basis. Instead we find the usual high and impossible high rate of interest maintained. Such stupid and short-sighted policy can have but one effect, and that is to delay the collapse of the particular institution and the loss of the people's money put out by the Reconstruction Finance Corporation.

If private capital is sought by any corporation in financial difficulties, new capital will not come in unless outstanding bonded indebtedness or secured creditors subordinate their claims to the new money. This is done every day. Yet when the progressives of the House offered an amendment to the first reconstruction finance bill to compel railroads to subordinate present liens to the new loans, it was voted and howled down. Yet I maintain that the Reconstruction Finance Corporation could compel, especially when it finances to take care of existing indebtedness, a lower rate of interest, thereby contributing to the change in money value, which is absolutely essential if the economic system of this country is to survive, to bring down interest rates. The folly of the present policy is that present interest rates can not be maintained. Railroads, industry, agriculture, or even the Government itself can not continue to bear and pay existing high interest rates. The lowering of interest, and for the present, down to 3 per cent per annum is only one of the first and necessary changes in the economic readjustment which inevitably must be brought about. Let us bring it about through proper legislative channels—lest it be forced through disorder and chaos.

Now, a new enterprise, a self-liquidating project, is contained in the second relief bill; surely there the Reconstruction Finance Corporation should provide money at an interest rate no higher than 3 per cent; but it stubbornly continues to charge 5½ to 6 per cent interest. Yet we continue wondering when we are going to get out of the depression, hoping against hope, and the very root of the evil of high prices of money continues. A subsidy to money sharks, yes; a fundamental and substantial relief to producers and workers, no, seems to be the policy of the present administration.

Why, gentlemen, when you take the interest charges, the bonuses, the cost of getting the loan, the commissions, whether in industry or on the farm or in any business, the cost of the money is so great that neither business, industry, nor agriculture can possibly meet it. Unless this evil is removed we will go on from bad to worse until the collapse of the entire economic system.

Now, before coming to the home-loan bank, we have, beside the Reconstruction Finance Corporation, the Federal reserve banks, which practically control the money market, especially the interest and discount rates.

The distinguished gentleman from Kansas [Mr. STRONG], who is here to-day, as he always is, attending to his duties, made a speech in my town some time ago. The audience was composed mostly of bankers. The gentleman from Kansas suggested the necessity of fixing prices of agricultural commodities, and you could hear groans all through the audience. The gentleman from Kansas [Mr. STRONG] anticipated the reply—" unconstitutional, beyond the scope and power of the Government." And Mr. STRONG reminded them that the United States was fixing the price of money every day, was fixing the price of interest and discount rates, and particularly interest rates on call money.

The bankers have not forgotten the retort of the gentleman from Kansas, but they are worried about it. Congress has to date failed to act. It will soon be forced to take drastic action. We are in this peculiar position—while we want to aid the farmer, we are telling the farmer that the Government can not artificially, by decree or otherwise, fix the price of his commodities. Yet the Government, through one of its agencies, fixes the price of call money, which is used exclusively for speculating in the stock and commodity exchanges. Here we have the grain and cotton and corn gambler directly aided by Federal reserve banks providing low interest rates on the money he borrows.

So the gamblers artificially fix the price of commodities the farmer produces. The farmer is helpless. He is compelled to sell his commodity at prices fixed artificially by the gamblers who get money at a low rate of interest through

the Government. The farmer pays fixed and high rates of interest, not only on his mortgage but on his crop loans as well. That is the position we are in to-day. We must refinance or refund the farmers' loans in this country. That, the mortgage, is one of the big factors of his condition. Then we must protect the farmer against the stock-ticker tin-horn and commodity gambler. If the Federal reserve banks paid as much attention to the farmer as they do to the stock ticker, the plight of the farmer would, indeed, be not so bad. Several plans have been offered for doing this.

I think there are about $9,000,000,000 of farm loans in this country. The way that we can do that is by refunding these loans, not necessarily providing funds for them but issuing a new loan and taking in the old mortgage.

The gentleman from Oklahoma [Mr. McKEOWN] and myself have been working on certain amendments to the bankrupt law. We have completed a bill, which I am going to drop in the basket to-morrow. We will provide a period of extension for individuals who are temporarily financially embarrassed in the nature of a composition agreement, whereby the secured creditor or mortgagee will be stayed. Now, gentlemen, do not jump up and say that we can not do that, because we can, for the Supreme Court has so held.

Anything can happen here. The other day a Member offered a proposition to improve nature's supply of milk. [Laughter.] Yes; we can provide and prevent a wholesale foreclosure of mortgages in this country, which is taking place daily. From my observations and investigation it is absolutely imperative that we do so. Our good farmers are not going to be ejected from homes which have been in their families for generations. Just jot that down. There soon will come a time when sheriffs will not be able to eject the owner of a farm. In some States right now a foreclosure sale of a farm finds no bidders. Soon, unless the situation is fully met and proper remedies provided, a mortgage will be only a theoretical remedy in equity. And that point and that time are not very distant unless we arise to the needs of the time. Gentlemen, take heed.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. In a moment. By providing a period of relief, as you will find in the McKeown-LaGuardia amendment to the bankruptcy law, the holder of these mortgages will be stayed and thereby have the incentive to accept a new deal. We could use the agencies of the Federal farm-loan banks to take up the lapsed mortgage and issue a new mortgage at, say, 2½ per cent interest and 1 per cent amortization on the principal. That could be secured or guaranteed by the United States Government. If all the farmers of the country defaulted in one year on the interest payments, it would amount, I am informed, at the new rate of interest to about $300,000,000 a year; but such a contingency is impossible. In fact, it would be little, if any, risk to the Government. We could thereby bring permanent relief as far as the fear of foreclosure and eviction is concerned to the farmers of the country, bring down the rate of interest to a conscionable rate, with an amortization plan which the farmer could meet, and with the prospect that his children at least would see the time when the farm would be free and clear. We can utilize the power and resources of the Federal reserve bank and the farm-loan bank. Of course, it is going to be pretty hard on the joint-stock land banks, but many of them, I fear, are now in bad shape and ought to be liquidated.

Why, gentlemen, to give you an idea of how farcical the so-called relief to the farmers through the medium of the Reconstruction Finance Corporation has been, suffice it to say that although this House believed that it was putting a provision into that bill to aid the farmer, by the time the loan reaches the individual farmer from that source he must pay from 7 to 8 per cent interest. This in the name of relief. What a sham! What a shame! What a disgrace!

We now come to the home-loan bank, and there I say that the administration of that law has been cruel and that the intent of Congress has been absolutely disregarded.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. BANKHEAD. Before the gentleman departs from that feature of his discussion, will he kindly place in the RECORD the citation of the decision of the Supreme Court to which he referred holding that we could stay the execution of a private contract——

Mr. LaGUARDIA. Oh, no; I did not say that. I said that the bankruptcy court could stay the foreclosure of a secured lien.

Mr. BANKHEAD. The gentleman is under the impression that a Federal statute involving an amendment to the bankruptcy act could go to that extent? Will the gentleman cite the cases?

Mr. LaGUARDIA. Yes. Among other cases I will cite Canada Southern R. R. *v.* Gebhard (109 U. S. 527), Isaacs *v.* Hobbs (282 U. S. 734), and other cases, the citations of which I just can not recall offhand. It is somewhat shocking when the subject is first approached, but the court has given it a great deal of thought, and we have arrived at the point where I can safely say that we can do it. The courts have indeed seen and realized the necessities of the time and have clearly indicated the lead for Congress to follow.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. STRONG of Kansas. I was not making a speech in the interest of price fixing at the time to which the gentleman has referred. I was talking for the stabilization of the purchasing power of the dollar. I was twitted with being a price fixer, and I replied to my critic that the Federal Reserve Board had the right to fix the price of money, which it does through fixing the rediscount rates, and at a very low rate of interest, and in that connection I might add that the farmers of my State pay 8 per cent for the money that they borrow of our local banks. Is it any wonder that farmers are unable to carry this burden with wheat at 30 cents; corn, 12 cents; hogs, 3 cents; oats, 8 cents; and cotton, 5 cents.

Mr. LaGUARDIA. Mr. Chairman, the condition of this country must, indeed, be bad when a sound, conservative, and prudent man like the gentleman from Kansas [Mr. STRONG] and I can agree on that.

Mr. STRONG of Kansas. The millennium is approaching.

Mr. LaGUARDIA. No; we want to bring it about. When the home loan bank bill was before this House it was stated that it was the greatest piece of legislation that had ever been passed by the American Congress at any time, for it was believed we were providing relief to save the home of the little American home owner. Is not that true? And we voted for it in that belief. And at the time the lobbies of this Capitol were full of representatives and lobbyists of the building and loan associations and other financial institutions and loan sharks that were worrying about their interest rates. We included an amendment suggested by the progressive group that prevented loans being made to any institution that in turn, subsequent to the enactment of the law, charged usurious rates of interest.

There was quite a fight about it. There was a long discussion in the Senate about it. The opponent in the last election of the distinguished gentleman from New Jersey [Mr. STEWART] for the senatorship from that State, ran on a platform—and I am sorry that I have not it here now—in which he said that the House of Representatives prevented the building and loan associations of New Jersey from charging their usual rates of interest which, Mr. Chairman, go as high as 8, 10, and 12 per cent, with penalties, commissions, charges, and fees. The finest compliment ever paid to the gentleman from New Jersey [Mr. STEWART] that could be paid to any candidate for the Senate was paid when his opponent stated that the gentleman from New Jersey sat here and voted for that amendment.

The building and loan associations have been posing as semiphilanthropic organizations, but some of them are noth-

ing but loan sharks of the worst order, because any institution that charges from 8 to 10 per cent in these days on a home, and that will foreclose a home for nonpayment of that interest, warrants me in repeating what I said at the time when the bill was under discussion, that such an institution is not composed of human beings, but simply of slimy hogs. We put into that bill the following provision:

Any home owner who comes within the limits of this act and who is unable to obtain mortgage money from any other source may obtain same from any bank organized under this act.

Mr. LAMNECK. Right in connection with that, the head of one of these so-called home-loan banks said that while that section was in the law their function was to loan money to the building and loan associations to pay off the banks.

Mr. LAGUARDIA. I thank the gentleman. Now, lest I be misunderstood, that I am criticizing the directors of the home-loan bank by innuendo, I am going to save them from that trouble. I say that that board and the home-loan banks are purposely sabotaging this law in order to continue the usurious rates of building loan associations and banks that exact usurious rates of interest. The home-loan banks to date have not benefited the individual home owner. I have some interesting correspondence here that I shall read in a moment or two.

That is a very serious charge. Gentlemen, I ask you if you have one constituent in your district who has been able to receive a direct loan at low rate of interest from the home-loan bank? Yet we provided for it, as the gentleman pointed out. I am sure every Member here has had correspondence from his constituents about this matter. I get it from all over the country. They say they go to the home-loan bank when they are threatened with foreclosure. They receive no comfort at the home-loan bank. They are told to go back to the building and loan association. Then what happens? He must go through a renewal of his mortgage, pay an additional bonus, pay additional commissions, pay additional charges, which are put onto his loan, adding to usurious rates of interest charged.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. CAVICCHIA. Does the gentleman know that most of these people who are threatened with loss of their homes are behind with their taxes and their interest payments and would the gentleman have the home-loan bank take those risks and become the owner of the property when it must be foreclosed in order to help out these people who have mortgages on their homes?

Mr. LAGUARDIA. I would have the home-loan bank carry out the intent of Congress by making a direct loan to the home owner at a low rate of interest. We only expect 2 per cent return on the $125,000,000 that we gave the home-loan bank. We want to make a direct loan to the home owner at a low rate of interest in order to save that American family its home. Taxes can be easily paid if unreasonable interest charges are reduced. Let the gentleman from New Jersey be under no misapprehension, and let the other gentleman from New Jersey, Mr. Fort, who is a specialist in building loans and a very brilliant and a very able man, be under no misapprehension. The gentleman from New Jersey, Mr. Fort, is the last man in the United States who should have been appointed to that position, because he sympathizes with building loan institutions and condones their practices. His sympathy is with the usurious money lenders. It is not with the home owner. It can not be. He is identified with the association of building and loan associations.

So I say the purpose of the home loan bank bill was not to perpetuate high rates of interest. The purpose of the bill was not to maintain shaky building and loan associations. The purpose of the bill and the reason for the appropriation of $125,000,000 was to save the homes of good American citizens and their families. That was the purpose of the bill.

Mr. CAVICCHIA. Will the gentleman yield further?

Mr. LAGUARDIA. I yield.

Mr. CAVICCHIA. I would like to have the gentleman know that Mr. Fort was never in his life connected with any building and loan association. He was president of a bank, and he was president of the only bank in my neighborhood that offered to help building and loan associations so that they could borrow money from his institution, which in turn could give it to the people who had saved money and wanted to withdraw and could not get it.

Mr. LAGUARDIA. Yes; at what rate of interest?

Mr. CAVICCHIA. Six per cent, the legal rate in New Jersey.

Mr. LAGUARDIA. Why was there so much opposition to my amendment from the New Jersey contingent?

Mr. CAVICCHIA. Because the building and loan laws in the State of New Jersey permit a premium to be charged, and that premium goes into the treasury of the building and loan association, and the man who pays it gets his proportionate share of the profits.

Mr. LAGUARDIA. He gets nothing. The stockholders or shareholders get the benefit. I am not concerned in who gets the high interest; I am concerned about the poor fellow who pays it.

Mr. CAVICCHIA. The gentleman is wrong. I am a building and loan lawyer and the gentleman is not.

Mr. LAGUARDIA. I would not brag about it if I were he.

Mr. CAVICCHIA. I do not have to apologize to the gentleman from New York.

Mr. LAGUARDIA. Building and loan associations are exempted from the usury laws in the gentleman's State. They can charge interest, commissions, penalties, and charges way over and above the legal rate and it is usurious. I have in my office now copies of daily papers from the gentleman's State where there are hundreds and hundreds of foreclosures every week by building and loan associations, because of default in payments of usurious rates and outrageous penalties imposed upon the home owners.

Now I say that the purpose of the home-loan bank—let me repeat it for the benefit of anyone who may be seeking to defend building and loan associations—is to aid the home owner. Let me say in direct reply to the gentleman from New Jersey [Mr. CAVICCHIA] we are not concerned about who gets the usurious rates of interest. We are concerned about who pays the usurious rate of interest. We do not care who gets it. We know they have stockholders and officers and boards of directors who participate in that. We are not interested in that. We do not care whether one individual gets it or whether a hundred individuals get it and divide it. It is the payment of the usurious rates of interest on mortgages and homes that this Congress sought to avoid, and that was the purpose of the home-loan bank. If there is one place I hope the new administration will clean out it is the home-loan banks and directors and put men in office who are in sympathy with the purposes of the law, so as to give effect to the intent of Congress and bring direct relief to millions of splendid home owners of this country.

Mr. CAVICCHIA. Will the gentleman permit me to put something in the RECORD there?

Mr. LAGUARDIA. I yield.

Mr. CAVICCHIA. While it is true that building and loan associations charge a premium for making a loan, and then charge 6 per cent in the State of New Jersey——

Mr. LAGUARDIA. And also penalties.

Mr. CAVICCHIA. And penalties and fines if they do not pay on time, the average rate of interest, by the time their stock matures, is between 4½ and 5 per cent. I would like to ask the gentleman whether he considers that is a usurious rate of interest?

Mr. LAGUARDIA. But that is not the fact. The thousands and thousands of foreclosures in the gentleman's State are the complete answer to that statement.

Mr. CAVICCHIA. That is the fact, and if the gentleman will take the trouble to look up the building and loan returns of the State of New Jersey he will find it is the fact. I am talking about my State.

Mr. LaGUARDIA. I will say that I have in my office copies of papers from the gentleman's home State and home county, where hundreds and hundreds, every week, of foreclosure sales are advertised, brought by building and loan associations; and that the State of New Jersey exempts building and loan associations from the usury law.

They start out with 6 per cent and charge a fee for everything possible. They have commissions for renewals, and there are penalties as high as 5 cents a share a week on anyone who defaults in his weekly payment; and I say that no such law has any place on the statute books of any enlightened State.

And I repeat, the purpose of the home-loan bank was not to aid these institutions but to give some direct aid and relief to the home owners.

While the praises of the home-loan bank in the State of New Jersey are being so feebly and ineffectively sung, I will take this opportunity to read an exchange of correspondence between the home-loan bank covering the New Jersey district and a distinguished, useful, and able Member of this House, the distinguished gentleman from New Jersey [Mr. WOLVERTON]. When the Federal Home Loan Bank of Newark circularized the district under date of December 10, 1932, inclosing a statement full of fulsome self-praise the gentleman from New Jersey [Mr. WOLVERTON] took the trouble to reply to same and to ask for particulars. In so doing he rendered a very distinct, useful public service. But let the letters speak for themselves:

FEDERAL HOME LOAN BANK OF NEWARK,
Newark, N. J., December 10, 1932.

Hon. CHARLES A. WOLVERTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: In view of the rather general interest in the operation of the Federal home-loan bank system, it has occurred to us that you might be interested in reading the inclosed report of the headway we are making in the second Federal home-loan bank district.

Very truly yours,

GEORGE L. BLISS,
Executive Vice President.

THE FEDERAL HOME LOAN BANK OF NEWARK—STATEMENT OF PROGRESS

DECEMBER 9, 1932.

This statement of progress in the second Federal home loan bank district is prepared for the information of those who are interested in what has been accomplished and the program for the immediate future.

The primary purpose of the Federal home loan bank act is to create a central reservoir of credit where building and loan associations, insurance companies, savings and loan associations, and savings banks may borrow money with which to render further service to their communities, using their present mortgage holdings as collateral for such advances. The principal source of funds of the system is to come from the sale of bonds to the general public, the act permitting such bonds to be sold in amounts up to twelve times the capital of the banks. In order to provide such long-term funds to the member institutions at a rate sufficiently attractive to bring them into the system, these bonds must have the highest rating. If this is to be accomplished, it is necessary that only those eligible institutions be admitted that are sound, solvent, well managed, and qualified to bear the hall-mark "Member of the Federal Home Loan Bank System."

At the Federal Home Loan Bank of Newark applications for membership have so far been received from 174 eligible institutions in the States of New York and New Jersey, their resources aggregating some $275,000,000. Examination of their condition is now in process to ascertain which will qualify under the standards that have been set. To date eight have been admitted to membership subject to further approval by the Federal Home Loan Bank Board. The examination of some 31 more is in process and will be completed within the next few days. The remainder have not yet furnished the supplementary information that is required of each institution applying for membership.

The matter of the terms and conditions upon which advances will be made to member institutions has been promulgated in regulations adopted by the board of directors. These regulations provide that applications for advances to member institutions will be made to those institutions that will agree to relend the money to home owners in the following order of preference:

1. In first mortgage loans for the purpose of repairs, remodelling, and other activities leading directly to the employment of labor.

2. In first-mortgage loans to assist borrowers in paying taxes, or to facilitate the payment of real-estate taxes on behalf of borrowers.

3. In making first-mortgage loans to home owners who qualify under the direct-loan provision of the Federal home loan bank act.

4. In making first-mortgage loans in cases where home owners are being pressed for payment by present mortgagees (except where such mortgagor is an eligible institution or an institution having access to other Federal instrumentalities or agencies).

By far the major interest in the Federal home-loan bank system is being displayed by the building and loan associations and the savings and loan associations. The State of New Jersey passed enabling legislation at its last session permitting the building and loan associations of that State to join the system.

In the State of New York enabling legislation is necessary in order to permit the eligible institutions to join the Federal home-loan bank system on a permanent basis. In the interim, however, such institutions are permitted to affiliate temporarily, and a number of savings and loan associations have filed their applications. That New York institutions may qualify on this temporary basis has not been thoroughly understood. Representatives of the Federal Home Loan Bank of Newark have been attending group meetings of eligible institutions throughout the district to acquaint them with that fact. It is also being pointed out to them that they must support enabling legislation in order to secure the permanent benefits.

Many home owners have applied for direct loans under the section of the act that permits such loans where the home owner is unable to secure mortgage money from any other source. It is obvious, of course, that any such home owner must present security that would be acceptable as collateral from a mortgage-lending institution. This is not generally understood. In the vast majority of cases the home owners that present their applications already have a mortgage that approximates the present value of the property, or are in arrears of interest and taxes to such an extent that they do not present a sound risk for any lending institution. In many such cases it is apparent that if a new mortgage were placed, the new mortgagor would be faced with default at the next interest date.

To provide intelligent and helpful counsel and advice in such cases, regional committees have been organized throughout the district utilizing for the most part officers of eligible institutions and other public-spirited citizens. Members of these committees have given generously of their time to investigate and counsel with home owners who have been referred to them. In practically every instance where there is an equity in the property and earning power on the part of the home owner sufficient to carry a reasonable mortgage, credit has been secured through a local institution. This activity has been carried on at the same time that facilities for the instituting of lending operations for member institutions have been in process of development. In some isolated cases it has been more difficult to secure local investigations, but these cases have been rare.

It is apparent that the first rediscounts by the Federal home-loan bank system will be made in one-half the time that it required the Federal reserve system to reach the same stage.

As rapidly as funds are placed in the hands of member institutions there will be an improvement in the local mortgage situation. And then, as the system demonstrates itself by the wise handling of its original capital, prospective bond buyers will become convinced of the stability of the system and a ready and continuous market for Federal home-loan bank bonds will be developed.

It is our earnest desire to render every cooperation in our power in providing advice and assistance to individuals and institutions in the district. With continued cooperation from the eligible institutions and others we believe that every home owner who constitutes a proper risk can be provided with reasonable first-mortgage service at a very early date.

DECEMBER 12, 1932.

GEORGE L. BLISS,
Executive Vice President,
Federal Home Loan Bank of Newark, Newark, N. J.

DEAR MR. BLISS: I wish to acknowledge receipt of your letter of December 10 inclosing report of the progress being made by the second Federal home-loan bank district.

I represent the first district of New Jersey, which comprises Camden, Gloucester, and Salem Counties. On Saturday last, while at Camden, N. J., I inquired of building and loan and bank officials as to what opportunity there was for home mortgages to be refinanced. I was informed by them that there is not a building and loan association, banking institution, insurance company, or individuals, so far as they know, making any mortgage loans whatsoever. From an official of our title company, which does an extensive business in south Jersey, I was informed that there was an increasing number of foreclosure searches being ordered. I made further inquiry as to whether there was any assistance being granted by the home-loan bank, and was informed that there was not.

I note on page 3 of your letter the following:

"In practically every instance where there is an equity in the property and earning power on the part of the home owner sufficient to carry a reasonable mortgage, credit has been secured through a local institution."

In view of the information that was given to me by the officials to whom I have referred, it has been impossible for me to reconcile their statements with that contained in your letter. I should be pleased indeed to have information, particularly with reference to Camden County as to what institutions have procured loans from the home-loan bank, and the amounts and also any individual loans that have been granted.

I have in mind a case in point. The individual to whom I refer brought to my attention during this past summer the conditions that existed when refinancing his mortgage loans on his home. He stated that his home had cost him between $10,000 and $12,000 and was in splendid condition, and that it had also had improvements. He also stated, as my recollection serves me, that a building and loan mortgage, which was a first lien, had been reduced to approximately $2,300, and that there was a second mortgage of $4,000, which had been given to a Philadelphia bank, not as a part of the purchase price of the house but as collateral security for a business loan, which requires $1,500 to settle. In other words, he desired to place a loan of approximately $4,000 on his home in order to pay off the building and loan mortgage and to settle the amount remaining due on the second mortgage. He is a fine, upright citizen of good habits and earning capacity. He had been and still is unable to procure any loan through a building and loan association, banking institution, or from any individual. This is due not to any lack of equity in the property but solely and entirely to existing conditions and by reason of which mortgage money is not available in that locality. I could give many similar illustrations.

When the case to which I have referred was brought to my attention I assured the individual that as Congress had passed the home loan bank bill on the closing day of our session, as soon as it would become operative—which I told him would be about October 15—funds would thereupon be provided which would enable loans such as his to be made. Furthermore, during the campaign I spoke of the great benefits that would come as a result of the inauguration of the home-loan bank system. It has been extremely embarrassing to me to face individuals such as I have already referred to, to whom assurances were given, and now have to admit that there does not seem to be any immediate opportunity of their loans being granted.

It is because of the above that I desire the information, in order that I may give a true picture of what is the cause to those who are interested. Our local paper, which circulates throughout southern Jersey, is carrying editorials criticizing the home loan bank system for the reasons I have above outlined. In addition to the information I have requested as to what loans have been granted either to individuals or to institutions in the district which I represent, I should also like to be informed as to whom such applications can be made and what possibility there is of their being granted, and in this connection I should like to know upon what basis of percentage of values loans are granted.

I am of the opinion that if the facts which you submit to me do not indicate loans being granted in number and amount to be of an appreciable benefit to home owners, then there must be changes made, by legislation or otherwise, that will provide the help to home owners that was intended by the passage of the home loan bank act.

Trusting that I may have as early a reply as is convenient, I am,

Sincerely yours,

CHAS. A. WOLVERTON.

FEDERAL HOME LOAN BANK OF NEWARK,
Newark, N. J., December 21, 1932.

Hon. CHARLES A. WOLVERTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Thank you for your letter of the 12th and for your expression of interest.

You will be interested to learn that to date this bank has acted favorably upon applications for admission to the system of 12 institutions and has forwarded its recommendations to the Federal board for approval. Such approval has been received as to the first of these 12, and a loan to that institution has been granted. That institution has been accumulating a number of loan applications that it will now be able to close, it says. This member institution is not in your district. We expect to be approving further loans and admitting other institutions at a steady rate from now on.

Applications for membership have so far been received from 11 building and loan associations in your district. We expect our executive committee to take favorable action in the case of the first of these to-morrow, and it will then be promptly forwarded to Washington for approval by the Federal board.

The point that we feel must be emphasized is that the substantial good to be done by the Federal home-loan bank system is going to be most effectively accomplished through the sale of Federal home-loan bank bonds to the banks, insurance companies, estates, and the general public. The $20,000,000 capital that we have available can go but a very small distance, if it is to be used in making direct loans to home owners in this district, where the outstanding mortgages are measured in billions. It will go far, however, if it is used as a base for floating bonds which, under the act, may be sold in an amount twelve times the capital. Thus, if the bond-buying public is convinced of the stability of the system we have a base for the issuance of $240,000,000 of bonds, with a proportionate increase as the eligible institutions join the system and by their pro rata investment add to the bank's capital.

We have received assurance from those who are intimately familiar with the bond field that the Federal home-loan bank bonds can be marketed in substantial sums and at moderate coupon rates if the bond-buying public is assured of the conservative character of the institutions that are admitted to the system and of a sound financial program by this bank and the Federal board. While readily granting that the necessary investigation of the condition and quality of management of eligible institutions takes time, we are positive that this process is going to permit us to tap a much larger supply of investors' funds, and thus in the long run do the maximum good in pumping credits into the home-mortgage field.

No direct loans have as yet been made by this bank. Yet it has been an active factor in furnishing home owners with mortgage credits. Pending the flow of funds to eligible institutions in substantial volume, officers of eligible institutions have been performing voluntary service on home-loan clearance committees. These committees report that in hundreds of cases they have intervened on behalf of home owners and have persuaded present mortgagees to extend mortgages, to allow further time for the payment of interest and taxes. In innumerable cases these local committees have accomplished a readjustment of a building and loan mortgage, arranging for the application of the share credits in reduction of the principal of the mortgage, so that the borrower might start forth with a new mortgage at proportionately smaller monthly payments. There have been other instances where these local cooperating committees have been the agency that placed a home owner who qualified as a good risk in contact with an institution that agreed to make a loan.

We believe that in a case such as you describe in your letter our home loan clearance committee can be of assistance in working out a readjustment with the present mortgagee or in placing a new loan. The chairman of the home loan clearance committees in your district are willing and anxious to assist in such cases, and we suggest that you send to them any that come to your notice. The committee chairmen are as follows:

Camden County, J. Edward Fagen, 227 Federal Street, Camden, N. J.; Gloucester County, J. Edward Fagen; Salem County, J. Edward Fagen.

May I emphasize that our prediction as to what may be accomplished through the development of the Federal home-loan bank system by the sale of Federal home-loan bank bonds is not blind prophecy. The system is patterned to a large degree upon the Savings and Loan Bank of the State of New York, which has been operating in this fashion with advantage to both the savings and loan associations and the citizens of that State. With the strength and prestige of a nation-wide system, we can, upon a firm foundation, build a central reservoir of credit for the home-financing institutions that will prevent the recurrence of such a credit stringency as has developed during the current depression.

Very truly yours,

GEORGE L. BLISS,
Executive Vice President.

Now, Mr. Chairman, I hope Congress will use the power it has through the existing agencies of the Federal reserve bank, the Reconstruction Finance Corporation, the Federal farm-loan banks, and the home-loan banks to bring down interest rates in this country and to relieve the farmers, the home owners, and the small business men from the economic slavery they are now suffering through these high and unconscionable rates of interest.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. ALLGOOD. I agree with the gentleman; I think he is getting at the base of our trouble, but I wonder if the gentleman's resolution would be retroactive.

Mr. LAGUARDIA. No; it would not be.

Mr. ALLGOOD. It could not be.

Mr. LAGUARDIA. Except in the plan to care for farm mortgages, which I am sure will be presented to Congress, I want to make clear that the plan of replacing existing farm mortgages is not mine originally. It is the result of thought and study by many very prominent economists. I am quite certain it will be part of the economic plan of the next administration. I want to make clear that I do not claim any originality or authorship of the plan. That plan, of course, would take every expired and interest-defaulted mortgage and exchange it for a new mortgage at a low rate of interest.

Mr. ALLGOOD. Additional to the $9,000,000,000 farm debt there is about $12,000,000,000 or $13,000,000,000 of funded debt at fairly high rates of interest.

Mr. LAGUARDIA. Throughout the country.

Mr. ALLGOOD. Throughout the country.

Mr. LAGUARDIA. Well, of course, that can not continue. There must be reorganization of corporations that are overbonded, overcapitalized, or "overwatered." The day of high interest rates and unsound financing is past. They have brought it down of its own weight, so that we are going to go through a period not only of farm refinancing, but we must go through a period of corporate and railroad reorganization. Otherwise we are putting all the power of government into resources for the relief not of the people who produce the commodities, who produce the wealth of the country, but those who happen to own the money of

the country; and, certainly, that is not the solution of the problem.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. SIMMONS. Can the gentleman tell us his interpretation of this language found in subsection (d) of section 4 of the act:

Any home owner who comes within the limit of this act who is unable to obtain mortgage money from any other source may obtain same from any bank organized under this act.

To what does the clause "within the limits of this act" refer; and what interpretation does the gentleman place upon it?

Mr. LAGUARDIA. That it must be a building housing less than three families; it must have a value fixed in the law; there must be the percentage of mortgage allowed by the law. If the home owner comes within these provisions, and he can not find money anywhere else, then I say it is mandatory upon the home-loan bank to make the loan.

Mr. SIMMONS. What are the limits so far as the home owner is concerned as to the value and as to the amount he can receive?

Mr. LAGUARDIA. That is fixed by the law.

Mr. SIMMONS. What is the gentleman's interpretation of it?

Mr. LAGUARDIA. It is 40 per cent of the value.

Mr. SIMMONS. Then 40 per cent is what can be loaned; that is the maximum that can be loaned as a direct loan to a home owner?

Mr. LAGUARDIA. Certainly. I will read from the law, under definition—

(6) The term "home mortgage" means a first mortgage upon real estate, in fee simple, or leasehold under a renewable lease for not less than 99 years, upon which there is located a dwelling for not more than three families, and shall include, in addition to first mortgages, such classes of first liens as are commonly given to secure advances on real estate by institutions authorized under this act to become members, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

Now, as to amount of loans on percentage of value basis, the law reads:

(1) If secured by a home mortgage given in respect of an amortized home-mortgage loan which was for an original term of eight years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of eight years or more, the advance may be for an amount not in excess of 60 per cent of the unpaid principal of the home-mortgage loan; in no case shall the amount of the advance exceed 40 per cent of the value of the real estate securing the home-mortgage loan.

(2) If secured by a home mortgage given in respect of any other home-mortgage loan, the advance shall not be for an amount in excess of 50 per cent of the unpaid principal of the home-mortgage loan; in no case shall the amount of such advance exceed 30 per cent of the value of the real estate securing the home-mortgage loan.

These quotations refer, of course, to loans that may be made to financial institutions holding such mortgages or securities as collateral. It follows that individuals would be entitled to the same loan facilities under paragraph (d) of section 4, which I read a moment ago and which the gentleman quoted.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. LAGUARDIA. Certainly.

Mr. CAVICCHIA. The gentleman has spoken of the Reconstruction Finance Corporation and that corporation has been hog tied by having its credits limited to self-liquidating projects.

Mr. LAGUARDIA. New enterprises?

Mr. CAVICCHIA. New enterprises. There are many States which would spend millions of dollars for public improvements where they get the money from a direct tax levy, yet they can not get it because the improvements are not considered self-liquidating, although the taxpayers are assessed so much per year for the improvements. Amend the law so we can get this money and give the work to those needing it.

Mr. LAGUARDIA. The point is well taken that we can amend existing law, but I say the law as it now stands is sufficient, particularly at this time; that if the real purposes of the law were administered by the Reconstruction Finance Corporation it could do a great deal.

Mr. CAVICCHIA. Also change the law to allow the home-loan bank to loan more than 40 per cent of the value of a home.

Mr. LAGUARDIA. As I say, if the real purposes of the law were administered by the Reconstruction Finance Corporation, the home-loan banks, if the Federal reserve banks had vision and were made to be really helpful, they could do a great deal to put money into circulation and bring down the rates of interest. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I have introduced this afternoon a House joint resolution to which I wish to refer, as I feel that while the matter it covers is not of great magnitude in comparison with some of the other problems which confront us, nevertheless it is a question which is of importance to each and every one of us in our communities, and particularly to those affected thereby. It relates to a situation which has arisen out of the operation of the economy act that we adopted during the last session of Congress. My resolution seeks to correct one of the inequalities which has arisen therefrom.

All of us within the last week have read in the newspapers of Washington of the deduction by 8⅓ per cent of the meager earnings of the men employed to remove the snow from the streets of this city, and I am sure it must have aroused your interest as it aroused mine, and in the same direction—that you and I, as Members of Congress, never intended that such a deduction should be made.

We now have another problem which is more extensive in its operation than the city of Washington and the District of Columbia. This is the problem of the same deduction applying to every person in your district who was fortunate enough to secure temporary work in the post office during the Christmas holidays. I assume that in every congressional district of the United States some men were fortunate and considered themselves very lucky in being able to secure 2 or 3 or 4 days' work, or possibly 1 or 2 weeks' work; and as a result of this work, economic distress to them and their families being reduced to the extent that they have made some earnings. The 8⅓ per cent deduction will apply to them just the same as it was applied to the several hundred men who worked in the District of Columbia, and the purpose of my House joint resolution is to enable the payment to those working in the post offices throughout the country during the Christmas holidays of their full earnings, and not to have this 8⅓ per cent deduction applied to the small amount that they will receive.

It would also permit payment to the several hundred who worked in removing snow in the District of Columbia of the amount that was deducted from the small earnings which they made.

This resolution is necessary as a result of a ruling by the Comptroller General, but he is not to blame. The blame lies with Congress. Unconsciously, we employed language, the plain interpretation of which is such that the Comptroller General could make no other ruling than the one he has made. The Comptroller General is no greater than the law, and in accordance with the old tradition and principle of our Government, that this is a government of laws and not of men, the Comptroller General, reluctantly undoubtedly, made the ruling which he has rendered in interpreting the language of the economy act as passed at the last session.

Mr. KETCHAM. Will the gentleman yield?

Mr. McCORMACK. I gladly yield.

Mr. KETCHAM. Is it not true that as soon as this matter was called to our attention by the committee having in charge the Post Office appropriation bill, by a vote of this House we corrected this very thing so far as it applied to the Post Office Department?

Mr. McCORMACK. Exactly. I do not think it was the intention of the Congress at the last session that such a result should follow. Unconsciously, I believe, language was employed which compelled the Comptroller General to make the ruling that he did, which enabled results to flow therefrom which we know from experience have developed and which have resulted in an injustice.

My House joint resolution confines itself to those who removed snow in the District of Columbia or who, during the past several months, have removed snow at any point throughout the country while in the employ of the Federal Government, and it also applies to those who are at present employed during the Christmas holidays in the service of the Post Office Department in a temporary capacity.

I make this brief statement so that the membership of the House may understand the meaning and the purpose of my House joint resolution, with the hope that you will assist me in every way possible to secure its immediate passage and prevent a deduction of 8⅓ per cent in the wages earned in this way and also to carry out our intent when we passed the economy bill at the last session of the Congress. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, word reached me that by a recent order of our Department of Labor, to keep within the appropriations for 1933, all employees in the Immigration Service have been furloughed for a period of one month between January 1 and June 30, 1933. I was also informed that in addition to this 1-month furlough, applicable to all employees of the service, 10 per cent of all immigrant inspectors would be furloughed for a period of six months from January 1 to June 30 next.

All of these furloughs are in addition to the legislative furlough which has been in force with reference to all Federal employees during the current fiscal year.

I believe that the recent ruling of the Department of Labor with reference to the furloughing of immigrant inspectors for six months is decidedly the severest blow which the personnel of the Immigration Service has ever sustained.

I have had several conferences on this subject with the Secretary of Labor, when there was submitted to him concrete evidences of the hardship and other bad effects to the service which would follow the imposition of so long a layoff of that portion of the personnel least able to adjust themselves to the situation. The Secretary is to be commended for his sympathetic reception of the facts when properly presented to him and for his prompt effort to correct the matter. A new order has been issued whereby the provision for a 6-month payless furlough of part of the immigration personnel is canceled and in lieu a general furlough throughout the service is directed for 30 days between January 1 and the end of the current fiscal year.

I am particularly interested in this service as chairman of the Immigration Committee of the House and I know a large portion of the men in the service personally or through my official connection with the Immigration Committee. I know that this personnel is very devoted, painstakingly honest and conscientious in the performance of their duties, and that the proposed order of the Labor Department is a crushing blow to the personnel wholly unmerited and undeserved.

The proposed action of the department would mean more than the actual loss in salaries to the individual members of the Immigration Service affected thereby. I am afraid it may in many instances have meant actual financial ruin of the individual members and a breakdown of the morale of the entire immigration staff in the various immigration stations throughout the United States.

Mr. BURTNESS. Will the gentleman yield for a suggestion?

Mr. DICKSTEIN. I yield.

Mr. BURTNESS. I want to take this opportunity to commend the gentleman who is the chairman of the Immigration Committee for the splendid work which he did in securing a vacation of the very harsh and severe order that had been made which would have required 10 per cent of these employees to go along without work and without pay for six months. The gentleman has rendered a real service, and I think there will be many of us who will be glad to cooperate in trying to provide sufficient funds so that these employees may have 11 months' work a year instead of 10 months as they will have under the 30-day order referred to.

Mr. DICKSTEIN. I may go farther and say that they will have less than 10 months' work. I think this was one department that was hit harder than any other department of the Government, because under the order of the Department of Labor they are on a 5-day week in order to make up the 30 days. This would mean practically 52 days, or almost 3 months, when this new 30-day furlough is considered.

Mr. BURTNESS. I had in mind, of course, their one month's legislative furlough. I think it would be quite unfortunate to compel them to take off more time than that without pay, because the salaries they receive are not much more than sufficient to reasonably take care of their families.

Mr. DICKSTEIN. I had occasion to speak on the floor of the House on the circumstance that Immigration Service workers were never too well paid for their labor.

Now, it is hard for them to understand why they should be singled out for this special and most severe act of hardship which will be caused to them if the order of the department is literally enforced.

The Immigration Service of the United States is not only concerned with the examination and inspection of aliens, but is also engaged in many activities ordinarily escaping the attention of the public.

On the contrary, the rigid restrictions of immigration have served to intensify efforts on the part of ineligible aliens to enter this country in violation of law. In the annual report of the Commissioner General of Immigration for 1931, the following statement appears:

> The smuggling of aliens into the United States is often a highly organized and lucrative business, reaching out to the home communities in Europe and other parts of the world, including, particularly, foreign contiguous countries. Agents abroad make the contact with the alien, and all manner of fraud and misrepresentations are practiced; the victims are often mulcted of all the funds they possess or can obtain, and even after illegal entry is accomplished are often subjected to blackmail under threats of reporting them for deportation. Some smugglers, however, have a reputation in the trade for maintaining fixed rates, and this, of course, is a means of or inducement for obtaining further business. To combat this bootlegging of aliens, often mingled with the bootlegging of liquor or other contraband, reliance is placed mainly on the ingenuity and resourcefulness of the border patrol in the first instance, so far as entries over the land and certain water boundaries are concerned, to prevent illegal entries or to capture the aliens and their smugglers soon after entry, with resultant prosecution; and, as a second line of defense, upon the inspectors at our ports of entry and the unremitting activities of the field forces to locate and remove the aliens who have been successful in securing admission, and prosecuting those instrumental in engineering the clandestine or spurious entries if and when they can be located. As an indication of this persevering work and comparatively successful prevention of smuggling over our borders, individual and organized, it is recorded that 21,335 aliens and 228 smugglers of aliens were apprehended by the border patrol in the past fiscal year. This was not so easy of accomplishment as the tactics of smugglers are constantly changing and so requires equal fertility of resource by our protective forces.

Thus it will be seen that the activities of the Immigration Service in seeking to prevent the unlawful smuggling of aliens are in themselves a substantial item of work on the part of the Immigration Service.

Back in 1925, Congress recognized the fact that owing to inadequate funds appropriated for the services of a trained personnel to prevent the smuggling of aliens at various points of entry, the border patrol unit of the Immigration Service had to be organized in 1925.

The existence of this border patrol unit required the additional appropriations for the Department of Labor, and, of course, the general appropriations for that service had to be increased. It is generally recognized that this increase in the service resulted in a more thoroughgoing enforcement of immigration laws at the border and very effectively

checked any spread of this dangerous smuggling of aliens into the United States.

Another activity which the Immigration Service has to be largely concerned with at the present time is the task of investigating and deporting aliens who are either not entitled to remain in the United States or who have unlawfully entered the United States. This task is continually increasing and the latest report of the Commissioner General of Immigration shows that during the past 10 years a grand total of 105,782 cases of deportation have engaged the attention of our immigrant inspectors.

I wish at this time to present a brief synopsis of appropriations and expenditures for the Immigration Service since 1907, which I believe will be of interest in our appraisal of conditions as they now exist.

Immigration Service balance sheet

Immigration year	Receipts	Expenditures	Deportations
1907	$2,782,103	$1,645,373	(1)
1908	3,442,330	2,657,779	(1)
1909	3,300,068	3,237,669	(1)
1910	4,227,285	2,759,671	(1)
1911	3,759,174	2,841,330	(1)
1912	3,457,010	2,927,009	(1)
1913	4,818,505	2,898,754	(1)
1914	5,225,344	3,233,954	(1)
1915	1,325,648	2,944,548	(1)
1916	810,883	2,728,321	(1)
1917	867,534	3,012,169	(1)
1918	1,019,227	3,786,318	(1)
1919	1,052,217	3,498,822	(1)
1920	3,062,665	3,097,312	(1)
1921	6,068,396	4,011,233	2,762
1922	2,977,702	3,663,010	4,366
1923	4,651,180	3,631,944	3,661
1924	6,320,102	3,732,315	6,409
1925	4,189,247	5,231,689	9,495
1926	4,229,499	5,685,173	10,904
1927	4,267,782	6,190,260	12,055
1928	3,959,409	6,690,100	11,625
1929	3,518,103	7,706,842	12,908
1930	3,819,520	8,447,392	16,631
1931	2,657,391	9,489,079	18,142
Total	85,808,324	105,748,066	

[1] Averages less than 2,000 cases per annum.

From the foregoing table it would appear that during the period of 25 years the American taxpayers were called upon to pay for the enforcement of the immigration laws a total of only $19,939,742, or an average per annum of less than $800,000.

Results of some of the activities of the Immigration Service during the fiscal year 1931 as taken from the annual report of the Commissioner General of Immigration

(Official statistical data for 1932 are not yet available for publication, but it is believed they will show progressive increases in the number of deportations, prosecutions, etc.)

Aliens deported (expelled) in 1931 (includes 2,719 aliens of the criminal and immoral classes)	18,142
Cases investigated in connection with possible deportation proceedings	145,770
Criminal and civil actions instituted	6,282
Convictions secured	5,927
Writs of habeas corpus defended	317
Aliens admitted	446,214
Aliens debarred	8,233
Aliens crossing Canadian and Mexican borders, examined	26,481,279
United States citizens returning from Canada and Mexico, examined	26,510,486
Vessels boarded	36,181
Alien seamen examined	1,171,690
American citizens arriving on vessels, examined	389,908
Reentry permits issued (for which $358,386 was collected)	107,850
Certificates of registry issued (for which $289,800 was collected)	16,242
Certificates of registry denied	2,493
Indigent aliens returned at their own request (during the last 4-month period of statistical year)	541
Personnel, including commissioners and other supervisory officers, inspectors, clerks, guards, matrons, interpreters, etc., stationed at over 200 offices in continental United States, Hawaii, Puerto Rico, Canada, and Europe	2,555
Border-patrol personnel, stationed all along the Canadian and Mexican borders (over 5,000 miles) and certain coast lines	807

Thus it will be seen that the annual expense to the Government for the Immigration Service during the past quarter of a century, after deducting funds collected for head taxes and other fees paid by the immigrants or by the steamship companies for the inspection of immigrants, is about $800,000 per annum, a most insignificant sum, compared with the vast and vital results to the country which this service brings about.

The activities of the department and the Immigration Service with reference to the prevention of unlawful smuggling as well as deportations of aliens who have entered this country unlawfully or have become guilty of offenses which make their deportation necessary have been increasing from year to year, and I might almost say day by day.

How the Government will be able to prevent unlawful activities by and on behalf of aliens if the immigration force is curtailed or furloughed for long periods of time is utterly impossible to say at present.

This furloughing of inspectors for a period of six months is something that must be avoided by all means. Owing to the peculiar conditions of the Immigration Service a large proportion of immigrant inspectors are located at stations removed from their homes. I know of instances in my own district at Ellis Island of immigrant inspectors whose homes are in New England or in the West and who are stationed for longer or shorter periods at immigration stations away from their homes. Most of the men have families and dependents and some of them have definitely removed their families into the districts to which they were officially assigned, imagining that they would stay on permanently in the places to which the Government saw fit to remove them.

A good many of them have bought homes and decided to establish themselves permanently either in New York or other places where they may now be working.

If they had been furloughed for six months, as the Government contemplated doing, they surely would have been unable to find any employment in localities with which they have no other connection except the fact that they are officially attending to the business of the Government. Their ties with their home localities have in many instances been completely severed; and yet due to the fact that they have not really become a part of the life in the new communities to which they were sent, they would not be able to obtain work in those new communities and would have had to depend more or less on charity for their support and the support of their families.

It is worth while to observe at this time, that due to official regulations of the Government, the employees in the Immigration Service have not only now been furloughed for one month as have other Government employees but that due to the establishment of the 5-day week plan in the Department of Labor they have actually been furloughed for a period of almost two months in each year.

The Members of this House may recall that in the bill which creates an official furlough for Government employees heads of departments were given the power to establish a 5-day week whenever it was feasible in lieu of the 1-month furlough, which means that instead of losing 30 working days in the year the employees of those departments which have adopted the 5-day week are losing 52 days of service throughout the year, which makes it almost a two months' furlough instead of a 1-month furlough, as contemplated by the framers of our existing furlough plan.

It is significant that of all departments of the Government only the Labor Department, ostensibly organized for the interest of the wage earner, saw fit to adopt the 5-day-week plan, which has such disastrous results for its employees.

Now, if in addition to this existing legislative furlough all of the employees are to suffer the loss of an additional month's pay and 10 per cent of the inspectors a loss of six months' work, I do not believe Congress can stand idly by and permit this situation to come to pass. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, when the moratorium resolution was up for consideration in the House on December 18, 1931, speaking in opposition to it, I said:

This is the first step to other extensions, then to readjustments, then to reductions, and finally to cancellations. Solemn promises were made when the loans were secured that they would be paid in full, principal and interest. They were readjusted at a very great loss to the taxpayers of our country.

I stated then that I favored the declaration in the resolution, which was contained in section 5, and is as follows:

SEC. 5. It is hereby expressly declared to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner canceled or reduced; and nothing in this joint resolution shall be construed as indicating a contrary policy or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

The Democratic platform, adopted at Chicago June 27–July 2, 1932, contained the following:

We oppose cancellation of the debts owed the United States by foreign nations.

The ink was hardly dry on these declarations when foreign governments commenced conversations with our Government looking to what they diplomatically call "readjustments" of our loans to them, which, in common English, means nothing more nor less than an appeal for a reduction or postponement, and in the end a cancellation of a part, if not all, of this indebtedness.

It must always be remembered by the people that our Government has no money to remit or cancel to foreign governments except that which it gathers through taxes. Therefore, when we reduce or cancel any of our foreign indebtedness, to that extent we shift the burden to the taxpayers of our own country.

Our deficit at the end of the fiscal year ending June 30, 1931, was $903,000,000. At the end of the fiscal year June 30, 1932, it aggregated the stupendous total of $2,885,000,000. Special and burdensome taxes were imposed upon our own people, who were already unable to meet the demands made upon them.

The farmers of the country, who represent our greatest basic industry, agriculture, are receiving the lowest prices for their products within the memory of many now living, and certainly the lowest within three generations. Wheat, when threshed, brought to the farmers around 30 cents per bushel, oats 10 cents per bushel, corn 12 cents to 15 cents per bushel, cotton around 1½ cents per pound in the seed, and livestock—cattle, hogs, and sheep—sold below the cost of production. Business in some localities, largely supported by agriculture, is depressed to the point of bankruptcy. Mortgages are being foreclosed on homes and farms. Literally thousands of our people can not pay their taxes. School warrants are not being paid, and in many localities teachers must discount them at ruinously low rates. Industrial centers see a loss of trade through the loss of the purchasing power of the farmers.

We entered the World War on April 6, 1917. We were under no obligation, legal or moral, to share in the expenses of the World War prior to that date. In 19 months we spent approximately $22,000,000,000, paying in full every penny of the expenses of our Army during the war. Our Government and our soldiers literally spent billions of dollars on foreign soil. We only asked the poor privilege of landing and making the extreme sacrifice, if necessary, in defense of a flag made glorious by Washington and proudly sustained by Woodrow Wilson.

We even paid for the ground where the mortal remains of our sainted dead sleep beneath the lilies of France. We materially assisted in saving France, and who knows but that this assistance saved the world from German domination for generations to come?

We extended credit to our allies and loaned them $11,552,354,000. These loans were to be repaid at the same rate of interest we were forced to pay to secure the money. Some of our Liberty bonds bear a rate of interest as high as 4¼ per cent.

I am appending an official table prepared by the Treasury Department which shows (1) the countries with which settlements have been made, (2) the date of agreement, (3) the amount of debt funded, (4) interest to be received, (5) total amount to be received, (6) the amount that would have been received on a British basis (3–3½ per cent interest), (7) total amount that would have been received on a 4¼ per cent interest basis, (8) total amount canceled on a 4¼ per cent interest basis, and (9) total aggregate amount, being $10,705,618,006.90, canceled, lost, or remitted in all of the settlements:

Country	Date of agreement	Funded principal	Interest to be received	Total	Total that would be received on British basis (3–3½ per cent interest basis)	Total that would be received on 4¼ per cent interest basis	Total canceled on a 4¼ per cent interest basis
Belgium	Aug. 18, 1925	$417,780,000.00	$310,050,500.00	$727,830,500.00	$1,041,597,000.00	$1,191,052,000.00	$463,221,500.00
Czechoslovakia	Oct. 13, 1925	115,000,000.00	[1] 197,811,433.88	312,811,433.88	252,890,000.00	327,854,000.00	15,042,566.12
Estonia	Oct. 28, 1925	13,830,000.00	19,501,140.00	33,331,140.00	[1] 23,331,000.00	39,428,000.00	6,096,860.00
Finland	May 1, 1923	9,000,000.00	12,695,055.00	21,695,055.00	[1] 21,695,000.00	25,658,000.00	3,962,945.00
France	Apr. 29, 1926	4,025,000,000.00	2,822,674,104.17	6,847,674,104.17	9,708,825,000.00	11,474,900,000.00	4,627,225,895.83
Great Britain	June 19, 1923	4,600,000,000.00	6,505,965,000.00	11,105,965,000.00	[1] 11,105,965,000.00	13,114,172,000.00	2,008,207,000.00
Hungary	Apr. 25, 1924	1,939,000.00	2,754,240.00	4,693,240.00	[1] 4,693,000.00	5,538,000.00	834,760.00
Italy	Nov. 14, 1925	2,042,000,000.00	365,677,500.00	2,407,677,500.00	4,923,820,000.00	5,821,552,000.00	3,413,874,500.00
Latvia	Sept. 24, 1925	5,775,000.00	8,183,635.00	13,958,635.00	[1] 13,959,000.00	16,464,000.00	2,505,365.00
Lithuania	Sept. 22, 1924	6,030,000.00	8,501,940.00	14,531,940.00	[1] 14,532,000.00	17,191,000.00	2,659,060.00
Poland	Nov. 14, 1924	178,560,000.00	257,127,550.00	435,687,550.00	[1] 435,688,000.00	509,058,000.00	73,370,450.00
Rumania	Dec. 4, 1925	44,590,000.00	[1] 77,916,280.00	122,506,280.05	107,488,000.00	127,122,000.00	4,615,739.95
Yugoslavia	May 8, 1926	62,850,000.00	32,327,635.00	95,177,635.00	154,651,000.00	179,179,000.00	84,001,365.00
Total		11,522,354,000.00	10,621,185,993.10	22,143,539,993.10	27,819,134,000.00	32,849,158,000.00	10,705,618,006.90

[1] Settlement made on British basis.

This table is official. The figures, prepared by the Treasury Department, can not be disputed. We lose, cancel, forgive, or remit on the settlements with the 13 countries, based on 4¼ per cent interest, the amount we pay on our Liberty bonds, the proceeds from which we loaned these governments, the sum of $10,705,618,006.90.

It is urged that the foreign governments do not have the capacity to pay. Let us make an examination of the amounts spent by the leading countries for military purposes and compare these amounts with their indebtedness to our Government.

The following table shows the expenditures on armaments for the last fiscal year:

Expenditures for the last fiscal year, as compiled by the World Peace Foundation from the League of Nations Armaments Yearbook

Austria	$14,507,320
Belgium	33,303,200
Czechoslovakia	51,189,000
Estonia	5,520,000
Finland	16,457,500
France	466,960,000
Germany	171,923,040
British Empire	726,731,065
Greece	21,340,800
Hungary	20,200,000
Italy	248,946,500
Latvia	7,860,000
Lithuania	5,680,000

Poland	$92,072,000
Rumania	53,657,200
Yugoslavia	50,458,000
Total	1,986,799,625

France, on December 15, 1932, defaulted in the sum of approximately $19,261,432 in her indebtedness to us and she spent $466,960,000 for national defense.

Greece defaulted in the sum of $574,920 and spent $21,340,800 for national defense.

Belgium defaulted in the sum of $2,125,000 and spent $33,303,200 for national defense.

The total amount spent by all the above-mentioned European countries on national defense, as shown by the above table, aggregates the stupendous total of $1,986,799,625.

The spending of these vast sums for armaments necessitated the United States spending the sum of $694,884,000 upon her Army, Navy, and Marine Corps.

The people of the United States should understand the very great financial sacrifice made by our Government in making these settlements with the foreign governments through the reduction of interest rates. The following table, compiled by the United States Chamber of Commerce, shows the average rate of interest extended over the entire period of 62 years. I call your attention to the average rate of interest of Italy, which is only 0.41 per cent. The average rate of interest paid by Greece is 0.25 per cent. The average rate of interest paid by Belgium is 1.79 per cent. We are paying 4¼ per cent on our Liberty bonds. The table is as follows:

TABLE 1.—*Obligations of foreign governments as funded*

Country	Original principal funded (net) [1]	Accrued interest funded	Total debts as funded (new principal)	Interest to be paid over entire period	Approximate annual average interest rates over entire period	Total of principal and interest to be paid over entire period
					Per cent	
Belgium	$377,030,000	$40,750,000	$417,780,000	$310,051,000	1.79	$727,831,000
France	3,340,516,000	684,484,000	4,025,000,000	2,822,674,000	1.64	6,847,674,000
Great Britain	4,074,818,000	525,182,000	4,600,000,000	6,505,965,000	3.31	11,105,965,000
Italy	1,647,869,000	394,131,000	2,042,000,000	365,678,000	.41	2,407,678,000
Total of 4 chief debtor countries	9,440,233,000	1,644,547,000	11,084,780,000	10,004,368,000		21,089,148,000
Austria	24,056,000	559,000	24,615,000			24,615,000
Czechoslovakia	91,880,000	23,120,000	115,000,000	197,811,000	3.32	312,811,000
Estonia	12,056,000	1,764,000	13,830,000	19,501,000	3.31	33,331,000
Finland	8,282,000	718,000	9,000,000	12,695,000	3.31	21,695,000
Greece [2]	15,000,000	3,125,000	18,125,000	2,205,000	.25	[1] 20,330,000
Hungary	1,686,000	253,000	1,939,000	2,754,000	3.31	4,693,000
Latvia	5,132,000	643,000	5,775,000	8,184,000	3.31	13,959,000
Lithuania	4,982,000	1,048,000	6,030,000	8,502,000	3.31	14,532,000
Poland	159,667,000	18,893,000	178,560,000	257,128,000	3.31	435,688,000
Rumania	36,128,000	8,462,000	44,590,000	77,916,000	3.32	122,506,000
Yugoslavia	51,038,000	11,812,000	62,850,000	32,328,000	1.03	95,178,000
Total, 15 debtor countries	9,850,150,000	1,714,944,000	11,565,094,000	10,623,392,000	2.14	22,188,486,000

[1] "Original principal funded (net)" represents the original indebtedness as shown in the last column after deductions by reason of payments made on account of principal.
[2] Exclusive of new 4 per cent 20-year loan of $12,167,000.

The argument has been made, over and over again, that our foreign-debt adjustments require the payment of the principal. That is true, but in the case of Italy we are collecting an average rate of interest of 0.41 per cent and paying on our Liberty bonds 4¼ per cent. With Greece we are collecting only 0.25 per cent interest and we are paying 4¼ per cent on our Liberty bonds.

The following table shows the present status of these debts and the payments under funding agreements:

Present status of debts and payments under funding agreements

Country	Total present indebtedness [1]	Payments received on account under funding agreements for—		Total received on account
		Principal	Interest	
Belgium	$400,680,000	$17,100,000	$14,490,000	$31,590,000
France	3,863,650,000	161,350,000	38,650,000	200,000,000
Great Britain	4,398,000,000	202,000,000	1,149,720,000	1,351,720,000
Italy	2,004,900,000	37,100,000	2,521,000	39,621,000
Total of 4 chief debtor countries	10,667,230,000	417,550,000	1,205,381,000	1,622,931,000
Austria	23,752,000	863,000		863,000
Czechoslovakia	167,071,000	18,000,000		18,000,000
Estonia	16,466,000		1,247,000	1,247,000
Finland	8,604,000	396,000	2,249,000	2,645,000
Greece	31,516,000	981,000	949,000	1,930,000
Hungary	1,909,000	74,000	394,000	468,000
Latvia	6,889,000		503,000	503,000
Lithuania	6,198,000	235,000	892,000	1,127,000
Poland	206,057,000	1,287,000	19,311,000	20,598,000
Rumania	63,861,000	2,700,000		2,700,000
Yugoslavia	61,625,000	1,225,000		1,225,000
Total of 15 debtor countries	11,261,178,000	443,311,000	1,230,926,000	1,674,237,000

[1] Net; payments on principal have been deducted.

When our own Government is in desperate straits in an effort to find new sources of taxation we are justified in demanding that the foreign governments pay us in accordance with our funding agreements. I am opposed to any cancellation, any further reduction, or any postponement.

The deficit in our Federal Treasury on June 30, 1931, was approximately $903,000,000, and on June 30, 1932, it was $2,885,000,000. We are asked to vote additional taxes upon practically everything that the tax-ridden people of our country consume. I have not voted for any of these settlements, and shall not vote for any further reduction, cancellation, or postponement.

I am opposed to the creation of a commission, as suggested by the President. That would be an invitation to the foreign governments to begin new negotiations for further reductions or postponements.

The creation of a court by Congress or by a State legislature invites litigants to file suits. Not being in favor of any cancellation or further reductions or postponements, why vote to create a commission?

If a commission were created, it may embarrass us as did the first commission. If we do not favor a further reduction or postponement, why create another commission?

It is urged that we might secure some trade benefits through further negotiations. Let me warn the people of the Nation that these foreign governments will have no hesitancy in finding a way to break any trade agreements when it is to their advantage, and therefore we can not depend upon such agreements to induce us to agree to further reductions or postponements. It is, and must be, to their mutual advantage to make such agreements; otherwise they will not be kept.

Our Government should not hesitate to frankly say to all foreign governments who urge their "incapacity to pay," that they appear to be able to spend enormous sums for armaments and national defense, which thereby necessitates the United States spending approximately three times what we spent in 1913 for these purposes. We spent on our Army and Navy in 1913 in round numbers $214,000,000. Our expenditures for the current year, $694,884,000.

Our total expenditures for the fiscal year 1932 hover around $5,006,590,000. We are meeting our deficit in the

Treasury through the sale of Government securities, thereby increasing our bonded indebtedness.

Let me repeat that we have paid every dollar of our own expenses incurred during the World War, and raised an Army of approximately 5,000,000 men. Regardless of the cost we hastily equipped and drilled them and transported approximately 2,500,000 of them across the sea. We united with our allies on many battlefields until we triumphed on November 11, 1918.

After the war was over we entered into debt-settlement agreements extending the time of payment over a period of 62 years and remitted the sum of $10,705,618,006.90 through the reduction of interest far below that which we continue to pay on our Liberty bonds. When our taxpayers are heavily burdened and we are trying in every way to find means of taxation to meet our Government expenditures, and when we are trying to economize in every possible way, I submit that it is unthinkable that we should remit additional amounts to governments across the sea that we assisted in saving, and to transfer that burden to the taxpayers of our own country. [Applause.]

Mr. SIMMONS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I do not expect to occupy all the time allotted to me. I wish to make one statement in connection with the speech just made by the gentleman from Oklahoma [Mr. HASTINGS], whose remarks on the subject of foreign debts I always follow with interest, because he has presented the matter in his usual clear and concise way.

There is one phase of the European debt subject that has not been discussed to any extent, so far as my knowledge goes.

When the debt settlement resolution was first considered by the committee, of which I was a member, it proposed that the Secretary of the Treasury should have absolute control of all European debt settlements to be made with foreign countries; there was no limitation in any form upon such settlement or of the authority of the Secretary as recited in the resolution.

At that time I asked to have the Secretary of the Treasury come before the committee for further information, and after some discussion by members of the committee the Secretary came. He was then asked what objection there could be to the appointment of a debt-settlement commission, to be represented in part by Members of the House and Senate, who would have equal voice in all debt settlements, also what objection could be had to writing into the resolution that there should be no cancellation of European war debts, and what objection he had to a provision that there should be no substitution of the obligations of Germany or any other country for those of our European debtors. In substance these changes were finally written into the resolution that passed Congress.

The commission thereupon made an extended and careful investigation of the ability of all the different foreign governments to make payments and agreed with the several governments on their future debt obligations based on the amount of money they had borrowed from this Government and their future ability to pay.

In those settlements as then provided one country (Italy) to which the gentleman from Oklahoma [Mr. HASTINGS] referred, received by that agreement a discount of something like 75 per cent from the total amount of money Italy owed this country. France received a discount in the neighborhood of 50 per cent in round numbers, or about the amount loaned her after the armistice by the United States, and other countries in like proportion. The smallest reduction was that given to Great Britain. Those obligations formerly agreed to between all parties were to extend, if I remember correctly, over a period of 62 years, or for more than a half century to come. With a normal increase of 100 per cent in population and several times its present ability to pay before the expiration of a half century, I can not understand upon what theory we should now appoint another board or commission apart from the question of extravagant armament expenditures by our debtors which the gentleman from Oklahoma has covered. How will new commissions have better intelligence or ability to pass on these matters than those who have already acted, including Crisp, of the House, and Burton, and others then representing us, all of whom gave careful study to the whole subject? How will a new commission be able to predict what might happen in 62 years, so as to make an additional reduction, for it is a reduction and additional cancellation which is now asked for by these debtors? I have not heard that branch of the subject discussed, and it seems to me there ought not be any effort to make more reductions for American taxpayers to meet eventually until we learn what these countries can do after a sincere effort has been shown by them to pay their debts.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. KELLER. When this comes up I would like to know whether it would not be wise to include in that resolution a provision that discussion shall include the possibility of raising the amount of foreign debts to be paid as well as a possibility of reducing them.

Mr. FREAR. I leave the gentleman to his own action in that respect when the time comes. I do not know that it will ever come before the House for consideration; but, if so, the suggestion of the gentleman from Illinois would be pertinent.

PHILIPPINE INDEPENDENCE

Mr. Chairman, I rose to speak briefly on the Philippine-independence question now in conference between the House and Senate. I shall not attempt to discuss at length the merits of a question with which all are familiar or to offer further statistics or arguments, but I do wish to say that the present status of the Philippine independence legislation discloses that we passed the Hare bill in the House last session by a large majority vote of more than eight to one, if I remember correctly, and in that bill gave eight years for completing a severance of relations between the two governments. The bill then went to the Senate. In propositions presented to the Senate the time was proposed to be extended something like 18 years by opponents of independence. Later the Senate reduced the period to 12 years, and final action of the Senate before the conference fixed the time limit of severance at 10 years. There has been pressure brought to bear by American agriculture to be relieved from Philippine importations, including sugar, all of which I believe are fortunate for the Philippine-independence cause. I was a Member of the House when Delegate Quezon was here 20 years ago, when he discussed, as eloquently as any man I have ever heard speak on the floor of this House, the rights of the Filipinos to their independence. Shortly after that I visited the Philippines and studied conditions there. I visited their universities and schools, and also learned many things that would impress the average man favorably as to their capacity for self-government.

I attended their legislature and talked not only with Quezon but with Osmeña and with judges, including Chief Justice Mappa and others then active in the Philippine government. Some of these men are leaders in the independence movement to-day. Their activities have never ceased. There are those who say that the Philippine delegates now here on the commission, as well as those representing the Philippines in the House, do not want immediate independence. They have answered repeatedly and expressly that they do; they have so stated frankly before committees and on the floor of the House. I see no logical reason why after a plebiscite has been declared and a constitution adopted the Philippines should wait an additional period of 10 years or even 8 years, as provided by the House bill. I believe, however, without any prediction of what may happen in the future, that if it is possible to amend that act a future Congress may be disposed to lessen the time, so that we will be relieved from the conditions arising from free importations, and the Filipinos will then have the independence promised them at the time the Jones bill

was drawn, reported, and passed. I was a member of the Insular Committee at that time, and the bill so reported and passed guaranteed independence as soon as they had established a stable government. That they have done. [Applause.]

"DRILLING" OF IDEALS

Mr. Chairman, the Washington Post regularly tells Congress what it must do and assumes superior knowledge on all subjects when voicing the views of a publisher who enjoys a lengthy residence in Europe in order to avoid troubles at home. This publication says editorially of the Philippine independence bill passed by the Senate—

That the majority of that people are doubtless pleased with the ideal which has been drilled into them, but they apparently have no conception of what actual independence means.

So the Post tells Congress and the Philippine people in its Christmas issue.

I was a member of the House and of the committee, as stated, that drew the Jones Act, passed by Congress in 1916. That law contained a provision reciting—

It has always been the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein.

The Jones Act, passed 18 years after the United States concluded its peace with Spain, came as a tardy acknowledgment of the debt owed by this country to the Filipinos for helping drive Spanish authority from the islands.

By 1898 the Filipinos had practically wrested all their islands from Spain, and on July 23, 1898, Admiral Dewey said in a cablegram:

In my opinion, these people [Filipinos] are superior in intelligence and more capable of self-government than the natives of Cuba, and I am familiar with both.

On August 29, 1898, Dewey wrote President McKinley:

In a telegram sent the department on June 23 I expressed the opinion that these people [Filipinos] are far superior in their intelligence and more capable of self-government than the natives of Cuba, and I am familiar with both races. Further intercourse with them has confirmed me in this opinion.

Among other competent authorities John Barrett declared before the Shanghai Chamber of Commerce on January 12, 1899:

Aguinaldo has organized a government which has practically been administering the affairs of the great island of Luzon (about the population and area of Ireland) since the American occupation of Manila, which is certainly better than the former administration; he has a properly constituted cabinet and congress, the members of which compare favorably with Japanese statesmen.

These statements I have quoted to the House in the past and the estimates offered 34 years ago to the most influential business organization of the Orient by an acknowledged authority gives a fair understanding of the capacity of the Filipinos for self-government before any aid was ever given them by the United States. Before Commodore Dewey's arrival the Philippine people with their limited armed forces had cleared the islands and surrounded the Spanish in Manila, thus enabling Dewey to put the finishing touch to Spanish control.

Joining the victorious Americans, the islanders expected early independence they had been struggling to gain for many years prior to any Spanish-American War. Their disillusionment and long disappointment have been written in our own history.

INDEPENDENCE PROMISED BY EVERY PRESIDENT

I well remember Quezon's eloquent appeals in Congress when a Delegate from the islands and his demand for America's fulfillment of its promise of independence repeatedly given by our public officials from the days of McKinley's administration down to that of Taft. As President Hoover has stated:

The independence of the Philippines at some time has been directly or indirectly promised by every President and by the Congress * * *. The problem is one of time.

The Filipinos have naturally and continually inquired when is that time to come.

Mr. Chairman, those who write of independence being "drilled" in the Filipinos have no conception of the spirit of the islanders or else are hypocritically covering up efforts to retain control of the islands by American financial interests which have no difficulty in finding mouthpieces for their demands as evidenced by repeated editorials by the press against Philippine independence.

Sixteen years after the Filipinos helped us win the Spanish-American War Congress specifically guaranteed their independence with accustomed strings attached. Sixteen years more have passed away, or 32 years since the time they had achieved a workable government, as quoted, and now they are offered that independence with as many strings attached as New York financial interests could tie onto congressional promises.

No one of intelligence doubts that a plebiscite would result in practically a unanimous voice for independence with immediate adoption of their constitution.

As stated, I visited the islands many years ago and talked with Quezon, Osmeña, General Aguinaldo, De Veyra, Chief Justice Mappa, and many others from all walks of life. School-teachers, scholars, Filipinos in business, members of the legislature, judges, and laymen whom I met were then practically unanimous in their expressions for Philippine independence. Officers of the Army, Navy, and Americans in business were then opposed, and are now opposed, to our withdrawal from the islands, based largely on self-interest, but the same spirit that dumped tea into Boston Harbor because of the tea tax is universal among human beings living 7,000 miles from our shores and almost on the opposite side of the earth, an alien race that has the same emotions and aspiration possessed by those who wrested the colonies from their mother country a century and a half ago.

Let us not take undue credit for partial fulfillment of a positive promise that has long been withheld from the Philippines. The warmth of California's present support is accompanied by a tight string prohibiting more than 50 Filipinos from coming into a country annually that for 32 years has refused to release them from the control of that country to which they must still "owe allegiance." An equally enthusiastic, though belated, response to the Filipino's plea now comes from Utah, Colorado, Idaho, and other States because their sugar industry is threatened with a flood of sugarcane competition. So, too, appreciative interest in our 1916 Jones promise has been evidenced by agricultural States that would bar out oils and fats now received from the Philippines. All support, whatever the motive, has been welcomed by the Filipinos in their efforts for independence.

The world at large, measuring our reason in thus granting a long-deferred promise, must question motives that actuate a government which for so long forgot the forgotten man 10,000 miles away in the Philippine Islands.

Even those who have pretended to wait for a stable government before giving sanction to independence are now promised that a $40,000,000 Filipino debt floated in the United States will be paid when due.

It is not necessary to look the proverbial gift horse in the mouth when studying terms and conditions surrounding the Philippine 8-year Hare bill or the 12-year Hawes bill or 10-year extension of Philippine independence beyond the date of adoption of their constitution, because the gift horse is yet far distant, due to the length of the hitching strap. To those who have urged keeping our pledge of independence it is realized a stable government has long been maintained in the Philippines, and the 10-year postponement is largely a compromise with financial interests in this country. A few illuminating facts are offered in support of that independence.

A STABLE GOVERNMENT

Mr. Chairman, first let it be understood that the Governor General, appointed by the President of the United States with the power of veto of Filipino legislation, is a choice political plum for every administration, and draws down an $18,000 salary with $12,000 additional for expenses, all paid by the Filipino people.

Suffrage is conferred on men in the Philippines over 21 years of age who own real property to the value of 500 pesos ($250), or who formerly exercised the suffrage, or who can read and write either Spanish, English, or a native language. In 1925 there were 1,131,137 registered voters; less than 10 per cent are illiterate and about 90 per cent actually vote in elections conducted in the American manner.

In the islands the officials of the municipalities are exclusively Filipinos, as are the officials of the fully organized Provinces. In the central government the legislature is made up entirely of Filipinos and possesses powers which no legislature has in this country. * * * Congress has power to annul any act of the legislature, but has never exercised that power.

The lower judicial officers are all Filipinos. The judges of first instance, with but 2 exceptions, are Filipinos, and of the justices of the supreme court 5 of the 11 are Filipinos. The chief justice is a Filipino. Of the heads of the executive departments, 6 in number, 5 are Filipinos. The attorney general is a Filipino. Prosecuting attorneys throughout the islands are Filipinos.

The personnel of the bureaus of civil service, treasury, and commerce and industry is entirely Filipino and of the bureau of customs and bureau of posts is more than 99½ per cent Filipino.

The American officials are but 1½ per cent of the total in the Government. On December 31, 1928, there were 494 Americans and 19,606 Filipinos connected with the Government. * * * Local municipal government has been instituted in about 893 municipalities and 296 municipal districts.

In 1929 there were 1,163,039 pupils, 36.6 per cent of the 3,179,570 children of school age enrolled in the 7,612 public schools and 93,618 in the private schools. In the four higher institutions 4,776 students were registered. Of the teachers, 292 were Americans and 27,274 were Filipinos. Expenditures for public schools in 1928 aggregated $14,497,483, or 18.63 per cent, of the total governmental expenditures.

Among the special government institutions are the Normal School, the School of Arts and Trades, the Nautical School, and Central Luzon Agricultural School. The state-supported University of the Philippines in 1928–29 had 5,698 students and the University of Santo Tomás (founded in 1611) about 800.

Delegate OSIAS, in the hearing before the House committee in 1932, page 362, gave a brief picture of recent progress in education in his statement:

When the Americans first went to the islands in 1898 they found 2,160 schools and colleges in operation in the Philippines. To-day we have 8,500 schools and colleges, public and private, and five universities. We have 31,000 teachers, all of whom are Filipinos excepting about 270. We have 1,320,000 pupils and students.

The budget last submitted allotted to education 29.2 per cent [of public expenditures] * * *. In my country he is not an educated Filipino who does not speak two or three languages.

Again he said:

The Philippine Islands have a higher percentage of literacy than 37 of the independent countries in the world to-day.

The percentage of literacy in the Philippines is higher and better than that of Albania, Argentina, Bolivia, Brazil, Bulgaria, Ceylon, Chile, China, Colombia, Costa Rica, Cuba, Greece, Guatemala, Guiana, Haiti, Honduras, India, Korea, Lithuania, Malay States, Mexico, Nicaragua, Palestine, Panama, Paraguay, Persia, Peru, Puerto Rico, Portugal, Russia, Salvador, Siam, Spain, Syria, Turkey, Uruguay, Venezuela, and various countries of Africa and Malaysia.

Delegate OSIAS further said:

The one besetting obstacle to educational work in the Philippines is the lack of a definite status of our country. We have no way of definitely determining what kind of loyalty or what kind of citizenship should be inculcated among the Filipinos. We are not American citizens. We can not be American citizens. We have no self-governing country for which citizenship and loyalty can be taught. And I submit that, under this anomalous status, we can not define the kind of citizenship to teach. It is not possible truly to orient the cultural progress of the Filipinos. It is impossible to develop a permanent educational philosophy that shall serve as our polestar in school administration, management, and instruction. Do you wonder why I say our independence should be granted immediately so that we may know how to orient our civilization and thus usher in a new renaissance in the cultural life of our country?

IMMEDIATE INDEPENDENCE

Introducing Sergio Osmeña, acting president of the senate, PEDRO GUEVARA, the able senior Resident Commissioner, also presented to the committee Speaker Roxas and many other members of the Filipino Commission. To an oft-repeated statement that the Filipinos do not ask for immediate independence, President Osmeña, of the Philippine Senate, declared at the outset of his remarks:

There is no truth in such statements. The Filipinos have not changed front. A mere grant of autonomy, without a definite settlement of the question of independence, will not satisfy the Filipino people.

We fully appreciate what America has done for us—her unselfishness, her altruism, her generosity. * * * This is the ninth commission which has appealed to Congress for some definite action on the matter of independence. * * * Mr. Chairman, our plea for independence has been presented many times to this Congress, and I think our attitude is well defined in the record, but if any further statement is needed I would say we are coming here, as we came here before, for independence—immediate independence.

When the Senate proposal was cabled to the islands, Quezon in a forcible statement protested against Filipino exclusion and to a long-drawn-out period of waiting offered by the promised bill and urged upon Congress a fulfillment of its pledge for immediate independence based on its promise when a stable government had been established. The same sentiment has been expressed by every member of the Philippine Commission that was heard before congressional committees.

It has been interesting, if not instructive, to follow part of the debate on Philippine independence in the Senate in order to discover objections urged against its early adoption.

With higher educational advantages than any government of Central or South America, with practically entire possession of the existing government in the Philippines for many years, these islands, with a territory three times that of Ireland and with more than double Ireland's population, 10,000 miles distant from our own seat of government, are peopled with a race that in climate, products, and customs has little in common with our own.

In the 32 years the islanders have seen Ireland, Poland, Finland, and many other nations grow up into self-respecting independent governments, and they have asked repeatedly, "Why does America withhold its promise for immediate independence?"

Critics have found defects in the business management of the islands, but with a surplus in revenues for 1931 estimated at about 10 per cent over expenditures as nearly as can be ascertained, it may well afford an example for our own Government to emulate. Manila's government and that of the islands are not greatly to be improved by imitating the financial records of New York City, Chicago, and other extravagant, grafting, wasteful municipalities that evidence their own absence of stable governments.

Mr. Chairman, the Philippine Island bonded debt, including bonds of Provinces and municipalities mostly for public works, June 30, 1930, was $75,098,500, with $30,117,000 in the sinking fund. This is a far better promise of payments for its bonds than will be found in many securities held by the average banking institutions of this country, and particularly with those that have depended upon payments of debts from European and South American governments.

Resources of Philippine banks and trust companies on July 5, 1931, were $116,000,000, with deposits of $62,000,000. These figures, taken from American sources, speak for themselves.

In this brief résumé of Philippine business and official evidences of a stable government it may well be suggested that high financing as practiced by our own Chicago Insull or New York's galaxy of international bankers that placed billions of valueless bonds of European and South American countries in the vaults of American banks all afford no examples of honesty or business ability that will appeal to the Philippine government.

The tone of superiority indulged in by a portion of our own press and people indicates that we should first clean our own dooryards before offering present American practices to islanders seeking their promised independence.

The most serious problem faced by the islands is in completing a readjustment of economic relations with other countries of the world. Affecting this readjustment Congress might with mutual profit adopt a favored-nation relation with the Philippines like that possessed by Cuba.

Any readjustment will involve sacrifices, but that has been the price with every nation when securing political independence. It should also be remembered that this Congress can not bind its successors, and when it has been urged that a subsequent Congress may lessen the time of probation before cutting the bonds that bind the Philippines to us it



should not be forgotten that powerful opposition interests in this country may be equally concerned in a longer delay, with all the possibilities that would then attach.

An aroused national sentiment has moved Congress to keep the pledge contained in the Jones bill. The Filipino leaders are as wise as their American brothers; they are as familiar with our political and legislative history as many of our own people. They should treasure the independence to be granted, which is rightly theirs, whatever may be the sacrifice.

INDEPENDENCE HAS ITS PROBLEMS

Those who know them have faith in them. They will make mistakes; they will have disagreements; they will face many problems, but, studying America's record in the mirror of recent experiences, the less we say about such matters and the less we talk about stable governments, the better.

Since the close of the Spanish-American War, Quezon, President Osmeña of the senate, and General Aguinaldo have been outstanding and active leaders of the Philippine-independence movement. Their courage and persistence have never flagged. I believe they have kept faith with their people and inspired their followers with confidence in their cause. Opposed by a financially influential force in the most powerful nation in the world, they remembered that 13 comparatively helpless colonies successfully broke their bonds from the most powerful empire of the early eighteenth century. Relations then severed came through force and left resentments that lasted for a century in the minds of both peoples.

Economic arguments and just treatment of the highly intelligent, industrious Filipino people have been more potent than physical force in bringing about tardy recognition of their cause. Continued delay involved in the present proposal has been vigorously protested by their representatives and it is our obligation to end at an early day the uncertain relations that have so long existed.

Ridicule and abuse, weapons of financial interests that control press agencies have ascribed independence aspirations alone to views of island "politicians." That argument was offered by the Tories of Britain and America to discredit our own independence movement. It is employed now by financial interests that pretend to be more interested in the welfare of an alien people 10,000 miles distant from New York than the Filipinos are in their own future.

It professes to believe that patriotism and love of one's own people died when Washington and Patrick Henry and the army of men who loved their country more than favors from King George fought for independence. It ignores the activities of Sun Yat Sen of China, Pilsudski of Poland, Gandhi of India, and patriots of Ireland who in our own day and age have voiced their rights of liberty not measured by the selfish reasoning of an alien people and not understood by the spokesmen for an American publisher whose own liberty, like that of Insull but for different reasons, is best found in Europe.

Practically on the anniversary of the great patriot Rizal, whose name is enshrined in the hearts of the Filipino people, an independence measure is squarely met and will be passed by Congress. If it becomes law it will be for the Filipinos to adjust themselves within a decade to their new national status. The good will of all liberty-loving Americans goes with them in their hour of a long-delayed but final peaceful victory.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. STEWART].

Mr. STEWART. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there any objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. STEWART. Mr. Chairman, I am sure that we all rejoiced this morning to hear that the great State of Georgia is to celebrate the two hundredth anniversary of its founding as a colony. The achievements of the State of Georgia are now a part of the history of our country, of which we may all feel proud. I am sure that the high respect in which we have held that State has been increased as we have come to know and respect the Representatives from that great State.

Therefore I was more than surprised this morning when one of the Representatives from that State rose in his place and proceeded to criticize the great Governor of the State of New Jersey for an action which he had taken in his official capacity, after conducting a careful investigation and a public hearing of the facts connected with the extradition of an alleged criminal. I am sure if the Delegates from the State of Georgia had had the pleasure of acquaintance and association with our great governor they would have the high respect and affection for him that I hold. The evidence that was presented before our governor, if I am correctly informed through the newspaper accounts, was taken over an extended period, was gone into most minutely, and at the end of the examination the governor decided that he could not honor the requisition which had been served upon him or presented to him by the Governor of the State of Georgia in reference to this man. I am afraid that the gentleman from Georgia has acted on the assumption that it is mandatory in the case of a governor of one State to honor the requisition of a governor of another State.

I am sure that on more careful consideration the gentleman from Georgia will realize that in the nature of these cases discretion is vested in each governor who has this question before him. Our governor is one of the most generous men in his treatment of those whom he believes are the oppressed, who have not had a square deal, that it has been my pleasure to meet.

Our governor is one of three in the history of our State who has been honored with a second election to this great office, our constitution forbidding a governor to succeed himself. On the occasion of his first election he received a majority of about 15,000 votes and on his most recent election a majority of over 235,000. He has held high and distinguished offices in our State for over 20 years, and his deep interest in the unfortunate, the crippled, and particularly physically handicapped children has earned him recognition as a humanitarian all over the United States.

It has been my pleasure to know our illustrious and beloved governor for many years, and I have served under him in offices which I have held in the State of New Jersey. If, in the judgment of the gentleman from Georgia, the Governor of New Jersey has erred, I can assure him that it has been on the side of mercy and humanity.

May I suggest that this hardly seems the proper forum to discuss the official actions of the Governors of the States of Georgia and New Jersey, when they are acting within their own respective jurisdictions.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I have no desire to continue a discussion which perhaps is not very appropriate in the Hall of the House of Representatives, that concerning the attempted extradition of the convict Burns from the State of New Jersey to Georgia. I have, as yielded me by the gentleman who is in control of the time, only five minutes in which to discuss the matter at all. I did not object to the request of the gentleman from New Jersey [Mr. STEWART] that he might extend his remarks in the RECORD. I make for myself the same request, Mr. Chairman, with the addition that I shall be permitted to extend, in connection with my remarks, two very brief editorial expressions on this subject matter, one from the Washington Post and another from the Atlanta Constitution.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia to extend his remarks in the manner indicated?

There was no objection.

Mr. TARVER. Mr. Chairman, it is always an unpleasant duty to discuss a matter in which the feelings of citizens of two States have become aroused by conflicts between their officials and as to which State pride leads inevitably to intemperate and illogical statements that would be better left unsaid. At the outset, permit me to say that as an American I am proud that there is numbered among our sisterhood of States the great Commonwealth of New Jersey, with her glorious history, her illustrious men and women of the past and of the present, who have made and are making that history, and I feel the closest ties of friendship with her people, who, in the main, I am sure, are not different from those of other States of this Union in reason, justice, and all the qualities which go to make up the average American citizen.

In saying that, I take no jewel from the crown of Georgia, which in 200 years has established for herself a record equally as glorious as that of any other State, made by men and women to whom there are no superiors anywhere on God's green earth, and whose fairness and efficiency in their own State government, whose intelligence and broadmindedness in dealing with problems affecting human rights, mark her as the peer of any other State.

When Georgia was subjected to unfair attacks by ex-convicts and others in an effort to further their personal ends she had the right to assume that her sister, New Jersey, would not undertake to put her on trial and convict her on their ex parte evidence. That it did so is the fault not of her citizens as a whole but of the official who for the moment heads her government and who apparently could not resist the temptation to play to the galleries by having a hearing of a sort and rendering a decision of a character which he knew would be heralded far and wide and accepted by the unthinking and the uninformed as showing him to be an unusual and magnanimous executive.

And yet every lawyer knows that the kind of evidence he heard had no relation to the issue raised by the extradition proceedings in the Burns case, and that against it the State of Georgia had no duty or opportunity to defend itself, and every well-informed citizen of Georgia or person who has visited that State for any length of time knows that his conclusions on that issue were false.

I have had almost 29 years' experience as a member of the Georgia bar. For more than 10 years of that time I served as judge of the superior courts in six counties of the State. Having continual occasion during that period to sentence men for crime and a natural desire to know the character of punishment to which I was consigning them, I frequently visited the State farm and the chain gangs. A penal institution of any sort is not a place of recreation. Whether employment on a State farm and out in the open on the public roads is preferable to confinement in a penitentiary is a debatable question. If I were a convict, I would prefer the open air, especially in the South where there are few days, even in the winter, when it is unpleasant to be outside. But this open-air employment makes it difficult to adequately guard prisoners, especially those of a desperate character. Light chaining is sometimes necessary. I have never been informed that it has been entirely abolished even in the great penitentiaries of other States, where confinement is inside stone walls. But prisoners who show a submissive spirit and are apparently willing to be orderly are not chained. They are trusted when they show themselves worthy of trust.

Among all the prison guards in Georgia there are, doubtless, some who are inhumane. The same thing could be said of any State in the Union. Whenever evidence of inhumane conduct is brought to the attention of the prison commission, they are removed, just as they would be elsewhere. So far as whipping is concerned, it was abolished in Georgia years ago. Since the days of Gov. Thomas W. Hardwick no convict has been whipped in Georgia. Other forms of punishment are used for those who refuse to submit to authority, but, as authorized by the prison commission, they are humane. Georgia's penal system is not perfect, but may be favorably compared with those of most States. Certainly no fair-minded, well-informed governor would ever have undertaken on an extradition proceeding to try Georgia for her conduct of her penal institutions, nor upon the ex parte evidence of ex-convicts, to have convicted her.

So far as the offense of which Burns was convicted is concerned, it makes no difference whether, when he robbed a store, he got $5.85 or $5,000. He who attempts robbery by force should be severely punished, even if he fails to get a cent. If there had been $10,000 in the till, who doubts he would have taken it? Are we to punish highwaymen according to the size of the loot they obtain?

That is too ridiculous to require argument before sensible men. Above all, it was not a question for a governor to consider upon extradition proceedings. What lawyer will question that assertion?

Georgia has enforced her penal laws with reasonable success. She has not adopted harsh laws. Her courts and juries are merciful. I cast no reflection on any other State when I say that the penal system of my own is such that no publicity-seeking governor of any other Commonwealth can stain her reputation with fair-minded persons who know her and know her people, by an ultra vires decision of the character rendered in the Burns case by the Governor of New Jersey.

[From the Washington Post of December 24, 1932]

FLOUTING THE CONSTITUTION

Gov. A. Harry Moore, of New Jersey, made a curious decision when he refused to extradite Robert Elliott Burns, fugitive from a Georgia chain gang. He also ignored a very important section of the Federal Constitution. Apparently the governor was swayed by the tales of cruelty that were freely told by persons claiming to be familiar with the administration of law in Georgia. At any rate he took upon himself, as Governor of New Jersey, the authority of thwarting the machinery of justice of another State.

The Constitution is very plain on the subject of extradition. It says:

"A person charged in any State with treason, felony, or other crime, who shall flee from justice and be found in another State, shall, on demand of the executive authority on the State from which he fled, be delivered up to be removed to the State having jurisdiction of the crime."

In view of this plain mandate to surrender fugitives from justice, the hearing which Governor Moore conducted was a farce. It is not his responsibility to pass upon the Georgia penal system. Governor Moore says that he decided the case "on its merits." Thereby he constitutes himself a judge and jury for the adjudication of a case arising under the laws of another State. He has no authority to pass on the merits of the case.

Only one question could properly arise in the hearing conducted by the governor: Is the defendant a fugitive from justice? It was freely admitted that Burns was a fugitive. Even the man whom he robbed was in attendance at the hearing. The whole case against his extradition was built up on the alleged cruelty of Georgia officials to convicts serving on chain gangs in that State. Obviously, the manner in which Georgia handles its prisoners is not the business of a Governor of New Jersey.

If the precedent set by Governor Moore should become general, conditions would be intolerable. State lines would become barriers behind which any criminals might hide. This is exactly the sort of chaos which the Constitution makers sought to avoid. They knew that the States could not hold together unless they all recognized and respected the rights of each to administer justice in its own way.

The abuse of justice in Georgia, if there is abuse, is a matter that concerns the people of that State. It can not be corrected by the government of another State.

[From the Atlanta (Ga.) Constitution of December 23, 1932]

SLANDERING A STATE

The refusal of Governor Moore, of New Jersey, to honor the requisition of the State of Georgia for the return of the escaped convict Burns is not material except as viewed from the standpoint of the reflection cast upon Georgia in the proceedings.

During the hearing before the New Jersey Governor the good name of Georgia was, in a manner totally unwarranted by the facts, dragged in the mud by discredited radicals and representatives of organizations busily engaged in stirring up trouble throughout the country under the guise of "humanitarian" efforts.

The people of Georgia were pictured to the world as approving sweat boxes and stocks in their prison camps. Pictures showing various kinds of brutalities, and which were specially posed to illustrate cruelties that do not exist, were presented and apparently accepted at their face value.

Burns himself stated that the charges in his book were exaggerated and that further exaggeration took place in the filming of the motion picture from the book, the producers admitting

that they resorted to "poetic license" for the purpose of dramatization.

Busybodies who know nothing of conditions in Georgia, and whose main purpose was evidently to conceal the truth rather than to reveal it, declared that if Burns were brought back to Georgia he would be lynched—an absurdity on its face.

John Spivak, author of a recently published book on prison conditions in Georgia, in which he portrayed them as worse than the black hole of Calcutta, was asked if the prison authorities knew his pictures, some of which afterwards were proven not to have been taken in the camps, were being taken. "Yes," he replied in adding his testimony to the mass of palpably false evidence, "that's the horror of it; they do not think it bad."

The false charges against prison conditions in Georgia are a calumny on the State and on the members of its prison commission—men of as high type as are to be found in any State, and not one of whom would tolerate for a moment any such brutality as that charged.

The people of Georgia abhor brutalities in the treatment of criminals, and the State prison commission has endeavored to surround the prisoners under their keeping with every safeguard. Georgia was one of the first States of the Union to institute reforms in prison methods, and the lash disappeared here long before it did in other States.

The injustice to Georgia does not exist as much in the refusal of Governor Moore to honor the requisition for Burns as in the wide publicity given to the false and defamatory charges about conditions in this State.

The situation was aggravated by the efforts of radical organizations which, under the pretense of seeking to protect an individual from "injustice," lent a willing hand in slandering and vilifying the State.

Mr. SIMMONS. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. GARBER].

Mr. GARBER. Mr. Chairman, members of the committee, the consideration of the agricultural appropriation bill now pending naturally prompts the wider inquiry as to the prospect for remedial legislation for the basic industry. We have devoted three weeks of this session to beer. Can we not afford to devote the ensuing three weeks to bread, bread for the hungry families of the 10,000,000 laboring men out of employment through no fault of their own, and bread that will yield a reasonable return to the farmers producing the raw material?

Our Democratic friends have been in control of this House since December, 1931, and have been charged with the responsibility of major farm legislation. How well have they discharged that responsibility? It is true that during the last session emergency legislation was under consideration and occupied most of the time, but in this session there is no such alibi. The Democratic majority of this House will receive the support of at least 50 or 75 Members on the Republican side in behalf of any major piece of farm legislation that is fairly reasonable and effective. [Applause.] I am not addressing the Membership of this House so much as I am addressing the leadership of the House in insisting upon putting into the headlines of the daily papers the urgency and need of beer legislation.

It is more important to legislate to restore prosperity to the farmers and to the people of this country than it is to restore prosperity to the brewers of the country. [Applause.] There is no denying the fact, Mr. Chairman, that the brewers of this country will receive five-sixths of the benefits of the legislation enacted, if it ever becomes effective. You are not deceiving the public. You are creating one of the greatest monopolies, outside of the importation of oil, that there is in this country in the bill which you recently sponsored.

It is admitted that the relief sought to be extended through the Reconstruction Finance Corporation has not materialized except to the railroads, the banks, and the financial interests of the country.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. GARBER. I yield to the gentleman from Nebraska.

Mr. HOWARD. Does my colleague blame the Democratic Party for the laches of the Reconstruction Finance Corporation, for their failure to get the money where Congress intended it to go?

Mr. GARBER. No; I am not blaming any party. That legislation was predicated upon the theory that if you extended relief at the top it would filter down to the bottom, that if you extended relief to the banks it would pass down to the depositors and the business interests of the country. While it has protected the depositors, it has not fulfilled expectations to the trade activities; the banks have not passed the relief on to the country; they insist upon maintaining their liquidity.

Mr. HOWARD. Will my colleague yield again?

Mr. GARBER. I gladly yield to the gentleman from Nebraska.

Mr. HOWARD. In view of the statement of my colleague, I know he will be interested in a modest little resolution which I introduced this morning, a resolution calling upon the Reconstruction Finance Corporation to make a report to this House of all its doings during those four months of concealment, the four months when there was no publicity, not alone on the loans it made but also on its commitments. The resolution will be back in seven days, and I know the gentleman will support it.

Mr. GARBER. An impartial administration will welcome any investigation to clear up controversial matters.

Mr. HOWARD. That is right.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. GARBER. I yield to the gentleman from Michigan.

Mr. KETCHAM. Will the gentleman please give his definition of impartiality? What would he regard as an impartial administration?

Mr. GARBER. Impartial?

Mr. KETCHAM. Yes; what would be the gentleman's definition of it?

Mr. GARBER. The word speaks for itself; it is not ambiguous.

Mr. KETCHAM. I know; but the gentleman would have a particular interpretation of it. Evidently, from his remarks, he thinks there has been some partiality, and I wish he would give us his definition of "impartial."

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. GARBER. I yield.

Mr. SNELL. Does the gentleman know of the case of any small bank which has made application for loan upon reasonable collateral which application was turned down?

Mr. GARBER. I know of certain small banks in the West which made applications for loans. As to whether or not the security was adequate I am wholly unable to answer.

Mr. SNELL. My only experience has been in connection with two small banks in my section of the country. I think each of them had a capital of $25,000. They had no trouble whatever in securing loans. They had good collateral and they received their loans. From the fact, as I remember the figures now, that 70 or 75 per cent of all the loans have been made in communities of 5,000 population or less, it seems to me the gentleman's charge that the corporation has favored only the big banks is not borne out by the facts.

Mr. GARBER. It is not my intention to make such charge. Such charge has been made in the press.

Mr. SNELL. If there is anything to investigate, I see no reason for not investigating it; but the facts appear from published reports that over 70 per cent of the loans have been made in small communities.

Mr. GARBER. That is undoubtedly true; but the 70 per cent of the loans made may not measure the amount of the loans, but would only refer to the number of loans.

Mr. SNELL. I am talking of the total amount. The gentleman said he did not think the aid extended to the banks had filtered down to the depositors and business men. If the Reconstruction Finance Corporation loaned money to a bank in any community and saved that bank from going into receivership, does not the gentleman think a real service has been done to the people of the community?

Mr. GARBER. As far as it went; undoubtedly.

Mr. SNELL. That is what they are doing all over the country.

Mr. GARBER. Yes; in the preservation of deposits.

[Here the gavel fell.]

Mr. GARBER. May I have five additional minutes?

Mr. SIMMONS. Mr. Chairman, I yield the gentleman from Oklahoma five additional minutes.

Mr. SNELL. In doing that, then, they have helped the common man on the street?

Mr. GARBER. Yes. My statement is that the legislation was not of fundamental character to reach the producers.

Mr. SNELL. I am not arguing that.

Mr. GARBER. It did not begin at the bottom.

Mr. SNELL. I am not arguing that at all. I questioned the statement the gentleman made that the benefits have not filtered through to the man on the street. I maintain the facts show they have.

Mr. GARBER. They never filtered through to the extent of creating a market for the products of industry, which is essential to the employment of labor.

Mr. SNELL. I agree with that statement, but I do not think the gentleman's bare statement is borne out by the facts, and I do not believe the gentleman intended to make it in exactly that way.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. GARBER. I yield.

Mr. CHINDBLOM. Does not the gentleman believe that the prime purpose of the legislation embodied in the Reconstruction Finance Corporation act was to preserve and protect what is well known as the credit structure of the Nation?

Mr. GARBER. That was the purpose of the legislation.

Mr. CHINDBLOM. That was the principal purpose, and has not that purpose been accomplished? I may say to the gentleman that, of course, individual banks may complain and individual industrial concerns may complain because they did not happen to get what they thought they should have, but has not the credit structure of the Nation been protected and preserved during this critical time?

Mr. GARBER. The credit structure of the Nation has been temporarily relieved, but not fundamentally.

Mr. CHINDBLOM. How can the gentleman say "temporarily"? Let us hope it is permanent. Why suggest it may not be permanent?

Mr. GARBER. Because it is not fundamental, because the trade activities of the country down below have never been stimulated to activity. That is the reason. I am not going to permit myself to be misconstrued in regard to this financial agency. My contention is that it was necessary legislation of a temporary character to relieve an emergency condition, and it has never reached the foundation or the basic industry of the country upon which the prosperity of the Nation depends. This is my answer to that question. To illustrate, you approach an investor for investment in a mill or factory that is now idle with a proposition for him to buy the stock at 25 or 50 per cent of its par value. Is he going to accept it? No; his first inquiry is, "Where is there a market for the products of this mill or factory," and a survey would show that there is not any market. This is the trouble with the country to-day. There is not any market at home, and there is not any market abroad; and in the absence of a market, what are you going to do? In the absence of a market you have only one recourse, and that is to create a market. Where are you going to create a market? There is the only place where you can create a market, and that is with the 40,000,000 people living in the rural districts and on the farms of this country. By increasing the price of farm products you will restore the purchasing power of 40,000,000 people, and thereby they will become consumers of the products of the mills and factories, and capital will invest and give employment to labor.

Mr. CHINDBLOM. Will the gentleman yield further?

Mr. GARBER. I yield.

Mr. CHINDBLOM. No one will disagree with the gentleman in the statements which he has just made, but certainly the purpose of a finance corporation is to preserve and protect the financial structure and not to engage in industry or agriculture or any commercial activity.

Mr. GARBER. That is true. But we must have supplemental legislation for the basic industry.

Mr. CHINDBLOM. And, of course, we all hope this plan is temporary. We do not want any such organization to be permanent.

[Here the gavel fell.]

Mr. SUMMERS of Washington. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. GARBER. In answer to the gentleman from Illinois, the hearings on the Finance Corporation act, especially with reference to the provision authorizing loans to railroads, will disclose that the executives of the roads at that time stated that they would be content with loans to the extent of $75,000,000 or $100,000,000 to pay the coming due interest on their obligations, but the loans now exceed $254,000,000, and the National Transportation Committee and the Board of Railway Executives now insist that the base must be broadened for additional loans.

Mr. CHINDBLOM. If the base is broadened, of course, the operations of the Reconstruction Finance Corporation will then be on a wider scale; but that suggestion does not prove that at the present time, and up to the present time, the corporation has not performed the functions for which it was organized. If you expand the functions, you will get a wider activity, of course.

Mr. GARBER. I am not attempting to prove maladministration on the part of the Reconstruction Finance Corporation Board. I simply take the position that the legislation, while necessary, was of but a temporary emergency character and has not fulfilled the expectations of relief to the farmers and the unemployed. I seriously question the advisability of broadening the base of the reconstruction act so as to remove the present requirement of "adequate security," and I insist that supplemental legislation is necessary to create a market for the products of industry by restoring the purchasing power to farm products.

Anyone who will recall the threatening and menacing conditions existing between October 1, 1931, and August 31, 1932, must readily admit the necessity for the preservation of our financial structure and the legislation enacted. During that period, and prior to its enactment, 4,835 banks failed, with deposits of $3,263,049,000. It was to protect the $40,000,000,000 on deposit in the remaining banks that the Reconstruction Finance Corporation was created and authorized to extend the necessary financial assistance. The corporation has loaned $1,250,000,000 to 5,000 institutions. This amount includes $750,000,000 to some 4,250 banks and trust companies, $67,000,000 to 73 insurance companies, $81,000,000 to 60 mortgage and loan companies, and $65,000,000 in 500,000 individual loans to farmers for seed and planting of crops. Up to September 30 the Reconstruction Finance Corporation loaned to the carriers $264,366,933. Of this amount only $36,451,000 was loaned for improvements and to furnish employment to labor and $150,000,000 to enable the roads to pay their coming-due indebtedness.

I question the advisability of the Interstate Commerce Commission's approving and the corporation's making loans to the roads to pay their indebtedness to the large financial institutions of the country, amply able to carry them. I refer to the Missouri-Pacific loan of $5,750,000 to pay J. P. Morgan & Co., loans of $6,000,000 and $5,000,000 for the Nickel Plate, and the loan to the Baltimore & Ohio of $8,000,000 to pay Kuhn, Loeb bankers.

I regret that the limitations on my time will not permit me to yield to further interruptions.

PROSPERITY ORIGINATED IN THE FURROW

We too often forget the A B C's of the fundamentals. From whence did prosperity originate? Not in Wall Street; not in the stock exchanges or boards of trade. Prosperity did not originate in the cities, with their mills and factories and skyscrapers. It did not originate in their countinghouses, their mercantile establishments, or their banks. Where, then, did prosperity originate if not in any of these sources? Prosperity originated in the soil, from the furrow in the field. There is where we lost it, and we must return to that furrow to find it. That furrow represents agriculture, the basic foundation industry, with its 40,000,000 people living in our rural districts and on the farms. When the furrow yielded a reasonable return, it was the abiding place of prosperity and democracy; but how different are the conditions prevailing throughout the industry to-day! Producing below the cost of production for 10 years in succession, hoping each year for better prices, borrowing money

each year to carry on, and thus postponing the evil day that is now upon us with this depression, agriculture presents a scene of dilapidation and despair.

EVEN THE UNITED STATES CHAMBER OF COMMERCE RECOGNIZES THE PRIMARY IMPORTANCE OF AGRICULTURE IN OUR ECONOMIC STRUCTURE

The United States Chamber of Commerce is composed of representative business men throughout the United States. Like other organizations, they have been representing the interests of business throughout the country. Until quite recently they have refused to recognize the dependency of business upon the basic industry and have given little consideration to its problems. Its agricultural committee, composed of 14 representative men from as many different States, finally recognized the plight of agriculture and its importance in our economic structure. Through its chairman, the committee made the following comment:

It is the sense of the agricultural department committee that the true plight of the American farmer is not generally known. The value of farm products is so low that farmers are experiencing great difficulty in meeting their obligations. Wholesale delinquencies in these obligations must be expected. The purchasing power of the farmers is severely reduced. He can not be the customer of industry or commerce. His reduced purchasing power not only affects him individually but destroys the buying power of whole communities which depend upon his trade. The railways serving agricultural territory are affected. Their revenues are seriously impaired, and all labor is affected. Already strikes of taxpayers are numerous, and tax delinquencies in many States have reached proportions where States will find difficulty in functioning on account of lack of revenues. There has been a 10-year period of depression for the farmer. The period of prosperity which the balance of the country enjoyed for several years never reached the farm. The situation calls for drastic action on a parity with the action taken during the war.

PRESENT CONDITIONS JUSTIFY MY PREDICTION OF EIGHT YEARS AGO

In discussing the conditions of agriculture in this House on May 17, 1924, I said:

The temporary prosperity now existing has been exacted from the credit and credit momentum of the farmers given to them by increased credit facilities of recent legislation, but such increased credit facilities have almost been exhausted. While they have been furnishing 40 per cent of the home market, which in turn consumes 90 per cent of all our products, they can not do it any longer. Their purchasing power has been exhausted. The indebtedness contracted by them during the high prices, in response to the appeal of the Government for increased production, remains unpaid. They are no longer able to meet the daily exactions of the high cost of living and high industrial prices, the annual demands of high taxes and interest charges. They have ceased buying farm implements or making farm improvements or necessary repairs. Even now they are drawing on their last reserve—their remaining equity in their land.

Another year of ruinous prices and the farm will be sacrificed. His farm—"the best home of the family"—will be sold at sheriff's sale and the ancient independence of our once proud agriculture will be gone. What will be the result when 40 per cent of the purchasing power of our home market is gone? Can there be any doubt as to what the result will be? Curtail industrial production 40 per cent and what will you have? You will have closed mines, closed factories, silent mills. You will have millions out of employment, hungry women and children, bread lines, and widespread dissatisfaction and discontent.

Existing conditions fully justify such prediction. During the last three years the gross income for agriculture has shrunk from $11,000,000,000 in 1929 to $5,200,000,000 in 1932, a shrinkage of approximately $6,000,000,000 in three years. Such shrinkage is reflected in the present prices for the basic crops. The farmer is now receiving 27 cents for No. 2 hard winter milling wheat, 6 cents per pound for cotton, $2.30 for hogs, 12 cents for corn, 17 cents per pound for butterfat, $2.75 for beef cattle. Such ruinous prices are approximately but one-third of the actual cost of production. But the farm mortgage has not shrunk. The interest payments have not shrunk. Taxes are being reduced, but are still high. Tax liens on the farms are being foreclosed. The farmer's taxes remain unpaid. His past-due mortgage is being foreclosed. Farmers by the thousands are being daily dispossessed of their homes. The complete collapse of the industry demands immediate emergency relief. The farmers can not endure another season of such prices which represent no purchasing power. They can not continue to produce below the cost of production.

THE COSTS OF GOVERNMENT MUST BE REDUCED

How can we help the farmer in his desperate financial straits?

First. We can reduce the cost of government. This is a twofold responsibility—Federal and State. The Federal has already made a good start. In the last session Congress cut appropriations and effected economies to the extent of $1,007,000,000 below the previous session, and its committees are now at work holding hearings for still further reductions which will be made.

But Congress can not reduce the State and local taxes, and they compose nearly all of the taxes the farmers pay. The State and local subdivisions alone can reduce such taxes. The State legislature can and should go still farther. It can provide an emergency exemption from taxation, say, for a period of five years, of 40 acres out of 160, 20 out of 80, and 10 out of 40 acres used for farming purposes and while used and occupied as a homestead. The farmers are entitled to such exemption under these conditions, because they are forced to produce below the cost of production and can not use the cost-plus system to pass the taxes on to the consumer. Assuming that his taxes were $100 in 1914, they have steadily increased until they reached the enormous amount of $266 in 1930. Land is the principal of farm valuation; and unless the farmer can sell his products at a profit, he can not pass the taxes on. When he sells, he must take whtever he can get, whatever he is offered—just now 27 cents for wheat that cost him 75 cents to produce, 12 cents for corn that cost him 35 cents to produce, 6 cents for cotton that cost him 12 cents to produce. He can not sell everything off and go out of business, because he never could start up again. His capital investment includes his home, which must kept going somehow, some way.

THE INFLATED DOLLAR MUST BE DEFLATED

Second. The farmers must be rescued from the entanglements of their financial obligations, as well as the debtor class generally. They should be placed in a position where they will be able to pay with the same quantity of purchasing power which they received when they incurred their obligations, and this will insure the payment of debts which otherwise can never be paid.

The purchasing power of the dollar must be deflated to an equality with the purchasing power of "all commodities" of the people. In other words, the purchasing power should be stabilized on the basis of the 784 "all commodities."

Now, just what do I mean by this? To illustrate: Over a period from 1921 to 1929 the financial authorities find that the purchasing power of "all commodities" for the average year, say, 1928, was fairly well stabilized on a living basis for all classes. Suppose a farmer borrowed $5,000 during that year. He received a purchasing power of $5,000, equal to the purchasing power of that amount in the "all commodities." But to-day, when he is required to meet the obligation, he must pay in "all commodities" a purchasing power of $10,000. This shows the gross injustice of the fluctuating dollar and what it has done to the farmers of the country with their mortgage indebtedness of $9,500,000,000.

The 1932 dollar, in terms of what it will buy, is worth $1.50. Every dollar in taxes, interest, and other fixed charges has become a dollar and a half. The farmer is even worse off than that when compelled to pay in his own products. The farmer's dollar of debt, taxes, and farm implements has become $1.60 in farm products with which he must pay.

A cream separator that cost the farmer 87 bushels of wheat in 1929 to-day costs him 268 bushels; a grain drill that cost him 137 bushels of wheat in 1929 costs him 450 bushels in 1932; a corn planter cost him 73 bushels of wheat in 1929, but to-day it costs him 250 bushels, more than three times as much! And other prices are in proportion. The Department of Justice should prosecute the monopoly in farm implements and repairs for violation of the antitrust law and thus put a stop to the unblushing, daylight robbery of the farmers being compelled to purchase implements and repairs.

A similar situation applies to the wage earners paying the loans on their homes. In fact, it applies to all who are included in the debtor class generally. When we borrowed the purchasing power of the money, and that is all we borrow,

we expected to pay an equal amount of purchasing power to cancel the obligation, but now we are called upon to pay $1.50 purchasing power for the $1 we received. What does this show? It shows the imperative need of a deflated dollar, an honest dollar, a stabilized dollar.

THE TARIFF MUST BE MADE EFFECTIVE ON THE BASIC FARM CROPS

The third proposal to restore the purchasing power of farm products is to make the tariff effective on the basic crops of which we produce a surplus. This was embodied in the Norbeck bill which passed the Senate in the closing days of the session, but was recalled and recommitted. With a few amendments, I introduced a similar bill in the House, where it is now pending before the Agricultural Committee.

THE GARBER BILL WOULD GIVE THE BENEFITS OF THE TARIFF DIRECT TO THE FARMERS

The bill would make the tariff immediately effective on that portion of wheat and cotton used for domestic consumption, payable direct to the farmer at the time he sells his products. The Secretary of Agriculture would be required to proclaim the percentage of the year's production used in domestic consumption. If the Secretary proclaimed that 75 per cent of the wheat would be used for such purpose, upon satisfactory proof the producer, when he sold, would receive the market price and in addition an adjustment certificate of 42 cents per bushel on the 75 per cent used for home consumption. The certificate would be redeemable at any of the fiscal agencies of the Government within 30 days.

A farmer selling 1,000 bushels of wheat would receive the market price for all of it. The bill would not fix the price; but, in addition to the market price, the farmer would receive an adjustment certificate on 750 bushels at 42 cents per bushel, representing the tariff, increasing the total amount received $315. In the direct benefits of the tariff at the time of selling the grain, the farmers of Oklahoma would have received approximately an additional $21,000,000 for this year's crop and the wheat growers of the entire country approximately $281,000,000 additional, or on the total of the two crops in excess of $600,000,000. These estimates, of course, do not take into consideration the resultant increased prices received by the producers on all their farm products.

In order to raise the money to pay the tariff in addition to the market price direct to the producer at the time he sells his products, a processing charge would be levied and collected from the miller of 42 cents per bushel on wheat; from the cotton manufacturer, 5 cents per pound on cotton. The processors of these two basic crops would be required to report to the Internal Revenue Department the same as they now are required to report their income taxes. The revenue department would be required to collect such charges and deposit them with the Secretary of the Treasury to the credit of the wheat and cotton adjustment certificate funds to redeem the adjustment certificates issued to the producer at the time he sold his products, less 2½ per cent for administrative charges, which are estimated to be 1 cent per bushel on wheat, one-tenth of 1 per cent on cotton.

THE ENACTMENT OF THE GARBER BILL WOULD AFFORD MATERIAL RELIEF WITHOUT ADDITIONAL APPROPRIATIONS

It will thus be observed that the bill would not change existing marketing machinery, would not require additional appropriations, nor any material increase in the cost of Government. It would refund to the processors all charges on the processed product which is exported and permit them to process in bond the same as is now done under the existing tariff law. The farmer would be permitted to process for his own consumption. The processors in turn would add their processing charge to the cost of their product, which in turn would be spread over the consumption of all the people, where it properly belongs.

PROSPERITY FOR AGRICULTURE IS THE CORNERSTONE OF ALL PROSPERITY

Loans to railroads, banks, insurance and mortgage companies were perhaps necessary to avoid a complete collapse of our financial structure, and agriculture will receive indirectly benefits from the general relief afforded, but it is too remote and indirect. Such relief was necessary to loosen up the frozen assets of those institutions. The farmer is entitled to the same consideration. He has frozen assets which must be made liquid. It is more important that a reasonable return be afforded to the furrow in the field than to industry, than to the railroads, than to the banks, than to the insurance companies, for it is the source from whence all prosperity originates.

CREATION OF A MARKET—THE INITIAL STEP

There can be no substantial recovery from this depression until a market is created for the products of industry. Capital will not invest in the resumption of operation of mills and factories and the employment of labor without assurance of a market for its products. At the present time such market does not exist, either at home or abroad. A market must be created. To create a market abroad by the appointment of a commission to effectuate reciprocal tariff reductions is the long-time program of the incoming administration. The farmers must have relief now. They can not endure another season of existing ruinous farm prices below the cost of production. The only recourse is to create a market at home and at once. This can only be done by increasing the price of farm products by making the tariff effective on domestic consumption. Restore the purchasing power to the 40,000,000 people living on the farms and in the rural districts of the country and you will have taken the first substantial step toward recovery. You will then enable them to pay their taxes, their interest, and to purchase the products of the mills and factories, giving employment to labor.

A bill making the tariff effective on wheat and cotton should receive immediate consideration. It will receive ample support to pass the House and should be enacted as an emergency measure for a period of two years only. It should be done by this Congress. It is unthinkable that such a bill under existing emergency conditions should not receive the support of the President.

The President elect has substantially recommended such legislation. In his recent contribution upon the subject, Your New National Leadership, he said:

> The new leadership intends to go to the heart of the agricultural problem in a realistic way. The basic fact is that the farmers must immediately get a living income from the domestic market. I intend to attack the problem where it is most urgent—in wheat and cotton, for these are the money crops of one-third of our people.
>
> To get a price for these products which will allow the farmers to live they must get a tariff benefit over world prices. This is equivalent to the benefit given by a tariff for industrial products.
>
> An artificial or even a temporary measure to create this benefit for agriculture is justified. The probable restoration of agricultural purchasing power should give opportunity to the Government to square away for legislation permanently to consolidate and protect agriculture as a vital industry. The benefit must be so applied that the increase in farm income will not stimulate overproduction.

With a substantial majority of his party in both Houses of Congress, there can be no reason why such legislation should not be enacted. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, at least three of the proposed farm-relief plans—the equalization-fee plan, the export-debenture plan, and the domestic-allotment plan—are like a merry-go-round; they are expensive, occasion the waste of a lot of valuable time, travel around a circle, and get nowhere. The allotment plan is an improvement over some of the others. It has a temporary partial control of production but no effective control of marketing. Genuine farm relief must provide an effective total control of production and marketing. The allotment plan has many features of the contract system of farm relief for which I have been contending so long; I wish it had more. It seeks to partially control production by a voluntary implied contract system; its benefits to the farmer, though, are too remote, speculative, and problematical.

The contract plan of farm relief sponsored by me provides an effective method of controlling both production and mar-

keting and guarantees to the farmer certain well-defined profitable prices for his products.

The allotment plan contains a very dangerous tax on processed farm products not contained in my plan. The burdens placed on the farmer and the consuming public under the allotment plan are as great as under another plan of farm relief, while the benefits to agriculture are only slightly greater than some of the other plans and do not at all equal the splendid benefits provided by my contract system of controlling production, marketing, and the prices of farm products.

The problems I have just mentioned have been uppermost in my mind for many years, and I pledge myself to fight for a proper solution of them as long as I live unless a real farm-relief measure is passed in the meantime.

The farmers' marketing problem is now overshadowed by the farm-loan-foreclosure emergency, and the two present the most serious farm situation ever faced by the farmer and Congress.

Immediate, drastic, powerful, far-reaching action must be taken if the independent, individual, home-loving farmer is to be saved to bless and perpetuate our form of government.

Many remedies have been suggested; many more will be proposed. I have no trouble, though, in definitely saying what my 14 years' service here and lifelong study of the farmers' problems have convinced me are the real remedies for the farmers' financial troubles. Briefly, here they are: First, an effective contract system of controlling both production and marketing, so that the farmer can control the price of what he sells as fully as others name the price of what they sell to him; second, the elimination of unnecessary middlemen, so that the farmer will get a reasonable share of what the consumer pays for the products of the farm; third, the release from all taxes of a reasonable amount of property for home purposes for each head of a family; fourth, the monetization of first liens on home-occupied farm property in such a way as at all times to insure an ample circulation of fully protected currency, based on and controlled by the actual needs and wealth of the Nation.

Mr. GARBER. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield to the gentleman.

Mr. GARBER. Would the gentleman favor the committee with an explanation in detail as to what he means by the contract system with reference to agriculture?

Mr. LANKFORD of Georgia. I will be very glad at this time to briefly tell what the plan embraces. I have already discussed the plan rather fully on several occasions heretofore and my allotment of time will not permit a detailed discussion of it now. It simply provides a plan whereby the farmers will contract to allow their production and marketing to be controlled whenever a large percentage of the farmers sign an agreement providing that this system shall go into effect, with the Government on its part insuring and guaranteeing the farmers a fair price for their products.

Mr. GARBER. It would be dependent then upon cooperative action by the farmers?

Mr. LANKFORD of Georgia. Absolutely.

Mr. GARBER. There is nothing compulsory about it?

Mr. LANKFORD of Georgia. There is nothing compulsory about it.

Mr. GARBER. The gentleman has been a student of agriculture here for a number of years and I want to submit a question and would like a frank answer. Has it not been the result of the gentleman's investigations that there is not sufficient cooperation among the farmers of this country now developed to get them into contracts sufficient to control production?

Mr. LANKFORD of Georgia. All depends on the nature of the contract. One reason the farmers can not be easily organized is that so often they have been led to believe that legislation was in their behalf and when they organized under the legislation they found it did not work in that way and that they have been misled. The farmers in this respect are very much like the matter of baiting doves. Quite often down in Georgia hunters put out bait in order to bring the doves in, which is to organize them, and when they get together the hunters begin to shoot into them. Under these circumstances the doves will not stay organized, and this is true of the farmers. So often we work out some scheme here in Congress to organize the farmers, but in a little while the farmers find they are not getting as much out of the scheme as we promised, and then they will not remain organized and those that have joined the organization get out as soon as possible.

Mr. GARBER. Admitting then that cooperation is impracticable——

Mr. LANKFORD of Georgia. I do not admit it is impracticable.

Mr. GARBER. The gentleman has admitted that to the extent that it would require education.

Mr. LANKFORD of Georgia. I have admitted that the legislation we have passed heretofore under which we have attempted to organize the farmers has been a failure. I have not admitted that a plan such as I have would be a failure.

Mr. GARBER. I think my friend will agree with me that what we need is remedial legislation now.

Mr. LANKFORD of Georgia. Absolutely.

Mr. GARBER. I do not believe the farmers of the country will be able to survive another season of depressed prices such as are existing at the present time.

Mr. LANKFORD of Georgia. We must have some legislation to stop the orgy of loan foreclosure at once. If we do not do this, there will be no need for us to pass the allotment plan or the export-debenture plan or the equalization-fee plan or any other plan for the farmers. Legislation to relieve the present situation must be passed at the present time.

It would be well for us to pass a definite program of farm-relief legislation at the earliest possible moment—emergency legislation to at once take care of the present awful situation and general relief legislation to prevent the recurrence of another such depression in so far as the farmer is concerned.

Mr. GARBER. You can not do it until you secure the cooperation of the farmers. What we need in this emergency now is to make the tariff directly effective on wheat and cotton.

Mr. LANKFORD of Georgia. We need immediate emergency legislation for the farmer, followed by worth-while legislation in all directions for the farmer and the whole country. At this time I wish to devote my time more directly to the problems of the farmer. When we solve the farmer's problems, we go a long way toward bringing back real prosperity to everybody.

When I yielded to my good friend from Oklahoma a few minutes ago, I had just named four farm-relief proposals which I believe to be fundamentally sound and worthy of the most careful consideration of Congress and the country. [Applause.]

Mr. Chairman, these four major proposals, if enacted into law would constitute real farm relief. Of course, there are many other most vital problems, such as transportation, that concern all the people, but these four may be classed as the corner stones of real farm relief in a national way.

All are very vital, but the present awful farm-loan-foreclosure tragedy in the midst of the greatest financial depression of all time, emphasizes and makes absolutely imperative the one dealing with the monetization of farm-real-estate liens. Let us now briefly study this proposal. To begin with, let us remember that what helps the farmer helps everybody. Now, in order to help agriculture, we must either greatly reduce the debts of the farmer by getting part written off or must greatly raise the price of farm products. In fact, Congress must do one or both of these if the farmer is to be saved from absolute destruction. The farmer is not to blame for this situation. The awful truth is he made his debts when farm products were selling for four and five times as much as they are now. He must now pay, if at all, with cotton or tobacco or whatever he produces; he does not have gold.

Under our present system he must pay with gold or paper currency redeemable in gold. Therefore, in order to get gold dollars or the equivalent, the farmer must put up four or five times as much corn, cotton, or tobacco as he thought he had to put up when he borrowed the money. That is, a few years ago he made a debt he could then pay with a certain amount of cotton or tobacco; now it takes more than four times as much of his product to pay the debt as it did when he made it. At the time the farmer got the loan the money he received was worth less than one-fourth of the value of the money he must now use in trying to settle his debts. Even if he has kept his interest paid up to date, his debt now—in view of the price of farm products—is about five times as big as it was when he made it. He is not to blame, but he simply can not pay it. It is not fair or right to try to make him pay it, and Congress is derelict in its duty every time an hour passes without a bona fide effort to remedy this situation. It can be done, and it must be done unless the majority of the Members of this House are determined to waste their time on selfish schemes and quack remedies which will do much more harm than good and, either purposely or through criminal negligence, are perpetrating the atrocities which should condemn them to be justly branded as the greatest traitors of all time.

The farmer is not to blame and should not suffer the loss of all his property because of this awful situation. I admit the loan concerns are not to blame and should be protected if possible, but the awful truth is that the loan people have already suffered their loss, as their loans have already depreciated 50 to 65 per cent. This is why foreclosures are now so unjust. The owner too often is made to lose all he has, the loan concern suffers its loss of one-half to two-thirds of its debt, and some one else with money gets the property at an awful sacrifice.

Our people and their families are being sacrificed on the awful altars of greed and selfishness, while the majority in Congress—Democrats and Republicans—Belshazzar-like, are working with greatest haste to make ready for a bacchanalian feast.

Mr. Chairman, let us turn to this problem of stopping the losses of both borrower and lender; help both to recoup part of their losses and save our farmers. I repeat, it can be done if Congress will do its duty before it is too late.

Mr. Chairman, in order for legislation to effectively stop the present orgy of farm-loan foreclosures, it must provide an agency with sufficient means, ample authority, and definite directions to at once enter into such negotiations and financial transactions in the way of payment of taxes, interest, and otherwise as may be necessary to refinance from the farmers' standpoint the entire amount of the distressed farm-mortgage loans of the Nation. In every case the rate of interest should be reduced to the lowest possible rate necessary in the sale of Government bonds; the principal should be reduced to the amount the particular loan is now worth under present financial conditions, and the payment of the principal of the loan must be for a long term of years. The new rate of interest should not be over 3 per cent, the principal should have one-half to two-thirds of the amount written off, and the loan must be extended for 30 or more years.

In order to secure the refinancing of the farm loans on so satisfactory a basis it will be necessary for the United States Government to either buy outright all the distressed mortgage loans of the country or guarantee the payment of the principal and interest of all loans refinanced with these reductions of principal and interest and for the long term of years.

In order to effectively stop the loan-foreclosure menace Congress must provide for handling the situation directly with the loan concerns and deal with the foreclosure menace collectively and in its entireness.

I condemn as unfair, unworkable, and even criminally vicious any and all proposals to appropriate large sums of money to be delivered to the Federal land banks or any similar institution with a discretion vested in the concerns to use the money as they from time to time determine. I bitterly fought this sort of thing last January. I was right. The money Congress gave to the Federal land banks has been used in the most selfish manner, and the orgy of loan foreclosures goes ahead, and those who are sucking the life-blood out of the farmers are handling every transaction from the land banks' own selfish, greedy, money-mad standpoint, rather than for the best interest of the farmers. As well tell a freezing, starving man not to worry, there are millions of dollars in gold near where he stands, downstairs in a steel vault of a great bank, as to tell the farmer his foreclosure problem has been solved by millions of dollars—of the farmer's tax money—being graciously handed to the very crowd that are fleecing him and his family. Away with such empty mockery. It only adds fuel to the fire that is so fast destroying the farmers and our Nation.

Now, how will the monetization of farm lands or liens on farm lands help the situation? A plan having been worked out for refinancing the farm loans of the country as a whole, and not separately or by piecemeal, it will become necessary to raise a very large amount of money to handle the whole transaction.

This entire amount of money, amounting to billions of dollars, can not and should not be raised by taxation. It is not necessary that it be raised even by a bond issue or by the Government guaranteeing the payment of the interest and principal of the loans; although this is a thousand times better than the present situation, and can and should be done at once if a better plan is not adopted.

By the monetization of farm liens practically enough money can be issued to pay in whole the full present value of all the farm loans of the country, with the farm liens furnishing an ample and safe base for the new currency. This will result in the end of loan foreclosures, the returning of farm lands already taken over, and a program bringing about more prosperous, happy home-owning farmers than ever before. One-third to one-half of the farmers' real-estate loans will have been written off, and the greatly reduced lien against the farmers' land will be on file in the Treasury of the United States, will draw no interest until the depression is over, and then draw only 1 or 2 per cent, to be paid annually, with the principal to be paid at the end of 30 years.

Of course, at the end of 30 years the farmer could renew the entire amount or increase it if land becomes more valuable. For example, let us see how the plan would work in the case of a $1,000 loan at 7 per cent where a farmer can not pay the $70 interest, and the loan company is about to sell his farm for $600, lose $470, and cause the farmer and his family to lose their home.

Eight hundred dollars in currency could be issued against this property; the loss to the loan company would be reduced; the farmer would save his home and only owe $800, due in 30 years, on it, without interest at all or even if interest was collected it would at the outside be only $16 per year. The money issued on the lien, of course, would go to pay the loan concern.

The farmers' loan problem would be solved; the loan companies would get cash for their distressed long-term loans; long-term loans would become as good as gold; all currency needed for this emergency would be at once put into circulation; the farmer in so far as the issuance of currency is concerned, would have been put on a parity with the bankers and at least one great pressing, tremendous, financial farm problem would have been solved. What argument is there against the monetization of farm lands? They furnish a better base than is now put up by the banks. Money secured by these liens is much safer than Government bonds now issued and backed up by nothing but a promise to pay by our Government.

Banks are now permitted to use as a part of the base for the issuance of their currency negotiable paper not as good as farm liens. Why not let the farmers put up a safer paper as a base for this proposed new currency? Of course, this procedure for the issuance of currency would make the supply of currency dependent upon the wealth and necessities of the country and could not be controlled by one or

two men who hold in the hollow of their hands the financial destiny of our people. This is another reason why I am very much in favor of the plan.

This plan will greatly increase the volume of our currency, will stimulate and raise the price of farm products, help all lines of business, and go very far in forever eliminating many of the evils which caused the present depression. I plead with those who do not like my plan to tell me wherein they feel it is not good and then offer some great big constructive plan that they believe is better.

There are many more reasons why some occupied farm lands should be monetized, but these will suffice for the present.

Mr. SIMMONS. Mr. Chairman, I yield four minutes to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Chairman and gentlemen, several days ago I was in my district and had a conversation with some friends one afternoon. I found they were inclined to be somewhat critical of Congress and what Congress is doing. I said to them, "You have exactly the same opportunity for information that Members of Congress have. You say we are not helping in the national emergency. What have you in mind that we have not done; what suggestions would you give me to take back to Congress?" The group was composed of business men, bankers, farmers—the general average of well-informed men, 15 or 20 of them. After a little debate they were unable to arrive at any solution, but all agreed upon one thing: They said we must be relieved from the crushing burden of taxation. They said Congress ought to reduce taxation so that they could stand it and then they and the country would be able to take care of themselves; that if the Federal Government would set the example it would be followed by the States and municipalities. I promised to deliver their message to Congress.

But that was not the primary purpose for which I arose. I am going to speak of a little lighter subject than that.

When I was practicing law some years ago I had occasion to investigate the question of the transportation of prize-fight films in interstate commerce. I found that it was legal to exhibit them in most of the States, but that it was illegal to transport them from one State to another.

I think that is an oversight and should be corrected. Of course, it is not vital, but the people should be relieved from such restrictions and not have the Government touch or restrict them in so many different places. The least governed are the best governed, I believe.

I have introduced a bill (H. R. 12899) which is pending before the Interstate and Foreign Commerce Committee which I hope will have the favorable consideration of the Members. It amends sections 404, 405, and 406 of title 18, United States Code of Laws, and will remove these prize-fight films from this foolish restriction and make it legal to transport them from one State to another, so that they may be exhibited where it is now legal to exhibit them.

Thousands of people like to see these films; and if legal to show them, why should their transportation in interstate commerce be a criminal offense?

Mr. Chairman, I yield back the balance of my time.

Mr. SUMNERS of Texas. Mr. Chairman, as time goes on, whether we live in the city or in the country, we shall come to appreciate the key position which agricultural depression occupies in our present difficulties. We probably have gone about the matter in the wrong way. We should agree first on the principles involved, just as diplomats and other people attempt to agree when they undertake to make progress. I would say that the first question that presents itself is this: Do the economic difficulties of agriculture lie at the bottom of our general difficulties? One of the reasons why we have not been able to agree on procedure is that every time a proposition is put on the table and the business people of the city recognize that something has got to be given up, they balk. I do not want to stir up any row. That is the last thing we need. If I may be permitted to say a word, not in criticism, industry during this crisis has been captained largely by men who have not seen one inch beyond the end of their noses. Think of them telling the people that everything would be all right just around the corner when we were going head on full steam for the rocks. How in the name of common sense anybody in any business in any city could imagine or can imagine that he can open up his factory and put his idle people to work unless these thirty-odd million farmers can buy, I can not understand. One of two things has to happen, no use deceiving ourselves: Either labor and commodities, professional services, rents, and everything else in the city have got to come down to the level of 8-cent oats and 5-cent cotton and 15-cent corn, or we have to lift these prices up until trade contact is established with city prices. That is all there is to it. It does not make any difference what is required, that has got to happen. Credit is all right in its place, but the thing, the big thing, that is the matter with us now is not lack of credit or of anything else—it is a paralysis of the economic circulatory system of this country. Things are not moving. How much city production can be moved with 15-cent corn? If we agree on a few of those fundamental facts, then it seems to me that we could begin to make progress.

I meant to make some reference to some recent editorial criticism of the effort of myself and other gentlemen and some ladies to form a sort of forum to study those questions. Unfortunately publicity has been given to the fact, and it has been called a bloc. I am going to make some statements respecting that, but not at this time.

These criticisms of the character of efforts that are being made to do something for agriculture would be sound, provided we were living in a state of nature economically. The statement that agricultural prices are controlled by the law of supply and demand as a dependable agency of economic justice is a perfectly ridiculous statement. The law of supply and demand has penalties as well as rewards. The farmers are denied the rewards of the law of supply and demand and are paying its penalties. I can not cover that now. One of the recent editorials referred to the efforts to do something for agriculture as putting a sales tax on bread. It is a very remarkable thing that they can not see that the tariff puts a sales tax on the products of the factory which the consumers have to pay. That is what it is for. That is all right, according to these city critics. They will not trust the law of supply and demand here. Mr. Lincoln announced a great truth when he said that this country could not be half slave and half free, and by the same token it can not be economically half slave and half free, half protected and half free trade. But these wheat farmers are not even free trade. They are below free trade. If they could buy where they sell that would be free trade, but this Government forces them to bring their sales money from the world markets and buy from their tariff-boosted brethren.

Gentlemen of the cities, we have reached the end, we have been bleeding agriculture to boost these enormous abnormal industrial developments, while the farmers have been bleeding the soil. They have reached the Pacific Ocean. Both have been bled white. You will have to give back to these farmers arbitrarily what you take from them arbitrarily. If you were pumping the lifeblood out of a man prostrate on the street, pumping it into some one else as we are doing to these farmers, pumping it into the beneficiaries of the tariff, and some one came along and said, "Leave that person being bled to the laws of nature, nature will take care of him," everybody would know that he was a fool. If somebody looks wise and proposes such an absurd thing for these farmers he is classed as a profound economist. Yet we know that these producers of exportable surpluses have no share in the tariff system. I am not speaking in prejudice here. I come from no mean city myself, but we city people have to recognize that if we would put our idle men to work, we have to give these farmers a chance to buy. That is all there is to it. The city people who manufacture do not seem to realize that they are living off the bounty which this Government forces these farmers and others to pay. What is the tariff but a bounty; and what is the tariff boost in the sale price but a sales tax which people have to pay? I am not now criticiz-

ing that as an institution. Is it not strange? Here is a people who all of their lives have been getting a bounty from the Government, and when you attempt to give back to these farmers that which is taken from them by act of government, to pay this bounty so that they can buy the products of the factory, then these city people begin to talk about the law of supply and demand controlling prices. Suppose the thing were reversed. Suppose the manufacturer were forced to sell in the cheapest market, as these farmers are, and then would have to come back here and pay a premium to farmers, how long could they last? Do you think they would be willing to trust the law of supply and demand? How long could anybody last doing things like that? The remarkable thing is that we have not broken long before now. I do not want to be an alarmist, but we can not keep up this discrimination, this credit panacea business much longer. We have been trying to cure the situation in which we find ourselves by doing the silliest things that sensible persons could do to correct an economic situation such as we have, namely, by loaning more money to people who now owe more than they can pay. Railroads need freight. We need circulation.

The Government is running $2,000,000,000 behind. Practically the only people who are paying any dividends in America to-day are a few big corporations, who are paying the dividends out of accumulated surplus. There is a paralysis of the circulatory system. How do you expect that the economic blood from the farmers of this country can come back in sufficient quantities to give life and vigor to your city industries when you are putting into their veins receipts from 8-cent oats, 5-cent cotton, and other things in proportion? How can you expect to keep your factories operating and put your people to work in that way? This is what I say, gentlemen of the cities, people who would open your factories and put people to work, as long as the protective tariff system is maintained, which is an abnormal, arbitrary booster of prices, which boost agricultural producers of exportable surpluses must pay, you must give back arbitrarily to these farmers that something which is taken away arbitrarily, so that they can buy. We can not do that unless you men go back to your city people and tell them that agriculture is the root of the tree, unless you go back to your people and say to them, "If you want to maintain the tariff structure, we have to reverse the operation of the tariff system and make it effective on these wheat farmers and corn farmers of the West."

When the historian writes the story of this crisis I am afraid he will write that we gave to this crisis the lowest order of applied intelligence that ever a people gave under similar circumstances, and I am not talking about Democrats or Republicans either. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BUCHANAN. Mr. Chairman, the debate having been concluded, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MONTAGUE, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, had come to no resolution thereon.

CALENDAR WEDNESDAY

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with to-morrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GOSS. Reserving the right to object, Mr. Speaker, we have passed up four of these Calendar Wednesdays. Many of us have bills on that calendar that we would like to have considered. I shall not object this time, but next week I will probably feel constrained to object, so that these bills may be reached on that calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. RUDD, indefinitely, on account of illness.

To Mr. BLAND, indefinitely, on account of illness.

To Mr. CURRY, for three days, on account of illness.

To Mr. WELCH, for one week, to attend a funeral.

To Mr. NIEDRINGHAUS (at the request of Mr. COCHRAN of Missouri), on account of illness in his family.

To Mr. SWICK (at the request of Mr. DARROW), for the balance of the week, on account of illness.

To Mr. LAMBETH, for one week, on account of illness in family.

To Mr. PATMAN (at the request of Mr. JOHNSON of Texas), indefinitely, on account of illness in family.

To Mr. SHOTT (at the request of Mr. BACHMANN), indefinitely, on account of illness.

To Mr. GOODWIN (at the request of Mr. CLAGUE), indefinitely, on account of illness.

To Mr. SHANNON, for the balance of the week, on account of critical illness in his family.

To Mr. CONNERY, for one week, on account of illness in his family.

To Mr. MEAD, for three days, on account of attendance at funeral.

To Mr. RANKIN, indefinitely, on account of illness.

To Mr. GIBSON, indefinitely, on account of illness.

To Mr. JOHNSON of Washington, for one week, on account of illness.

To Mr. CLANCY, indefinitely, on account of illness.

AN EXPRESSION OF APPRECIATION

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. ABERNETHY] may extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, I wish to take this opportunity to express my appreciation to my friends in North Carolina, as well as to my colleagues in Congress, for the many expressions of good will and for their many individual acts of personal consideration for me during my long illness.

In the Democratic primary I was renominated by a flattering vote, and in the general election I was returned to Congress by the largest majority of my career.

There are no tokens of worldly wealth as priceless as true friends. The smiles I have seen on the faces of my friends who greeted me on my return to my office here in Washington have repaid me many times for my long indisposition.

The short session of Congress has important work ahead, and I hope that the much-needed general relief legislation can be completed. I feel, however, that the great work of reconstruction will come with the new administration. I propose to continue my fight for the welfare of the many as against the favoring of the few.

Foreign debts are just one of the many problems that the next administration must face. Consideration must be given to the pressing needs of agriculture, to the problems of our soldier boys, to general relief legislation, and, in fact, to any remedial measures that will not be completed at this short session.

During the past I have kept in close touch with the people of my district. I desire that my constituents continue to write me concerning their problems, either personal or of a general nature. I will always take pleasure in trying to help whenever I am able to do so. A continuation of these contacts will enable me to better serve my district, State,

and Nation. I hope that I shall continue to merit the confidence and trust that has heretofore been reposed in me.

LEAVE OF ABSENCE

Mr. McDUFFIE. Mr. Speaker, I am requested to ask leave of absence for an indefinite period for my colleague the gentleman from Alabama, Mr. HILL, and my colleague the gentleman from Alabama, Mr. STEAGALL, on account of illness in their families.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 4972. An act granting the consent of Congress to the State of Georgia to construct, maintain, and operate a highway bridge across the Savannah River near Lincolnton, Ga., and between Lincolnton, Ga., and McCormick, S. C.; to the Committee on Interstate and Foreign Commerce.

S. 5059. An act to extend the time for completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt.; to the Committee on Interstate and Foreign Commerce.

S. 5148. An act authorizing the Secretary of Agriculture to adjust debts owing the United States for seed, feed, and crop-production loans; to the Committee on Agriculture.

S. 5183. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa.; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 220. Joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy; to the Committee on Naval Affairs.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 527. Joint resolution extending the time for filing the report of the Joint Committee to Investigate the Operation of the Laws and Regulations Relating to the Relief of Veterans.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did, on December 23, 1932, present to the President for his approval a joint resolution of the House of the following title:

H. J. Res. 500. Joint resolution authorizing the Secretary of the Navy to sell obsolete and surplus clothing at nominal prices for distribution to the needy.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 54 minutes p. m.) the House adjourned until to-morrow, Wednesday, December 28, 1932, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. JONES: Committee on Agriculture. House Joint Resolution 529. A joint resolution authorizing the Secretary of Agriculture to make loans for crop production, and for other purposes; without amendment (Rept. No. 1810). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOWARD: A bill (H. R. 13916) to amend the act of March 3, 1885, entitled "An act providing for allotment of lands in severalty to the Indians residing upon the Umatilla Reservation, in the State of Oregon, and granting patents therefor, and for other purposes"; to the Committee on Indian Affairs.

By Mr. CULKIN: A bill (H. R. 13917) declaring the policy of the United States with respect to irrigation and reclamation; to the Committee on Irrigation and Reclamation.

By Mr. CHAVEZ: A bill (H. R. 13918) to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. KELLY of Pennsylvania: A bill (H. R. 13919) to provide sick leave for employees of mail-equipment shops; to the Committee on the Post Office and Post Roads.

By Mr. COCHRAN of Missouri: Resolution (H. Res. 334) disapproving Executive orders incorporated in House Document No. 493, Seventy-second Congress, second session; to the Committee on Expenditures in the Executive Departments.

By Mr. HOWARD: Resolution (H. Res. 335) requesting information as to the activities of the Reconstruction Finance Corporation from February to July, 1932, inclusive; to the Committee on Banking and Currency.

By Mr. LAGUARDIA: Joint resolution (H. J. Res. 530) to aid the balancing of the Budget, establish a conscionable rate of interest, and to place capital on a 5-day-week basis; to the Committee on Ways and Means.

By Mr. DAVIS of Pennsylvania: Joint resolution (H. J. Res. 531) declaring Armistice Day to be a legal public holiday; to the Committee on the Judiciary.

By Mr. McCORMACK: Joint resolution (H. J. Res. 532) to exclude certain temporary employees from the operation of the economy act; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 13920) granting an increase of pension to Fidelia Suggs; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 13921) granting a pension to Lois Malinda Zahniser; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 13922) granting an increase of pension to Alwilda E. Seymour; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 13923) granting a pension to Fannie Otto; to the Committee on Pensions.

By Mr. EVANS of California: A bill (H. R. 13924) for the relief of Laird Warrington; to the Committee on Naval Affairs.

By Mr. KENDALL: A bill (H. R. 13925) granting a pension to Florence May Wilburn; to the Committee on Invalid Pensions.

By Mr. KOPP: A bill (H. R. 13926) granting a pension to John B. Gorgas; to the Committee on Pensions.

By Mr. MONTAGUE: A bill (H. R. 13927) to release the principal and surety on the bond executed by Robert T. Barton, jr., general chairman of the Forty-second Annual Confederate Reunion; to the Committee on Military Affairs.

By Mr. PESQUERA: A bill (H. R. 13928) for the relief of Maria Miro Menéndez; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9221. By Mr. CHINDBLOM: Petition of Louisa Varley, of Wilmette, and 12 other citizens of Wilmette and Winnetka, Ill., urging the passage of the stop-alien-representation amendment to the Constitution (H. J. Res. 97); to the Committee on the Judiciary.

9222. By Mr. CONDON: Petition of Louis Cabana and 202 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9223. Also, petition of Raymond A. Kern and 92 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9224. Also, petition of Eugene Lemoi and 201 other citizens of Rhode Island, protesting against the repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9225. By Mr. CULLEN: Petition of the Hudson Detachment, of Jersey City; Captain Burwell H. Clarke Detachment, of Newark; and the Bergen County Detachment, of Hackensack, State of New Jersey; and the New York Detachment, No. 1, in joint conference assembled in Brooklyn, N. Y., on December 12, 1932, strenuously opposing the attempt on the part of Congress to further reduce the personnel of the United States Marine Corps, in that such reduction will completely disrupt the efficiency of the corps; to the Committee on Military Affairs.

9226. By Mr. GARBER: Petition of the Ladies' Society of the Brotherhood of Locomotive Firemen and Enginemen, Enid, Okla., indorsing House bill 10023, providing for retirement insurance; to the Committee on Ways and Means.

9227. Also, petition of the Brotherhood of Locomotive Engineers at their Southwestern Union meeting on October 27, 1932, urging sufficient appropriation to maintain standard bureau of locomotive inspection safety and appliances and hours of service that they may be maintained at their full capacity and held intact in their entirety; to the Committee on Ways and Means.

9228. Also, petition urging enactment of railroad pension bills, H. R. 9891 and S. 4646; to the Committee on Interstate and Foreign Commerce.

9229. Also, petition urging support of the railroad pension bills, H. R. 9891 and S. 4646; to the Committee on Ways and Means.

9230. By Mr. HANCOCK of New York: Petition of J. A. Cunningham and other residents of Syracuse, N. Y., favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

9231. Also, petition of Rev. Clarence C. Watson and other residents of Cortland County, N. Y., favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

9232. By Mr. HARLAN: Petition of Howard H. Mann and a number of other residents of Dayton, Ohio, favoring inflated currency being distributed by earning; to the Committee on Banking and Currency.

9233. By Mr. HOOPER: Petition of residents of Coldwater, Mich., favoring passage of stop-alien-representation amendment to the United States Constitution; to the Committee on Immigration and Naturalization.

9234. By Mr. PARSONS: Petition of Louie J. Gaskins and other citizens of Saline County, Ill., urging an increase in the purchasing power of the masses as a means to break the depression and restore prosperity; to the Committee on Labor.

9235. By Mr. JOHNSON of Missouri: Petition concerning the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

9236. By Mr. JOHNSON of Texas: Telegrams from Claude C. Wild, of the Independent Petroleum Association of Texas, and Danciger Oil & Refining Co. of Texas, Fort Worth, Tex., opposing House bill 12076; to the Committee on Rules.

9237. By Mr. KELLY of Pennsylvania: Petition of citizens of McKeesport, Pa., favoring the stop-alien-representation amendment to the United States Constitution; to the Committee on Immigration and Naturalization.

9238. By Mr. LAMNECK: Petition of Mrs. S. J. Fickel, president, and Mrs. Harry Sammons, secretary, Woman's Home Missionary Society, Westerville, Ohio, petitioning Congress to enact a law which will establish a Federal motion-picture commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

9239. By Mr. MILLARD: Resolution presented by request and passed by the Alan F. Waite Post, No. 299, of the American Legion, Yonkers, N. Y., indicating that 93 per cent of its members are opposed to the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

9240. By Mr. MILLIGAN: Petition signed by 608 citizens of Marceline, Mo., protesting against the modification of the Volstead Act or the repeal of the eighteenth amendment of the Constitution; to the Committee on the Judiciary.

9241. By Mr. NIEDRINGHAUS: Petition of 42 citizens of St. Louis, Mo., protesting against the passage of any measures providing for the manufacture of beer or the nullification of the Constitution, and against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

9242. By Mr. PARKER of Georgia: Petition of Donnie Warnock and 29 other citizens of Stilson, Ga., deploring vote against repeal of the eighteenth amendment; to the Committee on Ways and Means.

9243. By Mr. SPARKS: Resolution of banks of Logan-Wallace County Bankers Association of Kansas and customers of those banks, submitted by the First National Bank of Oakley, Kans., and signed by 21 banks and 280 customers of those banks belonging to the Logan-Wallace County Bankers Association of Kansas, favoring the repeal of the portion of the revenue act pertaining to the 2-cent tax on bank checks; to the Committee on Ways and Means.

9244. By Mr. STRONG of Kansas: Petition of citizens of Junction City, presented by Robert M. Hay, president of the Civic Service Club of Geary County, and Mrs. Robert M. Hay, president of the B. S. S. of the First Methodist Episcopal Church of Junction City, all of the State of Kansas, favoring passage of the stop-alien-representation amendment to the Constitution to count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 28, 1932

The House met at 12 o'clock noon.

Rev. Clifford H. Jope, pastor of the Ninth Street Christian Church, Washington, D. C., offered the following prayer:

Divine Father, we thank Thee for the privileges of a new start. As this week closes its grave walls over the journey and experiences of the past year, we shall lay all our mistakes and all our heartaches at the door like a shabby old coat, never to be put on again. We shall not leave off those finer and nobler traits which partake of Thyself, O God, and which have made this Nation great, but our regrets and failures shall not enter the land of beginning again.

Through all the days of our life, Father, glorify Thyself in us as Thou art transforming the rain into roses.

May Thy spirit rule in this Chamber to-day and Thy divine favor rest upon all service rendered the people of the United States.

In the spirit of our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

ELECTORS OF PRESIDENT AND VICE PRESIDENT

The SPEAKER. The Chair lays before the House the following communication:

DEPARTMENT OF STATE,
Washington, December 22, 1932.

The Hon. JOHN NANCE GARNER,
Speaker of the House of Representatives.

SIR: I transmit herewith pursuant to the provisions of the act of Congress approved on May 29, 1928 (45 Stat. 945), copies of the certificates of final ascertainment of electors for President and

Vice President of the United States appointed on November 8, 1932, in the States which are indicated below.

Very truly yours,

H. L. STIMSON.

(Inclosure:) Certificates furnished by the Governors of the States of Delaware, Georgia, Illinois, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Oklahoma, Vermont, and Wisconsin. Authenticated photostat copies of certificates furnished by the Governors of the States of Indiana, Oregon, and Texas.

PHILIPPINE INDEPENDENCE

Mr. HARE. Mr. Speaker, I present a conference report on the bill H. R. 7233, an act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, for printing under the rule.

Mr. SNELL. Mr. Speaker, may I inquire when it is the intention of the majority to take up this report?

Mr. RAINEY. The gentleman from South Carolina [Mr. HARE] can probably answer that.

Mr. HARE. So far as we are concerned, I think the plan is to take up the report to-morrow.

ADJOURNMENT OVER NEW YEAR'S

Mr. SNELL. Mr. Speaker, is it the plan to adjourn from Friday to Tuesday next, as we did last week?

Mr. RAINEY. We will be able to announce that to-morrow. We will see how we get along with this bill. The deficiency bill be the next one to be taken up, and it is not yet ready. It is hoped it will be ready by the time we get through with the agriculture bill.

Mr. SNELL. Does the gentleman intend to take up the deficiency bill this week?

Mr. RAINEY. It might be possible to take it up Saturday for general debate with the understanding there will be nothing but general debate, and then it might be possible to adjourn over to next Tuesday so the Members could go home if they wanted to and get back by Tuesday. We will be able to make a definite announcement about this to-morrow, but I think that will be the program.

SALES TAX

Mr. SNELL. Can the gentleman make any definite announcement at this time with regard to the Ways and Means Committee's considering the sales tax?

Mr. RAINEY. No; I can not make any announcement. The Ways and Means Committee will meet on the 3d.

Mr. SNELL. I understood from the papers yesterday morning that the Speaker stated there would be a sales tax. This morning he is carried as stating there will not be a sales tax. Can the gentleman give us any definite information in regard to the matter?

Mr. O'CONNOR. Mr. Speaker, I demand the regular order.

SEED LOANS

Mr. PARKS. Mr. Speaker, I desire to submit an inquiry to our distinguished majority leader. The Senate has passed a bill providing for seed loans to farmers. Last year and the year before these seed loans to farmers were not provided for until along in March. Thousands and thousands of farmers could not get the seed loans because enough blanks were not distributed. They said, "You sent us hundreds when we asked for thousands." Can we not take this bill up and pass it at an early date in order that we may get these loans to the farmers? Many people in Texas, Arkansas, and the Southern States will soon be making preparations for their planting.

Mr. RAINEY. I will say to the gentleman we will try to do that. I am impressed by what the gentleman says; and if I can accomplish it, we will take it up at an early date.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13872, with Mr. MONTAGUE in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

For stationery, blank books, twine, paper, gum, dry goods, soap, brushes, brooms, mats, oils, paints, glass, lumber, hardware, ice, fuel, water and gas pipes, heating apparatus, furniture, carpets, and mattings; for lights, freight, express charges, advertising and press clippings, telegraphing, telephoning, postage, washing towels, and necessary repairs and improvements to buildings and heating apparatus; for the maintenance, repair, and operation of not to exceed three (including one for the Secretary of Agriculture, one for general utility needs of the entire department, and one for the Forest Service) and purchase and exchange of one motor-propelled passenger-carrying vehicle and one motor cycle for official purposes only; for the payment of the Department of Agriculture's proportionate share of the expense of the dispatch agent in New York; for official traveling expenses, including examination of estimates for appropriations in the field for any bureau, office, or service of the department; and for other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the department, which are authorized by such officer as the Secretary may designate, $267,254: *Provided*, That the Secretary of Agriculture during the fiscal year 1934 may maintain stocks of stationery, supplies, equipment, and miscellaneous materials sufficient to meet, in whole or in part, requirements of the bureaus and offices of the department in the city of Washington and elsewhere, but not to exceed in the aggregate $200,000 in value at the close of the fiscal year, and the appropriations made for such bureaus and offices for such stocks and for toilet-room supplies and materials and equipment used to clean, in whole or in part, the buildings occupied by the department in the city of Washington shall be available to reimburse the appropriation for miscellaneous expenses current at the time supplies are issued: *Provided further*, That the appropriations made hereunder shall be available for the payment of salaries of employees engaged in purchasing, storing, handling, packing, or shipping of supplies and blank forms and the amount of such salaries shall be charged proportionately as a part of the cost of supplies issued and in the case of blank forms and supplies not purchased from this appropriation the amount of such salaries shall be charged proportionately to the proper appropriation: *Provided further*, That the facilities of the central storehouse of the department shall to the fullest extent practicable be used to make unnecessary the maintenance of separate bureau storehouse activities in the department: *Provided further*, That a separate schedule of expenditures, transfers of funds, or other transactions hereunder shall be included in the annual Budget.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of calling attention to the fact that moving into this new wing of the Department of Agriculture building increases the appropriation under this paragraph $77,000. I am wondering if there is any saving in rent that would at all compare with this increase in operating expenses.

Mr. PARSONS. Will the gentleman yield?

Mr. TABER. Yes.

Mr. PARSONS. What is the necessity for this extra expenditure? Is it to take care of the heating of the wing, and so forth?

Mr. TABER. The heating, the equipment, and all that sort of thing. It is just the usual rule that when you build a lot of new buildings you have to pay out a lot more money than you did before for the operation of the department.

Mr. PARSONS. Is it expected that this item will stay at this amount and that this extra $77,000 will be needed year after year in the future?

Mr. TABER. I am not on the subcommittee and can not answer that question, but I would say that is the general rule.

Mr. BUCHANAN. It will not be necessary each year. A part of it will be necessary, such as the amount necessary to run the elevators and to take care of similar operating expenses. The major part of this item, however, is to equip the wing that will be completed before the fiscal year is out, and the figures are based on exactly what it cost to equip the wing that they now occupy. Only a part of the appropriation will be permanent, and that will be for the hire of elevator operators and expenses of that kind.

Mr. PARSONS. While we are on this subject, if the gentleman will permit, there has been considerable new building for the Department of Agriculture during the last five or six years, as I understand. How do the extra expenses compare with the rents before this new building was done?

Mr. BUCHANAN. The rent item for 1930 was over $200,000, and for this year it is $45,000. This indicates how the item is decreasing as we occupy the new building.

Mr. PARSONS. And for the next year there is an extra expense of $77,000 because of the building of a new wing?

Mr. BUCHANAN. Yes.

Mr. PARSONS. That will mean a net saving of about $25,000.

Mr. BUCHANAN. And the other item is reduced $25,000.

The Clerk read as follows:

For all printing and binding for the Department of Agriculture, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $850,000, including the Annual Report of the Secretary of Agriculture, as required by the act approved January 12, 1895 (U. S. C., title 44, sec. 111, title 7, secs. 362, 363, 365, 368, 377–379), March 16, Joint Resolution No. 13, approved March 30, 1906 (U. S. C., title 44, secs. 214, 224), and also including not to exceed $250,000 for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct, but not including work done at the field printing plants of the Weather Bureau and the Forest Service authorized by the Joint Committee on Printing, in accordance with the act approved March 1, 1919 (U. S. C., title 44, secs. 111, 220).

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Goss: On page 7, line 18, strike out "$850,000" and insert in lieu thereof "$610,000."

Mr. GOSS. Mr. Chairman, on page 51 of the hearings you will notice that the Bureau of the Budget put a limitation of $665,000 on printing and binding work for the department. The total amount, $900,000, for 1934 is $240,000 more than we will spend during the current year. This $240,000, which is the amount of the reduction under the proposed amendment, therefore, will not be needed this year. It is a sort of hang-over from years before with a large amount of printed matter available for the Members, and I respectfully refer you to page 57 of the hearings, where they have reduced the allotment of bulletins for the Members from 20,000 per Member to 5,000 per Member, and then it is stated on the next page:

The distribution to date indicates that the congressional distribution for the year will be about 7,000,000 to 8,000,000 copies; of this total, 2,665,000 copies will probably come from the new allotments and the balance from the accrued quotas.

By a reduction of $240,000 we can, in the first place, make a real saving and really not hamper in any way the work of the department.

At the bottom of page 58 the hearings state:

Sometimes a Member's accrued quota will climb as high as 200,000, which means, obviously, that he has accumulated at least a 10 to 12 years' supply.

Then we go over to page 63 and we find they have developed a new program as a suggestion, and I am going to read this:

Under this plan post offices would sell printed, self-addressed cards valid only for the purchase of Government publications from the Superintendent of Documents, Washington, D. C. On one side would be printed a form of application. The farmer or the business man or anyone who wished to obtain a bulletin would need only to sign his name and address and give the title of the publication. A blue card, let us say, would sell for 5 cents, a red card for 10 cents, a green card for 15 cents, and so on up to 25 cents. The purchaser's part would be greatly facilitated.

Mr. Chairman, this program as outlined in the hearings indicates there would be a considerable shrinkage from the postal receipts if this particular program should ever go into effect, and I understand it is the desire of the committee to have this program go into effect as soon as it may be conveniently arranged. So I contend that if this amendment were passed it would not in any way hamper the Department of Agriculture, but would simply cut down on this large allotment, which sometimes includes an accumulation of 10 or 12 years.

For this reason I hope the committee will see fit to make this cut in the appropriation at this place.

Mr. BUCHANAN. The gentleman from Connecticut is mistaken in his assumption that Members of Congress have ten or twelve thousand copies of bulletins on hand. There are Members of Congress who have not used their supply, and they have a book credit of as much as 200,000, but it is only a book credit.

The bulletins are not printed. They have never been printed, and probably many of them will never be printed unless these Members call on the department to furnish them. There are only 2,000,000 bulletins for distribution. They will be exhausted in a few months.

The drastic cut in the printing bill last year was caused by the economy act. They cut the yearly appropriation to a large amount to balance the Budget, with the result that in cutting the appropriation the department could not keep up with the necessary printing.

Thereafter the Budget fixed the appropriation at $900,000, and the committee reduced it $50,000. Some think we made a mistake in reducing it at all. This committee reduced it $50,000 to economize, but as a matter of fact the printing department is far behind. Many scientific papers, the result of scientific investigation, are laid on the shelf and not published at all. So this money is necessary for the department to perpetuate, diffuse, and distribute the information that has been gathered by scientific research.

Mr. GOSS. On page 59 of the hearings Mr. Eisenhower says:

except when we find ourselves in a position such as we face this year. We are compelled to make drastic reductions. At the same time we are in the embarrassing position of owing Members of Congress 25,000,000 publications and are not able to supply even half of them.

You have reduced the allotment from 25,000 to 5,000.

Mr. BUCHANAN. When the Budget determined to reduce the amount allowed for printing they first determined that they would not allow Members of Congress any more, but they found that 20 per cent had exhausted their entire allotment and that it would not be right to deprive them of all bulletins. Therefore, they allowed 5,000 to each Member instead of 20,000. But it is possible to increase this from 5,000 to 12,000.

Mr. GOSS. Well, we got along pretty well last year, and now the gentleman says that they can be increased to 12,000. According to my observation, we had plenty last year.

Mr. BULWINKLE. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BULWINKLE. Is it not possible to put in a provision saying that no part of the appropriation shall be available to print the bulletins of the past?

Mr. GOSS. That would save a large amount.

Mr. BUCHANAN. As a matter of fact it evens itself up. Last year I exhausted my bulletins and went to a colleague from the city of New York and he gave me 25,000 bulletins. I used them and sent them out to my constituents. So other Members of Congress living in agricultural districts can go to colleagues in the city and procure additional bulletins. As I say, it evens itself up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The question was taken; and on a division (demanded by Mr. Goss) there were 19 ayes and 38 noes.

So the amendment was rejected.

Mr. PARSONS. Mr. Chairman, I move to strike out the last word to ask a question of the chairman of the committee. I refer to page 7, line 10, under the subhead "Salaries and general expenses." I find there the language, "Purchase of manuscripts." An appropriation is made in that paragraph, part of which may be used for the purpose of purchasing manuscripts. What manuscripts does the Department of Agriculture purchase; and if it is making its own scientific developments, why purchase any manuscripts?

Mr. BUCHANAN. To be frank with the gentleman, I do not think they are purchasing any manuscripts; but that is just some old language carried over from some time in the past.

Mr. PARSONS. I know that sometimes these gentlemen connected with the colleges and universities have a happy thought about some scientific question and write a treatise upon it, and perhaps they sell it to the Department of Agriculture.

Mr. BUCHANAN. I have known of instances also where they procured the services of a college professor and paid part of his expenses for making investigation and research along a certain line in which he was a specialist. That is why that language is in there.

Mr. PARSONS. I should think the committee should know about how much of this fund is expended for that purpose; and if we have our own investigators and scientific men, my opinion is that the fund should be paid to them and that we should not purchase outside manuscripts.

Mr. BUCHANAN. I do not think they are being purchased, but I shall investigate the matter.

The Clerk read as follows:

To carry into effect the provisions of an act approved March 2, 1887 (U. S. C., title 7, secs. 362, 363, 365, 368; 377–379), entitled "An act to establish agricultural experiment stations in connection with the colleges established in the several States under the provisions of an act approved July 2, 1862 (U. S. C., title 7, secs. 301–308), and of the acts supplementary thereto," the sums apportioned to the several States to be paid quarterly in advance, $720,000.

Mr. TABER. Mr. Chairman, I move to strike out the last word to ask the chairman of the committee a question. I notice that in all of these experimental items there are absolutely no cuts, notwithstanding the fact that a large portion of this expenditure must be for labor and salaries, where those things have taken effect as the result of the economy bill. Is it not possible to cut these items under experimental stations at least the 8⅓ per cent, so that the Government might take advantage of that situation? I can not find anything in the hearings that would bear on this question, but it seems to me that we ought to do this, and that this appropriation ought to carry as much cut as the other items. I would be glad to yield to the chairman to answer that question.

Mr. BUCHANAN. Mr. Chairman, it is not possible to cut the salaries under these appropriations, and that is owing to the legislative action of Congress. These appropriations are turned over to the States and expended by the States. The only control the Federal Government has over them is a supervisory control, to see that a proper, coordinated program of research is carried out in the States, and that one State does not duplicate the research of another. There is a total sum of $90,000, absolutely turned over to each State for an endowment of the agriculture or land-grant colleges of the United States. Every State in the Union gets it, and they have been getting it for some years. It has gradually increased, by virtue, first, of the Hatch Act, the Adams Act, and the Purnell Act, granting a certain amount to each State, and the amount does not even have to be matched by the States. It is simply a donation in the interest of agriculture and agricultural research, and the Federal Government has no power over its salaries, except it might not want to approve the program of a State that was paying out too much in salaries.

Mr. TABER. Does the gentleman think that something ought to be done to put this establishment on somewhat the same basis that other establishments that are supported by the Government are on?

Mr. BUCHANAN. If the gentleman is asking my opinion, I say that I think the Congress ought to rewrite the entire experimental or endowment system extension service of this country and put it into one bill and not have it in half a dozen. It should be divided among the States under one rule. Confusion is caused in the administration, and we ought to rewrite the whole business.

Mr. TABER. And also duplication is caused. Is not that right?

Mr. BUCHANAN. No; they do not have any duplication, because it is the province of the Federal Government to see that these different experimental stations do not investigate the same subjects. There were 1,800 different scientific or near-scientific questions investigated or under investigation, and the Federal Government sees to it that no two colleges investigate the same subject.

Mr. TABER. Mr. Chairman, I hope that the Committee on Agriculture and also the subcommittee on agriculture of the Committee on Appropriations will investigate this proposition carefully, with the idea of seeing if some saving can not be made along the line of better organization and more efficient work, and the placing of this establishment on the same basis that other departments of the Government are on, so that some part at least of the four and a half million dollars which is expended on this subject can be saved in the future.

The Clerk read as follows:

To carry into effect the provisions of an act approved March 16, 1906 (U. S. C., title 7, sec. 369), entitled "An act to provide for an increased annual appropriation for agricultural experiment stations and regulating the expenditure thereof," and acts supplementary thereto, the sums apportioned to the several States to be paid quarterly in advance, $720,000.

Mr. GOSS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 9, line 18, insert "*Provided*, That no expenditure shall be made hereunder until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by State, county, or local authorities, or by individuals or organizations, for the accomplishment of such purposes."

Mr. BUCHANAN. Mr. Chairman, on that I raise the point of order.

Mr. GOSS. Mr. Chairman, I offer that amendment in view of the language that I find in the hearings to the effect that the item of $90,000 paid each State and appropriations to the three Territories is not matched by the States—

There is no matching requirement. Under the terms of the act, however, it is intended that there would be participation, the State furnishing at least the physical plant.

Now, Mr. Chairman, I submit that that is simply cutting down the share of the Federal Government in that type of work whereby the States were intended at least to put forth some of the funds.

Mr. BUCHANAN. The States actually furnished more than their portion. That is, they matched, by 3 to 1, the Federal appropriation.

Mr. GOSS. We are spending on this particular experiment station about $25,000,000 per year, are we not, including the permanent appropriation, which amounts to over $4,500,000?

Mr. BUCHANAN. The Federal Government is not expending that amount; no.

Mr. GOSS. I understand there is carried as a permanent appropriation for this item alone, $4,600,000.

Mr. BUCHANAN. That is correct.

Mr. GOSS. And then we are appropriating $2,800,000 and so on down the line—$4,381,000 in all here—and the hearings on page 91 indicate that about $25,000,000 is being expended by the Federal Government. It reads:

Federal funds expended for cooperative agricultural extension work——

Mr. BUCHANAN. Oh, the gentleman is talking about extension work now.

Mr. GOSS. But this is part of it.

Mr. BUCHANAN. Oh, no.

Mr. GOSS. It is an experiment station?

Mr. BUCHANAN. No.

Mr. GOSS. Well, I am sorry if I am wrong; but the other part is not wrong, I am sure, with reference to the intention of having the States supply funds to this experiment office.

Mr. BUCHANAN. The gentleman understands that an experiment station and extension service are two different services?

Mr. GOSS. That is correct.

[Here the gavel fell.]

Mr. HARE. Mr. Chairman, I rise in opposition to the amendment.

Mr. BUCHANAN. Well, Mr. Chairman, there is a point of order pending. I make the point of order that the amendment is legislation on an appropriation bill, and it is an attempt to control a fund that Congress has no right to control, because it is absolutely donated by the Government to the States.

The CHAIRMAN (Mr. MONTAGUE). The Chair is prepared to rule. The Chair sustains the point of order. It is legislation upon an appropriation bill.

Mr. HARE. Mr. Chairman, I move to strike out the last word. I would like to call attention to the amendment offered by the gentleman from Connecticut [Mr. Goss], for the reason that I feel Congress heretofore, in an effort to assist agriculture, has placed, directly or indirectly, a burden upon the States they are now unable to carry. In other words, the Hatch Act, the Morrill Act, the Adams Act, the Smith-Hughes Act, the Smith-Lever Act, and a number of other acts of Congress were designed primarily to aid agriculture by furnishing scientific information in connection with agriculture, but most of the proposals were made to the States conditionally. Appropriations were made and offered to the States upon condition that they match the funds offered. The Federal Government has been more able to supply its proportion of the funds than the individual States, and in these times of depression we find that many of the States, in an effort to carry on this work, are assuming obligations that are impossible for them to meet. That is, the Federal Government in an effort to promote scientific agriculture is placing a burden on the States greater than they are able to carry. I think the gentleman from Connecticut [Mr. Goss] is sincere in offering his amendment. The amendment is logical, based upon other legislation, but I feel it would simply be an additional burden upon the States if the amendment should be adopted.

Mr. GARBER. Will the gentleman yield?

Mr. HARE. I yield.

Mr. GARBER. Would not the curtailment of funds advanced, to be matched by the States, break the continuity of the educational institutions that we have expended millions in setting up?

Mr. HARE. I agree with you. That is absolutely correct. It would break the continuity, but I do not think that the injury or damage sustained as a result of this breach would be as great as the injury or damage sustained in trying to maintain a standard we are financially unable to maintain. In other words, those engaged in agriculture are so depressed that the continuity of their standard of living and their standard of life to-day is broken. The continuity, so to speak, is broken to such an extent that it will take them years and years to get back to that standard they enjoyed a few years ago. I am wondering whether it would not be better to break the continuity in their scientific training in order that they might restore that standard of life and that standard of living they deserve to maintain in their everyday life. In other words, if I represented the entire agricultural interests of this country as an individual I would much rather have the continuity of my esthetic life broken than to have the continuity of my bread-and-butter life broken for a period of years.

Mr. GARBER. At least the gentleman will admit that any withdrawal should be accompanied with great care and should be gradually diminished?

Mr. HARE. Yes; I understand that, and I am very much in sympathy with the idea the gentleman is advancing, but this is a critical time, this is a critical situation, and to impose greater burdens upon the States by the proposed amendment, in my opinion, would not be justified. As a matter of fact, I favor the reduction of some of the appropriations now being made by the Federal Government and offered to the States on condition that they match these funds, for it would enable some States now groaning under the burden of taxation to reduce their appropriations so that their expenditures and revenues may meet and insure a balanced budget.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

I think what the gentleman from South Carolina [Mr. HARE] has said bears directly upon what I said early in the discussion of this paragraph. We are requiring tremendous expenditures for experimentation and for all that sort of thing, and appropriations by the States to match them if they go on. We have a situation where the taxpayers' interest in this country demands that things be cut down. I appreciate it is almost impossible on the floor of the House, in considering this bill, to draw amendments which will meet this situation and cut down the expenditures of the Government and cut down the expenditures of the States, but I believe it ought to be done. I believe that the Committee on Agriculture ought to consider this immediately and ought to bring in a bill which will not only cut down the States' contribution for this sort of thing but the Federal Government's contribution, so that we may be able to save something, and that work can be conducted on the basis of current costs rather than at costs prevailing 10 years ago.

The Clerk read as follows:

To carry into effect the provisions of an act entitled "An act to authorize the more complete endowment of agricultural experiment stations," approved February 24, 1925 (U. S. C., title 7, secs. 361, 366, 370, 371, 373–376, 380, 382), $2,880,000.

Mr. HARE. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the subcommittee a question. On page 9, at lines 20 and 21, the language occurs:

An act to authorize the more complete endowment of agricultural experiment stations.

I understand that $90,000 annually are set aside for the purpose of the endowment of these stations. Am I correct?

Mr. BUCHANAN. The gentleman is correct.

Mr. HARE. The question I want to ask is this: Is $90,000 kept in the Treasury, as we often think of endowments being kept in an institution, or is this sum spent annually and no endowment accumulated?

Mr. BUCHANAN. It is turned over to the States.

Mr. HARE. And the money is spent.

Mr. BUCHANAN. It is turned over to the States. First, it is allotted by States, and the States make their programs. A State makes its program and sends it to the Agricultural Department or to the Secretary. If he approves it, then he sends the allotment to the State, and the State spends it, and he checks up to see whether or not the State carried into effect that program and paid out the money as required.

Mr. HARE. Then, in reality, the experimental stations do not get a complete endowment. Is that the fact?

Mr. BUCHANAN. That is the fact. I know of nothing complete in this world.

The Clerk read as follows:

In all, payments to States, Hawaii, Alaska, and Puerto Rico for agricultural experiment stations, $4,381,000.

Mr. HOWARD. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOWARD: Page 10, line 17, strike out the figure "4" and insert in lieu thereof the figure "3" so that the total amount will read "$3,381,000."

Mr. HOWARD. Mr. Chairman, I wish to call the attention of the House to the repeated newspaper articles in recent days, quoting officials of the House and of the Senate with reference to the necessity for reducing the expenses of government and also the necessity of imposing some more taxes in event cost of government shall not be reduced.

I am in favor of reducing the expenses of the Government. I have voted to reduce my own little salary and have voted to reduce it more than it has been reduced. I believe the only way to reduce is to reduce. This is my only object in offering this amendment.

Mr. BUCHANAN. Mr. Chairman, if this item were reduced $1,000,000, it would upset the program as mapped out for every agricultural college in every State of the Union for



research work, investigation, and farm demonstration, and the whole agricultural program of our land.

If it is desired to decrease these appropriations we give the States by a large amount, let the agricultural legislative committee do the work and bring in a bill changing the authorization acts so that the States will have some notice of what is coming and so that the whole program will not be upset with resulting confusion and chaos.

Mr. HOWARD. Mr. Chairman, in reply to the gentleman from Texas I will say that his position is well taken. Quite naturally a material reduction in any of these appropriations now before us will upset the plans and arrangements for those in charge of the expenditure of the anticipated appropriations. There is no question about that, but we must begin somewhere, and the only way to reduce the cost of government is to reduce the appropriations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken; and on a division (demanded by Mr. HOWARD) there were—ayes 18, noes 27.

So the amendment was rejected.

The Clerk read as follows:

For cooperative agricultural extension work, to be allotted, paid, and expended in the same manner, upon the same terms and conditions, and under the same supervision as the additional appropriations made by the act of May 8, 1914 (U. S. C., title 7, secs. 341–348), entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862 (U. S. C., title 7, secs. 301–308), and of acts supplementary thereto, and the United States Department of Agriculture," $1,580,000; and all sums appropriated by this act for use for demonstration or extension work within any State shall be used and expended in accordance with plans mutually agreed upon by the Secretary of Agriculture and the proper officials of the college in such State which receives the benefits of said act of May 8, 1914: *Provided*, That of the above appropriation not more than $300,000 shall be expended for purpose other than salaries of county agents.

Mr. TABER. Mr. Chairman, I desire to reserve a point of order on the paragraph for the moment, and in the meantime I wish to move to strike out the last word for the purpose of asking the chairman a question.

The CHAIRMAN. Does the gentleman wish to press his point of order?

Mr. TABER. I wish to reserve the point of order, if I may, and in the meantime I want to move to strike out the last word for the purpose of asking a question.

The CHAIRMAN. The gentleman can reserve the point of order or move to strike out the last word, but he can not do both.

Mr. TABER. Then I will ask the question under a reservation of a point of order.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. TABER. Mr. Chairman, I find from the hearings that there are a large number of counties and units throughout the country that are unable longer to appropriate the amount of money that has been required by the statute in order to enable them to participate in this extension work, that a number have been dropped, and that a large number probably will be dropped. I wonder if the gentleman could not tell us some amount that we might be able to save on this extension work that could be saved along this line in this appropriation? It seems that we are going along without substantial reductions in this item, and that we ought at this time to make reductions which the head of the department has indicated could be made.

How much does the gentleman think we ought to save along this line, or how much could be saved along this line?

Mr. BUCHANAN. The gentleman's question is, How much could we save?

Mr. TABER. Yes.

Mr. BUCHANAN. We could save the whole business if we did not appropriate it.

Mr. TABER. Yes; but how much could we save by virtue of those units which will not be able to comply with the statutory requirements to entitle them to receive this aid?

Mr. BUCHANAN. The gentleman is speaking of county agents and home-economics agents?

Mr. TABER. Yes.

Mr. BUCHANAN. According to the hearings, we can not save anything.

Mr. TABER. But the hearings indicated that there were numbers dropping out, and I know of my own knowledge of some places where that is true.

Mr. BUCHANAN. I will read the gentleman what Mr. Warburton says in his testimony before the subcommittee:

So far as I know, I think all the States can meet their usual allotments of funds to the counties, to all counties which are now making appropriations. The tendency has been in the last year or more for an occasional county to cut off appropriations, and not very many new ones are coming in under the present circumstances.

So it is about holding its own. Heretofore the applications for county agents and home-economics agents have always been more than could be supplied. It is important to maintain this work on such a basis that if we help pay the salary of county and home-economics agents for one county we can provide for the other counties which desire these agents. According to the department, approximately the same number of counties will request and receive the same number of agents.

Mr. TABER. Mr. Chairman, I make a point of order against this paragraph on the ground that it is a delegation of authority to the Secretary of Agriculture which is not authorized by law.

The CHAIRMAN. Will the gentleman from New York kindly specify the particular language?

Mr. TABER. The language is at the bottom of page 12, in line 25, which reads as follows:

And all sums appropriated by this act for use for demonstration or extension work within any State shall be used and expended in accordance with plans mutually agreed upon by the Secretary of Agriculture and the proper officials of the college in such State which receives the benefits of said act of May 8, 1914.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. TABER. Yes.

Mr. LAGUARDIA. Assuming that language is stricken out, will the gentleman exercise any economy? Does the gentleman intend to strike out the whole paragraph?

Mr. TABER. That was the idea.

Mr. LAGUARDIA. Then permit me to warn the gentleman that it may be introduced with the objectionable matter omitted, and we will then have the appropriation without this saving clause. Conceding that the limitation is legislation, at least it is conducive to an economical and orderly arrangement between the Secretary of Agriculture and the proper officials of the colleges. I have no interest in the matter, as the gentleman knows, but I simply want to call attention to the danger in the situation.

Mr. GOSS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. GOSS. So far as I know, the $1,580,000 has never been authorized by law.

Mr. BUCHANAN. Mr. Chairman, according to the ruling at the last session of Congress when a very distinguished Member of this House and a very able parliamentarian was in the chair, the gentleman from Alabama [Mr. BANKHEAD], this same point of order was raised. This distinguished parliamentarian held the latter part of the paragraph subject to a point of order and also held that since the latter part of the paragraph was subject to a point of order, a point of order would be sustained and the whole paragraph would go out. So I submit to the Chair that while this is not exactly the same question that was raised at the last session, in that it contains different language, undoubted, under the organic act creating the Department of Agriculture, the appropriation is in order. Of course, if the gentleman does not want the balance of the paragraph in the bill, which provides that the Secretary must coordinate plans for investigation, research, and extension work so that the whole system may work in harmony, then he has the right to insist that that go out of the bill, and that would be the result

of his point of order. It would simply strike from the bill the power or the right of the Secretary of Agriculture and the officials of the colleges to meet and coordinate their activities. I therefore ask the gentleman to withdraw his point of order.

Mr. GOSS. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. GOSS. In connection with the Smith-Lever Act and the other kindred acts that are referred to in this same paragraph, I refer the gentleman to page 93 of the hearings, which shows that this appropriation is divided among the States and Hawaii in the proportion that the rural population of each bears to the total rural population of the States and Hawaii, and is available only when offset with funds.

This is not a plan which is proposed and which would be mutually agreed upon between the Secretary of Agriculture and the States, and therefore is a change in existing law.

Mr. BUCHANAN. I am talking about the program to carry out the work. I am not talking about the division.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. LAGUARDIA. Is the gentleman certain that the appropriation of $1,580,000 is authorized by law?

Mr. BUCHANAN. It is authorized by the organic act, as was held at the last session.

Mr. LAGUARDIA. If that is true, then the gentleman's point of order would do exactly the opposite of what he is seeking to do.

Mr. GOSS. I would like to read to the gentleman this statement of Doctor Warburton, from page 93 of the hearings:

> The item of $1,580,000 in the annual appropriation act is supplementary to that, but without specific authorization in law, so that the amount is not fixed.

Mr. LAGUARDIA. Who states that?

Mr. GOSS. Doctor Warburton. So I submit to the Chair that this amount is not authorized by law.

Mr. LAGUARDIA. I may say to the gentleman that my only point is this: If the amount is authorized, then the point of order raised by the gentleman from New York [Mr. TABER] is fatal. If it is not authorized by law then the thing to do is to strike it all out.

Mr. BUCHANAN. I will say to my colleague that Doctor Warburton did not mean to be specific in his language. This comes under the organic act creating the Department of Agriculture, and it was so held at the last session.

Mr. GOSS. Doctor Warburton also says that the appropriation has been in varying amounts which would indicate that this specific amount is not authorized by law.

Mr. BUCHANAN. That question was passed on at the last Congress.

Mr. LAGUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LAGUARDIA. Would it be proper to ascertain from the Chair the question of the validity of the appropriation of $1,580,000, whether based upon any existing authority of law, because I believe that it is the intention of the gentlemen interested in economy not to disturb the proviso if the appropriation is proper.

Mr. BUCHANAN. This same question was threshed out and decided at the last session.

Mr. LAGUARDIA. I am sure if we may have an expression from the Chair it would guide us with respect to future points of order on this paragraph.

The CHAIRMAN. There seem to be two points of order raised upon this paragraph, one by the gentleman from New York [Mr. TABER] and one by the gentleman from Connecticut [Mr. GOSS].

Mr. LAGUARDIA. Would the Chair first pass upon the point raised by the gentleman from Connecticut?

The CHAIRMAN. The Chair would prefer to pass upon them in sequence.

Mr. TABER. I think, Mr. Chairman, it would aid orderly consideration of the bill if the Chair would first pass upon the point raised by the gentleman from Connecticut. I do not think I would press my point of order if the other point of order is good. If the other point of order is not good, I do not know that I would want to throw out this particular language.

The CHAIRMAN. Does the gentleman from New York withdraw his point of order?

Mr. TABER. I do.

The CHAIRMAN. What does the gentleman from Texas say as to the point of order made against the $1,580,000?

Mr. BUCHANAN. So far as the language authorizing cooperation is concerned, that may be legislation; but I do say that under the organic act creating the Agricultural Department there is ample authority for making the appropriation. That identical question was so determined in the last Congress—not on the $1,580,000, but on a million dollars—just below in the same paragraph in the same section. I hold that decision in my hand.

Mr. GOSS. But this exact point was not up in that.

Mr. LAGUARDIA. Will the gentleman read the decision?

Mr. BUCHANAN. Let me say that the point of order was made by the gentleman from Wisconsin [Mr. STAFFORD] against the million dollars in the same paragraph or in the same section. The Chairman [Mr. BANKHEAD] says:

> The Chair will cite section 511, Title V, United States Code, which seems to be very broad and comprehensive and within the purview of which the Chair is of the opinion that the committee has the authority to report this section. The Chair overrules the point of order.

Mr. GOSS. Will the gentleman read the exact language on which the point of order was based so that we can have some comparison? A decision which is worth anything must show what it is based upon.

Mr. BUCHANAN. I offered an amendment, which read as follows:

> Additional cooperative agricultural extension work: For additional cooperative agricultural extension work, including employment of specialists in economics and marketing, to be allotted and paid by the Secretary of Agriculture to the several States, and the Territory of Hawaii in such amounts as he may deem necessary to accomplish such purposes, $1,000,000.

Mr. GOSS. I will say that that is not the same case at all. The two cases are not analogous.

Mr. LAGUARDIA. It seems to me that this is a simple proposition. The section clearly refers to two specific provisions of law—the act of May 8, 1914, and the act of July 2, 1862, and acts supplementary thereto.

I have not the acts before me, but if the acts contained provision for cooperative agricultural extension work, clearly the authorization is in the Department of Agriculture. If it is not, the gentleman is in trouble.

I have sent for the statutes and I have the section here before me. It reads as follows:

> 341. Cooperative extension work by colleges authorized: In order to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture and home economics and to encourage the application of the same, there may be inaugurated in connection with the college or colleges in each State receiving May 8, 1914, or which may thereafter receive, the benefits of the foregoing provisions of this chapter, agricultural extension work which shall be carried on in cooperation with the United States Department of Agriculture: *Provided*, That in any State in which two or more such colleges have been prior to May 8, 1914, or thereafter may be established the appropriations in section 343 hereinafter made to such State shall be administered by such college or colleges as the legislature of such State may direct.

Now, after a reading of the law, it seems to me that is quite broad and is sufficient to sustain the appropriations under the wording of this section.

The CHAIRMAN. The Chair agrees with the gentleman from New York that the section of the code read by him covers the question, and therefore overrules the point of order.

The Clerk read as follows:

> To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act entitled 'An act donating public lands to the several States and Territories which may provide colleges for the benefit of agricul-

ture and mechanic arts,' approved July 2, 1862 (U. S. C., title 7, secs. 301–308), and all acts supplementary thereto, and the United States Department of Agriculture," approved May 22, 1928 (U. S. C., Supp. V, title 7, secs. 343a, 343b), $1,480,000.

Mr. BRIGGS. Mr. Chairman, I move to strike out the word "agriculture" in line 17, page 13. On the 5th of last December I introduced a bill in the House (H. R. 13037), providing for the allocation by the Reconstruction Finance Corporation of some $50,000,000 for continuance of the crop loans to the agricultural interests of the United States for the year 1933—just as was done in the year 1932. My information is that the fund ought really to be twice that amount. In the Reconstruction Finance Corporation act I think authority was granted for a fund of about $200,000,000, and it is my information that about $64,000,000 was loaned during the year 1932.

The advices which I have received indicate that that aid has been one of greatest value to the farmers of the United States, who have been and are in such great need of such assistance. It has not only been a great aid to them but it is a loan which they have appreciated and which the Department of Agriculture advises has established a remarkable record for repayment. In the Senate a few days ago, when a measure of somewhat similar character was under consideration and was unanimously adopted by the Senate, some information as to the amount of repayments on these loans was given by Senator SMITH, a member of the Senate Committee on Agriculture, which data he indicated were obtained from the Department of Agriculture. It showed that Alabama has paid back 81 per cent plus; Arkansas, 75 per cent plus; Georgia, 90 per cent plus; Louisiana, 94 per cent plus; Mississippi, 77 per cent plus; North Carolina, 91 per cent plus; Oklahoma, 59 per cent plus; South Carolina, 87 per cent plus; Tennessee, 56 per cent plus; Texas, 88 per cent plus; and with the collateralization of the commodities pledged insures practically a return of between 90 and 100 per cent of all of the loans which were made to these distressed farmers of the United States; in fact, they could not have gotten along without them. It is highly essential in my State that these loans be continued for another year, as it is in other States of the Union. In order to do any real good in Texas—the State that I have the honor in part to represent—as well as to be of benefit throughout the South, it is essential that this loan fund be made available soon, at least by the 15th of January, because the planting season is at its height at that time. The chairman of the governor's advisory committee of Texas, who, I think, was appointed by the governor at the instance of the President, has indicated that his committee has found these crop loans to be of the greatest benefit to the farmers. He says:

In taking stock of what has been accomplished in Texas in the way of helpfulness to the farmers of the State by the crop-production loans during the year 1932, I am so much impressed with the vast good which has been accomplished that I feel, as the chairman of the committee appointed by the Governor of Texas, that it is my duty to call your attention to the absolute necessity for crop-production loans for the year 1933. Unless you were here on the ground and familiar with it as I am, having been in all parts of the State, and were conversant with what has been done, you could not begin to realize how great is the help which has been given through the means of the crop-production loan made by the office of Owen W. Sherrill, regional manager.

In response to my interest in the situation, the regional director in Texas of the Department of Agriculture advised me recently as follows:

We have endeavored to place constructive agriculture and a firm determination to work harder than ever, along with the highest possible prepayment record, even in advance of the maturity of the loans. Frankly, I think you will find our borrowers in a better physical condition to carry themselves through than they were last year, even though they are naked and have no money. After collecting from them we have left a better morale and more to live on than many of them have ever seen. One east Texas farmer writes that he has the first winter garden he ever saw. Many were encouraged to replant after first plantings were a failure, instead of giving up. There are numerous cases in Texas of other farmers, whose crops were a failure, developing other resources; they went into adjoining cotton fields, sawmills, road work, and repaid their crop-production loans, as appreciation of the Government's confidence placed in them.

I was in an east Texas county last week, where we made over 600 loans, averaging $50 each, totaling $30,000. We were advised by the business interests there that there would be twice the number of loans needed another year—not for larger amounts, not primarily for food and feed, as our borrowers have been encouraged to provide this—but when you realize that these farmers have not been able to have any surplus cash for three years with which to buy clothes, work shoes, and to repair their tools for farming operations, and that many of them may not have seed to plant, the picture is reflected that frankly there will be twice the need and emergency in January as there was the past year. This same east Texas county has applied to the Reconstruction Finance Corporation for funds for their unemployed, as is happening in many other Texas counties to-day. Farmer programs discontinued can double the unemployed ranks very rapidly.

Stabilized farm programs can be maintained perhaps with a greater economy and the money returned quicker, as is demonstrated by a few facts I would have you consider in passing regarding this office, as indicated below. It looks like the bottom of the structure needs holding together now as never before, for upholding of the morale and holding under farmers a working determination.

Did I have the opportunity to personally paint you the picture in Texas, which this office perhaps is closer to than any now operating in Texas, from the country banker to the farmer, landowner, and tenant, I could show you things that I do not care to take your time in reading here.

You realize that the country bankers and farmers are looking to Congress for action at the December session. Our program is the earliest in the United States. Some could wait until March. There will be many desertions without a hope to tie to by December Congress' failure to take action. The strengthening of the morale at this time and mass psychology is the great step forward and needed most to-day.

For your information I also submit a communication from the regional director, showing the status of crop-production loans in my own district, as of November 30, 1932:

THE SECRETARY OF AGRICULTURE,
CROP PRODUCTION LOAN OFFICE,
Dallas, Tex., December 6, 1932.

Hon. CLAY STONE BRIGGS,
Member of Congress, Washington, D. C.

DEAR SIR: The following is a condensed statement of the status of the 1932 crop-production loans in the seventh congressional district on due date, November 30, 1932:

County	Total number of loans	Total amount of loans	Cash paid Nov. 30, 1932
Anderson	197	$12,823.78	$8,288.26
Chambers	21	1,676.50	662.22
Galveston	19	3,376.00	737.97
Trinity	273	16,923.68	15,636.86
Houston	288	19,754.84	15,519.66
Liberty	204	14,812.96	7,995.21
Montgomery	313	23,949.12	13,018.42
Polk	206	12,700.45	10,939.28
San Jacinto	110	7,466.10	4,070.14
Walker	120	7,368.99	4,716.16
Total	1,751	120,852.42	81,584.18

In order that you may compare your district with the State as a whole, the following are the corresponding figures for Texas:

Total number of loans	34,677
Total amount of loans	$3,221,620.86
Cash paid November 30, 1932	$1,341,836.94

In addition, cotton having a collateral value in excess of $1,250,000 has been received by the Dallas office.

In spite of drought during the growing season in some counties, excessive weevil infestation, and extremely low prices, your people have made a remarkable record of cash payments before due date. Pig and truck growers were almost without a market of any kind.

Our inspectors report that the collateralization of cotton will liquidate nearly 100 per cent of the loans in the cotton counties. When you consider that the borrower was a farmer with little or no local credit, I am sure that you share our pride in the splendid record they are making.

Inclosed is a brief summary of the activities of the Dallas office, which I hope will be of interest to you.

Yours very truly,

OWEN W. SHERRILL, *Regional Director.*

I appeal to the Committee on Banking and Currency, having in charge this legislation, to report it out immediately and get it before the House, so that it can be passed and the fund be made available with the least possible delay. I am aware that last year in the enactment of the legislation amending the Reconstruction Finance Corporation act, provision was made for what is known as regional agricultural credit corporations; but those credit corporations have not functioned in a way that have enabled the farmers with small resources to get loans. These corporations have demanded so much security over and above the crops which were pledged that it is impossible for most of the farmers to

obtain the loan. In the Reconstruction Finance Corporation act originally passed it was provided that the crops themselves should be regarded as sufficient security. Notwithstanding the remarkable record of repayment of the loans, the regional credit corporations refuse to accept crops as sufficient security. Country banks are unable to make these advances, as they assert they have advanced as much as they can. Without this aid from the Reconstruction Finance Corporation, or the Secretary of Agriculture, or an allotment of the funds of the Reconstruction Finance Corporation, the farming interests of the United States are going to undergo a vast amount of additional suffering; and, therefore, I urge upon the Committee on Banking and Currency and this House the necessity for most expeditious and favorable action on this proposal.

Mr. GLOVER. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. GLOVER. I am very much interested in the gentleman's statement, and I have had many letters recently urging that these loans be continued. In addition to what the gentleman stated with reference to the 75 to 90 per cent being repaid, is it not also true, when an additional loan is made, that the balance left over is included in the other, so that in the end the Government will lose nothing?

Mr. BRIGGS. Absolutely nothing. The department tells me that with the collateral they hold they expect these loans to be paid practically 100 per cent.

Mr. WHITTINGTON. I have heard criticism of the policy of the Secretary of Agriculture in making loans on crops, so far as settlements are concerned, so that the result is that those who borrow from the Government in the matter of cotton, to which the gentleman refers, are getting a settlement on the basis of 8 or 9 cents a pound, whereas ordinary growers who borrow their money through commercial channels receive 5 and 6 cents a pound for their crop.

I am just wondering what the gentleman has in mind as to the removal of this discrimination that has resulted in a great deal of criticism, if anything.

Mr. BRIGGS. The 9 cents a pound provision, as I understand it, only has relation to the figure at which the collateral will be carried until a definite date before the collateral is disposed of if the loans are not repaid; for any unpaid balance the farmer is still liable. But it is not a price fixed by the department or by the Government or by anybody else as a basis for extinguishment of the loan. It is simply that borrowers may be given an opportunity of the payment of these loans without undue hardship or distress. In my own State and district most of the loans are repaid the Government before the due date.

Mr. WHITTINGTON. By the Government accepting cotton at 2 or 3 cents a pound more than the market price?

Mr. BRIGGS. No. In cash repayment. It is not through the Government accepting the collateral at a higher rate than can be obtained on the market.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to compliment the gentleman from Texas [Mr. BUCHANAN] for his effort in trying to secure some information from the Department of Agriculture with reference to the administration of the seed loans and crop-production loans. I have only gone over the hearings hurriedly, but I can see the gentleman had considerable trouble trying to get any information from the department.

I know something with reference to how the seed loan and crop production acts have been administered. Since Congress adjourned last July the distinguished Secretary of Agriculture, who comes from my State, found in his home town of Trenton, Mo., a gentleman engaged in distributing Ford automobiles, by the name of Mr. Don C. McVay, and he brought Mr. McVay to Washington. On July 16 he gave Mr. McVay a position as manager of the field office for the crop-production loans, located in the city of Washington, at a salary of $4,800 per year. Mr. McVay evidently knows so much more about seed loans and crop production than he knows about selling Fords, for his services appear to be so valuable that the Secretary of Agriculture, on October 16, designated the gentleman as chief administrator of the farm seed loan office, directly under the Secretary of Agriculture, and increased his salary to $7,200 a year. Not so bad for a country automobile agent.

Now, there is a seed-loan office and a crop-production-loan office in the city of St. Louis. It is in the extreme eastern end of the district that it serves, and I understand it was placed there for the purpose of requiring the people who desired loans to correspond with the office rather than appear in person. At one time there were over 450 people working in the offices. At the outset they took people from the civil service register, but shortly thereafter it became a political hotbed. Nobody could get a position in the office who did not have the indorsement of a Republican Congressman or Senator or the Republican national committeemen. I will have considerable to say with reference to that condition at a later date.

They are doing nothing but liquidating the loans; but they have on their pay rolls to-day, aside from the office force, 55 men, and they have had them there for many, many months drawing $150 and more per month. What are they doing? They have their own automobiles, for which they receive an allowance daily for the amount of gasoline and oil that they use. They also receive $5 a day subsistence, and they are traveling over the State where loans have been made and they are telling the farmer, "Now, John, do not forget that you owe the Government $50 or $75. Pay Uncle Sam one of these days"—work that a letter could perform. That is the extent of their work as far as the Government is concerned. As I told the manager out there, "I guess they speak to John about two minutes about his loan and then go on to tell him what a great party the Republican Party is," because they were very active during the campaign, and they were also active in the St. Louis office in the campaign.

Now, this is the outstanding feature of the administration: During the campaign, as we all know, for some reason the colored brethren started deserting the Republican Party, so they had to do something to get them back in line. About a month before the election they opened another office in St. Louis, two blocks away from the regular office. Of course, they had to pay rent, and there they placed in charge a colored man by the name of Dr. J. R. A. Crossland, and the doctor was given 10 assistants, all colored people, to travel out into the various districts, receiving the same pay as the other agents, also subsistence and automobile expenses.

It seems "the doctor" immediately became very active and he started sending out letters. I have one of the letters which happened to come into my possession, which he wrote, and which I desire to place in the RECORD:

THE SECRETARY OF AGRICULTURE,
CROP PRODUCTION LOAN OFFICE,
St. Louis, Mo., October 28, 1932.

DEAR FRIEND: Your letter, requesting information as to the Government loans to farmers, has been received in this office.

This office has been created, under the Reconstruction Finance Corporation, to aid colored farmers. Loans are made to farmers on livestock, farm land, and other articles that can be offered as proper security. If you wish a loan on any of your farm property or produce, make application to this office, stating clearly the number of acres that you have, the amount of indebtedness that you have on same at the present time, the number of livestock that you have, the location of your farm, its productive value, and the amount that you wish to borrow.

Upon receipt of this application in this office, made in letter form, we shall proceed further to inform you as to the possibilities of your securing a loan. We have no literature at present on the farm loans, but your application will be submitted to the director in charge of the bank for the Reconstruction Finance Corporation and will receive the attention that is necessary to put the loan through.

Very truly yours,

DR. J. R. A. CROSSLAND,
Special Supervisor, U. S. Department of Agriculture.

Under the very act they could not have loaned a dime at the time that letter was written, because they were not permitted to make any more loans. But he said that office

had been opened for the purpose of making loans, and he was addressing the colored people. They segregated the applications of colored farmers and white farmers, and they turned the applications of the colored farmers over to Doctor Crossland; but I understand since I made a lot of noise out there, they are going to close up that branch office.

Mr. LaGUARDIA. Would the gentleman call that "biological Jim Crowing"? [Laughter.]

Mr. COCHRAN of Missouri. Now, they have had hundreds of people working there in St. Louis, and some of those in charge of the office have had and now have members of their family on the pay roll. There is not only one such instance, but there are many. They gave a good job to the wife of a policeman.

They dismissed Democrats and civil-service employees, saying the force was to be reduced and put Republicans to work in a few days. They discharged a wife whose husband was in a city institution with tuberculosis; they discharged a lady who was taking care of her aged parents, her sister, and brother-in-law with their three children; they discharged another lady with an invalid father; why two-thirds of the people dismissed had dependents, while married women with husbands working were retained. The personnel clerk has members of his family on the pay roll. The original manager, later sent to an office in Texas, had a member of his family in the office, while competent civil-service employees were turned out with no place in sight to secure employment. I know of one case where the lady told me she had to appeal to a charitable organization for food for her family after she was dismissed.

After I made the statement that I proposed to look into the administration of the office, the Secretary sent an assistant to St. Louis, and I understand he has done a little house cleaning.

They administered the office in St. Louis in such way that I say it is the most willful waste of public money that has ever been called to my attention.

If we are going to have any more seed loans or any more crop-production loans, let us safeguard them in such way to see that they are properly administered.

The Secretary of Agriculture has refused to permit the Comptroller General to audit his accounts in regard to the loan activities. He has employees of one of the leading firms of the country auditing the accounts of this seed-loan office and crop-production-loan office. The Secretary of Agriculture absolutely refuses to give any information with reference to the administration of this act, saying that he is now nothing but an agent of the Reconstruction Finance Corporation and that information must come from the Reconstruction Finance Corporation.

I have just secured a copy of a decision by the Attorney General in which he upholds the Secretary of Agriculture and contends that the accounts do not have to be audited by the Comptroller General.

I say, Mr. Chairman, when millions of dollars of such funds have been disbursed by these officers, we should have some audit by some governmental agent, and I hope the bills which are brought in here in the future will contain some provision to take care of this situation.

I called on the manager of the St. Louis office. He showed me a book 2 inches thick and said, "We are running under regulations." I glanced through the book. One regulation was that if a check was received in that office and the check could not clear at par, the check was to be returned to the man who sent it, who had borrowed money from the Government. Do you know of any city or country bank that does not make a charge for clearing a check? Why, not a check that came in that office could clear at par. I asked him what he was doing under such circumstances. He said under the regulations he had to return the check. I asked him if it would not be better to give the man credit for the amount he transmitted less 10 cents for the clearing charge on the check. He said he would not be permitted to do that, but that he would take it up with the department.

You have no idea how those offices have been run. I say to you, Mr. Chairman, some provision should be made in the bills that are brought in here in the future to provide for the proper administration of these lump-sum appropriations, for under a lump-sum appropriation they are not subject in any way to civil-service regulations, or any but their own regulations, and the Comptroller General is not required or permitted to audit their accounts; in fact, they seem to be immune from everything.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. BANKHEAD. The gentleman has brought up a rather serious proposition here, it seems to me, in his statement that the Secretary of Agriculture has declined to allow the Comptroller General to make any audit of the public expenditures in his department.

Mr. COCHRAN of Missouri. Yes, sir; based upon a decision of the Attorney General.

Mr. BANKHEAD. The Attorney General has confirmed his attitude upon that question?

Mr. COCHRAN of Missouri. Absolutely.

Mr. BANKHEAD. Taking the position that the Secretary of Agriculture, acting in this particular capacity, is not the Secretary of Agriculture per se but is only a designated agent of the Reconstruction Finance Corporation. Is that the idea?

Mr. COCHRAN of Missouri. That is the idea.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri be allowed to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. If that state of facts exists, I think it thoroughly justifies the position which is now being taken by some gentlemen pretty high in authority that the Reconstruction Finance Corporation itself and all of its operations should be subjected to very severe and searching scrutiny as to how it has administered the public funds intrusted to its hands; and, incidentally, it seems to me if this is done, we could reach the accounts of the Secretary of Agriculture by an investigation of the parent organization under which he is assuming to act. I think it is a matter of very grave public importance and that the Congress of the United States, through power conferred upon a select committee, should be clothed with power and jurisdiction to look into the question of how the Reconstruction Finance Corporation has dealt, in detail, with these large public funds intrusted to its control and direction. I am sure that such an investigation would not be resented by the corporation, and possibly welcomed.

Mr. COCHRAN of Missouri. I may say to the gentleman from Alabama that if he will get the annual report of the Comptroller General for 1932, he will find that under the head of "Suggestions and Comments," pages 13, 14, 15, 16, and 17, he goes into this matter in great detail. He has outlined there all the correspondence that has been exchanged between the Comptroller General's office and the Secretary of Agriculture, as well as between the Reconstruction Finance Corporation and his own office.

Mr. SCHAFER. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. SCHAFER. The gentleman is chairman of the Committee on Expenditures in the executive departments, which is controlled by a majority of Democrats. I suggest, as a Republican member of the committee, that the gentleman call a meeting of the committee to-morrow and start an investigation of the troubles about which he now complains on the floor of the House. It would be highly appropriate because we still have two months more of this session, and the chairman of the Committee on Expenditures, which is charged with the duty of seeing that public funds are expended in accordance with law, certainly should not let this go by without investigation.

Mr. COCHRAN of Missouri. I will say to the gentleman that I have been making a preliminary investigation and that I secured Mr. Brown, of the Bureau of Efficiency, to

give me some assistance. He was denied by the Secretary of Agriculture the right to get information I wanted, and it was only last night that he reported to me. At the first meeting of the committee it is my intention to call this to the attention of the committee.

Mr. SCHAFER. When will that first meeting be—why not make it to-morrow?

Mr. COCHRAN of Missouri. I may say to the gentleman that I checked the roll call of yesterday, and I find that a quorum of the committee is not present. As soon as a quorum is present, a meeting of the committee will be called. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

Additional cooperative agricultural extension work: For additional cooperative agricultural extension work, including employment of specialists in economics and marketing, to be allotted and paid by the Secretary of Agriculture to the several States and the Territory of Hawaii in such amounts as he may deem necessary to accomplish such purposes, $1,000,000: *Provided*, That no expenditures shall be made hereunder until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by State, county, or local authorities or by individuals or organizations for the accomplishment of such purpose.

Mr. GOSS. Mr. Chairman, I make the point of order on the paragraph that this is legislation on an appropriation bill.

Mr. BUCHANAN. This is exactly the same point of order ruled on a while ago.

Mr. GOSS. This is the same point of order that the gentleman made against my amendment, and his point of order was sustained by the Chair. So I have no doubt the Chair will sustain this point of order, I may say to my friend from Texas.

The CHAIRMAN. The Chair is prepared to rule. The Chair sustains the point of order of the gentleman from Connecticut against the paragraph, inasmuch as the proviso contains legislation.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: Page 13, after line 23, insert the following: "Additional cooperative agricultural extension work: For additional cooperative agricultural extension work, including employment of specialists in economics and marketing, to be allotted and paid by the Secretary of Agriculture to the several States and the Territory of Hawaii in such amounts as he may deem necessary to accomplish such purposes, $1,000,000."

Mr. GOSS. Mr. Chairman, I make the point of order on that amendment that it is not authorized by law. The amendment starts out by stating "additional cooperative agricultural extension work," and "for additional cooperative agricultural extension work." In other words, the gentleman has simply left off the proviso of the paragraph and I submit the $1,000,000 is not authorized by law.

The CHAIRMAN. The Chair is prepared to rule.

This identical point of order was raised last year on an identical amendment and was overruled by the Chairman of the Committee of the Whole, Mr. BANKHEAD. The Chair, therefore, basing his decision upon the reasoning of the Chairman of the Committee of the Whole in the last session, overrules the point of order made by the gentleman from Connecticut.

The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

The Clerk read as follows:

Agricultural exhibits at fairs: To enable the Secretary of Agriculture to make suitable agricultural exhibits at State, interstate, and international fairs held within the United States; for the purchase of necessary supplies and equipment; for telephone and telegraph service, freight and express charges; for travel, and for every other expense necessary, including the employment of assistance in or outside the city of Washington, $90,000.

Mr. ALLGOOD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 15, line 16, after the word "Washington," strike out "$90,000" and insert "$10,000."

Mr. ALLGOOD. Mr. Chairman, I have made a study of the hearings on this matter, and I fail to find where there is any need for an appropriation as large as $90,000.

The fact is that fairs are almost obsolete. People are out of employment; we have 5-cent cotton, 30-cent wheat, and 6-cent tobacco, and the people are not able to attend the fairs. States are not attempting to keep up the fairs, and we have no more county fairs. So it looks to me that here is certainly one place where we can economize.

I have left a small amount, $10,000, to keep up the work of the organization. I do not think that will be called for, but it will provide the Agricultural Department with funds sufficient to notify the few fairs that make requests for exhibits that the funds were not appropriated by Congress. None of this $90,000 appropriation goes to the farmer to pay his expenses in making exhibits or as premiums on his exhibits.

The CHAIRMAN (Mr. BANKHEAD). The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. ALLGOOD) there were—ayes 25, noes 13.

So the amendment was agreed to.

The Clerk read as follows:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of chief of bureau and other personal services in the District of Columbia, $125,975.

Mr. ALLGOOD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 18, line 13, after the word "Columbia," strike out the sum "$125,975" and insert "$60,000."

Mr. ALLGOOD. Mr. Chairman, I am proposing to strike out a larger amount in this amendment. If you are going to strike down the bureaus and bureaucrats, you have to begin somewhere. I know that the Weather Bureau is a necessary adjunct of the Government, but upon reading the hearings I find that in 1923 the appropriation for the Weather Bureau was $1,925,225, and in 1932 it had risen to the enormous amount of $4,497,720. I do not think we have any more weather now than we had in 1923, and I know that the farmers have not any more to protect, and what they have to protect is not worth as much as it was in 1923.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. ALLGOOD. I yield.

Mr. LaGUARDIA. I want to call the gentleman's attention to a fact that he has overlooked that we have more activities placed upon the Weather Bureau than we had 10 years ago. There are the aerological and the meteorological observations which go to the service of aviation.

Mr. ALLGOOD. These items are not in the amendment which I have introduced.

Mr. LaGUARDIA. The gentleman was talking about the entire Weather Bureau appropriation, and I wanted to call his attention to that.

Mr. ALLGOOD. I know; but the part that I am striking at now does not affect that, because there is an additional appropriation carried for that.

Mr. LaGUARDIA. I understand that, but the gentleman was referring to the increased appropriations for the Weather Bureau.

Mr. ALLGOOD. There is duplication. I have not time to go into it, but the hearings show that there is duplication of this work. Doctor Marvin says (p. 121 of the hearings in reply to an inquiry by Mr. BUCHANAN):

You are quite correct in saying that meteorological observations and reports, general forecasts and warnings, and climatology are a good deal alike. Well, they are alike; but, after all, there are rather clear distinctions.

So there is duplication of the work, and with the conditions as they are to-day, economically, it seems to me we ought to cut down on these expenditures; we ought to economize. Individuals have had to cut down on all of their requirements, and the farmer is expecting us to cut down on expenditures here. I know some good is obtained

from these weather reports, but, as I said a while ago, the farmer has not as much to protect to-day as he had to protect in 1923, and what he has to protect is not worth one-fourth what it was in 1923, and yet it is costing as much again to protect it.

Mr. BUCHANAN. Mr. Chairman, in 1932 the amount appropriated by Congress for the Weather Bureau was $4,497,720. That has been gradually decreased since we started our campaign of economy, until in this bill it is $3,731,225, or $432,000 below the bill for this fiscal year and $766,000 below the appropriations for 1932. If you gentlemen want to keep up your airways and your weather service, you would better approve this appropriation as it is, because this bureau has been cut to the bone.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. BYRNS. I heartily agree with all that the gentleman from Alabama [Mr. ALLGOOD] has said with reference to reducing appropriations. I do not think we can be too vigilant in our effort to cut down appropriations, and should cut to the bone. But we hear a great deal about consolidations. I submit to my good friend that if you undertake to cripple this particular service to an extent greater than that to which the gentleman from Texas [Mr. BUCHANAN] has alluded, you are liable to create several bureaus in several departments of the Government before you finish, and they will cost a great deal more than this bureau is costing, for the reason that you can not operate an air service unless you have some activity which will give the air service information as to weather conditions. If you undertake to cut it out here or cripple this service, you are going to have the Army and the Navy and the air mail service in the Postal Department all requesting appropriations to give them the benefit of weather information necessary to protect life. It seems to me that you will make a great mistake if you undertake to cut this down, because it will ultimately cost more money in the future than it does now.

Mr. ALLGOOD. Then under the name of agriculture you are protecting the War Department and the Post Office Department and the Navy Department by this appropriation?

Mr. BYRNS. Oh, no.

Mr. ALLGOOD. That is what it is driving up to.

Mr. BYRNS. No; this applies not only for the benefit of agriculture but it is used to give people generally information as to weather conditions, and we are simply utilizing this service in order to save money and to furnish information which would cost a great deal more money if it should come from other sources.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word. I call the attention of the gentleman from Alabama to the fact that the only reason this appropriation is in the Department of Agriculture is that originally the weather forecast was instituted as an aid in bringing weather-condition information to the farmers. It was there; and instead of establishing, as suggested by the gentleman from Tennessee [Mr. BYRNS], several bureaus, one in the Army and one in the Navy, one in the Lighthouse Service, and one in the Department of Commerce, the bureau naturally acquired these new activities. There is no one here who would for a moment suggest, in the name of economy, the abolition of our Lighthouse Service, for the simple reason that we are accustomed to the necessity of lighthouses as a guide to navigation.

We have come now to a new method of transportation, absolutely new. It suddenly came upon us, and we learned, after the experience in the World War, that here was a new method of transportation that could be used for commercial purposes. The gentlemen will remember in the early days of the Postal Service of the air mail that it was doubted whether we could make a success of it. Some of us stated that it would be interrupted by reason of weather conditions. In the meantime there was developed a new science in meteorology, namely, that of ascertaining weather conditions and imparting the information. To-day it has developed to such a state of perfection that in large planes the pilot sits in his seat and with ear phones hears radio reports every few minutes on his journey as to the exact condition of the weather ahead of him. He is thereby able to change his route to avoid storms; and, with the radiobeacon and blind flying we will in a very short time be able to continue and keep up daily operations of aviation service regardless of weather conditions. I call attention to the fact that there is a total reduction here in the Weather Bureau of $212,866, out of a total appropriation of $3,700,000.

The committee went $7,048 below the Budget reduction of $205,418, and I submit it would be extremely dangerous at this time to reduce this item by one cent. I predict now that the time will come when the aerial service, when the duties of this one department of the Weather Bureau will be so great in connection with aviation that then if it is desired to have it taken out of the Department of Agriculture it can be transferred to another department, but the total cost will not be less. This is one item where the appropriation is bound to increase from year to year by reason of the increased service necessary owing to this new method of transportation.

Mr. ALLGOOD. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. ALLGOOD. There is nothing in the hearings to show that the aviation department or airplanes get any benefit from this?

Mr. LAGUARDIA. Oh, yes. If the gentleman will refer to page 130 of the hearings.

Mr. ALLGOOD. But that does not have to do with this item.

Mr. LAGUARDIA. We are discussing the appropriation for the entire Weather Bureau.

Mr. ALLGOOD. We have not reached that yet.

Mr. LAGUARDIA. The gentleman's amendment is to the amount expended in the District of Columbia and it is for administration. Of course, administration will increase with increased activities. If there is one item in this bill that is justified, I think it is this item.

Mr. ALLGOOD. As far as the farmer is concerned, he knows when it is hot enough or cold enough to plant his crops.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. ALLGOOD].

The amendment was rejected.

The Clerk read as follows:

Aerology: For the maintenance of stations for observing, measuring, and investigating atmospheric phenomena, including salaries and other expenses in the city of Washington and elsewhere, $1,280,605.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I do this for the purpose of asking the chairman of the Committee on Appropriations if he will kindly give the committee the benefit of a little more extended discussion of this service of the Weather Bureau as between the departments. A few moments ago the chairman of the Committee on Appropriations referred to the growth of the demand for information that comes from this bureau, particularly in the development of air service in various departments of the Government. I am wondering if the gentleman will take two or three minutes to enlarge upon that thought, because, it seems to me, that it is a very important consideration in the determination of the appropriation that shall be made here. Can the gentleman tell, for instance, to-day whether there is any other department of the Government that is undertaking to begin its own development of the information that is supplied through the Weather Bureau of the Department of Agriculture?

Mr. BUCHANAN. In view of the fact that we are making appropriations for the Weather Bureau in this appropriation bill, the other departments are relying upon it for the necessary information.

Mr. KETCHAM. Is there any arrangement for any credit, book or otherwise, given by those departments to the Department of Agriculture for the service that is rendered?

Mr. BUCHANAN. The air service is complete within itself.

Mr. KETCHAM. But is it not true that if the Department of Agriculture is to be charged with the responsibility—and I agree we ought to have a unified service—if the Department of Agriculture is to be criticized, as it has been criticized by the gentleman from Alabama [Mr. ALLGOOD], by reason of the extension of this service, ought there not be some arrangement whereby, if other departments receive the benefit of these services, at least the Department of Agriculture ought to have a book credit for it?

Mr. BUCHANAN. Only $40,000,000 is carried in this bill for agriculture primarily. The other $70,000,000 is for other interests that do not relate to agriculture any more than to the general good of the Nation as a whole.

Mr. KETCHAM. That emphasizes the very point I am making. The Department of Agriculture frequently is criticized even by its friends because of service rendered and appropriations made that have no direct connection with it.

Mr. BUCHANAN. Certainly. They are superimposed upon the Department of Agriculture, and they take up that duty and discharge it, but it is not primarily for the benefit of agriculture.

Mr. KETCHAM. But it seems to me that, notwithstanding the fact that all appropriations come out of the same Treasury, at least the Department of Agriculture ought to receive some credit somewhere for rendering this service, and the friends of agriculture ought not be criticized because the appropriations for that department rise to the amounts they do.

Mr. BYRNS. Will the gentleman yield?

Mr. KETCHAM. I yield gladly to the gentleman.

Mr. BYRNS. All of these services are intertwined, especially with reference to this particular service. For instance, if the gentleman were an aviator and he were in the War Department or the Navy Department, or if he were in the Post Office Department delivering air mail, or operating an airplane as a commercial aviator, he would be able to receive through the radio from time to time as he progressed along his route, or as he reached a particular station, information as to just what the weather conditions were over the mountain or 100 miles beyond. That is service that comes through the radio. Of course, the information which is relayed comes through this Weather Service, but, after all, here is one great big business of the Government. All the funds come out of the Treasury, and it does not matter so much whether they are charged to one department or another. After all it is charged to the people of the United States, and, therefore, these departments should be expected one to serve the other whenever it can be done to promote efficiency and at the same time save money.

Mr. KETCHAM. I agree with the gentleman entirely; but I am asking now, in order to make my inquiry have some meaning, if he can advise the committee what proportion of the amount of service we are appropriating for in this single item can be properly charged to the Department of Agriculture alone?

Mr. BYRNS. No. I have no such information. The gentleman from Texas [Mr. BUCHANAN] is more familiar with these agricultural appropriations than anybody else on the floor of this House, but I dare say that he could not give that information, and the bureau itself could not, with any degree of accuracy. Why? Because this information is collected and then it is disseminated, as I have said, some of it for this and some for other purposes, and is supposed to be for the benefit of the general public. They can not say just how much it costs to give information to some aviator who may be traveling from here to Michigan, for instance.

Mr. KETCHAM. As a general proposition, would it be fair to say that 75 per cent of this particular item could be properly charged to other departments if it could be so separated?

Mr. BYRNS. I would not think so, but I have no definite knowledge.

Mr. BUCHANAN. Not over one-fifth or one-sixth of it could be charged to agriculture.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. LAGUARDIA. I want to say to my friend the gentleman from Michigan that I do not think it makes any difference just what proportion of the appropriation contained in the agricultural appropriation bill goes for the benefit of the farmer as long as it is a public necessity, as long as the appropriations are wisely expended and service is rendered.

My good friend from Connecticut [Mr. Goss] who looks after the Army appropriation bill and is very much interested in the Army, might get up and say during discussion of the War Department appropriation bill, "Why should we be criticized for spending so much for national defense? Here is $50,000,000 for subsistence of the Army. That should be charged to the Department of Agriculture because the farmer gets the benefit of it." Such an argument would be along the same line of reasoning.

Now, it is true that we have in this Agricultural appropriation bill the money spent on roads. That was a good place to put it originally, I suppose, in the early days when the roads did affect primarily the farmer. We have outgrown that now, and the roads are just as much a necessity and a benefit to the people of the city as they are to the individual farmer out in the rural districts.

There has been a great deal of misapprehension as to how these services grew up, and I think that is one of the reasons the Economy Committees have been confused, and I think it has also confused the Chief Executive in some of the very unwise recommendations he has made in some of the Executive orders.

You can unscramble these departments if you want to, but as you unscramble them and seek to readjust them you are not saving any money. These departments did not grow up overnight. They are the natural growth of our development, of the necessary and ever-increasing new functions of government. The functions of government are the things that are increasing, and this increase is the result of the very involved and complex industrial and economic system under which we live. Of course everyone who is under supervision or regulation or control of some Government department is anxious to have that department abolished so they can go back to their old habits.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. KETCHAM. Of course I do not at all quarrel with the gentleman's proposition, but what I attempted to do was to bring out the point that this serves very well under the Department of Agriculture, where it was originally, but having developed as it has developed it ought to be brought out, and that is what I sought to do, that a large part of the demand has come by reason of the growth of this service in other departments.

Mr. LAGUARDIA. That is true.

Mr. KETCHAM. I do not want it charged entirely against the Department of Agriculture.

Mr. LAGUARDIA. The gentleman can add to that roads; he can add other items in the bill, but on the other hand let it be said that agriculture is getting a good and fair proportion of what we appropriate, and we city folks are glad to help get the appropriation whenever it is necessary and really beneficial to the farmer.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 19, line 13, after the word "elsewhere," strike out "$1,280,605" and insert in lieu thereof "$600,000."

Mr. ALLGOOD. Mr. Chairman, I know the gentleman from New York [Mr. LAGUARDIA] is sold on the air, but the farmer is not so much interested in air as he is interested on what takes place on the earth.

The appropriation for this item in 1932 was $1,709,340. The appropriation has been reduced this year to $1,280,605. My contention is that the appropriation could be cut half, in

two, and I believe it still would give adequate service to the air forces.

This is another subsidy to the air mail service, to the Post Office Department. They already have a subsidy of $20,000,000 from this Congress for air mail. The farmers of this country are not demanding air mail. They get their checks back quick enough by a 3-cent stamp, let alone an 8-cent air mail stamp. They are demanding better commodity prices and reduction of expenditures by Congress. Here is another place where the expenditures can and should be reduced.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if this is a subsidy to air mail, then why is it not a subsidy to the farmer to give him the information he needs with reference to the weather?

There is something besides air mail that needs this service. How about the millions of people who are traveling in airplanes throughout this country? It seems to me it would be a grave mistake to cripple this service. I know it to be a fact that when the airship *San Francisco* crashed against a mountain on its way to California, the United States Weather Bureau service at Denver notified the field from which it left before it departed that there would be severe electrical storms along the path the airship was going to fly. I know it to be a fact that the United States Weather Bureau warnings were disregarded, but I am happy to say that since that time orders have been issued by all the great corporations which require the planes to remain on the ground when warnings of this character are received from the United States Weather Bureau.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. ALLGOOD. The gentleman speaks of the thousands of people who are able to travel by air; how about the millions of people, the ten millions of people, who are out of employment and can not get jobs, who are walking, and not able to ride?

Mr. COCHRAN of Missouri. Some of these people riding in an airplane are using them for the purpose of securing orders for goods which will put many of these men back into employment, people to whom time means something.

Mr. ALLGOOD. What does time mean to the farmers who are getting 5 cents for cotton, 6 cents for tobacco, and 30 cents for wheat?

Mr. COCHRAN of Missouri. Congress has been very good to the farmer; do not overlook that. The efforts have failed miserably I admit. Take the $500,000,000 for the Farm Board that is lost to the people.

Mr. ALLGOOD. This bill is crammed full of injustices, inequalities, and inequities, and we are using the farmer as a smoke screen for it.

Mr. COCHRAN of Missouri. Is the gentleman active in trying to secure this seed loan for farmers I have been talking about?

Let me say, Mr. Chairman, that we will find that but a small percentage of the seed loans that have been made have been paid back to the Government. I am not complaining, but I do not want it said the farmer has been overlooked when it came to appropriating public funds. It seems to me if we will repeal all the laws we have enacted affecting the farmer and leave him alone for a while he might fare better. Since Congress began to tinker with his business, the prices of farm products have steadily declined. Therefore, I say let him alone for a while and see how he comes out. If he were getting the same prices for his products now that he was receiving before Congress passed all the laws I refer to, the farmer would be happy and the country better off.

But there is some one else to be considered by the Government of the United States besides the farmer. I am in favor of helping the farmer because until the farmer prospers we know the country can not prosper. The gentleman is attacking an item and I oppose him because I do not think his reasons for the attack are sound, and, therefore, I think the amendment ought to be defeated and urge the committee to vote it down. This service is necessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. ALLGOOD].

The amendment was rejected.

Mr. SMITH of Idaho. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the last quarter of a century many suggestions have been made that the efficiency of the service rendered by the various departments of the Government could be greatly advanced and many economies effected by consolidations of bureaus within the same department, and the transfer of bureaus from one department to another. This sentiment crystallized to the extent that during the first session of the present Congress, in section 401 of title 4, Part II, of the legislative appropriation act of June 30, 1932, the following declaration was made as to the policy of the Congress in relation to the reorganization of executive and administrative agencies:

> In order to further reduce expenditures and increase efficiency in Government it is declared to be the policy of Congress:
> (a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;
> (b) To reduce the number of such agencies by consolidating those having similar functions under a single head;
> (c) To eliminate overlapping and duplication of effort; and
> (d) To segregate regulatory agencies and functions from those of an administrative and executive character. (47 Stat. 413.)

Pursuant to this declaration of policy, section 403 of the same title and part of the above referred to act authorized the President by Executive order for the purpose of carrying out the policy of Congress so declared:

> (1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;
> (2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of another executive department; or
> (3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and
> (4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head. (47 Stat. 413, 5 U. S. C. A. 126.)

This authority is, however, limited by section 406 of the same title and part of the act in the following manner:

> Whenever, in carrying out the provisions of this subchapter, the President concludes that any executive department or agency created by statute should be abolished and the functions thereof transferred to another executive department or agency or eliminated entirely the authority granted in this subchapter shall not apply, and he shall report his conclusions to Congress, with such recommendations as he may deem proper. (47 Stat. 414, 5 U. S. C. A. 129.)

The next succeeding section of the statute, 407, provides that such transfers by Executive order shall become effective 60 calendar days after their transmission to Congress unless approved sooner by concurrent resolution or disapproved by resolution of either House.

On December 9, 1932, President Hoover transmitted to the Congress, among others, a proposed Executive order reading in part as follows:

* * * * * * *

> (2) The General Land Office, which is hereby transferred from the Department of the Interior to the Department of Agriculture.

I am heartily in favor of any plan of reorganization or consolidation which will effectively reduce expenditures and increase efficiency in the Government, but I wish to state most emphatically, in my opinion the transfer of the General Land Office from the Department of the Interior to the Department of Agriculture would not be in the interests of efficiency or economy.

The President's message contains the following statement regarding the functions and activities of the General Land Office, but it contains no reason why it would be to the advantage of the Government from the standpoint of efficiency or economy to make such a transfer.

The General Land Office is charged with the adjudication of applications and claims involving the disposition of public lands under the public land laws and the recording of all matters affecting the public lands and their disposition and status; the adjudication of applications for oil and gas leases, prospecting permits, coal-mining permits, leases, and licenses, and potash, phosphate, sodium, and sulphur permits and leases; the adjudication of applications to lease the public lands for fur farming, grazing, the free use of timber, and for various other purposes; the granting of rights of way over the public lands; the execution of surveys and resurveys of the public lands; the preparation and maintenance of plats and field notes thereof; the making of investigations to determine compliance with law by claimants under the public land laws; the determination of the mineral or nonmineral character of public lands and the feasibility of irrigation projects in connection with individual claims or entries; and the investigation of trespass on the public domain and adjudication of trespass cases.

The work of the General Land Office deals directly with problems concerning the public domain and the conservation of the natural resources of the public lands. It also relates to many agricultural problems. This work should be intimately associated with the other activities of the Federal Government pertaining to the public domain and conservation and agricultural matters. It is therefore proposed to transfer the General Land Office to the Department of Agriculture.

It does not appear from the record that any officer of the Interior Department, including those of the General Land Office, was consulted, nor that any Senator or Representative in Congress from a public-land State was asked for an expression of opinion regarding the proposed transfer of the General Land Office to the Department of Agriculture.

The whole plan seems to have originated at a national conference on land utilization called by the Secretary of Agriculture which was held at Chicago last year. This conference appointed two national committees—one on national land planning, the other on the utilization of land. This conference appears to have been composed of representatives from the Department of Agriculture and land-grant colleges, whose knowledge of the administration of the laws affecting the public lands is largely theoretical.

[Here the gavel fell.]

Mr. SMITH of Idaho. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Idaho. I yield.

Mr. MAPES. The gentleman's position is illustrative of what happens when any general reorganization program of the executive departments is suggested. Almost everybody has some private hobby in connection with the different services of the Government, and a great many are willing to join in a movement to block any general reorganization in order to protect the service in which they are particularly interested; and if, as individual Members of Congress, we are not willing to surrender our particular hobbies for the general welfare, Congress will never accept a general reorganization program such as the President has recommended. As was said by a distinguished Senator during the last session of Congress, if we want to do anything more than render "lip service" to this idea of reorganization, we must leave it to the Executive.

Mr. SMITH of Idaho. I can not yield further, Mr. Chairman.

If these recommendations were made after due consideration, after hearings before the Committee on Public Lands, the Committee on Irrigation and Reclamation, the Committee on Mines and Mining, and the Committee on Indian Affairs, or if the Congress had considered and approved the transfer, it would be an entirely different proposition; but, as I stated in the beginning of my remarks, this is a proposition that is not even supported by the Secretary of the Interior himself or by any officer of the Interior Department; and it has never been considered by any committee of Congress having to do with public-land questions.

Mr. MAPES. That may be one of the most potent reasons why it should be done.

Mr. SMITH of Idaho. I do not yield further. I wish to reiterate, however, that this recommendation comes here as part of the message of the President recommending certain consolidations without any reasons on which the action is based. I have direct information from the Bureau of the Budget that they gave the matter no detailed consideration. There were no hearings held. It was simply a theoretical idea that was suggested by officers of the Department of Agriculture, and action was taken without any consultation with any officer of the Interior Department or any Senator or Representative from the public-land States.

Mr. DOWELL. Will the gentleman yield?

Mr. SMITH of Idaho. I yield.

Mr. DOWELL. Where does the gentleman get his information that these consolidations are merely theoretical ideas?

Mr. SMITH of Idaho. I get it directly from Mr. McReynolds, of the Bureau of the Budget, with whom I talked personally over the phone. I asked him for copy of any hearings or any recommendations that had been submitted upon which they based their conclusion.

Mr. DOWELL. Does not the gentleman recall that the Congress asked the President to do exactly what he has done in submitting to Congress his recommendations upon these consolidations and eliminations?

Mr. SMITH of Idaho. I agree that the President was requested to submit to Congress a report on proposed consolidations and transfers. What I wish are the reasons on which his recommendations are based.

Mr. DOWELL. And is not this directly in conformity with the request of the Congress that these recommendations were made?

Mr. SMITH of Idaho. He was asked to submit his recommendations and Congress has the privilege, of course, of considering them, which it is expected will be done next week.

Mr. DOWELL. And yet the gentleman states that these transfers are mere theoretical ideas and does not give this report any credence whatever, although it has been brought here at his own request.

Mr. SMITH of Idaho. I made my comments with reference to the General Land Office only. I have not considered the proposed transfer of other bureaus.

The interdependence of the General Land Office with the other bureaus of the Department of the Interior must be obvious to anyone who has given the subject any study.

GENERAL LAND OFFICE

The General Land Office under the Department of the Interior is charged with the survey, administration, and disposal of the public domain under the multitude of public land laws enacted by Congress, and is a hub or central function of the Department of the Interior around which many of the activities of the other bureaus now in that department revolve and interlock. These duties are best summarized in section 453 of the Revised Statutes, which provides that the Commissioner of the General Land Office shall perform, under the direction of the Secretary of the Interior, all executive duties appertaining to the surveying and sale of the public lands of the United States, or in anywise respecting such public lands, and also such as relate to private claims of land, and the issuing of patents for all grants of land under the authority of the Government. To carry out these duties there is maintained—

First. In addition to the parent office in Washington, D. C., a field surveying service with headquarters in Denver, Colo., and 11 branch offices scattered throughout the public-land States, whose duty it is to survey and resurvey the public lands in order that they may be identified for disposition under the public land laws.

Second. Twenty-nine district land offices, throughout the States in which there is any substantial amount of vacant unappropriated public lands, and Alaska, for the receipt and primary disposal of applications under the various public land laws. These district offices have complete records showing the status of the public lands from which their availability may be determined by the public, and such offices have original jurisdiction in the disposition of all claims and applications presented.

Third. The Field Service, with division headquarters at Helena, Santa Fe, Salt Lake City, Portland, San Francisco, and Anchorage, under a chief located at the home office. The duties of this service involve the protection of the public lands and their resources from trespass, depredation, and fire, the safeguarding against unlawful acquisition of title to lands and cooperation with the public in public land matters. It also secures field data from which may be determined the feasibility of projects for the reclamation of public lands through private irrigation works, thus affording protection to the public as well as the Government.

Any study looking to the reorganization of the Federal Government, by which is proposed the transfer of that office to another department in order to place it in closer contact with other agencies or bureaus with which it has a common interest, must include consideration of the relationship and extent to which the activities of the General Land Office are interwoven with the vital activities of the Interior Department and its many bureaus and agencies.

With the exception of the agencies relating to Territories and possessions and the eleemosynary institutions, the General Land Office has close cooperation with all the sister bureaus and agencies of the Interior Department, namely, the Indian Office, the Bureau of Reclamation, the Geological Survey, the National Park Service, the Bureau of Education, and the Alaska Railroad, and also the office of the solicitor and the office of the Secretary.

GENERAL LAND OFFICE COOPERATION WITH THE GEOLOGICAL SURVEY

Excepting the Secretary's office and the office of the Solicitor of the Department of the Interior, its closest relations are perhaps with the Geological Survey. This is due primarily to the fact that as the more valuable agricultural lands are disposed of, classification of the remaining lands subject to entry, especially under the enlarged or dry farming homestead laws and for entry under the stock raising homestead law has become necessary under existing statutes. During the last fiscal year there were 46,510 acres designated by the Geological Survey for the General Land Office as subject to entry under the enlarged homestead law and 1,112,822 acres designated as subject to entry under the stock raising homestead law.

But far beyond the classification of lands for entry is the service rendered the General Land Office by the Geological Survey in the administration of the mineral laws, especially since the advent of the mineral leasing act, under which our so-called fuel and fertilizer minerals are developed with due regard to their conservation. Mineral values, rather than agricultural values in the public domain are, therefore, becoming the dominant factor. As a general rule Congress, in providing for the disposal of the public lands under our homestead laws—except for stock-raising homestead purposes—railroad grants, State selections, and so forth, has limited such disposals to nonmineral lands. Hence an important burden is placed upon the General Land Office at the outset of satisfying itself as to the mineral or nonmineral character of the land. This classification is accomplished in a large part through the cooperation of the Geological Survey with its staff of technical experts. The work, being intradepartmental, is handled in the most informal manner with the least amount of correspondence and overhead, the records of each office being constantly informally examined by the other to facilitate final action and eliminate delay.

Since the laws of 1909 and 1910, providing for the separation of coal from the surface; the act of 1914, providing for the reservation of coal, oil, gas, phosphate, potash, and other minerals in disposing of the surface; and the mineral leasing act of February 25, 1920, and amendatory and supplemental legislation, our deposits of coal, oil, gas, potash, sodium, sulphur, and so forth, are developed under prospecting permits and leases on a royalty basis. Reports from the Geological Survey are secured in the case of each permit or lease application before action is taken thereon, and after permit or lease is issued the field operations thereunder are closely supervised by the Geological Survey to the end that the terms of the permit or lease are not violated and the district land offices may be enabled to collect the proper royalties depending upon production. So as to oil and gas cases the survey is relied upon for information and reports as to whether the lands included in a prospecting permit are in a known producing oil or gas field; as to possible conflict with public water holes; as to the protection of a geologic structure from improper drilling and abandonment of wells under standard operating regulations, especially when release from liability under an outstanding bond is sought or application for extension is requested; as to the area selected for preferential lease following discovery under an outstanding prospecting permit; as to applications for relief from drilling requirements, for reduction of royalty, or for surrender or termination of a lease in whole or in part; as to possible drainage of vacant lands within known producing oil and gas fields, particularly where the drainage threatens naval oil reserves; as to applications for approval of operating agreements and unit plan of development under the provisions of the act of March 4, 1931, and as to the sale of royalty oil produced under oil and gas leases.

Similar cooperation is had in the administration of our leasing laws with reference to each of the other minerals disposable under said act.

Other activities of the General Land Office in which the work is brought into close contact with the Geological Survey are the classification of lands as to their value as public watering places, the classification of lands as to their power site possibilities, the suitability of lands for grazing and their carrying capacity, especially in authorized grazing districts, and the classification of lands involved in projects for withdrawals or reservations. Where applications are received for rights of way for reservoirs, ditches, canals, and so forth, utilizing water for irrigation purposes, Geological Survey reports as to the feasibility of the project, considering the water availability and manner of utilization, and so forth, are had and where rights of way for power transmission lines affecting Indian allotments are involved, the Geological Survey, instead of the Federal Power Commission, is the advisor to the Commissioner of the General Land Office.

In the matter of surveys the General Land Office executes, upon the request of the Geological Survey, surveys and resurveys under the rectangular system to define the limits of areas subject to mineral exploration, executes resurveys to identify the boundaries and facilitate the administration of oil and gas fields, conducts resurveys and subdivisional surveys in the coal regions to fix the boundaries between private holdings and those subject to lease and carries such boundaries into underground workings of mines. It cooperates in the adjustment of power site and public water-hole reserves to the lines of the public land surveys as executed and obtains interpretations of existing withdrawals in terms of such surveys.

By utilizing the services of the lithograph branch of the Geological Survey the General Land Office is able to secure photolithographic reproduction of the township plats of all public land surveys as they are accepted, and by this cooperation the necessary duplicate and triplicate copies of such plats for the official files of the district land offices and the Washington office are produced on drawing paper for official signature as original documents, thus saving the delay and expense of producing such plats at the hands of draftsmen.

Likewise, the official maps of the United States, prepared for the use of the Congress, and the State maps as compiled and published by the General Land Office, are reproduced in the lithograph branch of the Geological Survey.

GENERAL LAND OFFICE COOPERATION WITH THE INDIAN OFFICE

The contact and cooperation between the General Land Office and the Bureau of Indian Affairs touches every phase of the disposal of the public and reserved lands to and for the Indians, whether by allotment, trust patents, fee patents, or homesteads, and the disposition of ceded Indian lands. In brief the General Land Office is the agency through which the disposal of lands is made for the Indian Office. In the matter of surveys alone there is such an inseparable intermingling relationship in that the General Land Office executes the surveys of all lands within Indian reservations,

reestablishes the boundaries thereof, and resurveys the included townships for the purpose of defining and marking the boundaries of the individual Indian allotments and for the disposal of the ceded lands. In addition, special surveys within Indian reservations are executed upon request. Extensive resurveys of lands within Indian pueblos in New Mexico are executed by the General Land Office to define the boundaries thereof and to identify and exclude non-Indian claims in these areas.

Schedules of Indian allotments, when completed in the Indian Office, are handed to the General Land Office for the issuance of patents, whether in trust or in fee. This results in constant informal intercourse between the two bureaus. Indians on the public domain without tribal affiliations are permitted to make homestead entries as citizens of the United States under the general homestead act, or as Indians under the Indian homestead act, and under section 4 of the general allotting act. This work is handled primarily and finally by the General Land Office, but requires the closest cooperation with the Indian Office.

When surplus lands previously reserved for the benefit of the Indians are to be made subject to disposition under the public land laws, again there must be the closest cooperation between these sister bureaus, as the disposal of the lands and collection of moneys, for which an accounting is made to the Indian Office, is through the agency of the General Land Office. Likewise moneys from timber sales are collected by the General Land Office for the benefit of the Indians.

The General Land Office adjudicates and administers the Indian exchange laws, providing for the exchange of privately owned lands within Indian reservations for public lands. This, too, is a cooperative undertaking.

Since Congress has empowered many Indian tribes to sue in the Court of Claims for moneys claimed for lands primarily held by them, reports are required by the Department of Justice from both offices working in part in conjunction with each other as to the exact disposition by legal subdivisions of many millions of acres of former Indian lands. These reports are used as a basis for the adjudication of such claims by the Court of Claims. There are a number of such suits in the Indian Office and General Land Office awaiting investigation by both offices in the order filed.

Where applications for rights of way for canals, ditches, power transmission lines, reservoirs, etc., affect Indian lands, close contact with the records of the General Land Office is necessary.

GENERAL LAND OFFICE COOPERATION WITH THE BUREAU OF RECLAMATION

The availability of lands for inclusion in Federal irrigation projects must be determined from the records of the General Land Office. Therefore at the outset the General Land Office plays an important part in reclamation work.

The public-land surveys executed by the General Land Office constitute the basis for the identification of the lands for withdrawal or disposition when reclaimed. Where economic irrigation in the establishment of farm units requires a further subdivision, such work when performed by the Reclamation Service is examined and approved by the General Land Office before it becomes the basis for title.

When lands are made available through a Federal reclamation project they are disposed of through the machinery of the General Land Office under the general homestead laws, subject to the provisions of the reclamation act. The adjudication of such homestead entries follows the usual procedure through the Land Department.

Applications under the mineral leasing act, rights of way acts, or other laws applicable to lands withdrawn for Federal reclamation purposes are adjudicated by the General Land Office in cooperation with the Reclamation Service.

GENERAL LAND OFFICE COOPERATION WITH THE NATIONAL PARK SERVICE

All public-land questions affecting national parks and national monuments are handled and adjudicated by the General Land Office in cooperation with the National Park Service. The boundaries of these parks and monuments, when not conformed to the rectangular system of surveys, are the subject of special surveys by the surveying service of the General Land Office. As in the case of lands needed for reclamation, the availability of lands for park and monument purposes must be determined from the records of the General Land Office. The adjudication of conflicting rights, together with the exchange of privately owned lands within existing parks, are typical of the problems that confront the General Land Office in its cooperation with the National Park Service in the creation and furtherance of recreational areas. An illustration of the cooperation had between the General Land Office and the National Park Service might be indicated by the fact that many of the existing monuments and parks are the result of reports and recommendations of the field agents of the General Land Office in the first instance.

GENERAL LAND OFFICE COOPERATION WITH INTERIOR DEPARTMENT ACTIVITIES IN ALASKA

The Governor of Alaska having been designated under authority of law the ex officio commissioner for the Department of the Interior in Alaska, all the activities of the General Land Office touching the survey, administration, or disposal of the public lands in that Territory are not only brought in close contact with the governor's office but with every other activity of the various bureaus of the Interior Department in Alaska whose work is coordinated through the governor as ex officio commissioner.

Touching the Alaska Railroad, all land questions are administered through the General Land Office. Withdrawals or reservations are made with reference to its records. The surveys of terminals and town sites along the road are made by its surveying service. The chief of its Alaskan field division is trustee, through whom all town lots are disposed of. The General Land Office is therefore an inseparable factor in the administration of this important activity.

SUPERVISORY AUTHORITY OF THE SECRETARY OF THE INTERIOR

The Secretary of the Interior is charged by law with, among other things, the supervision of public business relating to the public lands, and the authority conferred by law upon the Commissioner of the General Land Office is made subject to the direction of the Secretary. Hence, in addition to the need for submitting to the Secretary important matters of policy and administration, there rests in him appellate and final authority over the acts of the commissioner in adjudicating all claims under the public land laws. As a part of the Secretary's office force, and for the purpose of handling particularly the legal phases of matters coming before the department from its several bureaus, there is maintained the office of the solicitor, with a staff of attorneys who are specialists in the subjects under the jurisdiction of the department.

Matters coming before the department from its several bureaus, whether by way of submission or on appeal, are carefully reviewed by some member or members of the solicitor's staff before being submitted to the Secretary, and also receive the review of the board of appeals, thus insuring harmony in decisions and policies and fixing precedents for the guidance of the bureaus.

The Commissioner of the General Land Office is authorized by law to decide upon principles of equity and justice, as recognized in courts of equity, all cases of suspended entries and to determine in what cases patent shall issue, and such judgments of the commissioner must have the approval of the Secretary. In adjudicating this class of cases the Secretary and the commissioner act as a board of equitable adjudication.

SUMMARY

From the foregoing it would appear that the above bureaus, together being intrusted with the administration of Federal resources of incalculable value, require a single supervisory officer to assure the essential coordination in, and unity of, administrative policy. The possible and even potential loss to the United States in its resources by divided control over the public lands is tremendous. The proposed change would, if effective, create a situation wherein the policies of the Land Office could not be accommodated to those of the other bureaus and vice versa unless the Secretaries of Agriculture and of the Interior could agree as to such policies.

Assuming the possibility of coordinating the decisions of the two Secretaries, the only alternative to the costly and cumbersome procedure of postal communication concerning every detail arising in connection with the administration of public lands, between the two departments, would be the creation of a record bureau duplicating the Land Office in the Interior Department, and a technical bureau duplicating the Geological Survey in the Department of Agriculture. Even this would not be satisfactory or efficient.

It would therefore appear that the proposed order transferring the Land Office to a department which did not also house the other referred to bureaus would be so contrary to the policy expressed by Congress in the above-quoted section 401, Title 4, Part II, of the so-called economy act, as to be invalid.

I, therefore, earnestly hope that Congress will express disapproval of the proposed transfer of the Bureau of the General Land Office from the Department of the Interior to the Department of Agriculture; and that this will be done before the expiration of the time within which Congress must act in the matter.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

Mr. MAPES. I object. Mr. Chairman, I desire to oppose the amendment for the purpose of getting the floor. I do not expect to make any extended statement in regard to this reorganization matter at this time, but those of us who have made some study of reorganization of the departments of the Government realize how difficult it is to suggest anything that some one can not raise some objection to. If we are going to have any general reorganization of the departments of the Government we must make up our minds to accept some things, perhaps, that we individually would prefer not to have done.

The gentleman from Idaho says that the department was not heard on the particular matter to which he called attention. This matter of reorganization of the departments was a subject for discussion throughout the recent campaign. Everybody knew that the Director of the Budget was studying the matter and it is fair to assume that those who have knowledge of the situation were heard.

There are very few activities of the Government where you can get those engaged in the activity to consent to any transfer or consolidation, and the fact that they are opposed to consolidation is sometimes the best evidence that consolidation ought to be made.

I have been reading in the public prints that it was proposed to submit a resolution to the House opposing in toto all recommendations by the President in regard to consolidation of the departments.

If Congress passes such a resolution it is my judgment that it will be a long time before any general reorganization of the Government departments will ever be accomplished.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. SMITH of Idaho. The gentleman speaks with a great deal of knowledge on this question. I would like to ask him if he knows of any good reason why the General Land Office, that to-day has charge of the public domain, should be transferred to the Department of Agriculture, whose activities are not along that line?

Mr. MAPES. I have made no special study of that activity, and as the gentleman knows the question came up this afternoon unexpectedly to me, but I assume that those responsible for the recommendation have a good reason for making it. I have made a study of different reorganization suggestions, and I know that it is difficult to propose the transfer of any activity without arousing the opposition of those engaged in that activity, the same as the gentleman from Idaho is objecting to this particular transfer.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. COCHRAN of Missouri. I want to say to the gentleman that the committee has held hearings on the President's recommendations. We called the President's representative, Colonel Roop, before the committee to give us information. We could get no information as to where any efficiency would be increased or where any economy would result from the consolidation. And, in answer to a question of mine, he stated that he agreed with me that it would be unwise for Congress at a time when another President was coming in to turn over the activities of bureaus to another department or new organization.

Mr. MAPES. Now, I can not yield further to the gentleman. I do not understand how any responsible official of this administration who made the recommendations to the President upon which the President's recommendations in turn were made to Congress, could go before the committee and make any such statement as that.

Mr. COCHRAN of Missouri. The gentleman will not deny that he made it, will he?

Mr. MAPES. Oh, no; I do not question that he made it. I have tried to get a copy of the hearings before the committee, but I have not been able to get it. I was told this morning that the hearings had been sent to the printer. Personally I would like to know why the Director of the Budget made any such statement as that after he has spent all summer in preparing his recommendations.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. COCHRAN of Missouri. I happen to have a proof of the hearings in my office, and the gentleman is welcome to them.

Mr. MAPES. I shall be very glad to get them.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. COLTON. I think the committee considering this has thus far heard only witnesses who are opposed to individual items in the recommendations and has had only one witness before it for just a brief time who favors in any way the proposition. The testimony has been limited entirely to those individuals.

Mr. MAPES. It has been largely an ex parte hearing, then, as I take it from the statement of the gentleman from Utah. The committee is apparently trying to find some justification for tearing down what has been done. Congress put it up to the President and the Director of the Bureau of the Budget to make these recommendations, and it is to be assumed that they went into the matter thoroughly before they made them.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. EATON of Colorado. I am quite sure that the gentleman has not taken into consideration as far as the Land Office is concerned, that a comprehensive study was made of the work done in the various divisions of the Department of the Interior by his former colleague, Mr. Cramton, and that the recommendations in the pamphlet prepared by him for the gentleman's use and mine and for the use of whomsoever else is willing to read it, are that the public lands of the United States is the general subject, and that the combination should be made around the public lands, and that the removal of the Land Office to the Department of Agriculture is wrong. The recommendation is made to take the Forest Service from the Department of Agriculture and put it with the rest of the activities having to do with the public land. Following that recommendation I introduced a resolution (H. Res. 332) and appeared in support of that resolution before the Committee on Expenditures.

Mr. MAPES. Mr. Chairman, I shall have to ask the gentleman from Colorado to take time in his own right if he desires to make a speech.

Mr. CARTER of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. CARTER of Wyoming. How much did the President estimate will be saved by these economies?

Mr. MAPES. The President, as I recollect it, said quite properly that the savings would depend upon the administrative officials, but that he was making recommendations

for the consolidations so that the administrative officials could make the economies. Nobody can tell what the economies will be until the administrative officials themselves figure it out. As a Member of Congress, the gentleman knows that he can not tell whether the Land Office or any other bureau in the Interior Department or any department of the Government is overmanned or not. The chief administrator of that department is the only man who can tell; and, if these different services are consolidated, then it will be up to the administrative officials to get rid of the unnecessary personnel, to do away with waste and duplication of service, and bring about such economies as can be brought about.

Mr. CARTER of Wyoming. I should think that after some comprehensive study they would be able to make some sort of an estimate of what might be saved.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. SCHAFER. I am a member of the committee, and I listened patiently to the Director of the Budget in the hearings before the committee in favor of the President's consolidation program; and from the testimony, the gentleman from Michigan can gather, when he reads it, that the Director of the Budget did not present any definite savings and that all he had was a general statement along the same line that Mr. BYRNS, the former chairman of the Democratic Economy Committee, had when he was going to save millions by the consolidation of the Army and Navy. It is all speculative.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MAPES. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

Mr. BANKHEAD. Mr. Chairman, we have been discussing for 20 minutes a matter that is extraneous to this bill. The recommendations of the President with reference to consolidation have nothing to do with the bill under consideration. We can discuss that at some appropriate time. There are many of us here who are anxious to get along with the consideration of this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan that he proceed for two minutes?

Mr. BANKHEAD. Mr. Chairman, I shall not object to that, but hereafter we ought to get on with the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAPES. Mr. Chairman, I think it is impossible for anyone to tell what the particular savings will be. Perhaps the amount of savings to be accomplished by any reorganization of the departments is greatly overestimated in the public mind, but the truth remains that the country and the Congress have been asking for a reorganization of the executive departments of the Government for years, and here is an opportunity to have that done. The President has made his recommendations after a careful study by the office of the Director of the Budget, and it seems to me that Congress is taking upon itself a very grave responsibility if it passes a resolution to undo what the President has done in this respect.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Mr. Chairman, I yield the floor, and withdraw my objection to the withdrawal of the pro forma amendment.

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. EATON of Colorado. The gentleman from Michigan [Mr. MAPES] has apparently not seen that report of the History and Proper Functions of the Department of the Interior, by former Congressman Louis C. Cramton, which report has been circulated with all of the authority of the Department of the Interior. His recommendations concerning the General Land Office are in the following language:

It has been suggested that the General Land Office be transferred to the Department of Agriculture. Since agricultural development of these lands in the main is not to be expected, the work of the General Land Office does not tie into the statutory responsibility of the Department of Agriculture. There is only one bureau in the Department of Agriculture with which the General Land Office has any extensive contacts, that is the Forest Service; but the forest areas of the public domain under the General Land Office are relatively small as compared with the nonforest areas. In 1932 only 4,019 acres were entered under the timber and stone law. The General Land Office has as its major problems subjects with which the Forest Service has only incidental connection. Transfer of the General Land Office from the Department of the Interior to the Department of Agriculture would mean taking it away from a department efficiently administering it and in which most of its interbureau relationships are found, and transferring it to a department to whose statutory problem it is alien, in which its interbureau relationships generally are not found and which has already reached the limit of growth for most efficient departmental administration.

It is of the greatest importance to understand that as the administrator of the public domain, the Secretary of the Interior is the managing, coordinating, and appellate officer for five other bureaus or subjects, closely allied with the General Land Office, viz, the National Park Service, the Indian Office, the Reclamation Service, the Geological Survey, and Alaska.

History has taught us that the right of appeal for the redress of fancied or real wrongs is perhaps the greatest factor contributing to the tranquillity and happiness of a people and nation. The Department of the Interior has an enviable reputation throughout the public-land regions for the ease and fairness with which the humblest public-land claimant can take an appeal and secure a review of his cause. The reviews from or final authorization for the action of the six sections mentioned above are now given their primary consideration by a corps of attorneys in the Secretary's office, thus insuring harmonious action for all the sections or bureaus. It is important that this access to a common court of appeal be not disturbed.

At another portion of the report is found the following recommendation that the Forest Service be transferred back to the Department of the Interior:

FOREST SERVICE

Logically this service belongs in the general conservation and welfare department, the Department of the Interior. This is particularly true since it deals almost exclusively with a special category of public lands. It now administers over 160,000,000 acres of land, equal to nearly 8 per cent of the total land area in continental United States. A large percentage of this land is nonforest land, or lacking forests of real commercial value but, nevertheless, nearly one-fourth of the total timber in continental United States is now administered by this service. Included in this area are extensive mineral deposits which if they are acquired for development must be acquired under laws administered in the Interior Department by a competent staff of legal and scientific experts. The administration of these laws on lands otherwise managed by a unit in the Department of Agriculture means a double jurisdiction through which embarrassments have arisen in the past and are likely to arise in the future.

The principal value of the national forests aside from the timber that they contain is their value as grazing lands. Grazing within the forests now lies in the jurisdiction of the Department of Agriculture. Grazing on the public domain outside the forest boundaries is within the jurisdiction of the Interior Department. Two Government departments therefore are now engaged in the administration of a single Government resource. It is true that the management of the grazing within the forest reserves is more systematically and on the whole much more satisfactorily done than that on the public lands outside the forest reserves. This, however, is due to the availability of funds for the management of forest-reserve ranges and lack of legislation as to the general public domain and does not necessitate any radical reorganization, particularly since grazing is in large degree in each case an incidental use and not the primary objective.

Forest problems are in theory and in fact public-land problems and should be handled by that department of the Government which is charged with jurisdiction over other public-land problems. Closer contacts with the Geological Survey, the General Land Office, the National Park Service, and the Reclamation Service would mean better governmental administration as a whole.

Forestry policies were first urged and developed in the Department of the Interior and particularly under the leadership of the General Land Office * * *.

INVOLVING THE FOREST SERVICE AND THE GENERAL LAND OFFICE

The mining laws of the United States which are applicable to forest reservations, as well as to the public domain, are administered by the Interior Department. Under the joint regulations of August 5, 1915 (44 L. D. 360), of the Departments of the Interior and Agriculture, the Forest Service examines mineral entries and other claims within national forests. On request of the district forester, the chiefs of field division of the General Land Office assign mining engineers to assist in the investigation of mining

claims. Where it is found the law has not been complied with, the Forest Service brings proceedings in the district land offices of the Interior Department against the entries or claims and, if hearings are applied for, conducts the cases for the Government. The testimony of these hearings, however, is passed upon by the registers of the local land offices and appeals from their decisions lie to the General Land Office and the Secretary of the Interior. Thus it appears that while the Forest Service has no jurisdiction or administration over the minerals within its reservations, it maintains a corps of field men to examine and report upon mining claims within such reservations, which corps of field men is a duplication of that maintained by the General Land Office in connection with the administration of laws relating to the minerals on the public lands generally.

By the foregoing you will see that I am not alone in my contention that there was a mistake made when someone advised the President that he should order the transfer of the Land Office to the Department of Agriculture. Surely it will not be contended that the 49-page pamphlet by the "special attorney to the Secretary of the Interior," from which the citations were taken, was prepared and promulgated without authority. Nor that it is not entitled to the most respectful consideration.

To those who have been familiar with the many activities which have grown up in connection with the administration of the public lands of the United States it has been fully demonstrated that it is not merely convenient but necessary that all such should be found in one department, with one general administrative officer, whose subordinates' decision should be subject to review by a board of appeal whose scope covered the entire field of public-land matters, whether they were adjudication of titles to homestead, mineral, or Indian lands, the work of the cadastral, geological, or topographical surveys, reclamation projects, national parks, or Territorial lands.

I would like to have the time to-day to give you some of the history of the handling of the public lands. When the Department of the Interior was created in 1849, just 83 years ago, there were approximately 250,000,000 acres of public lands in the then States of Ohio, Indiana, Illinois, Michigan, Wisconsin, Iowa, Missouri, Arkansas, Louisiana, Mississippi, Alabama, and Florida. To-day there are over 173,000,000 acres of vacant lands subject to all applicable public land laws, over 133,000,000 acres in the forest reserves, and almost 90,000,000 acres covered by various reservoirs, reclamation and miscellaneous withdrawn lands, from many of which a large revenue is collected by the agencies in the department and applied as required by the various statutes.

Most of these public lands are in the 11 Western States, Colorado, Wyoming, New Mexico, Montana, Idaho, Utah, Nevada, Washington, Oregon, California, and Arizona. Their representation in the Congress is small. In the Seventy-third Congress there will be 22 Senators and 43 Representatives. The latter number is the exact number of the Representatives from the one great State of New York.

During the time since the Forest Service was transferred to the Department of Agriculture on February 1, 1905, the general policies of the handling of public lands have changed so that approximately 90,000,000 acres have been put in a classification of revenue producing, and much of the revenue derived therefrom has been applied to the reclamation of some of the lands within the 13,400,000 acres withdrawn for reclamation purposes.

No matter what the comment may be about the orders to transfer other departments of the Government, the conclusion is irresistible that the order to transfer the Land Office to the department was a mistake. I have no doubt that a careful consideration of the matter by anyone with sufficient knowledge of the functions incident to the handling of the public lands will result in the same conclusion.

The general subject is public lands, not agriculture. Each and every activity concerning the public lands ought to be under one supervision. But in any event, the present Land Office should not be divorced from the other public-land activities in the Department of the Interior, and since this one bureau is the only one ordered transferred to the Department of Agriculture, I submit that the disapproval thereof in the manner provided for by statute ought to be confirmed, and if in the future it should be deemed wise to remove public-land matters from the Department of the Interior, then each and every bureau attending to any public-land matters ought to be consolidated in one group, the group kept intact and placed in that department which can best administer the whole subject.

The Clerk read as follows:

Eradicating tuberculosis: For investigating the diseases of tuberculosis and paratuberculosis of animals, and avian tuberculosis, for their control and eradication, for the tuberculin testing of animals, and for researches concerning the causes of the diseases, their modes of spread, and methods of treatment and prevention, including demonstrations, the formation of organizations, and such other means as may be necessary, either independently or in cooperation with farmers, associations, or State, Territory, or county authorities, $5,945,360, of which $1,145,360 shall be set aside for administrative and operating expenses and $4,800,000 for the payment of indemnities: *Provided*, That in carrying out the purpose of this appropriation, if in the opinion of the Secretary of Agriculture it shall be necessary to condemn and destroy tuberculous or paratuberculous cattle, if such animals have been destroyed, condemned, or die after condemnation, he may, in his discretion, and in accordance with such rules and regulations as he may prescribe, expend in the city of Washington or elsewhere such sums as he shall determine to be necessary, within the limitations above provided, for the payment of indemnities, for the reimbursement of owners of such animals, in cooperation with such States, Territories, counties, or municipalities, as shall by law or by suitable action in keeping with its authority in the matter, and by rules and regulations adopted and enforced in pursuance thereof, provide inspection of tuberculous or paratuberculous cattle and for compensation to owners of cattle so condemned, but no part of the money hereby appropriated shall be used in compensating owners of such cattle except in cooperation with and supplementary to payments to be made by State, Territory, county, or municipality where condemnation of such cattle shall take place, nor shall any payment be made hereunder as compensation for or on account of any such animal if at the time of inspection or test, or at the time of condemnation thereof, it shall belong to or be upon the premises of any person, firm, or corporation to which it has been sold, shipped, or delivered for the purpose of being slaughtered: *Provided further*, That out of the money hereby appropriated no payment as compensation for any cattle condemned for slaughter shall exceed one-third of the difference between the appraised value of such cattle and the value of the salvage thereof; that no payment hereunder shall exceed the amount paid or to be paid by the State, Territory, county, and municipality where the animal shall be condemned; that in no case shall any payment hereunder be more than $25 for any grade animal or more than $50 for any purebred animal, and that no payment shall be made unless the owner has complied with all lawful quarantine regulations.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. Is there any overlapping of service between the Federal and State authorities on this matter of examining these cattle for eradication of tuberculosis; and if so, how is that controlled?

Mr. BUCHANAN. No. There is absolute cooperation. It can not be conducted in any other way, because the State pays a part of the cost of the condemned animals and the Federal Government pays part. It takes them both to constitute an operating force.

Mr. GOSS. Then there are no rules and regulations established by these Federal officials that in any way conflict with the work done in the States?

Mr. BUCHANAN. No; the rules and regulations of the Federal officials and those of the States where they are operating are in accord.

The Clerk read as follows:

Eradicating hog cholera: For investigating the disease of hog cholera and related swine diseases, and for their control or eradication by such means as may be necessary, including demonstrations, the formation of organizations, and other methods, either independently or in cooperation with farmers' associations, State or county authorities, $420,000: *Provided*, That of said sum $232,840 shall be available for expenditure in carrying out the provisions of the act approved March 4, 1913 (U. S. C., title 21, secs. 151–158), regulating the preparation, sale, barter, exchange, or shipment of any virus, serum, toxin, or analogous product manufactured in the United States and the importation of such products intended for use in the treatment of domestic animals: *Provided further*, That of said sum $27,700 shall be available for researches concerning the cause, modes of spread, and methods of treatment and prevention of these diseases.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word.

Referring to this paragraph and two or three preceding paragraphs I find the same identical language used, and I want to call it to the attention of the chairman of the sub-

committee. For instance, in lines 11, 12, and 13, on page 26, there will be found these words:

A certain sum of money shall be available for researches concerning the cause, modes of spread, and methods of treatment and prevention of these diseases.

The language I have just read appears in the conclusion of three or four of these paragraphs. The point I am getting at is this: Is there ever to be an end of the research work? Is there ever to be an end concerning the study of the cause and modes of spread? It would seem that after a while, with all the research work we have had concerning these diseases about which we have known for years, finally we would reach the end of research work and we would reach the end of some of these developments. I am aware that there is need to carry on the work of extermination and such things; but that is a perfect illustration of how, once a bureau is established, it continues through all the years. Can the gentleman give any information to the committee as to whether or not, when these departments of research are once established, they ever do end their work?

Mr. BUCHANAN. It seems not. Of course, the gentleman knows how this identical language occurred. It was put in on the floor of the House by some Member who was concerned about some specific disease in his district and wanted it investigated. He would say, "This amendment does not increase the appropriation, and yet it provides that the investigation can be made."

That has been carried on because it was put in on the floor of the House from one Congress to another.

One of my criticisms of the Department of Agriculture—and the hearings at the sessions are full of my criticisms—is that when we start a research investigation upon a particular subject it seems that it never ends. At one time I had the chief of the scientific division begin a list of those that had ended and those that had not ended. That was one of my criticisms. When the next Congress meets, and when this subcommittee has more time, if I am fortunate enough to be alive and to be here, I expect to conduct a searching investigation upon each project and determine how long the scientists have been investigating it and what results they have accomplished, and whether any better results are hoped for. For instance, take the question of hog cholera. That has been investigated for 40 years.

Mr. KETCHAM. And tuberculosis in cattle.

Mr. BUCHANAN. Well, that has not been so long. I have no complaint of tuberculosis in cattle, but hog cholera has been investigated for 40 years. Over 20 years ago they found a serum that prevented hog cholera. They have made one progressive step since that time. They found a better serum and the serum does not cause any ill effect upon the hogs when injected into them, such as the old serum did. They held that out as an example of why these researches should be continued time on end. They say there is no end to science. That is true. But there ought to be an end to certain projects in science. I am going to conduct a searching investigation into these projects next year and determine what ones should be dropped, and drop the appropriation with it.

Mr. KETCHAM. The gentleman then believes that a substantial saving could be made in checking over every one of these, where there is such broad authorization given for the expenditure of money?

Mr. BUCHANAN. I believe considerable savings can be made, and I intend to make them.

Mr. KETCHAM. As far as I am concerned, I wish the gentleman long life, great power, and more strength in that effort.

Mr. ALLGOOD. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. ALLGOOD. I notice this item includes the salary of chief of bureau and other personal service in the District of Columbia, $129,975.

Mr. BUCHANAN. That is an administrative item, is it not?

Mr. ALLGOOD. I was wondering how many chiefs of bureau there were. I notice that item several times.

Mr. BUCHANAN. There are about 23 bureaus and there are 23 chiefs.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

For additional expenses in carrying out the provisions of the meat inspection act of June 30, 1906 (U. S. C., title 21, sec. 95), as amended by the act of March 4, 1907 (U. S. C., title 21, secs. 71–94), and as extended to equine meat by the act of July 24, 1919 (U. S. C., title 21, sec. 96), including the purchase of tags, labels, stamps, and certificates printed in course of manufacture, $2,074,590.

Mr. GOSS. Mr. Chairman, I move to strike out the last three words.

I would like to ask the chairman of the subcommittee if he has put in any study on the permanent appropriations in connection with this Department of Agriculture appropriation bill?

Mr. BUCHANAN. Yes; I am familiar with the permanent appropriations. However, this is not one of them.

Mr. GOSS. Well, it is in addition to one of $3,000,000 carried for this same item, is it not?

Mr. BUCHANAN. A long time ago, I think about 1906, Congressman Lorimer introduced and had passed through the House a permanent appropriation of $3,000,000 for meat inspection. The amount of meat killed in the country from that period—1906—rose very rapidly. If we are to inspect meat at all, it is necessary to expand the work. The gentleman understands this is nearly all personal service. They required new inspectors. This committee has made additional supplementary appropriations to supply that need until the appropriation has reached about $5,000,000. In my judgment, the amount above $3,000,000 has no authorization in law. I gave serious consideration before my committee to striking it out. The appropriation has been made for years. They have built up a splendid inspection service. Over 350,000 carcasses are condemned each year, which contain germs, other bacteria, or infection injurious to human life. I was not willing to take the responsibility of turning loose upon my country a whole lot of poison meat for people to eat when they did not know it was poison. This is not an agricultural service, gentlemen. This is a service to the public. The Department of Agriculture gets less benefit than any other service. So the committee has recommended an appropriation for $5,000,000—$3,000,000 authorized and $2,000,000 unauthorized.

Any man who wants to make the point of order and take the responsibility may do so; it is up to him.

Mr. GOSS. I would say to the gentleman that it is too late for the point of order, but I was interested in that point. Now, where can the Members of the House get that whole subject before them for their own scrutiny; will the gentleman tell us?

Mr. BUCHANAN. You mean by way of legislation?

Mr. GOSS. This whole question of meat inspection. There is a permanent appropriation of $3,000,000 which the House can not even touch; that is permanent law. I am asking the gentleman how can we get that problem up in the House? The legislative committee would be the only one that could repeal the law. Is not that true?

Mr. BUCHANAN. Oh, yes. The legislative committee is the only one that can bring in a bill to repeal the $3,000,000 permanent appropriation, but the $2,000,000 above the amount of the permanent appropriation could be stricken out on a point of order.

Mr. GOSS. I understand it can be done, but where can Members of the House get information on the whole question of meat inspection?

Now, I want to ask the gentleman from Texas whether the salary paid these inspectors under the permanent law is subject to the provisions of the economy act?

Mr. BUCHANAN. Surely they are.

Mr. GOSS. Salaries paid under authorization of permanent law?



Mr. BUCHANAN. Certainly they are subject to the provision of the economy act.

Mr. LAGUARDIA. They are veterinarians employed under civil service.

Mr. GOSS. The national-bank examiners are not subject to the economy act.

Mr. LAGUARDIA. I am pretty sure the veterinarians provided for in this bill are under civil service.

Mr. BUCHANAN. Certainly, they are subject to it.

Mr. GOSS. Now, will the gentleman from Texas answer my other question?

Mr. BUCHANAN. What was it?

Mr. GOSS. The first one I asked.

Mr. BUCHANAN. I will give the gentleman all the information on it he wants.

Mr. GOSS. I was informed yesterday that the chairman of the Appropriations Committee, the gentleman from Tennessee [Mr. BYRNS], had just appointed a committee to investigate these items.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. COCHRAN of Missouri. I will say to the gentleman that if he will go to the legislative reference service of the Library of Congress, for which we make liberal provisions to render just such service, he can get the information he desires.

Mr. GOSS. What I am anxious to see is a consideration of all these appropriations under permanent authorization, amounting in all to some $250,000,000.

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. BANKHEAD. In the absence of the gentleman from Tennessee [Mr. BYRNS], the chairman of the committee—I am sorry he is not here to answer the gentleman's inquiry—let me say it was stated in the press this morning that the chairman of that committee had appointed a select subcommittee from the full committee to make a general investigation and study of all these so-called permanent appropriations with a view of furnishing, I imagine, the exact information desired by the gentleman from Connecticut.

Mr. GOSS. I hope the committee will go far enough to get some of these legislative committees to bring in a bill for the repeal of a great many of these permanent appropriations in the annual supply bills so that they may be considered on their merits each year in the House.

Mr. BANKHEAD. I assumed that was exactly the purpose the gentleman from Connecticut had in mind.

Mr. LAGUARDIA. Mr. Chairman, I desire simply to say a few words to have the RECORD show that there is not uniform opposition to this particular service and to this appropriation. It is a necessary service, one of the most necessary services in the Department of Agriculture. It is just as necessary and useful to the consumers as it is to the producers.

Mr. Chairman, if you will only go back to the days when Upton Sinclair wrote his Jungle, in the time of Roosevelt's administration, exposing the indecent, insanitary, shameful conditions existing in the stockyards, I believe that any Member would pause before even remotely suggesting that this meat inspection service should be discontinued.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. In a moment. My genial friend the gentleman from Nebraska [Mr. SIMMONS] is going to ask what benefit the producer gets out of it.

Mr. SIMMONS. If the gentleman will permit, the producer gets his benefit, but this is a distinct service the greatest benefits of which go to the city consumers.

Mr. LAGUARDIA. It goes to them to the extent that they are not compelled to eat the meat of tubercular cattle. It causes the breeding of good cattle in the gentleman's State, and we have learned from sad experience that without this inspection the most serious abuses would take place.

Mr. SIMMONS. This is an appropriation that can be justified not only by the producer but the consumer and the public generally.

Mr. LAGUARDIA. All right; then we agree on that. I hope we will not let word go out that there is any thought in this House that the appropriation for the meat inspection service is unnecessary or that during this period of economic reorganization, unscrambling and rescrambling of departments, that this service is to be discontinued or in any way impaired.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. ALLGOOD. This is a service for the benefit, principally, of the packers.

Mr. LAGUARDIA. No; for the benefit of the consumers, primarily.

Mr. ALLGOOD. Well, it is a benefit the Government furnishes to the packers principally.

Mr. LAGUARDIA. No.

Mr. ALLGOOD. If it is for the benefit of the packers, why not put a tax on the packers for this service?

Mr. LAGUARDIA. That is different; but I certainly would not want to put these inspectors under the direct control of the packers any more than I would want to put the bank examiners under the control of the National City Bank of my city.

Mr. ALLGOOD. I did not say anything about that. What I said was that the packers ought to pay for this service and not the Government.

Mr. LAGUARDIA. I believe that is simply a detail, and what we are primarily interested in——

Mr. ALLGOOD. It is not a detail; it is an economic consideration.

Mr. LAGUARDIA. But what we are primarily interested in is that this very important service, which was brought about and developed as a result of scandalous conditions existing in the packing industry, shall continue unimpaired by the frenzy of economy.

Mr. ALLGOOD. I agree with the gentleman that it is a necessary inspection, but I do not think the Federal Government ought to pay for it.

Mr. LAGUARDIA. I do not care who pays for it, but I do care who controls this service, and it must be the Government.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

In case of an emergency arising out of the existence of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious disease of animals, which, in the opinion of the Secretary of Agriculture, threatens the livestock industry of the country, he may expend, in the city of Washington or elsewhere, any unexpended balances of appropriations heretofore made for this purpose in the arrest and eradication of any such disease, including the payment of claims growing out of past and future purchases and destruction, in cooperation with the States, of animals affected by or exposed to, or of materials contaminated by or exposed to, any such disease, wherever found and irrespective of ownership, under like or substantially similar circumstances, when such owner has complied with all lawful quarantine regulations: *Provided*, That the payment for animals hereafter purchased may be made on appraisement based on the meat, dairy, or breeding value, but in case of appraisement based on breeding value no appraisement of any animal shall exceed three times its meat or dairy value, and, except in case of an extraordinary emergency, to be determined by the Secretary of Agriculture, the payment by the United States Government for any animals shall not exceed one-half of any such appraisements: *Provided further*, That the sum of $5,000 of the unexpended balance of the appropriation of $3,500,000, contained in the second deficiency appropriation act, fiscal year 1924, approved December 5, 1924, for the eradication of the foot-and-mouth disease and other contagious or infectious diseases of animals, is hereby made available during the fiscal year 1934 to enable the Secretary of Agriculture to control and eradicate the European fowl pest and similar diseases in poultry.

Mr. GOSS. Mr. Chairman, I move to strike out the last word.

I see that the chairman of the Committee on Appropriations is now on the floor, and perhaps the gentleman would like to tell us about the matter that was referred to in the

press with respect to the appointment of a subcommittee to examine the permanent appropriations. Would the gentleman from Tennessee care to tell us about what he expects to do in that respect?

Mr. BYRNS. Mr. Chairman, I regret I was not on the floor a moment ago. I had just been called out of the Chamber for a moment.

I may say to the gentleman that we had this object in view in naming this subcommittee. The gentleman himself has had a good deal to say in the past with reference to these permanent appropriations. Many of them have been on the statute books for many years. They were created, of course, by special legislation. They occur more particularly in the Department of Agriculture, in the Department of the Interior, in the Treasury Department, and in the War Department. There are also permanent appropriations in some of the other departments.

Of course, these permanent appropriations are never examined, or rarely so, by the subcommittee, because they are not included in the estimates, and they go along from year to year as a matter of course in pursuance of the legislation which was passed creating them. Some of them, like the debt-retirement appropriation, interest on the public debt, and possibly others that I might allude to, doubtless ought to be retained as permanent appropriations. The appropriations to which I have referred, as the gentleman knows, are dependent upon various contingencies, such as the amount of the public debt and its increase or decrease, as the case may be.

When the subcommittee was appointed we had in mind, now that many of the appropriations are getting behind us, that the subcommittee would take this general subject under consideration and would conduct an inquiry without delay as to all of these permanent and specific appropriations.

I may say that exclusive of interest on public debts and the debt-retirement appropriation these appropriations amount to about $140,000,000, and if, upon investigation, they find any of them can be eliminated, they will, of course, so recommend. If they find they can be reduced, they will so recommend; but in any event I hope the committee will report and recommend that they be transferred to live and active appropriations, so that hereafter it will be necessary for the Director of the Budget to make his estimates for whatever is necessary in these appropriations just as he does with respect to other appropriations, and thus enable the committee and the Congress to secure information from year to year as to just what is being done and how much is being expended, and whether or not it is being economically expended.

Mr. GARNER. Will the gentleman yield for a question?

Mr. GOSS. I yield.

Mr. GARNER. Outside of interest on public debts and the sinking-fund appropriation, I understood the gentleman to say that these appropriations amount to about $140,000,000?

Mr. BYRNS. That is my recollection.

Mr. GARNER. Under the Holman rule, an amendment to this bill or to any other appropriation bill repealing any of these laws would be in order, because it would reduce expenditures; is not that correct?

Mr. BYRNS. I think it would have to show on the face of the amendment that it was a reduction of the total expenditure.

Mr. GARNER. Undoubtedly that would be shown on its face, because the gentleman's statement is that these appropriations amount to $140,000,000, and if we repeal them that would reduce the appropriations.

Mr. BYRNS. Yes.

Mr. GARNER. And this would cause the Committee on Appropriations in the next Congress to make an entire survey of the permanent appropriations, such as the gentleman suggests now should be done, and there would be no need of any legislation except on amendments to the appropriation bill itself.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I ask unanimous consent that the time may be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. BYRNS. I had in mind that before the step to which the gentleman from Texas [Mr. GARNER] refers was undertaken, the subcommittee could make an exhaustive and intelligent inquiry, and it ought not to take them very long to gather all the facts. They would have the representatives of the various appropriations appear and testify, and could do this in an intelligent way and not repeal appropriations that ought to be carried along. But we could put these things into effect, either as the gentleman suggests or in the deficiency bill under a rule, if necessary, or, as the gentleman suggests, it may be done under the present rule.

Mr. SNELL. Will the gentleman yield in order that I may ask the gentleman from Tennessee a question?

Mr. BYRNS. Let me say one thing more. I have no information with reference to permanent appropriations except in a general way any more than any other Member of the House, because I have not fully investigated them; but I think the main advantage to be gained is the fact that it will give the committee of Congress an opportunity to investigate year by year and learn what is being done and how the money is spent.

Mr. GOSS. I yield to the gentleman from New York.

Mr. SNELL. I did not understand the question of the Speaker. Did he ask whether under the Holman rule you could repeal the general law?

Mr. BYRNS. I will let the gentleman from Texas answer for himself.

Mr. GARNER. You can cut any appropriation under the Holman rule if it reduces the expenditures of the Government.

Mr. SNELL. I can not agree that you can repeal the general law by the Holman rule.

Mr. GARNER. I did not say so.

Mr. SNELL. You can limit or cut an appropriation in this bill under the Holman rule.

Mr. GARNER. Any appropriation carried in the bill you can reduce if it shows on its face it is a reduction under the Holman rule.

Mr. SNELL. But you can not repeal the general law under this bill.

Mr. BYRNS. The difficulty is that there are no permanent appropriations carried in this bill.

Mr. GOSS. Yes; some.

Mr. BYRNS. I am talking about the permanent appropriations.

Mr. GOSS. Yes. I want to call attention to one other thing I have found in the investigation of permanent appropriations. I find that there are many permanent appropriations in the organic law that are not active. I might refer to something like this: The Treasury Department, when it sells a Coast Guard boat, can reappropriate that money for the purchase of a new vessel. I understand permanent appropriations are not mentioned in the bill or report providing they are not recommended in 1934 or carried in 1933 or in 1932.

So I would like to suggest an investigation of the whole range, whether they are active or inactive.

Mr. BYRNS. The proposed subcommittee is going into the whole question.

Mr. SIMMONS. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. SIMMONS. The gentleman says that the permanent appropriations are not mentioned in the report. They are carried at the close of the report.

Mr. GOSS. I was speaking of the permanent appropriations that are inactive.

Mr. SIMMONS. Those that constitute a revolving fund. They ought to be; the Members of Congress ought to have a chance to pass on them.

Mr. LaGUARDIA. Will the gentleman from Connecticut yield to me to ask a question of the gentleman from Tennessee?

Mr. GOSS. I yield.

Mr. LaGUARDIA. Is it not true that the permanent appropriations—appropriations under the present law—are only about 10 per cent of the amounts required to meet the debt service under existing conditions—$1,200,000,000?

Mr. GOSS. One billion four hundred million dollars is included in the report of the Bureau of the Budget.

Mr. BYRNS. That includes interest on the sinking fund.

Mr. GOSS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LaGUARDIA. Mr. Chairman, may I ask the gentleman from Tennessee, in the time of the gentleman from Connecticut, this question: Surely, in this investigation looking toward possible economy in these so-called appropriations, under mandatory, permanent legislation, the gentleman does not want the country to get the idea that the amounts now appropriated for interest charges on the public debt are so rigid that they can not be reduced?

Mr. BYRNS. Oh, no. On the contrary, I think I was careful to say that they may be increased or decreased.

Mr. LaGUARDIA. Or lowered, according to the interest rate.

Mr. BYRNS. Absolutely.

Mr. LaGUARDIA. Under a proper, conscientious refunding system, looking to the best interests of the country, surely at this time the outstanding indebtedness of the country could be refunded on a 3 per cent basis?

Mr. BYRNS. I would hope so. I do not know just what the interest would be, but I think that the gentleman is nearer correct than incorrect in that statement.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GOSS. Yes.

Mr. COCHRAN of Missouri. Practically every appropriation has been reduced within the last two or three years outside of these permanent appropriations. Would it be within the jurisdiction of the committee of the gentleman from Tennessee to bring in a blanket resolution reducing all appropriations a given per cent, say 10 per cent or 15 per cent, or whatever per cent the gentleman's committee thinks advisable, so that all appropriations of the Government, regardless of whether they are permanent or temporary, would likewise suffer a reduction at this time?

Mr. BYRNS. Inasmuch as these permanent and specific appropriations are made as a result of legislation, I am not so certain that a resolution of that kind would be in order, but the whole object of this subcommittee is to investigate the whole subject from every angle and then to make recommendations to the House so that if legislation is necessary, the proper committee may be so advised, and, if the House prefers a rule, it can adopt that policy; but in any event the idea will be to reduce those appropriations where they can be reduced and to get some information about how they are being expended when they can not be reduced.

Mr. COCHRAN of Missouri. The gentleman realizes the difficulty in reference to changing legislation. For instance, he will recall his experience with the Economy Committee when a suggestion was made that the committee was going to reduce a certain appropriation. The gentleman knows himself that in one morning he received 1,500 telegrams in protest, instigated by Government agents.

Mr. BYRNS. I think the gentleman is rather modest in his estimate of the number that all of us received.

Mr. COCHRAN of Missouri. I received about 500, and I thought the gentleman from Tennessee received 1,500.

Mr. LaGUARDIA. The gentleman from Tennessee [Mr. BYRNS] undoubtedly will wield great influence in the next Congress and the next administration, and may I suggest to him that he use that influence to have the proper authorities carefully consider the law passed in 1789 defining the qualifications and disqualifications of the Secretary of the Treasury. Those old boys back in the early days knew what they were doing a great deal better than we do, because to-day we seem to be overimpressed if we have a Secretary of the Treasury of whom it can be said that he is a multimillionaire. If we can get a man for Secretary of the Treasury of the type defined in the original act, I think we will be able to much more properly refund our national debt at a low rate of interest, thereby saving hundreds of millions of dollars.

Mr. GOSS. I understand the gentleman is probably going to be willing to support a resolution of some kind that might repeal all of these permanent appropriations, so that they may come before the House each year?

Mr. BYRNS. That is the whole object of the investigation.

Mr. GOSS. And the gentleman thinks that will be done?

Mr. BYRNS. I think so, but I would not say in every instance; but I think where it is not done, the committee will be able to present a very good reason why it should not be done.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. GOSS. Yes.

Mr. HASTINGS. Does the gentleman think that we ought to repeal the authority to pay the interest on the public debt and provide for the sinking fund?

Mr. GOSS. I think we ought to repeal every one of the permanent appropriations and then see to it that the subcommittees of the Committee on Appropriations bring in each supply bill the amount necessary, whatever that may be, to take the place of the permanent appropriation, so that the matter would come before the House for attention, and so that we might have it before us each year.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

Mr. HASTINGS. Mr. Chairman, I ask that the gentleman's time be extended for two minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HASTINGS. I assume that the gentleman from Connecticut realizes it would be pretty difficult just at the present time to estimate the amount that will be required to pay the interest on the public debt.

Mr. GOSS. That is perfectly true.

Mr. HASTINGS. For that is changing both as to amount and as to rate of interest. All of the others perhaps could be taken care of much more easily than the one providing for interest on the public debt and the sinking fund.

Mr. GOSS. I admit to the gentleman that that is a special instance.

Mr. HASTINGS. I agree with the gentleman from Connecticut. I think all of the rest of them ought to be repealed.

Mr. GOSS. And brought in here on the annual supply bills.

Mr. HASTINGS. I agree with the gentleman.

The Clerk read as follows:

Arlington Farm: For continuing the necessary improvements to establish and maintain a general experiment farm and agricultural station on the Arlington estate, in the State of Virginia, in accordance with the provisions of the act of Congress approved April 18, 1900 (31 Stat. pp. 135, 136), $51,545: *Provided*, That the limitations in this act as to the cost of farm buildings shall not apply to this paragraph.

Mr. TABER. Mr. Chairman, I move to strike out the paragraph. It seems to me that this farm located out here on the Arlington estate, where the land is not particularly suitable for this sort of thing, should be abandoned and that we ought to stop continuing the necessary improvements to establish and maintain a general experimental farm at that place, and in that way save $51,545.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SUMMERS of Washington. Not alone is agricultural experiment work carried on there but I know that one of the chemical laboratories which is doing a great deal of very valuable work and much test work is being conducted there, wholly independent of the sort of work the gentleman is referring to.

Mr. TABER. This is for continuing the necessary improvements. That is all this appropriation is for. Then it

provides later on that the limitations in this act, as to cost of farm buildings, shall not apply to this paragraph.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

The members of this committee know that this Arlington Farm is the very basis of practically all the fundamental experiments in research in the Bureau of Plant Industry; and if that is stricken out, we might just as well strike out the Bureau of Plant Industry. It is the very basis of all operations. I am surprised at my colleague offering an amendment to strike it out.

Mr. TABER. Will the gentleman yield for a question?

Mr. BUCHANAN. Yes; I yield.

Mr. TABER. This appropriation provides for continuing the necessary improvements. It is not a maintenance appropriation at all. I am surprised that the chairman of the subcommittee is confused on the subject.

Mr. BUCHANAN. Has the gentleman overlooked the word "maintain"?

Mr. TABER. No; I have not. It reads:

For continuing the necessary improvements to establish and maintain.

It does not read that the money we are appropriating here is to maintain. It says:

For continuing the necessary improvements.

That is all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 13, noes 24.

So the amendment was rejected.

The Clerk read as follows:

Barberry eradication: For the eradication of the common barberry and for applying such other methods of eradication and control of cereal rusts as in the judgment of the Secretary of Agriculture may be necessary, including the payment of such expenses and the employment of such persons and means, in the city of Washington and elsewhere, and cooperation with such authorities of the States concerned, organizations of growers, or individuals, as he may deem necessary to accomplish such purposes, $180,722: *Provided*, That $75,000 of this amount shall be available for expenditure only when an equal amount shall have been appropriated, subscribed, or contributed by States, counties, or local authorities, or by individuals or organizations for the accomplishment of such purposes: *Provided further*, That no part of the money herein appropriated shall be used to pay the cost or value of property injured or destroyed.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I would like to have a little report about the progress of barberry eradication. We have been at the job now for 10 or 15 or 20 years, and very considerable sums of money have been expended. I do not know that we have had a report lately as to the progress that has been made in connection with it or whether there are any indications that we shall finally come to the end of this recurring appropriation carrying, as it does, a little over $250,000.

Mr. BUCHANAN. According to the information given the committee, the results from the expenditure of that money in destroying the barberry bush and preventing spring rust on wheat are very gratifying. Over a 5-year period there were 89,333,000 bushels of wheat destroyed prior to our operations. Since then there has been an average of 17,000,000 bushels, in the recent 5-year period, destroyed annually by spring rust on wheat. So that if the statement of the department is correct in these matters, we are amply justified in continuing this work until it is completed. When I say "completed" I do not mean forever eradicated from the United States, because I think that is impossible, but I mean eradicating it from the principal wheat-producing areas. There is no question that if we destroy barberry bushes in those areas, we will not have spring rust on wheat.

Mr. KETCHAM. Is the gentleman prepared to give the committee at this time any information as to the extent to which that program has been carried out and how much longer may we expect to make this appropriation?

Mr. BUCHANAN. We are gradually reducing it. Three hundred and seventy-seven thousand dollars was appropriated in 1932. In this bill we are recommending $180,000, a considerable reduction. The local communities are now interested. The Boy Scouts and boys' and girls' corn clubs and such organizations are interested now in eradicating barberry bushes, and they are accomplishing a great deal with very little money.

Mr. KETCHAM. Is the appropriation made by the Federal Government conditioned upon cooperation by the various States?

Mr. BUCHANAN. Seventy-five thousand dollars of it.

Mr. KETCHAM. Of course, if the States desire this work, by appropriating a corresponding amount, then they may ask the Federal Government to come into their State and spend a portion, up to $75,000 for this work?

Mr. BUCHANAN. Seventy-five thousand of it is to be matched. That is all.

The pro forma amendment was withdrawn.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, this is one of a series of appropriations in this bill and other bills coming before the Congress, which illustrates the only practical way in which any large, substantial reduction in the expenses of the Federal Government can be obtained, namely, by the total elimination of such appropriations.

What does this appropriation do? It sets aside $180,000 for barberry eradication, and then goes on and provides that $75,000 of this amount shall be available only when somebody else contributes $75,000. I do not know whether that is a bait for receiving the $75,000 or whether it is intended as an inducement to obtain appropriations and contributions from others; but in these times, when we are trying to economize, I repeat, the only way we can do it is by eliminating expenditures of a character which should not necessarily be incurred by the Federal Government.

Mr. BURTNESS. Will the gentleman yield?

Mr. CHINDBLOM. I yield.

Mr. BURTNESS. Will the gentleman explain to the House what the purpose of this eradication is, what it does, and what it accomplishes, or does not the gentleman know anything about it?

Mr. CHINDBLOM. Oh, yes, I do. It accomplishes just exactly what the States themselves could accomplish in their own territories. I dare say there is no territory subject to the exclusive jurisdiction of the Government of the United States where this appropriation has any value.

Mr. BURTNESS. Will the gentleman yield again for a suggestion?

Mr. CHINDBLOM. Yes; I yield.

Mr. BURTNESS. Apparently the gentleman entirely overlooks—and I am not surprised, because the gentleman may not be conversant with the subject—the gentleman entirely overlooks the fact that barberries present a danger which is not limited to a local area or to a State but is entirely international and interstate in character as well as local. In fact, the barberry bush is not even native to this country but was imported into the United States, and the presence of it in one State is as dangerous to the wheat producers of another State as if the plant were locally there.

Mr. CHINDBLOM. I think I shall pass over the gentleman's suggestion that I do not know anything about the subject. I have been here some years, and I have known something about the appropriations that have been made by Congress. I repeat that this is a subject matter for local regulation, for local expenditure, and entirely for local administration.

If we need any of it in the District of Columbia—I know there is a reference in the paragraph to the city of Washington, which, of course, is improper, there being no such thing, the city of Washington being only a part of the District of Columbia, and probably that reference is by way of inducement—but if there is such a thing necessary for the District of Columbia, let the Federal Government, as being responsible for the government of the District of Columbia, make separate provision for that. This is the sort of thing which we are doing all over the United States

in the States, which, in my opinion—and I think my opinion is justified—is a matter of local regulation and local jurisdiction.

Now, of course, if we shall continue this plan, if we shall continue this work of the Federal Government assisting the States, contributing to the States, inducing the States and local organizations to contribute, to match the contributions of the Federal Government—if we are to continue this general plan, we can never hope for any substantial reduction in the expenditures of the Federal administration. I am speaking of the Federal administration as being something entirely separate from local administrations. I am speaking of the particular functions of the Federal Government as distinguished from the functions of the State and local governments; and I believe this is a good place to start. All through this bill there are places to start the elimination of non-Federal activities and expenditures. I shall not take up the time of the committee to make futile efforts upon all of these proposals, but I offer this amendment in all earnestness and hope it will be adopted. Of course, to be consistent, we should follow up this action with similar elimination of other like activities. I think the policy of making Federal appropriations dependent or conditional upon contributions from other sources is particularly obnoxious and unwise. If the object is Federal, let us handle it; if it is not, let the responsibility and the burden of expense rest where it belongs.

Mr. BURTNESS. Mr. Chairman, I rise in opposition to the amendment.

I hope the distinguished gentleman from Illinois did not take any offense at the statement I made where I indicated that possibly he did not know anything about the details of this work. Surely, I did not mean to imply that there is any Member of the House who knows more about general legislation than does he, and I hold him in high regard; but I do think that it is a fair inference from what he has said that he has not given his usual close attention and study to this particular item.

Here is an appropriation that is of interest not to one State but to some 13 or 14 States throughout the country.

At the very time when food was needed the most during the World War, the black-stem rust did a tremendous damage, amounting in fact to almost a couple of hundreds of millions of dollars in one season. The Nation was interested then; it is interested now. Of course, the producers of wheat have a special interest.

Now, the scientists of the country have satisfactorily established the fact that the barberry bush is the host of the black-rust spore, and that the black-rust spore, whatever it is called, can not live through the winter in northern sections of the United States except as protected by the barberry bush. It acts as a host to the spore. The barberry bush was brought here from Europe. It has been used as an ornamental shrub in almost every State of the Union. The difficulty is that, although the barberry may be destroyed in the spring-wheat area, that is not sufficient for the protection of the wheat growers in that section, for these spores, according to the testimony that has been submitted from year to year, and according to the investigations that have been made, are carried hundreds of miles, if not thousands of miles, as claimed by some. In any event, the spores have been found, if I remember correctly, as high as 5,000 feet above ground by airplanes making the investigations. This gives you an idea of the hazard of infestation over wide areas.

So the people of one State raising wheat can not solve the problem themselves, for they could eliminate all the barberry bushes within the borders thereof and still be confronted with practically the same hazards. In other words, Minnesota, South Dakota, North Dakota, and Montana are just as much interested in having these bushes removed from Wisconsin and Michigan, States which do not produce much wheat, as they are in having them eliminated from within their own borders. The spores do not recognize artificial boundaries.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. BURTNESS. I yield.

Mr. LAGUARDIA. Also, these little bugs can not recognize a State line and remain within a State, can they?

Mr. BURTNESS. Of course they do not. None of the eradication work or the control work done by the Department of Agriculture along various lines pertaining to crops or farm products is more of a distinct Federal function than this. Why should people in Wisconsin destroy their barberry bushes in large stretches of land where no grain is raised when very little wheat is grown in the whole State?

I am surprised to hear the suggestion that the fact the people of the Northwest have passed the hat around and have been raising $75,000 each year furnishes an argument why the Federal Government should step out of the picture. Of course we are interested. We are doing our part. The fact is that there is no appropriation in this entire bill which has suffered so much from reductions in recent years as this particular item for barberry eradication. As I recall it, this appropriation was reduced $175,000 or thereabouts for the current year. The appropriation used to be at least $375,000 in round figures, and that only two years ago. To-day it is proposed at less than half that amount—$180,722. We are not complaining. We know that we must graciously accept our part in the economy program, but when an appropriation is reduced more than 50 per cent of what it was two years ago, and when it is rendering a real service to the people in a great many States, involving one of the necessary foods of the Nation to-day produced at a loss to the farmer, surely very little sympathy will be given to any argument in favor of eliminating it entirely.

I ask that the amendment be defeated.

[Here the gavel fell.]

Mr. ALLGOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we would better the condition of the wheat farmer by appropriating some money to disseminate this disease that comes from these bushes throughout the wheat district, so we will cut down the production of wheat. The best friend the cotton farmer ever had was the boll weevil. We did not have sense enough to know it, and we of the South spent millions of dollars of our own hard-earned money and then came to Congress and asked for appropriations to fight the boll weevil. As a result we now have a 2-year supply of cotton and can not sell it and can hardly give it away. The Red Cross has been called upon to dispense it throughout the country. The same thing is true of the wheat farmers. They have an enormous surplus that they can not sell. It is my opinion that the wheat farmers would prefer asking for an appropriation to propagate this disease rather than ask for an appropriation to help exterminate it.

Mr. LAGUARDIA. Would the gentleman say that cooties are healthful for the Army? The same principle is involved.

Mr. CHINDBLOM. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Without objection, the gentleman from Illinois is recognized for one minute.

Mr. CHINDBLOM. Mr. Chairman, I want to say to my good friends from the Northwest that I shall just as cheerfully vote to eliminate a lot of other appropriations of this character. It is not my purpose to particularly attack the appropriations for barberry eradication. This bill is full of appropriations of this kind. The point I want to make is that if we are going to have any large reduction of expenditures we can get this only by confining the Federal Government to the things which are Federal in their nature and in their origin. We have had demonstrated here to-day just what happens the moment we try to effect any economy in any of these appropriations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. CHINDBLOM].

The question was taken; and on a division (demanded by Mr. CHINDBLOM) there were—ayes 14, noes 28.

So the amendment was rejected.

The Clerk read as follows:

Botany: For investigation, improvement, and utilization of wild plants and grazing lands, and for determining the distribution of weeds and means of their control, $39,113.

Mr. SNELL. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman a question.

While I appreciate the fact it is pretty hard to cut out any kind of appropriation, it does seem to me that in these times when it is pretty hard to get money it would be perfectly proper to cut down to a certain extent the making of investigations and general experiments. I have noticed that where we once start a new investigation it is continued for all time, or it is very seldom that one is entirely done away with or stopped. From all the information I can get from the hearings, it seems to me here is one place where we could cut down by a reasonable amount without doing any specific harm to anybody or to any part of the country. I notice this appropriation has only been cut under the appropriation for last year by the amount taken out on account of the furlough system. Is there any real reason why we could not start on these investigations and cut them 50 per cent for the next year, or at least some amount to show we are at least trying to save money?

Mr. BUCHANAN. On a fundamental investigation like this they have a regular corps of scientists working on fundamental principles upon which they base all other investigations; and when you cut them down, you are cutting out some of the fundamental work and compelling the discharge of a specialist who is not qualified for anything else.

As the gentleman knows, this is a small bill carrying a rather small appropriation, and one serious question that has been in my mind in connection with this bill is whether we are now to undertake to cut these appropriations that result in the discharge of employees. We spend about $1,000,000,000——

Mr. SNELL. If the gentleman will permit right there, the gentleman would not want to go on record as saying that he is making these appropriations simply for the purpose of keeping employees?

Mr. BUCHANAN. Absolutely not.

Mr. SNELL. That is practically what the gentleman's statement was.

Mr. BUCHANAN. No; it was not. I said these are fundamental investigations that these employees are engaged upon and that the results of these investigations are essential for other investigations along more detailed lines of agricultural research.

Mr. SNELL. There is nothing in the hearings to show there is anything necessary or essential about this work whatever.

Mr. BUCHANAN. It just happened that was not developed at this time. The gentleman must remember that my committee has been working on these appropriations so long, and especially myself, that we are familiar generally with all the activities of these scientific bureaus.

Mr. SNELL. Does it not seem to be appropriate in these hard times to cut out a little of the experimental work? As I view this bill, there is not any cutting out of the experimental work.

Mr. BUCHANAN. Oh, yes; we have cut some of the research work.

Mr. SNELL. In very few places—you have cut out that which was necessary on account of the furlough plan.

Mr. BUCHANAN. The gentleman will understand that the Budget comes up here, and we have cut below the Budget, and in not a single instance have we allowed an item increasing the Budget.

Mr. SNELL. I agree with the gentleman, and I compliment him for it, but in the last resort we are responsible for the appropriations; and if there is one place, in my judgment, where we can cut down these appropriations, it is on the general-investigation subjects, from which we can not see any definite returns from year to year.

Mr. BUCHANAN. Let me say to my friend and colleague that the research items in this bill ought to be the last items cut. When you strike out the research investigations and demonstrations from the Agricultural Department bill, you might as well abolish the Agricultural Department, because the farmers of the country can do the rest themselves.

The organic act establishing the Department of Agriculture provides for scientific investigations, scientific information, and the whole department is based on investigation and research; and when you unduly curtail that, you might as well abolish the department.

Mr. SNELL. I admit that you do not want to abolish all of it, but I take the position that it is not necessary to continue forever every single investigation that is carried in this bill.

Mr. BUCHANAN. I agree to that.

Mr. SNELL. But you are not cutting any of them in this bill.

Mr. BUCHANAN. Oh, yes, we are.

Mr. SNELL. For instance, on page 36:

Genetics and biophysics: For biophysical investigations in connection with the various lines of work herein authorized, $33,617.

The hearings show that Mr. Taylor said that he could not justify the appropriation, and said it was largely a matter of guesswork. He was experimenting with the effect of electricity on plants. Does the gentleman mean to say that he is going to continue that investigation forever?

Mr. BUCHANAN. I have not said so.

Mr. SNELL. It has been continued for some time, and it seems to me we ought to cut 50 per cent out of these appropriations if the gentleman means what he says when he says that he wants to cut them.

Mr. BUCHANAN. I will say to my colleague that if he wants to procure economy in Government, he can do so by reducing by 10 per cent every salary of every Government employee, including Congressmen, the pensions of every pensioner of every war, and the retirement pay of every Army and Navy officer, and save the taxpayers about $300,000,000. Such reductions to continue during this depression. The patriotism of every class reduced would sustain the reduction.

Mr. SNELL. As far as I am concerned, the gentleman can not go too far to suit me. Why not reduce the appropriations we have before us and not something in the air? Here is a definite proposition before us, why should not it be cut 50 per cent?

Mr. BUCHANAN. This appropriation of $39,000 has been reduced.

Mr. SNELL. Only $2,000 from last year.

Mr. BUCHANAN. And $17,000 the year before.

Mr. SNELL. But it is only $2,000 less than the appropriation last year, and that is just the amount the furlough system cut out of the pay roll.

Mr. BUCHANAN. This goes to a fundamental investigation and research in agriculture.

Mr. SNELL. There is nothing fundamental about this research as far as agriculture is concerned, according to the hearings.

Mr. BUCHANAN. The hearings might not have been developed at this session, but the matter was developed in the past. We do not have to develop the same hearings and the same items every Congress and have a reprinting of them and have the printing bill increased. When we know a thing, we know it.

Mr. SNELL. The gentleman can not tell me anything definitely good that comes out of this investigation. What is the line of work?

Mr. BUCHANAN. Botany.

Mr. SNELL. Yes; but what part? The dissemination of information about wild weeds and the means of their control?

Mr. BUCHANAN. Of all plant life.

Mr. SNELL. And as to the others that I called attention to, the gentleman said yes, that he did not see what it amounted to, practically, and Doctor Taylor said it was largely guesswork.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BANKHEAD. I am curious to know what the gentleman's fundamental attitude is here on questions of economy. The gentleman is now referring to something that might have occurred before the committee with reference to the hearings. I assume the gentleman is taking the position that in order to justify appropriations there ought to be some evidence before the committee or some recommendation from the Budget to support them.

Mr. SNELL. To a certain extent that is true, but I shall try to explain once more that in the final analysis we are responsible for these appropriations.

Mr. BANKHEAD. And only a day or two ago——

Mr. SNELL. Oh, wait; the gentleman asked me a question, and I want to answer it. I take the position on the matter of general investigations and experimentation that this is a good time to cut a part of it out. I will go half way with the gentleman, but it seems to me in the condition in which we find ourselves economically we could cut part of it and do whatever is necessary fundamentally for agriculture. That is my position.

Mr. BANKHEAD. The reason I made inquiry as to the gentleman's basic attitude on these things is that he is now contending for something that is real economy, according to the gentleman's attitude, which might be in the teeth of the recommendation of the Budget, but only a few days ago——

Mr. SNELL. Oh, the gentleman has not always followed the recommendations of the Budget, nor have any of the rest of us.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SNELL. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BANKHEAD. I think the gentleman from New York [Mr. SNELL], the leader of his party, ought to attempt to be consistent in these matters of economy, and that he ought to have some basic principles on which to proceed. Just two or three days ago he certainly departed from that principle on a naked proposition that came up here appropriating $460,000 without a recommendation from the Budget.

Mr. SNELL. Oh, I admit that the gentleman and his party have never been friendly to Howard University, and that we always have.

Mr. BANKHEAD. Is that the best the gentleman can say?

Mr. SNELL. The Federal Budget has recommended that for about six or seven years.

Mr. BANKHEAD. But not this year.

Mr. SNELL. We have built the buildings, and are we not going to warm them?

Mr. BANKHEAD. If the gentleman thinks he is consistent in that attitude, that is satisfactory to me.

Mr. SNELL. As far as that is concerned, I am, and I have said also that now is the proper time to begin to cut down general investigations, and I stand on that, and you have not said a thing in your hearings, nor at any time, to justify continuing them.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. COLTON. I do not know as to the particular item, but I do know that this bill in several items has cut down the appropriation for research work.

Mr. SNELL. In the two or three that I have had a chance to look at they have cut down the amount reduced in salaries because of the furloughs.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. SCHAFER. With respect to the castigation by the gentleman from Alabama [Mr. BANKHEAD], is it not a fact that the gentleman from Illinois [Mr. DE PRIEST] presented to the House in debate facts and reports of responsible Government officials justifying the heating plant for Howard University, while in the case now before us nobody has presented such facts?

Mr. SNELL. The gentleman is correct, but we better confine ourselves to the matter now before us.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BYRNS. Mr. Chairman, I rise in opposition to the pro forma amendment. I did not want to inject any extraneous matter into this debate, but in view of what has been said, and the general attitude of my good friend, the minority leader, with reference to these appropriations, which are made for the benefit of research in the aid of agriculture in the gentleman's own State as well as every other State in the Union, and in view of his attitude with respect to further reductions in the Budget estimates, when they have already been cut to some extent by the committee, I am extremely surprised that the gentleman shows such great desire and zeal for economy to-day, when on yesterday, as leader of the minority he surrendered his leadership and yielded to a plea for $460,000 to be devoted out of the people's Treasury, when a Republican President had said that it was not necessary for next year, and when there was not a line of information or testimony before the committee or before the House showing that it was necessary, or that the amount voted was required. The gentleman talks about the Democratic Party and its position with reference to Howard University. I say to the gentleman that in the bill which was passed yesterday there was carried an additional appropriation of over $632,000 for construction work and the erection of buildings at Howard University.

The gentleman, who is a business man and so accredited in this House, I am sure does not want to stand before the country and say that in his judgment as a business man and as a great economist it will require $460,000 to erect a little central heating plant down here for Howard University. Yet the gentleman who now pleads for economy, when appropriations are for the benefit of the farmer and the agricultural interests of this country, yesterday, I repeat, voted $460,000 out of the people's Treasury when his own President, a Republican President, if you please, and his Director of the Budget, a Republican Director of the Budget, after a second investigation declared to the committee and to the Congress and the country that it was not necessary, and there was not a line of testimony to justify it.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BYRNS. I yield.

Mr. SNELL. The gentleman said he deplored the fact that extraneous matters were brought in. The gentleman knows that the gentleman from New York did not bring it in, but it was brought in by a gentleman from his own side of the House.

Mr. BYRNS. That is true.

Mr. SNELL. Furthermore, that appropriation was recommended twice, and evidence was produced by the Bureau of the Budget, and so forth, that the expense was justified.

Mr. BYRNS. Permit me to answer that. It is true the question was brought up on this side, and I think it was brought up in a very timely and necessary way.

Mr. SNELL. Then the gentleman should not deplore the fact that it was brought up.

Mr. BYRNS. Because the gentleman to-day was attempting to appear in the rôle of a great economist at the expense of the agricultural interests of the country, and proposing to cut the estimate of the Republican President, submitted in the interest of agriculture, 50 per cent, while on yesterday the gentleman overrode the same President and ignored the fact that there was no testimony to justify the appropriation.

Mr. SNELL. Will the gentleman yield for another question?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SNELL. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended three additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SNELL. The gentleman said I was trying to reduce the efficiency of the Department of Agriculture. This is the answer that Doctor Taylor gave on one of these experiments:

It is altogether a guess what may come out of it. We have been able to correct some theories that appeared rather plausible, and through the radiation of current from wires overhead the plant growth could be materially stimulated—

And so forth.

We have not found this true by the tests here, even when using the equipment named.

Does the gentleman think that by reducing in part an appropriation for that kind of foolishness it is really doing anything to injure the interests of agriculture? Now, be honest about it.

Mr. BYRNS. Undoubtedly, in view of the statements made by the gentleman from Texas [Mr. BUCHANAN], relative to the purpose for which the Department of Agriculture was created, I think the interest of agriculture would be injured. The President of the United States and the Secretary of Agriculture, who belong to the Republican Party, felt it was necessary. Surely they would not come here and ask the gentleman to vote for a pitiful little sum of $39,000 for that work unless it was required. If the gentleman feels to-day that they were mistaken, of course, it is his privilege to vote against the appropriation; but I come back to this proposition: If the gentleman is so economical to-day with reference to $39,000 for the benefit of the farmers, why did not the gentleman show the same economy yesterday when there was a $460,000 appropriation under consideration?

Mr. SNELL. That rather got under the gentleman's skin, did it not? The gentlemen on that side can not get over it.

Mr. BYRNS. But I want the gentleman to be consistent, and I hope, in view of his remarks to-day, that he will stand by the Committee on Appropriations henceforth, and in these larger bills that are coming, we will find the gentleman not doing as he did yesterday, voting to override the committee, but standing with all of his power and influence behind the committee in its efforts to bring about economy.

Mr. SNELL. I was simply following the answer to the question which the gentleman from Texas asked as to what results could be expected from this experiment, and quoted the answer given.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

The pro forma amendment was withdrawn.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 33, line 4, strike out "$39,113," and insert in lieu thereof "$39,112.50."

Mr. LAGUARDIA. Mr. Chairman, this is a bona fide amendment and quite in keeping with the discussion that has been going on for the last 15 minutes. I am glad that I am in a position where I do not have to follow any leader in this House, whether he makes a sensible amendment or an inane discussion. At least I am in a position to talk freely and strike regardless of where the chips may fall.

The opposition to the appropriation for Howard University on the Democratic side yesterday was as unjustified as the attack on this particular appropriation in this instance by the distinguished gentleman from New York [Mr. SNELL] is to-day. In both instances "there was a colored gentleman in the woodpile." [Laughter.] Yesterday it was a great many of them, fine young Americans attending Howard University, and to-day petty partisan politics. Why, Mr. Chairman, science knows no politics. Are we in this frenzy of economy, brought about by those who control the wealth of this country, seeking to put a barrier on science and research for the paltry sum of $39,113 out of an appropriation of $100,000,000? Science will go on when existing political parties will long have been forgotten.

I am sorry that the distinguished leader of the Republican Party in the House states that he is not versed in botany and publicly admits that he does not know anything of these terms or what it is all about; but, Mr. Chairman, it is indeed a sad day for the people of this country when we must close the doors of the laboratories doing research work for the people of the United States. The gentleman from New York says it is all foolish.

Yes; it was foolish when Burbank was experimenting with wild cactus. It was foolish when the Wright boys went down to Kitty Hawk and had a contraption there that they were going to fly like birds. It was foolish when Robert Fulton tried to put a boiler into a sailboat and steam it up the Hudson. It was foolish when one of my ancestors thought the world was round and discovered this country so that the gentleman from New York could become a Congressman. [Laughter.]

Mr. Chairman, we are going just a little bit too far on this question of economy. I will tell you where the economy should start, Mr. Chairman, and I am going to harp upon this question in the few remaining days of my legislative life in this session. That is start right now in cutting down the debt service; start right now in cutting down the interest charges; start right now in giving some relief to the American people, but do not seek to stop progress; do not seek to put the hand of politics on these scientific men who are doing a great work. As the gentleman from Texas points out, it is not the discharge of these particular employees that is at stake, it is all of the work of investigation, of research, of experimentation that has been going on for years that will be stopped and lost. Science, of course, is for the benefit and the happiness of the people. The trouble is that the benefits of science, the benefits of progress have been and are now controlled as everything else is controlled in this country by a small minority. We are seeking to give all of the people the benefit of the scientific research provided for in this bill.

Perhaps the gentleman from New York wants to take these research laboratories and put them into the hands of some private corporation and then secure a patent upon some new plants, as we provided a few Congresses ago, so they could have a monopoly upon even any development that may be made out of these researches. Here is the one hope of the American people of having at least a public scientific laboratory to continue the research in competition with private research that is going on so that the people of this country may have the benefit of this very useful work.

I want to follow my leader, of course, and I offer this amendment that we may say we have saved 50 cents on this agricultural bill.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

Cereal crops and diseases: For the investigation and improvement of cereals, including corn, and methods of cereal production and for the study and control of cereal diseases, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broomcorn and methods of broomcorn production, $488,200.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: Page 33, line 11, strike out "$488,200" and insert in lieu thereof "$465,915."

Mr. SUMMERS of Washington. Mr. Chairman, the purpose of this amendment is to eliminate $22,285 from the corn-borer appropriation. There are six corn-borer items carried in this bill. During the past few years the Federal Government has expended on the European corn borer about $20,000,000.

The testimony before our committee year after year is to the effect that the corn borer has been in this country 25

years; that it constantly spreads; that it can not be destroyed; that its spread can not be prevented; and that it has caused but little damage.

The Department of Agriculture has demonstrated that it can be controlled, if at any time it really becomes destructive in a certain type of low and wet land, simply by cleaning up the cornstalks, by raking them up and burning them or by turning them under the soil. This is very effective and so simple it can be carried out on any farm. Why waste the people's money?

This appropriation has gone on from year to year over my protest. Two years ago, over my protest, you appropriated $1,401,560. Last year you appropriated $661,374, and this bill carries $319,653, all for the suppression, the control, the investigation, the study of the habits of the corn borer, the devising of machinery for its eradication, and the devising of something to grow in the place of corn in the event the corn borer should become destructive. Such lavish expenditures are not justified by the facts, and I am opposed to this waste of public funds.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. HASTINGS. The gentleman is a member of the Subcommittee on Agriculture. Why did he not offer this amendment in the subcommittee or in the full committee?

Mr. SUMMERS of Washington. As the gentleman knows, I discussed this in the full committee.

Mr. HASTINGS. Did the gentleman offer an amendment?

Mr. SUMMERS of Washington. I did not offer an amendment. The chairman of the subcommittee, for whom I have the greatest respect and with whom I have worked in great harmony, suggested that this matter might well be discussed on the floor. This is not a matter in which I am personally interested. I am well acquainted with the Corn Belt. I lived in that section many years. I have many friends and relatives there engaged in corn growing. I am viewing this from the testimony that has been presented by the scientific men of the Department of Agriculture before our committee year after year. I believe this appropriation is a waste of the taxpayers' money. I am offering the amendment to give the Members an opportunity of eliminating this amount as one of the six corn-borer appropriations that are carried in the bill. I think that four of them might very well be eliminated at this time, making a saving of $100,000.

As I stated before, you have expended about $20,000,000 on the corn borer. The yellow press has alarmed the country, and yet it does not do as much damage as the grubworm, as the cutworm, as the grasshopper, as the Mormon cricket, the cabbage worm or potato bug, or any one of scores of other pests that we practically ignore. All of them are more destructive to their respective crops than is the corn borer. I ask that you support this amendment so that we may eliminate this expense. The corn borer is only a bogy worm. We have innumerable destructive pests, but the European corn borer is not in that category. Do not waste the taxpayers' money.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment. I will say to my colleagues that I am placed in a rather peculiar situation. Time and again I have to get up on the floor of the House and defend appropriations during this period to be spent for purposes far, far from my section of our common country.

As the gentleman from Washington [Mr. SUMMERS] has said, we have spent at least $20,000,000, and now this Budget estimate came up to us, and my committee has reduced this item for the corn borer alone $247,000, leaving $319,000. In other words, we have cut the amount which the Budget estimated was necessary nearly in half. We have left a few items of the appropriation. Thirteen thousand nine hundred and sixty-eight dollars, an item at which the gentleman from Washington [Mr. SUMMERS] is aiming, is for the development of cultural methods in the corn-borer-infested area and to find a variety of corn that is resistant to the corn borer and for work of that sort. This item was $30,000 year before last, it was $25,000 last year, and now we have cut it to $15,000. In other words, I want the Plant Bureau to finish the experiments that they now have on hand and wind them up, and this reduction is notice to them to wind up such experiments.

I do not feel like taking the responsibility and assuming to myself wisdom sufficient to say that this corn borer is not going to be destructive of the corn crop of the United States. I do not know. In some countries it has destroyed from 10 to 20 per cent of the crop. In other countries it is not that bad, and this seems to be the condition in our country, and I hope it is the condition.

I am not willing to say that we will have no further investigations in order to keep up with the history of this bug until we determine it is not commercially damaging the corn crop. The corn crop is too big an investment for the agricultural people of this country to risk a few hundred thousand dollars of appropriations.

As I have already stated there is $8,000 for the Bureaus of Chemistry and Soils to try to find a poison for the corn borer so they can poison it wherever it now does some commercial damage in the sweet-corn areas.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. SUMMERS of Washington. I have no intention of offering an amendment for the elimination of that.

Mr. BUCHANAN. I do not know what the gentleman has in mind. We made a recommendation of $210,000 for the Bureau of Entomology for biological research to bring parasites here to destroy the corn borer and to recolonize those that they have already brought here wherever they can be recolonized.

Mr. SUMMERS of Washington. Will the gentleman again yield?

Mr. BUCHANAN. Yes.

Mr. SUMMERS of Washington. I may say for the gentleman's information that the first two items and the last two items are the ones to which I am directing my amendments.

Mr. BUCHANAN. One of the items is for the Bureau of Plant Quarantine, $40,000. My recollection is the Bureau of the Budget recommended $211,900. We cut this down to $40,000.

What can the Bureau of Plant Quarantine do with this amount of money? Under the authority of this bill they can continue a system of inspection of products raised in the infested area and those products can be shipped to other States under Federal certificate. As it stands now, there are 13 States infested with the corn borer, and every State around the 13 States has issued a quarantine against the infested area. The people who have to ship products in interstate commerce in this infested area ought to have some rights. They can devote this $40,000 either to this work or to scouting, whichever is the most valuable. In my judgment, scouting will serve no purpose except to keep up the progress of the corn borer.

Individually, as a problem far removed from my home and my section of the country, I think the appropriations ought to be made and that this bug ought to be kept up with, so that if it should develop as a serious menace in new corn areas we can check it and fight it and control it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken, and the amendment was rejected.

The Clerk, continuing with the reading of the bill, read to page 34, line 10.

Mr. ALLGOOD. Mr. Chairman, I have an amendment.

Mr. BUCHANAN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having taken the chair as Speaker pro tempore, Mr. MONTAGUE,

Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13872, the appropriation bill for the Department of Agriculture, and had come to no resolution thereon.

THE CENTENNIAL OF THE LAW LIBRARY OF CONGRESS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD an article by Mr. John T. Vance, librarian of the Law Library of Congress, on the Centennial of the Law Library of Congress. It is a well-written article and one that will be useful to every Member of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The article is as follows:

THE CENTENNIAL OF THE LAW LIBRARY OF CONGRESS—ENVELOPED IN AN ATMOSPHERE OF TRADITION, WHICH ADDS A LUSTER TO ITS BIBLIOGRAPHICAL TREASURES, THE LIBRARY IS UNIQUE AMONG SISTER INSTITUTIONS—PLANS FOR CELEBRATING CENTENNIAL BY OPENING EXHIBITION OF SOME OF ITS CHOICEST COLLECTIONS, FOLLOWING DEDICATION OF THE SUPREME COURT BUILDING

By John T. Vance, Law Librarian of Congress

On October 13 of this bicentennial year the corner stone of the Supreme Court's new temple will be laid in the presence of that illustrious body and the American Bar Association with a ceremony befitting the year, the institution, and the cause it will serve.

The Supreme Court, like the American ambassador to London until recent years, has had no home. Content to accept the modest quarters provided by the Congress or occasioned by the ravages of warfare and fire, the court has had no less than 15 temporary residences, once having dispensed justice in a tavern.

It was in 1812 that the Justices were given the privilege of using the Library of Congress,[1] which, according to Chief Justice Marshall, was considered a great favor.[2] The law department of the Library from its beginning has been a true amicus curiæ, as attested by the Federal statutes and the rules of the court, and it will continue to render the same loyal service when the court occupies the new building. The proximity of the library to the court has given rise to the impression, still current even among some members of the Supreme Court bar, that it is the law library of the Supreme Court, but the statutes are to the contrary notwithstanding.[3] Occupying the old Supreme Court chamber directly beneath the present chamber of the court, and located just across the central corridor from the famous conference room of the court, the law library of Congress is enveloped in an atmosphere of tradition,[4] which adds a luster to its bibliographical treasures, making it unique among sister institutions.

The law library having turned the century mark on July 14, it is planned to celebrate that anniversary by opening in the main building of the Library of Congress an exhibition of some of its choicest and most interesting collections just following the dedication of the Supreme Court Building. Perhaps a brief history of the law library of Congress and an account of some of its activities and aims would be of interest to the members of the American Bar Association who will attend the convention.

The Library of Congress was founded in 1800, and $5,000 was appropriated for the purchase of books.[5] Being housed in the Capitol, it was almost totally destroyed by the British in 1814 when it numbered only 3,000 volumes. It is not known how many of the volumes burned were law books, but as Thomas Jefferson was ardently interested in the Library from its beginning, it is safe to assume that it was not lacking in such material. Jefferson's own library of not quite 7,000 volumes, which Congress purchased after the destruction of its Library, was notably strong in "law and politics," as he expressed it in a letter to the librarian.

In 1817 the Committee on the Library reported that "the collection of law books now in the Library is as valuable and as complete as it was possible to have expected it to be, considering the time at which the books were purchased."

A number of resolutions were presented in Congress during the first 30 years of the nineteenth century, directing the Library Committee to inquire into the expediency of separating the law books from the general library, and placing them under the Supreme Court, all of which failed to pass. It remained for Congressman Charles H. Wickliffe, of Kentucky, to convince Congress of the need for establishing a law library, and on July 14, 1832, an act was passed entitled "An act to increase and improve the law department of the Library of Congress."[6] The act provides in Paragraph I:

"That it shall be the duty of the librarian to prepare an apartment near to and connected by an easy communication with that in which the Library of Congress is now kept for the purpose of a law library; to remove the law books now in the Library into such apartment; and to take charge of the law library in the same manner as he is now required to do of the Library of Congress."

It was further enacted that the Justices of the Supreme Court should have free access to the law library, and they were authorized to make such rules and regulations for the use of the same by themselves and the attorneys and counselors during the sittings of the court as they should deem proper, although a proviso was added that such rules and regulations should not restrict the President of the United States, the Vice President, or any Member of the Senate or House of Representatives from having access to the law library or using the books therein in the same manner that he then had or might have had to use the books of the Library of Congress.

A room north of the main library in the Capitol was fitted up for the use of the law library, and there it remained until 1843, when it was removed to an apartment on the west side of the basement on the north wing of the Capitol near the Supreme Court room. The Supreme Court having moved to its present quarters after the Senate had abandoned them in 1859, the chamber vacated by the court was assigned for the use of the law library.

While Congress has guarded jealously its absolute title in the law library, it can not be gainsaid that the Supreme Court has been granted preferential treatment with reference to its use. Early in its history, Congress gave the Chief Justice supervision over the purchase of law books, it being provided that they should be purchased under the direction of the Chief Justice, which provision persists even to the current appropriation act, although this practice, like presiding on the circuit, has long since fallen into disuse.

Despite small annual appropriations and a fire in 1851,[7] the law library grew from a collection of 2,011 volumes (639 of which belonged to the Jefferson collection) in 1832, until at the close of the Civil War it was considered the best and largest collection of law books in America.[8]

Since 1870, when the office of register of copyrights was established and placed under the Librarian of Congress, the increase of the law library in modern material through the deposit of copyrighted books has been quickened. Another important factor in the development of the law library has been through international exchange, whereby the Library of Congress, by virtue of the Brussels conventions of 1886 (which the United States Government signed), and by virtue of separate agreements with nonsignatory powers, exchanges the official documents of our Government, including Federal laws, in return for the laws and other publications of 69 foreign countries, dominions, and colonies.

The collections of the law library now number a total of approximately 270,000 volumes. At the immediate service of Congress and the Supreme Court are several libraries located at the Capitol. In the hallowed chamber where the Supreme Court sat from 1815 to 1859 there is only space for 40,000 volumes, and it is therefore limited to a working library of Anglo-American law. The conference-room library, consisting almost entirely of court reports, is as nearly a sanctum sanctorum as any law library could be—for the Justices alone may use it, and they alone may be present during conference hours.

Another collection of the law library is known as the "judges' sets," and, numbering about 6,500 volumes, is distributed among the Justices in their private studies.

The main body of the law library is located in various parts of the Library of Congress Building. Here are more than 200,000 volumes of purely legal material, including several duplicates of most of the books at the Capitol, for the law library is a circulating library and from three to five sets of the American court reports, session laws, and statutes have to be maintained for the use of Congress and the courts. All of the American colonial law, the early English statutes, yearbooks and treatises, and the other rare imprints are in this building. Here are the records and briefs of the Supreme Court, all foreign collections, British colonial, Roman, ancient, medieval, canon, and other special classes of law and jurisprudence. The international law, public and private, the constitutional and administrative law collections are also located in the main building and classified under the Library of Congress scheme of classification as subdivisions of political science. These important collections and many others—volumes on many special subjects of the social sciences, for example, marriage and divorce, finance, railroads, education, etc., of which it is estimated that there are more than 50,000 volumes, are classified and shelved throughout the general department of the Library.

Thus, under the distinguished and able direction of the present Librarian of Congress, Dr. Herbert Putnam, who has guided its destiny for more than 33 years, the law library has developed to such an extent that it will compare favorably with the best law

[1] United States Statutes at Large, vol. 2, p. 786.

[2] The Chief Justice wrote a letter of acknowledgment to the House of Representatives (Annals 23, 1116).

[3] United States Code, title 2, sec. 132.

[4] "There could hardly be found a spot in the United States about which has happened so much having to do with the history of our Federal Government" (Williamson, The Law Library in the Capitol, Washington, 1929, p. 1). Every member of the Supreme Court bar visiting this chamber will be interested in seeing the bas-relief of justice, which is engraved on his certificate of admission to the court.

[5] United States Statutes at Large, vol. 2, p. 56.

[6] United States Statutes at Large, vol. 4, p. 579; United States Code, title 2, sec. 137.

[7] Johnson's History of the Library, p. 251.

[8] Catalogues of the collection were published in 1839 in 98 pages, in 1849 in 139 pages, and in 1860 in 225 pages.

libraries in the country. As a working law library it is perhaps the equal of any, because of its proximity to the great reference collections of the main library. It should be unique for several reasons. In the first place, the American Nation holds undisputed leadership among the nations of the world, and as the indispensable tool of the Government at its principal seat, the law library must be preeminent, not only in Americana but in all foreign legal literature. The prestige of the United States in the fields of diplomacy and commerce may well depend upon our knowledge of the laws of the other countries and their interpretation.

The administration of criminal justice in the United States was denounced as a disgrace by a former President (later Chief Justice) a quarter of a century ago. Despite perennial criticism and a multiplicity of investigations and reports thereon it continues to be the most important single question in American life. Sooner or later this problem must be solved in the light of modern scientific methods. In the meantime the most complete library available of the systems of the world must be gathered into one repository. What more logical or useful place could be found for it than the national law library? [9]

In urging the Committee on Appropriations in 1930 to increase the small appropriation for the purchase of books for the law library Justice Harlan Fiske Stone said: "You have here in Washington greater demand for a law library than in any other place. You have the Supreme Court and the courts of the District; you have both House of Congress; you have the Diplomatic Service. These call for constant, practical use of the law library. Therefore, you ought to build it up for them. * * * I see increasingly coming to this city various organizations created for the purposes of legal scholarship and research [citing the American Law Institute and others]. They are typical of many other institutions which will come to Washington in the future which will require a really great law library. * * * There are other fields of historical, social, and economic research which are not primarily legal at all, and yet have sooner or later to do with the law, because all the problems of past history, of social and economic significance, ultimately find expression in the law in some form or other. So I am very anxious to see Congress take hold of this thing with the definite idea of building up a great collection which will be of service to men interested in the law and to scholars for all time." [10]

Such is the national law library of the future as visualized by Justice Stone, who sees its needs from the standpoint of a great lawyer, a great law-school dean, and a great judge. In the realization of this worthy ambition the law library will require not only the support of Congress in the matter of appropriations but also the cooperation and patronage of the American bench and bar. Being a Government institution, the law library has had to depend entirely upon the small appropriations and the accessions produced through copyright and exchange. Lawyers are proverbially utilitarian in the matter of collecting law books, and if they happen to gather rich collections of rarities, they usually leave them to their bar associations or law-school libraries. They consider that the Government should provide for its own library out of taxes, which is not to be denied. That very status, however, has deprived the law library of Congress of the acquisition of the rarer types of legal imprints, foreign-law collections, and the development of research apparatus, which a philanthropic alumnus or citizen such as John W. Sterling, W. W. Cook, or Hampton Carson would have intrusted to their law-school *almae matres* or their local libraries.

The law library has undoubtedly the most distinguished clientele among the bench and bar of the United States, but it has no cohesive society of friends and patrons to bespeak for it the *desiderata* and research facilities needed in order to answer the ever-growing demands made upon it.

Here is a cause which should have a strong appeal to the American Bar Association. What society could more appropriately sponsor the national law library than the National Bar Association? The authorization for patriotic assistance has been granted by Congress in the Library of Congress trust fund act.[11] Since that enabling act whereby the trust fund board is authorized to accept, hold, and administer gifts or bequests of personal property for the benefit of the Library, its collections or its services, as might be approved by the board and Joint Committee on the Library, more than $1,000,000 has been given to the Library of Congress for various projects, looking to an expansion of its bibliographical apparatus, the creation and maintenance of interpretative positions, such as consultants in special fields and even for the endowment of chairs, the occupants of which combine the interpretative with the administrative function. However, the vast field of the law—the very vein of the Library—has not had the good fortune to share in any of these gifts or bequests.

If, as has been said, "The history of the United States has been written not merely in the Halls of Congress, in the executive offices, and on the battlefields, but to a great extent in the chambers of the Supreme Court of the United States," [12] the law library in rounding out a century of service can claim to have played a part, humble though it may be, in those pages penned in the Halls of Congress and in the chambers of the Supreme Court. It requires no stretch of the imagination to picture Marshall, Story, Webster, Calhoun, Clay, Lincoln, and all the other great statesmen of the Nation within a century poring over the volumes in the law library in preparation for an argument before the Supreme Court or a debate in Congress. Where is there another law library that can boast of a similar record of service or wealth of tradition?

Such a history merits an appropriate memorial—a gift of a notable collection of books perhaps, or the endowment of a chair of jurisprudence. Here is a challenge to the friends of the law library of Congress.

[9] The Soviet Government has established several institutes for the study of crime and criminology which have published substantial contributions on this subject. See publications of Moskovskii Kabinet po izuchenim lichnosti prestupnika, and of Gosudarstvennyi Institut po izuchenim prestupnosti i prestupnika.

[10] Hearings before subcommittee of House Committee on Appropriations, 71st Cong., 2d sess. Washington, 1930, p. 233.

[11] United States Code, title 2, secs. 154–163.

[12] The Supreme Court in United States History, by Charles Warren, Boston, 1928, vol. 1, p. 1.

DEATH OF EX-REPRESENTATIVE SPROUL, OF KANSAS

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to address the House for two minutes to announce the death of my predecessor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGUGIN. Mr. Speaker, it is with deep regret that I announce to the House the death of my predecessor, the Hon. William H. Sproul, who served in this House for eight years, beginning March 4, 1923.

During that time he served his district and his country with fidelity. By his own choice he did not stand for reelection for a seat in this House. Doubtless he could have been returned to Congress as long as he chose.

Again I say it is with deep regret I bring the sad information to the House of the untimely death of the Hon. William H. Sproul.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BEEDY, indefinitely, on account of illness.

To Mr. NELSON of Missouri (at the request of Mr. ROMJUE), indefinitely, on account of illness in the family.

To Mr. CARY, indefinitely, on account of illness.

Mr. PARKS. Mr. Speaker, I ask unanimous consent for leave of absence for Mrs. WINGO, indefinitely, on account of the serious illness of her son.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

EXPANSION OF CURRENCY

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein extracts of letters received by me to-day.

Mr. SCHAFER. Reserving the right to object, what public question is involved in the letters?

Mr. LANKFORD of Georgia. It is on the inflation of the currency.

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, in to-day's mail I received a letter from Mr. W. P. Henry, of 144–177 Barclay Avenue, Flushing, Long Island, N. Y., in which Mr. Henry, after referring to my remarks of the 19th of this month on the subject of dangerous quack remedies, said:

> Now, suppose you amend the bill you discussed in your speech as published in the RECORD so that 2 per cent in stamps would be required every four months, whether the certificate had been traded or not—6 per cent per annum—the "rich man," the banker, would not hoard it; if he did, he would pay the Government 6 per cent per annum for holding it out of circulation, and at the end of 16⅔ years the Government would have in the Treasury from the sale of stamps 100 cents on the dollar on each certificate redeemable in 1950, and the certificate would be par anywhere, and current everywhere that a silver dollar is current. Most of the certificates would pass fifty times in less than one year, and would then become as good currency as any other, and interchangeable at the Treasury or anywhere else for any other currency.
>
> I have favored the payment of the soldiers' bonus if that could be done without hazarding the national credit. I believe that 90 per cent of the people feel that way about it. We need the inflation that the three billion two hundred million of such currency would give, and the bankers tell us that no other plan, of all that have been suggested, would be safe.

There would be numberless suggested amendments to any bill you may draw on this subject, one of which would provide that in addition to the payment of the bonus, salaries of Congressmen, Senators, and all who receive Government pay, from the President down to fourth-class postmaster, contractors, and others, should be paid in the same way—for a term of years. Even that would work no great hardship on any, and would guarantee a circulating medium that would be proof against the banketeers' hoarding and protect the poor man—the public; lift prices—cotton to 10 cents, wheat to $1, and other products above the cost of production.

The real advantage would be threefold: A guaranty against hoarding, the revival of trade that such a large volume of such currency would stimulate, and automatically liquidate itself.

Mr. Speaker, as a whole this is the very best suggestion I have yet heard along the line of certificates to circulate as currency and automatically provide a means or a tax for their own self-liquidation. I would, though, amend this plan so that the stamps be required only every four months or only every year regardless of how often the money is used.

It will be remembered that I directed my darts principally at the new method of imposing a 2 per cent sales tax on every transfer of money, as suggested in most of the proposals. Mr. Henry's suggestion, as I would amend it, is as far from the sales-tax plan vigorously advocated by some as the East is from the West. If used at all, I suggest what amounts to an annual 6 per cent tax on the ownership of this kind of money. In no sense do I advocate the absurd, ridiculous sales tax advocated by some on every transaction wherein these certificates are involved. Under Mr. Henry's plan, as amended, more than 16 years would be permitted in which to liquidate these certificates. The plan I was criticizing probably would force this entire amount to be raised out of the average class of people in much less than one year if a speeded-up circulation took place.

For instance, under the plan I was criticizing the whole amount of a certificate would be raised by taxes when it changed hands fifty times, be that in a month, a week, or even a day. The plan I was criticizing puts the tax or penalty on the use of the money and would retard its circulation—the very thing we so much need. Mr. Henry's plan, if properly amended, puts no burden on the circulation and would not at all increase the hoarding evil. This plan is better in every respect than the one to which I am so much opposed. In fact, I would like to see a tax imposed on money which is unnecessarily held in hoarding.

I feel, though, that there is serious danger in the Federal Government invading too many new fields of taxation. I want every tax reservoir possible left to the State and at least for this reason am not in position to indorse Mr. Henry's plan for Federal purposes. I would rather indorse his plan for the purpose of paying the balance of adjusted compensation due the World War veterans or for farm relief purposes or to aid unemployment or for aid to the freezing, starving millions, than for any other purpose. In fact, I would support Mr. Henry's plan with an amendment for the purposes just enumerated, if there was no other way to raise the money necessary for these purposes; but I believe there are ample other available much better methods. I certainly do not favor any method of raising money solely and only for the purpose of indiscriminately giving it away to everybody, the very rich included, whether they need it or not.

I respectfully urge that any of these plans work better when confined to a State or municipality than on a nation-wide scale. A small city or town may very properly impose any legal tax it may see proper for its own use. This, though, does not at all justify the invasion of the States and their subdivisions by Federal taxing and police authorities for any such purpose. Of course, the certificates I am now discussing must not be confused with script or certificates sometimes very properly issued and used as a circulating medium by cities, and even banking groups, and which script is not at all to be paid by any such tax scheme but by moneys to be raised by other and entirely different methods. I know how much need there is for an expansion of the currency and how strong the urge is for some means of putting more—yes, much more—money in active circulation, but I believe this can be safely done by the monetization of farm realty as urged by me on yesterday. By the way, after I completed my remarks on this subject on yesterday I noticed that Dr. J. P. Morton, financial writer of Suffield, Conn., at the opening session of the American Association for the Advancement of Science in Atlantic City, on yesterday advocated the adoption of electrical energy as a basis for the issuance of currency by the Government. Also yesterday afternoon papers carried the information from London that J. F. Darling, a director of the Midland Bank, one of England's important financial institutions, was advocating the use of wheat as the basis of money. In discussing the matter, Mr. Darling said:

Wheat has, in a marked degree, one of the qualities of currency basis in that it is in universal demand and has a world-wide market.

Mention was made that in the days of Abraham wheat was used as a medium of exchange and the suggestion was made that therefore currency based on wheat could properly be used now.

Our forefathers used tobacco, cotton, and corn as a medium of exchange. Our people now, deprived of a sufficient medium of exchange, are bartering their products. Is not the real solution of the present crisis to be found in a proper broadening of the base of our currency. Gold only is used now. The remonetization of silver is strongly advocated. All the known gold in the world can be hauled by one freight train or carried in one vessel across the ocean. Is this a sufficient base for the money of the world? Is not gold too easily cornered and do not the bank sharks, with gold as the only base, have complete control of our currency enabling them to destroy our people just when they wish to sacrifice them for the big bankers' own selfish interest? Much of the present value of gold is due to its use as the basis of currency. Why not give this additional value to farm products such as wheat?

If wheat, why not other farm products and why not the farm land itself be monetized? The people of this country could very well get along without any currency payable or redeemable in gold if they had a sufficiency of money payable in food, clothing, shelter, fuel, and other necessaries in life and acceptable in the payment of their taxes and other obligations. Will not our real financial problems be largely solved if we will, within reasonable and safe limits, broaden the base of our currency? I most certainly think so.

PROPOSED TRANSFER OF THE GENERAL LAND OFFICE FROM THE DEPARTMENT OF THE INTERIOR TO THE DEPARTMENT OF AGRICULTURE

Mr. SMITH of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD. I wish to submit extracts from an interoffice memorandum prepared by Mr. Louis C. Cramton, special attorney to the Secretary of the Interior, with special reference to the functions of the General Land Office.

There was no objection.

Mr. SMITH of Idaho. Mr. Speaker, under permission granted me by the House to extend my remarks in the RECORD, I wish to submit extracts from an interoffice memorandum prepared by Mr. Louis C. Cramton, special attorney to the Secretary of the Interior, concerning the history and proper functions of the Department of the Interior, with special reference to the functions of the General Land Office. This information is of special interest at this time, when the Congress is considering the recommendations of the President as contained in his recent message to Congress to transfer to the Department of Agriculture the General Land Office, which for over three-quarters of a century has been in the Department of the Interior.

The extracts are as follows:

THE DEPARTMENT OF THE INTERIOR—ITS HISTORY AND PROPER FUNCTIONS

By Louis C. Cramton, special attorney to the Secretary

Functions of the Department of the Interior: The Department of the Interior is not an accidental assemblage of unrelated activities, as is the impression of many.

It is a logical bringing together, through its more than 80 years of existence, of several governmental activities, generally closely

interrelated, and all coming within the definite scope of the important central functions of the department—the internal development of the Nation, with reference both to men and to things.

An outstanding phase of that development has been, and is, the most beneficial utilization of the public domain from the standpoint of settler and of Nation. In the very nature of things the to-be-developed public domain is always the least populated section of the country, and hence the least known, its problems the least understood. Hence it is that the Interior Department is possibly the least understood of all the departments of the Federal governmental organization, its problems the least understood or appreciated by the bulk of the Nation's population, and even of the Nation's legislators and its press. The fact that the region is the least known and least populated does not lessen the importance to the Nation of the proper solution of its problems, affecting so greatly the future of the Nation. It does, on the contrary, demonstrate the necessity for an understanding agency for the administration of the public domain and thereby justifies the continued existence of the Department of the Interior.

But the prominence of the public domain in the operations of the Department of the Interior should not be permitted to obscure the fact that those problems are themselves subordinate details of the central function of the Department of the Interior—the internal development of the Nation, with reference to men and to things.

* * * * * * *

The dismemberment and destruction of the Department of the Interior would immediately and directly place a tremendous handicap upon the further development of the public-land States and would indirectly therefore be a most serious loss to the Nation. The conservation and beneficial use of water in the desert regions, the prospecting for, and the development and conservation of mineral resources, a multitude of difficult technical problems—all these require even more than ever before that the administration of the public domain be under sympathetic and understanding department leadership.

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DEVELOPMENT OF THE DEPARTMENT OF THE INTERIOR

This department, created upon the recommendation of a Democratic Secretary of the Treasury in the closing days of the Democratic Polk administration, passed by the House, in which the Whigs had a majority, and a Senate in which the Democrats had a majority, came into operation in the beginning of the Whig administration of Zachary Taylor. The first Secretary of the Interior was the Hon. Thomas Ewing, of Ohio, who was from a public-land State and had had a broad experience in public affairs. He had previously served as United States Senator for six years and as Secretary of the Treasury under President Harrison. He served as Secretary of the Interior from March 8, 1849, to July 23, 1850, when he resigned to accept an appointment in the United States Senate.

The wisdom of the establishment of the Department of the Interior with a view to fuller consideration of important problems of internal development was well illustrated in the first report of Secretary Ewing, under date of December 3, 1849. The various problems affecting the public domain, as well as the Patent Office, the Pension Office, and the Indian Bureau, are therein brought to the attention of the Congress directly from the standpoint of their relationship to national development.

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It appears from this that for over 80 years, since the establishment of the Department of the Interior in 1849, the Secretary of the Interior has been the special guardian and the most qualified spokesman for the important special problems of the public-land States in the executive councils of the Nation. He has uniformly worked in behalf of the proper solution of these problems with an active and able representation in House and Senate from these States—a representation vastly in the minority.

This leadership of the Department of the Interior in the development of the public domain has been so sympathetic and so understanding that Congress has long since abandoned treatment of the public domain as a source of financial revenue and has given liberal consideration to the adoption of policies having development and general welfare as chief objectives rather than revenue. Homestead laws, the reclamation law, the general code of mining laws, are all illustrative of this. Without a Department of the Interior, the history of the progress of the Nation for the past 80 years would have been much different. The Department of the Interior has carried forward the frontiers and sponsored the welfare of the pioneer and the settler.

I have said that these problems of the public domain have always most directly concerned the public-land States. This was true in the days of Jefferson Davis, of Mississippi; Abraham Lincoln, of Illinois; and Thomas Ewing, of Ohio, who came from what were then important public-land States. It is true to-day, when Mississippi, Illinois, and Ohio have long since ceased to be public-land States, and when their people no longer have a personal understanding of problems of the public domain. But what is directly the concern of the public-land States is indirectly the concern of the Nation.

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The frontiers have reached the Pacific, the pioneers are few, but the problems of the public domain still are many and important. Land ready for the plow is no longer available, and farmers are not asking for this land, but a multitude of new problems of importance surround the conservation, the wisest disposition and development of what remains. The conservation and beneficial use of water in the desert regions, the prospecting for and the development and conservation of mineral resources, and a multitude of other difficult technical problems—all these require even more than ever before that the administration of the public domain be under sympathetic and understanding department leadership.

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THE DEPARTMENT OF THE INTERIOR TO-DAY

The Department of the Interior to-day consists of the following bureaus and agencies whose activities have to do with our internal development and welfare and logically are associated together in the same department.

The General Land Office: When the department was created, the disposal of the public lands had been treated as an important source of public revenue. As was made clear in the debates I have hereinbefore quoted, it was the desire of the public land States and the purpose of the Congress to thereafter follow a new policy looking to the welfare of the pioneer and the settler and the development of the Nation rather than to Federal revenues.

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The remaining public lands subject to all applicable public land laws are 173,318,246 acres in the United States proper. There are other public lands subject to administration of the General Land Office under limiting conditions which bring the total area in the United States up to 399,047,884.02 acres as is shown below:

	Acres
Vacant lands subject to all applicable public land laws	173,318,246.00
National forest land subject to all mining laws and possible homestead entry	133,800,000.00
Stock-raising homesteads, all minerals reserved	23,440,896.40
All minerals reserved in patents under various acts other than stock-raising homestead law	104,472.14
Coal reserved	10,727,659.32
Oil, gas, phosphate, or other named mineral reserved	1,629,529.16
Stock-driveway withdrawals subject to the mining laws	9,535,955.00
Existing unperfected entries, etc	24,164,842.00
Producing oil and gas fields	843,106.00
Carey Act withdrawals	925,830.00
Power site reserves	5,005,242.00
Public water reservations	437,249.00
Reservoir sites	254,010.00
Miscellaneous reserves	1,460,847.00
Reclamation withdrawals	13,400,000.00
	399,047,884.02
Alaska	378,165,760.00
Grand total	777,213,644.02

So far as the land is concerned, there is practically none of it that is truly farming land. A little of it, when reclaimed by drainage or irrigation, or both, presents real farming possibilities. But this, if it is to have value for cultivation, it must come through the construction of engineering works for the conservation and distribution of water, and the percentage that can be so reclaimed is very small. Some of it presents stock-raising possibilities. Some of it has forest possibilities, but in the main such lands have already been set aside (in national forests), for administration by the Forest Service. The remaining public domain in the United States, more than nine-tenths of it, presents no agricultural problem.

The greatest value in our remaining public domain lies in its mineral resources and water resources.

Seventy per cent of the vacant public land is of desert or semi-desert class, lying within the line of 11-inch rainfall. Much of the remainder is mountainous and rough land.

Perhaps the major public-land problem to-day, the one that affects most the people as a whole, is in the withdrawals made for conserving and controlling water and water power, for stock driveways, reclamation and irrigation, and similar utilitarian purposes. The net acres of such withdrawals in Government ownership have been estimated at 26,000,000. In the attempt to handle to the best advantage the vast estate of the public domain there was withdrawn or restored last year over 9,000,000 acres. The public-land problem is to-day one of general economics in which geology and engineering play a large part.

The character of lands now being disposed of is shown by the following table covering the last fiscal year and will emphasize what I have just said. While this table shows nearly half a million acres of so-called plow land, it is probable that not one-fifth of that amount will ever actually come under plow. It will be noted that three-fourths of the whole area disposed of during the year went in grazing lands in 640-acre homesteads. It is safe to say that of this area not one-fifth of it is land with sufficient grazing productivity to enable a man to make a living on a 640-acre homestead. These will actually be used to round out and supplement other areas of privately owned land, and in this manner the present public land will pass.

Original public-land entries for 1932 (ceded Indian lands included)

Agricultural (so-called plow) class	Number	Acres
160-acre and 320-acre homesteads and forest (160-acre) homesteads	3,583	493,922
Irrigation class, reclamation homesteads (160 acres maximum) and desert entries (320 acres maximum)	243	26,853
	3,826	520,775
Grazing class (no cultivation required), 640-acre stock-raising homesteads	7,305	3,544,677
Other classes (no cultivation required):		
State	806	412,084
Miscellaneous	616	132,404
	1,422	544,488
	12,553	4,609,940

The General Land Office has in charge the administration of this vast domain. It has the responsibility of surveying these lands as a necessary preliminary to any appropriation, lease, or disposal. It has the responsibility of protecting them from trespass and from unauthorized appropriation.

If it is proposed to reclaim these lands, through construction of engineering works, for the conservation and distribution of water, it has as its neighbor in the Department of the Interior the Bureau of Reclamation, which for 30 years has carried on the construction of such engineering works and the administration of the interests of the Government in development thereunder. In this connection it may be noted as typical of the close relation of these two bureaus that the disposal of lands reclaimed under Federal reclamation projects is through the homestead law, administered by the General Land Office, and the withdrawal of lands for construction purposes and reclamation is made by the Secretary upon the recommendation of the Reclamation Service, governed by the records of the General Land Office.

In the investigation, development, and administration of the mineral resources of this public domain it has as its neighbor in the Department of the Interior the Geological Survey. The law places upon this neighbor the responsibility for the classification of the public lands as mineral or nonmineral, coal or noncoal, timber or nontimber, as well as their designation for entry under the enlarged and the stock-raising homestead laws, etc. It also has the responsibility of the study of water resources and the study of power resources, the latter with particular attention to the power resources of the public lands. The work of these two bureaus in connection with the administration and field operations under the mineral leasing act, such as involve the development of our coal, oil, gas, and other so-called fuel and food minerals, is inseparably coordinated. Due to the intertwining of the mineral interests and the agricultural interests in the same land it is most imperative that the guiding hand and appellate officer for both interests be one, the Secretary of the Interior.

There are now 8,152,056 acres under mineral leases and permits, and most of this acreage is also subject to agricultural entry. There are 52,902,557 acres entered or patented with mineral reservation, and a gross 82,344,529 acres withdrawn or classified for mineral whose net deduction of private lands and duplications can not be determined.

In so far as the public domain touches upon the Indian, the General Land Office has also as its neighbor in the Department of the Interior the Bureau of Indian Affairs. All surveys of Indian lands are made by the General Land Office, and trust and fee patents to original allottees, or to subsequently determined heirs, are issued by it upon the recommendation of the Indian Office. Contests concerning lands on Indian reservations not opened to entry under the homestead laws are decided by the Indian Office. In the case of surplus lands available for homestead entry, such controversies as may arise are settled by the General Land Office; but not infrequently transactions relating to those areas must be handled jointly by the two offices. Contestants in either type of case have the right to appeal to the Secretary of the Interior, where uniformity in decision is maintained in so far as differing conditions and special legislation permit. Furthermore, the vast original records of the General Land Office must constantly be consulted by the Indian Office in connection with the leasing of lands, the partition of heirship lands, and in many other cases. Access could, of course, be secured if in different departments but only with great inconvenience and loss of time and of clerical efficiency.

Another neighbor in the Department of the Interior with which there is cooperation is the National Park Service. The General Land Office cooperates with this service in the surveys necessary for the identification and administration of parks and monuments. It cooperates in the determination and withdrawal of lands available for the enlargement of existing parks and monuments or the creation of new ones. The adjudication of claims adverse to national park purposes, as well as the acquirement of title to privately owned lands needed for park purposes is accomplished with the cooperation of the General Land Office.

In Alaska the vital affairs of Indians, mining, geological and land surveys, railroad operation, and territorial government are so closely allied with the public land that no division of responsibility between two departments is safely possible. The Governor of Alaska, under authority of existing law, has been designated the ex officio commissioner representing the Secretary of the Interior in all public-land matters in Alaska, and with him there is constant contact.

It has been suggested that the General Land Office be transferred to the Department of Agriculture. Since agricultural development of these lands in the main is not to be expected, the work of the General Land Office does not tie into the statutory responsibility of the Department of Agriculture. There is only one bureau in the Department of Agriculture with which the General Land Office has any extensive contacts, that is the Forest Service, but the forest areas of the public domain under the General Land Office are relatively small as compared with the nonforest areas. In 1932 only 4,019 acres were entered under the timber and stone law. The General Land Office has as its major problems subjects with which the Forest Service has only incidental connection. Transfer of the General Land Office from the Department of the Interior to the Department of Agriculture would mean taking it away from a department efficiently administering it and in which most of its interbureau relationships are found and transferring it to a department to whose statutory problem it is alien, in which its interbureau relationships generally are not found and which has already reached the limit of growth for most efficient departmental administration.

It is of the greatest importance to understand that as the administrator of the public domain the Secretary of the Interior is the managing, coordinating, and appellate officer for five other bureaus or subjects, closely allied with the General Land Office, viz, the National Park Service, the Indian Office, the Reclamation Service, the Geological Survey, and Alaska.

History has taught us that the right of appeal for the redress of fancied or real wrongs is perhaps the greatest factor contributing to the tranquillity and happiness of a people and nation. The Department of the Interior has an enviable reputation throughout the public-land regions for the ease and fairness with which the humblest public-land claimant can take an appeal and secure a review of his cause. The reviews from or final authorization for the action of the six sections mentioned above are now given their primary consideration by a corps of attorneys in the Secretary's office, thus insuring harmonious action for all the sections or bureaus. It is important that this access to a common court of appeal be not disturbed.

Geological Survey: When the Interior Department was first created, geological surveys and mineral studies of the public domain were carried on to a limited extent by the General Land Office. A little later specific surveys by Hayden under the General Land Office were appropriated for by Congress. In 1897 these activities and others were confided to the Geological Survey. For a few years the activities of the survey were limited to the public domain, but they were soon extended to the entire United States.

The present functions of the Geological Survey include: (a) Classification of public lands into categories recognized by the public land laws, such as mineral or nonmineral, coal or noncoal, timbered or nontimbered, irrigable or nonirrigable, etc.; (b) technical administration of those features of public land laws which depend upon the classification of lands; (c) technical administration of the laws providing for the leasing of minerals in the public lands; (d) studies of the geology and mineral resources of the entire United States, including Alaska; (e) the making of topographic maps of the entire United States, including Alaska and Hawaii; (f) the investigation of the water resources—surface and underground—of the United States, including Alaska and Hawaii; (g) the study of the power resources of the United States, with particular attention to the power resources of the public lands.

Some of these functions very clearly belong exclusively to that department of the Government which is charged with public-land administration. It is equally clear that others fall properly within the department which deals with internal affairs, since all the work of the Geological Survey tends either to establish a foundation for internal development or to yield information needed in connection with the administration of problems that come up with development. Its closest interbureau relations are with the General Land Office, the Bureau of Reclamation, the Bureau of Indian Affairs, and the National Park Service, in the Department of the Interior, and the Bureau of Mines and Coast and Geodetic Survey, in the Department of Commerce, and the Forest Service and Bureau of Soils, in the Department of Agriculture. Hereinafter will follow some discussion of the functions of the Bureau of Mines, the Coast and Geodetic Survey, the Forest Service, and the Bureau of Soils.

The basic studies carried on by the Geological Survey, in the words of Director Mendenhall, are "used in part in the solution of problems with which a land department must deal and as to the remainder they are used in the solution of problems with which a department of internal affairs can most appropriately deal."

The Bureau of Reclamation: This activity was created under the reclamation act of 1902. For a time it was under the Geological Survey, but for 25 years has existed as a separate organization. The area irrigated with water from Government works is approximately 3,000,000 acres. Originally intended primarily for the development of the public domain, it has in later years aided largely in the development of lands in private ownership. As stated in the current annual report of the Secretary of the Interior, the present policy is very largely "to expend reclamation funds on the rescue of established projects whose water supply is inadequate."

Commissioner Mead gives me this brief statement on the complex character of the work of reclamation administered by his bureau:

"In recent years the relation of reclamation to the development and prosperity of the arid region has become more important and complex. It has to do with the utilization of that region's two primary resources, land and water; and as population increases and the demands for water are multiplied, the importance of its wise diversion and use and the struggle over its control are both augmented. The character of the pioneer irrigation development has contributed to the difficulties which have to be overcome. More lands have been settled and brought under irrigation systems than can be watered from the existing water supply. The result is more costly and frequent shortages, and to overcome this there must be built a large number of reservoirs, which involves larger outlays of money than districts already financially involved can provide and brings in all these other questions not thought of at the outset. Reservoirs make possible the development of hydroelectric power as an adjunct. The profit arising from these power works helps to pay the cost of irrigation, promotes industrial development, and adds to the comforts and convenience of farms; but it brings in water rights of more varied character and makes water laws, the settlement of water rights, and the administration of streams subjects that have to be considered in the determination of what can be wisely undertaken, both for the farmer and for the Government. We have already reached a point where conflicting claims to a single stream stretch along its course for hundreds of miles, and sometimes include diverse interests and laws of two or more States. These relations seem to make it appropriate and desirable that the Reclamation Bureau should continue to be a part of the activity of the Interior Department, which controls the land, studies and keeps records of water supply, and regulates rights to power."

The important interbureau relationships of this bureau are the General Land Office, the Bureau of Indian Affairs, and the Geological Survey in the Department of the Interior and to a somewhat limited extent the Corps of Engineers of the War Department. It has an even more limited contact with the Agricultural Extension Service of the Department of Agriculture.

If public lands are to be reclaimed through conservation and distribution of water, the Bureau of Reclamation, which constructs the engineering works, must work closely with the General Land Office, which administers the domain. Even when the lands to be irrigated are not entirely from the public domain, the reservoir right of way and the watershed are likely to be of the public domain. The two bureaus are in reality studying our problem, one as the administrator, the other as the engineer.

The contacts with the Geological Survey are very clear, as appears from the above statement concerning that bureau, especially in respect to the studies of water resources and the geological studies involved in the selection of land sites and planning of distribution systems.

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In the nature of things cooperation in such cases succeeds in great measure whatever departments are concerned. But the relations of the Indian Bureau with the General Land Office, Bureau of Reclamation, and Geological Survey especially involve extensive cooperation of such a character or under such circumstances that it would be greatly handicapped if these bureaus were not in the same department, and both increased cost and lessened efficiency would result.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 5260. An act granting the consent of Congress to the Board of Supervisors of Marion County, Miss., to construct a bridge across Pearl River; to the Committee on Interstate and Foreign Commerce.

S. 5261. An act granting the consent of Congress to the Board of Supervisors of Monroe County, Miss., to construct a bridge across Tombigbee River; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p. m.) the House adjourned until to-morrow, Thursday, December 29, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

841. A letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to the river and harbor act approved July 3, 1930, on preliminary examination and survey of Connecticut River below Hartford, Conn., together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

842. A letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to the river and harbor act approved July 3, 1930, on preliminary examination and survey of Egegik River, Alaska, together with accompanying papers and illustration; to the Committee on Rivers and Harbors.

843. A letter from the Secretary of War, transmitting, pursuant to section 1 of the river and harbor act approved January 21, 1927, a letter from the Chief of Engineers, dated December 22, 1932, submitting a report with accompanying papers and illustrations on Osage River, Mo.; to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Tennessee: A bill (H. R. 13929) to prevent the scrapping of merchant vessels owned by the United States, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 13930) to amend Title IV, section 404, of the merchant marine act, 1928 (U. S. C., title 46, sec. 891h), so as to prevent the Postmaster General from entering into any contract under said section with any citizen operating any foreign-flag ships in competition with any American-flag ships; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CROSS: A bill (H. R. 13931) to restore confidence by raising commodity prices through expanding the currency by using silver to broaden the metallic monetary base while preserving the gold standard; to the Committee on Coinage, Weights, and Measures.

By Mr. SMITH of West Virginia: Joint Resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the State of Wyoming, memorializing Congress in regard to repealing the eighteenth amendment; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDRIGE: A bill (H. R. 13932) granting an increase of pension to Esther J. Carpenter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13933) granting a pension to Laura Austin; to the Committee on Invalid Pensions.

By Mr. BARBOUR: A bill (H. R. 13934) for the relief of Frank E. Gilliland; to the Committee on Military Affairs.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 13935) granting a pension to Dora L. Lewis; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 13936) granting a pension to Julia Hubbard; to the Committee on Pensions.

By Mr. GARBER: A bill (H. R. 13937) for the relief of Marion S. Williams; to the Committee on Military Affairs.

By Mr. GOLDER: A bill (H. R. 13938) for the relief of Thomas M. A. Quigley; to the Committee on Claims.

By Mr. HAWLEY: A bill (H. R. 13939) to grant a patent to Eliza H. Vinson; to the Committee on the Public Lands.

By Mr. HOUSTON of Hawaii: A bill (H. R. 13940) for the relief of Henry J. Hollinger; to the Committee on Claims.

By Mr. LUCE: A bill (H. R. 13941) for the relief of Charles Joseph Whalen; to the Committee on Naval Affairs.

By Mr. MANLOVE: A bill (H. R. 13942) granting a pension to Twible P. Lewis; to the Committee on Pensions.

By Mr. O'CONNOR: A bill (H. R. 13943) to renew and extend certain letters patent; to the Committee on Patents.

By Mr. PITTENGER: A bill (H. R. 13944) granting a pension to Della M. C. Rudolph; to the Committee on Pensions.

By Mr. RAINEY: A bill (H. R. 13945) granting an increase of pension to Nancy Huffman; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 13946) for the relief of O. S. Cordon; to the Committee on Claims.

Also, a bill (H. R. 13947) for the relief of D. A. Perkins; to the Committee on Claims.

Also, a bill (H. R. 13948) for the relief of Paul Bulfinch; to the Committee on Claims.

Also, a bill (H. R. 13949) granting a pension to Billy George; to the Committee on Pensions.

Also, a bill (H. R. 13950) for the relief of Robert Rayl; to the Committee on the Public Lands.

Also, a bill (H. R. 13951) for the relief of Arvada Noble; to the Committee on the Public Lands.

By Mr. TARVER: A bill (H. R. 13952) for the relief of Joseph Shabel; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 13953) for the relief of George H. Hutchinson; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9245. By Mr. BOYLAN: Resolution adopted by New York Detachment, No. 1, Marine Corps League, Brooklyn, N. Y., strenuously opposing the attempt on the part of Congress to further reduce the personnel of the United States Marine Corps, etc.; to the Committee on Naval Affairs.

9246. By Mr. COCHRAN of Pennsylvania: Petition of various citizens of New Bethlehem, Pa., urging the passage of the stop-alien amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9247. Also, petition of the Woman's Christian Temperance Union of Venus, signed by Ina Home, president, and of the Trinity Evangelical Church of Venus, signed by Rev. N. Frank Boyen, urging the passage of the stop-alien-representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9248. By Mr. DELANEY: Petition of the New York Tow Boat Exchange, of New York, urging opposition to any hurried consideration of the proposal to consolidate Government bureaus primarily for the purpose of economy, and also urging a full investigation of the proposals stated based on the actual economics involved as they relate to efficiency; to the Committee on Expenditures in the Executive Departments.

9249. By Mr. FITZPATRICK: Petition of the Bronx Board of Trade, favoring an early return of the 2-cent postal rate for first-class letters, and, if impossible, that a 2-cent rate apply to letters intended for local delivery in the city in which they are mailed; to the Committee on Ways and Means.

9250. By Mr. HALL of North Dakota: Petition of Board of County Commissioners of Bottineau County, N. Dak., favoring the enactment of emergency legislation for the relief of distressed farmers in their county; to the Committee on Agriculture.

9251. By Mr. LINDSAY: Petition of the Granite Cutters' International Association of America, Quincy, Mass., protesting against the use of limestone and urging the use of granite for the Federal courthouse for New York City; to the Committee on Appropriations.

9252. Also, petition of the Joint Executive Transportation Committee of Philadelphia Commercial Organizations, approving Senate bill 4491; to the Committee on Merchant Marine, Radio, and Fisheries.

9253. Also, petition of Marine Corps League, New York Detachment, No. 1, Brooklyn, opposing the further reduction of the personnel of the United States Marine Corps; to the Committee on Military Affairs.

9254. Also, petition of National Federation of Federal Employees, Union No. 384, Brooklyn, N. Y., opposing the furlough plan and percentage pay cuts of the economy act; to the Committee on Ways and Means.

9255. Also, petition of National Wool Marketing Corporation, Boston, Mass., urging the continuance of the Federal Farm Board to administer the provisions of the agricultural marketing act; to the Committee on Agriculture.

9256. Also, petition of the New York Tow Boat Exchange, 17 Battery Place, New York City, opposing hurried consideration of consolidating governmental bureaus; to the Committee on Expenditures in the Executive Departments.

9257. Also, petition of S. Haskel & Sons (Inc.), 97–115 Harrison Place, Brooklyn, N. Y., urging the use of granite for the Federal courthouse for New York City; to the Committee on Appropriations.

9258. By Mr. MEAD: Petition of Common Council of the City of Buffalo, urging reduction in coal prices; to the Committee on Interstate and Foreign Commerce.

9259. Also, petition of citizens of East Aurora, N. Y., urging support of the stop-alien representation amendment to the United States Constitution, to count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9260. By Mr. RUDD: Petition of National Wool Marketing Corporation, Boston, Mass., urging that the Federal Farm Board be continued as a body to administer the provisions of the agricultural marketing act; to the Committee on Agriculture.

9261. Also, petition of National Granite Commission, Boston, Mass., urging the use of granite for the New York Federal courthouse; to the Committee on Appropriations.

9262. Also, petition of the New York Tow Boat Exchange, New York City, opposing any hurried consideration of the proposal to consolidate Government bureaus; to the Committee on Expenditures in the Executive Departments.

9263. Also, petition of the Granite Cutters' International Association of America, Quincy, Mass., urging the use of granite instead of limestone for the new Federal courthouse for New York City; to the Committee on Appropriations.

9264. By Mr. TEMPLE: Petition of a number of residents of Burgettstown, Pa., supporting the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9265. By Mr. WHITTINGTON: Petition of the Legislature of Mississippi to the Congress, authorizing the Reconstruction Finance Corporation to make loans to States on the obligations of the States; to the Committee on Banking and Currency.

9266. Also, petition of the Legislature of Mississippi to the Congress, favoring the extending of relief to the owners of homes and farms throughout the Nation; to the Committee on Banking and Currency.

9267. By the SPEAKER: Petition of George A. Carpenter and others, protesting against any beer bill; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 29, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we thank Thee that neither life nor death are able to separate us from the Father's love. As the children of Thy providence we are sheltered in the divine heart, that blessed retreat for all, so tranquil and restful. We breathe our heart's dear love to Thee. Permit us, dear Lord, to approach the tasks of the day with assurance and expectation. Do Thou brood over us and allow us not to wander from the fresh, spiritual, blossoming pastures of the garden life. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.



AGRICULTURAL APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes.

Mr. HARE. Mr. Speaker, pending that, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HARE. And that is to know whether it is understood that some time during the day it is the intention of the Committee of the Whole to rise, say, at 3.30 o'clock, to permit the consideration of the conference report upon the Philippine independence bill?

The SPEAKER. The gentleman from Texas can best answer that.

Mr. BUCHANAN. Mr. Speaker, I understand it is the program of the House to rise about 3.30 o'clock for the purpose of considering the conference report upon the Philippine bill. However, if we should lack just a few sections of being through with this bill, I might want to go on for perhaps 10 or 15 or 20 minutes longer in order to finish the bill. I do not like to set a specific moment at which to rise, when we might be practically through the bill.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Agricultural appropriation bill, with Mr. MONTAGUE in the chair.

The Clerk read the title of the bill.

Mr. ALLGOOD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. ALLGOOD: Page 34, line 10, after the word "diseases," strike out "$200,000" and insert "$100,000."

Mr. ALLGOOD. Mr. Chairman, this refers to the paragraph which reads:

Cotton production and diseases: For investigation of cotton production, including the improvement by cultural methods, breeding, acclimatization, adaptation and selection, and for investigation and control of diseases, $200,000.

My amendment is to cut this in two and make the amount $100,000. Mr. Chairman, I am starting at home with my economy. I come from a cotton section, and I am willing to stand up here and tell you that the cotton farmers are not asking for this $200,000 appropriation for this purpose. We have already appropriated several million dollars for extension purposes for farm agents, and to the land-grant colleges for this specific purpose. This is duplication, and there is no question about it.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ALLGOOD. Yes.

Mr. COCHRAN of Missouri. The gentleman was at one time, I understand, the commissioner of agriculture of his State.

Mr. ALLGOOD. I was commissioner of agriculture of Alabama for four years.

Mr. COCHRAN of Missouri. The gentleman certainly ought to know what he is talking about, coming from a cotton section.

Mr. ALLGOOD. I do.

Mr. COCHRAN of Missouri. I propose to support the gentleman's amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield to a suggestion?

Mr. ALLGOOD. Yes.

Mr. TABER. I think the gentleman is headed in the right direction in endeavoring to cut this thing down.

Mr. ALLGOOD. I thank the gentleman. Cultural methods, breeding, adaptation, selection. Our farmers know now the kind of cotton they want to plant, when to plant it, and we are producing more than we can sell. I notice that over in Oklahoma a preacher has quit preaching and gone to breeding cotton, and that he has perfected a cotton which, instead of having 5 locks to the boll, he says will produce 15 locks to the boll, each boll weighing a pound. But he is holding it back, he says, until 1935, until we can get rid of our surplus cotton. It can easily be seen that under the present breeding information which we have and our cultural methods we are producing now a surplus of cotton, more than the farmer can sell. What the farmer is interested in is a better price for his cotton and not more information about breeding and cultural methods. You give him a proper price for his cotton and he will produce it. The stations where this money goes are Facaton, Ariz.; Bard, Calif.; San Diego, Calif.; Shafter, Calif.; State College, N. Mex.; James Island, S. C.; Wadmalaw Island, S. C.; Greenville, Tex.; San Antonio, Tex. Judging from the stations, I would think it has to do more with long-staple cotton than it does with the short staple. Somebody might say that the farmer does not know how to produce staple cotton that will sell. I saw a statement that millions of bales of cotton that are not tenderable were produced by the cotton farmers last year. That is not so. Less than 6 per cent of the cotton produced last year was not tenderable, but it was merchantable, it was salable; in fact, there was a greater demand for it than for tenderable cotton, because it could be sold at a cheaper price.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. ALLGOOD. Yes.

Mr. LAGUARDIA. Long-staple cotton comes in competition with Egyptian cotton, does it not?

Mr. ALLGOOD. Yes.

Mr. LAGUARDIA. Have not the Egyptian cotton and the long-staple cotton a field of their own?

Mr. ALLGOOD. To a certain extent they have a field of their own, but if you develop cultural methods here the Egyptians will get the knowledge just the same as the Americans, and they will be better able to continue to come in competition with our cotton farmers. You can not keep knowledge a secret.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. ALLGOOD. I yield.

Mr. CLARKE of New York. Is it not true that the land-grant colleges have derived a foundation fund from the sale of lands under the Hatch Act, and should it not be a part of their function to themselves spend from the endowment of their own institutions the money that should bring first-hand information locally?

Mr. ALLGOOD. They are doing this very thing at the land-grant colleges and experiment stations, and the demonstration agents throughout the country are helping the farmers with their crops. The kind of legislation that our farmers are interested in is not appropriating moneys to help produce more cotton to sell at a cheaper price; they are interested in legislation that will help them get a living price for what they know how to produce now.

Mr. BUCHANAN rose.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

Mr. PATTERSON. Mr. Chairman, the gentleman from Texas was on his feet seeking recognition to speak against the amendment.

Mr. DYER. Well, Mr. Chairman, it is too late. The amendment has been agreed to and announced by the Chair.

The CHAIRMAN. The proceedings just had with regard to the amendment may be vacated without objection. The Chair could then recognize the gentleman from Texas.

Is there objection to vacating the proceedings just had with reference to the amendment?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, this is an appropriation of $200,000 for studying the production and improvement of the varieties of cotton, one of the largest, if not the largest, agricultural crop in the United States, and that is all this bill carries for that crop on that subject. It includes one thing, the planting of a whole community or a whole county in one variety of cotton, so that when the cotton is carried to the gin, the seed will not be mixed, and that county will remain with one variety of high-grade, high-quality cotton. If that system prevails throughout the Cotton Belt, it will be but a few years until the quality of cotton will be judged as much by the community wherein it is raised as it is by the actual examination of the sample.

I wish to state to my colleagues that the United States is losing its foreign market for cotton. One of the primary reasons is that the grade, the quality of our cotton, has gone down so low that other countries are furnishing better spinnable cotton than the United States. Why is that? Because the farmers have been seeking quantity production instead of quality production, until a grade known as half-and-half has been planted all over the Cotton Belt, and the spinnable quality of American cotton has gone down until it is inferior to the cotton produced in other countries, and we are losing our market.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ALLGOOD. Here is a statement from the United States Department of Agriculture, Bureau of Agricultural Economics, Washington, D. C., October 25, 1932, 12 noon:

Untenderable in staple only, 282,800 bales of the 1932 crop.

That is less than 7 per cent. Four hundred and twenty-three thousand bales for the 1933 crop and only 242,000 bales for the 1932 crop, which is 6.8 per cent of the production. Of the tenderable amount, there were 8,887,000 bales that was tenderable—merchantable and only 242,000 bales that was untenderable. As I said a while ago, the amount untenderable was more marketable than that which was tenderable, because it is such a small amount, and the farmers who grow the cotton which is thirteen-sixteenths of an inch grow it to head off the boll weevil.

Mr. BUCHANAN. Untenderable cotton is not high-grade cotton.

Mr. ALLGOOD. Will the gentleman yield further?

Mr. BUCHANAN. No. I will not yield any more to answer such a question as that, because tenderable means it simply can be offered in satisfaction of future contracts. It may be a very low grade of cotton that is tenderable—unspinnable cotton—something like six or seven staples. Tenderable cotton means the range from low-grade cotton to the highest grade cotton. What we want to produce is the high-grade cotton, with high spinnable qualities in it, so that we can command the world market.

Another thing in this appropriation, we are rapidly coming to the point where we can raise as much long-staple cotton as Egypt. Even now there are thousands and tens of thousands of bales of cotton imported into this country, all very long staple, to make certain fabrics which require long-staple cotton, and a part of this appropriation is used to demonstrate that we can produce this long-staple cotton and do away with the importation of long-staple cotton and supply it ourselves.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ALLGOOD. I ask unanimous consent that the gentleman may have three additional minutes, as I want to ask him another question.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ALLGOOD. This appropriation, as I understand, does not apply to the ordinary cotton.

Mr. BUCHANAN. Yes. It applies to the ordinary cotton in Greenville, Tex. They do not raise any long-staple cotton there. It applies to Alabama also. It applies to the whole cotton-production industry of the United States.

Mr. ALLGOOD. There were only 282,800 bales of the 1932 crop that was untenderable.

Mr. BUCHANAN. Oh, we are not talking about that.

Mr. ALLGOOD. Tenderable cotton is seven-eighths and untenderable is thirteen-sixteenths, or a difference of one-sixteenth of a point. That is the difference between tenderable and untenderable cotton. Fourteen-sixteenths is tenderable and thirteen-sixteenths is not tenderable. There is the difference.

Mr. BUCHANAN. I am not talking about tenderable cotton.

Mr. ALLGOOD. There are 282,000 bales of untenderable cotton, cotton that they could not gamble on in New York, but the farmers can produce this untenderable cotton, the short-staple cotton which the gentleman is talking about. Some farmers prefer to produce the short-staple cotton on account of the boll weevil. They can produce it under conditions where they can not produce long-staple cotton.

They would rather produce it and take a little less price than they can get for the long-staple cotton. These farmers know they can produce long-staple cotton and that it will bring a little greater price, but to offset the boll weevil they prefer to produce what is known as half-and-half cotton.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BUCHANAN. That is not all that this appropriation is used for. It includes the whole scope of cotton diseases, that fall short of insects, like all fungus diseases, the wilt of cotton, and things like that.

Some $70,000 of this appropriation is utilized in an effort to find a remedy for the root rot of cotton that destroys a million or more bales every year. These experiments and demonstrations are now in actual operation with some promise of success. An experimental station has been established to study this disease which is absolutely ruining cotton culture in certain sections of the Cotton Belt. Then, there are diseases like the wilt of cotton, and so on, for the study of which this appropriation is used. Those who would cut this appropriation would strike out the only appropriation for the benefit of the cotton farmer. The amount carried is very moderate.

Mr. GLOVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is not a man in this Congress who wants to stand for rigid economy more than I do; but I do not propose to cripple the growth of cotton, the greatest crop grown in the United States, in this way.

I can not harmonize the gentleman's thinking and some of the declarations he made here yesterday with my own. The gentleman from Alabama said it was a blessing that we had the boll weevil. I guess he is praying for a new pest, not only the return of the boll weevil but for other things that can destroy cotton, the greatest agricultural crop in the United States.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. GLOVER. Not just now. I want to say to you that the argument of the gentleman from Texas is eminently correct.

We have suffered the grades of our cotton to run down so low that other countries can compete with us. India to-day is growing 4,500,000 bales of cotton of practically the same grade as our short-lint cotton, yet it was only a short time ago when she could not compete with us because our grade of cotton was higher than hers. Not only India, but other countries are now producing about 12,500,000 bales of this short-lint cotton, and that is the cause of our having a surplus of 10,000,000 bales of cotton in the United States at the present time.

This amendment would only help foreign countries to come in here and compete with us, instead of helping our own cotton farmers.

We are growing in this country now some long-lint cotton, known as sea-island cotton, I believe. We need that for the manufacture of automobile casings and other purposes, and

it is necessary that we have the culture of the longer staple cotton in this country.

Then, diseases are constantly occurring in the production of cotton. Some new pest develops nearly every year. The gentleman does not have to pray for more boll weevil, for there will be some other kind of pest that will be just as devastating. So this year if we have no appropriation by which the study of this can be continued and the pest destroyed, the production of one of the greatest agricultural crops known to the world may be stricken down.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. GLOVER. I yield.

Mr. ALLGOOD. The gentleman speaks of India and foreign countries growing cotton now that can compete with ours. Yes; and our people here by methods like this taught them how to do it. We sent men to Russia to teach the Russians how to compete with us.

Mr. GLOVER. You can not keep people from learning. I am glad America can teach other nations. I have no objection to other nations gaining something from the information we gather. We are not seeking a corner on knowledge, but we ought to have sense enough to meet those countries by the production of a cotton here that will meet their competition.

Mr. PATTERSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Alabama.

Mr. Chairman, I am astonished that a Member from a cotton-growing State should offer to cut out half of the little appropriation that is allowed for experimentation and improvement in the culture of cotton. I have stood for economy and voted for economy, and one of the things that interests me most is to see some of my colleagues get so enthusiastic about economy, and when I recall the record heretofore and find some of these same economists voted or were not present when the vote was taken to return $200,000,000 to the rich taxpayers of the country, and now seek to take $100,000 away from the cotton farmers of the South, where a great deal of development is needed, if anywhere in the world.

The gentleman talks about the boll weevil, and I do not criticize him if he believes that the boll weevil has been a blessing to my own State. To be frank, the boll weevil has devastated thousands of acres of land in my State, and a number of counties which have been the center of one of the richest farming sections in the world are now bankrupt and partially depopulated because of the boll weevil. True, they are turning to dairying and so forth. But it will be long before the original economic status is reached. Many of these farmers have been compelled to move away and work for wages, all on account of the boll weevil. We are not praying for more boll weevils in our State. We can find other ways to control the production of cotton.

Another thing, we have heard so much about this surplus of cotton. There would be no surplus of cotton in this country if the people were clothed. If we could open up business in this country and manufacture enough products to clothe our children and open up modern markets and ship our cotton abroad where it is needed, there would be no surplus of cotton; on the other hand, every bale of cotton could be used. A surplus is not what is fundamentally wrong with the cotton-growing industry of the country, even though we may have to reduce to help ourselves temporarily; what is wrong is that a certain class of people have never paid any attention to the economy of having the income of the farmers and laborers sufficient to purchase the necessities of life. They have not shown the proper concern for the wages and income of our people so they could purchase the necessities of life. That is why there is a surplus of cotton.

The problem will never be solved by reducing the wages of those earning $1,000 a year. The problem will never be solved by extreme deflation in this country. On the other hand, such tactics will destroy farmers and homes in every county and community and take from the people the ability to pay their taxes.

I know that some can get out and make people believe they are the friends of the people and we are serving them by extreme deflation, but I am perfectly willing to say that I for one believe that what this country needs is more purchasing power among the masses and I leave the decision as to whether I am right or wrong with the enduring years of time.

If you will inflate and raise commodity prices in this country then you will enable the cotton farmer and the wheat farmer, as well as all other farmers, to pay their mortgages and pay their taxes. You will also enable the Government to have a sufficient income. I can show you how there can be some very large savings made, instead of talking about saving $100,000. The Government to-day is paying $200,000,000 more by way of interest on bonds than is necessary, and if we could make proper refunding arrangements with respect to the obligations of the Government, what we are trying to save here would be chicken feed in comparison.

I hope this committee will not strike out or reduce this appropriation one dollar more than it has already been reduced and take this money away from the cotton farmers when we need it so much to improve the quality of our cotton. The farmers of my district alone, a year or two ago, lost one-half a million dollars or more on the staple of their cotton, which was below the standard and the mills would not buy it without penalizing them.

This is one of the most important items in the bill so far as the southern farmers are concerned, and I hope the committee will not adopt the amendment.

I plead with you with all the earnestness of my soul when I ask you not to refuse the great cotton industry which has created so much wealth for this Nation, and will again when times get normal and our people get a fair price for their cotton, as they will, this $100,000 out of the hundreds of millions which are appropriated here from year to year.

I have voted for economy and have kept that up, but this in my judgment would penalize my section of the country and prove false economy for the whole country, every inch of which I love. [Applause.]

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment of the gentleman from Alabama [Mr. ALLGOOD].

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 38, noes 56.

So the amendment was rejected.

The Clerk read as follows:

Dry-land agriculture: For the investigation and improvement of methods of crop production under subhumid, semiarid, or dry-land condition, $220,000: *Provided*, That the limitations in this act as to the cost of farm buildings shall not apply to this paragraph: *Provided further*, That no part of this appropriation shall be used for the establishment of any new field station.

Mr. TABER. Mr. Chairman, I make a point of order against the paragraph on the ground that it contains legislation. The first proviso is a statement which is clearly legislation, "That the limitations in this act as to the cost of farm buildings shall not apply to this paragraph." This is so clearly legislation that it does not require argument.

Mr. BUCHANAN. Mr. Chairman, this is a limitation on a limitation.

Mr. TABER. But, Mr. Chairman, it is a provision that permits more money to be spent than the statute authorizes and is not a limitation within the rule, but is legislation.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. BANKHEAD. Does the statute fix the maximum amount that may be authorized?

Mr. TABER. Yes; it does.

Mr. BANKHEAD. I suggest that the Chair request the gentleman to cite that statute, because I think there is some question about it.

The CHAIRMAN. The Chair will be pleased to have the citation.

Mr. TABER. Mr. Chairman, I make a point of order against the paragraph on the ground that there is no

legislation authorizing this appropriation. I can not cite the statute referred to now, but the provision would not be in here unless there was a statute limiting the cost of any barn.

Mr. GOSS. Will the gentleman yield?

Mr. TABER. Yes.

Mr. GOSS. I would refer the gentleman to page 213 of the hearings, where it says that the language of the item has been amended by reducing the limitation of expenditures for construction work from $30,000 to $5,000. I think the organic law carries $30,000, and the limitation in the bill is a reduction to $5,000 in almost all cases, but in this case it is exempted entirely.

The CHAIRMAN (Mr. MONTAGUE). The Chair is prepared to rule.

The organic act, section 507, Title V, of the code, seems to be sufficient authorization to support the appropriation. The Chair therefore overrules that point of order.

Mr. TABER. Does the Chair overrule the point of order to that section which raises the limitation with respect to the amount that can be spent on barns?

The CHAIRMAN. The gentleman from New York made a point of order against the appropriation.

Mr. TABER. I made a point of order against the authority for the appropriation and against the paragraph with language in it which does away with any limitation as to cost of the buildings.

The CHAIRMAN. If the House has the right to appropriate, it seems to the Chair that it has the right to limit the appropriation and, if necessary, except from the operation of the limitation certain items, provided those items are authorized by law.

Mr. TABER. The Chair is correct that we have the right to reduce by limitation; but where a statute prohibits more than a certain amount being expended for a barn and we put in a proviso that the limitation of the statute shall not apply, that is new legislation and comes within the provision of the Holman rule.

The CHAIRMAN. The Chair may say that the difficulty the Chair is having is that the gentleman has not produced the statute to sustain his position.

Mr. KETCHAM. Will the gentleman yield?

Mr. TABER. I yield.

Mr. KETCHAM. If the Chair please, if the Chair will turn to page 30 of the bill now under consideration, in line 21 there is a limitation that the cost of any building erected shall not exceed $1,500. It seems to me that the point of order is very well taken, because if this language is retained in the bill the limitation of $1,500 would not be retained, and the cost of the building might be increased by any particular amount.

The CHAIRMAN. The opinion of the Chair is that the limitation which has been referred to can be removed.

Mr. LaGUARDIA. Mr. Chairman, would not this clarify the proposition? The gentleman from New York [Mr. TABER] makes a point of order that the limitation here is legislation in that it amends existing law. The only question is whether there is any existing law limiting the amount that may be spent on this building.

The CHAIRMAN. That is quite true, and the Chair has asked the gentleman from New York [Mr. TABER] to cite the law referred to.

Mr. TABER. I can not cite the law, but I assume there must be such a law or this language would not be in here.

Mr. BUCHANAN. Mr. Chairman, there is no existing law which fixes any amount on public buildings except as carried annually in the appropriation bills and, certainly, if this appropriation puts a limitation on the amount that may be spent for public buildings, the same bill can make an exception as to some other building.

The CHAIRMAN. The Chair is of the opinion that the committee has the right to impose a limitation on the pending appropriation and, conversely, the right to except from the operation thereof limitations of this character, and therefore overrules the point of order.

Mr. KETCHAM. Mr. Chairman——

Mr. BANKHEAD. Mr. Chairman, I respectfully raise the point of order that the Chair has ruled twice on this proposition.

The CHAIRMAN. The Chair has twice overruled the point of order, if the Chair may courteously suggest.

Mr. KETCHAM. Mr. Chairman, I move to strike out the proviso contained in lines 16, 17, and 18.

The Clerk read as follows:

Amendment by Mr. KETCHAM: Page 34, line 16, after the figures, strike out the proviso down to and including the word "paragraph" in line 18.

Mr. BUCHANAN. Mr. Chairman, I have no objection to that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

Mr. TABER. Mr. Chairman, I move to strike out the paragraph.

The Clerk read as follows:

Page 34, lines 14 to 20, strike out the paragraph.

Mr. TABER. Mr. Chairman, this is an item that has been going along for 40 years in reference to dry-land farming. That has been pretty well developed in the States of Texas and some parts of California and the Southwest. It has been going on with an appropriation for development, and I understand from the hearings, which you will find on page 292, for about 40 years and it has been pretty well accomplished. There is nowhere in the story of accomplishment anything in the last few years. There is still dry-land farm work and experimental farm work but no story of accomplishment. They have accomplished what they set out to do, and it is time to stop the spending of money in this way.

Mr. KETCHAM. Will the gentleman yield?

Mr. TABER. I will.

Mr. KETCHAM. Is it not true that this is cooperative work with States which are carrying out this identical work themselves?

Mr. TABER. I do not know.

Mr. KETCHAM. It is true. Is it not further true that carrying on this kind of work is in exact opposition to the general policy of Congress, which is right now seeking to reduce both land areas of cultivation and the further surplus production of crops?

Mr. TABER. It is true, and here is an opportunity for the Democratic majority in this House to show that they are for economy. We have got in some way to balance the Budget in this country; and if we do not cut out some of these appropriations, we are never going to balance the Budget.

Mr. SCHAFER. Mr. Chairman, I rise in opposition to the amendment, and ask to proceed out of order for seven minutes.

The CHAIRMAN. The gentleman from Wisconsin asks to proceed out of order for seven minutes. Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, this section of the bill refers directly to dry-land farming. I desire to call the attention of the House and the country to some facts which are closely related, particularly regarding wet-voting Republicans, lame ducks, and dry-voting Democratic ducks who are not in the lame-duck class.

The Associated Press dispatches of yesterday carry a statement sent out by the Democratic National Campaign Committee containing an indictment of all the Republican lame ducks in the House, by the leader of the Democratic Party in the Senate. He asserts that the Republican lame ducks have blocked the program of the Democrats. If you go to the CONGRESSIONAL RECORD of this body and the other body since this session of Congress convened, you will find that the present Democratic program consists of meeting at 12 o'clock and adjourning at 1 o'clock, meeting at 12 o'clock and adjourning at 2 o'clock, meeting at 12 o'clock and adjourning at 3 o'clock—meeting day after day in the other

body and adjourning without a quorum and without transacting any important business.

This statement, in which the Democratic leader in the Senate, through the Democratic National Campaign Committee propaganda, lays the defeat of the repeal of the eighteenth amendment resolution to Republican lame ducks is at the best a careless handling of the truth. When we look at the RECORD, what do we find? We find that every Democratic Congressman from the Democratic leader's State of Arkansas, 7 of them, voted against the eighteenth amendment repeal resolution, and if the distinguished Senator from Arkansas had but converted the 7 Members of this House from his own State, or only 6 of them, we would have had enough votes to have passed the repeal amendment for which 103 Republicans, including 48 lame-duck Republicans, voted. Every Congressman from Arkansas, except one, also voted against the beer bill. How many Democrats in their entirety voted for the beer bill? Only 133, while 64 of them voted against it, although their last platform promised beer immediately.

Republican votes, including lame-duck Republican votes, were necessary and were furnished in sufficient numbers to send the beer bill to the Senate, where the Democratic leaders are now chloroforming it. On the one hand we have many Democrats repudiating the solemn pledge of their party to support a modification of the Volstead Act, and on the other hand we have sufficient Republican votes to join with some of the Democrats to pass the bill, although the Republican Party did not bind its members in favor of modification.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. I yield to the gentleman. Perhaps he has a late message from Albany, N. Y., to the effect that the President elect now favors the sales tax. [Laughter.]

Mr. BLACK. Oh, I was just going to ask the gentleman whether he had a late message from Florida as to how the President feels about the beer bill. [Laughter.]

Mr. SCHAFER. The thing to do is to have the Democratic leader stop pussyfooting and have the Senate send the bill up to him. I do not believe that the gentleman from New York will be disappointed in the President's action on the bill. You do not know where the next President stands on any question. He is here to-day and there to-morrow. Your Democratic Party does not have a program, and the record shows it. You have been drifting along since this session convened although you have told the people that they need a Democratic program to solve the country's problems. In the House you have a Democratic majority, and a Democratic majority in the other body, when you take into consideration those who are Republicans when they run for office and who supported the Democratic ticket last November. And now the Democrats are wailing, weeping, and bleeding because you are going to have to have a special session and you are trying to pass the buck to the Republicans who are actually in the minority in both Houses.

The Democratic leader in the Senate through the Democratic propaganda yesterday also indicated that the President elect would have time, if we did not have a special session of Congress, to consider what the country needs. After listening to the promises of the President elect and the promises of Democrats generally, the country was led to believe that the Democrats had a program for the solution of all the problems of the Nation and the ills of the world. The record indicates you have no program except to demagogue, as you have done, on the tariff issue in the last campaign. Under the Constitution a tariff measure must originate in the House, and you Democrats have had control of the House for over a year, and yet have not brought in one tariff reduction for consideration. The record indicates that in the past your Democratic leaders bitterly criticized the tariff on aluminum pants buttons, claiming that Mr. Mellon was interested in aluminum; but up to this very hour, having control of this branch of Congress, where the tariff must originate, you have not even brought to the House a bill or resolution to reduce any tariff rate—not even the tariff on aluminum pants buttons—one-half of 1 per cent. [Laughter.]

Mr. BLACK. Mr. Chairman, will the gentleman yield to me?

Mr. SCHAFER. If the gentleman will get me some more time, I will.

Mr. BLACK. Sure, I will get you some time. I just wanted to know——

Mr. SCHAFER. Oh, no, just a moment. Get the time first. [Laughter.]

Mr. Chairman, I ask unanimous consent to speak for four additional minutes.

Mr. BUCHANAN. Mr. Chairman, I object to that.

Mr. SCHAFER. Mr. Chairman, the Democrats are afraid of the record. The record does not square with the false Democratic propaganda as exemplified in the utterance of the Democratic National Campaign Committee yesterday, purporting to come from the Democratic leader in the Senate. The record speaks for itself; and now instead of adjourning at 4 o'clock to-day, my Democratic friends, who control the House, and instead of adjourning to-morrow at 2 o'clock and the next day at 3, perhaps, just bring out the program that you have been talking about. You have hundreds of bills on the calendar reported by Democratic committees, and certainly now is the time to solve the pressing problems of the country. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. The question is on the amendment of the gentleman from New York [Mr. TABER].

Mr. SUMMERS of Washington. Mr. Chairman, I rise in opposition to the amendment. The item which the gentleman from New York seeks to strike out provides for a study of dry-land agriculture in the Great Plains area east of the Rocky Mountains, extending from Canada down to central Texas. There are stations at Akron, Colo.; at Tucumcari, N. Mex.; Mandan, N. Dak.; Lawton, Okla.; Woodward, Okla.; Big Springs, Tex.; Dalhart, Tex.; and Sheridan, Wyo. The purpose of this work is to help those poor people, hundreds of thousands of farmers, who have established their homes in the semiarid region east of the Rocky Mountains, to know what crops they can hope to grow with some little profit, to help them in the selection of fruits and vegetables that may be grown there, that they may have something in the way of shelter belts, in the way of shrubbery in their gardens and yards, and fruits and vegetables about their homes, that they may know what are the best range conditions on which they may maintain their livestock, and problems of that kind. It does not concern my section of the country. It is for the study of problems east of the Rocky Mountains, but I call attention to the fact that it does vitally concern hundreds of thousands of farmers who are holding on by the skin of their teeth, needing all the help they can get.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. CLARKE of New York. Are there not two facts that are known to everybody in the world, first, through advertising that has been put out with regard to dry farming and what could be done in dry farming, people have been induced, fraudulently, through misrepresentation, to go on these arid and semiarid lands and buy property from western speculators and enrich those western speculators? And, in the second place, is it not the direct function of your own land-grant colleges in those States to furnish information to those people and to guide them, from the East, from the West, from the North, and from the South, into this country, where they have been induced to come through fraud and by those who took advantage of these people and sold them lands?

Mr. SUMMERS of Washington. Well, I do not yield any further for a speech.

Mr. CLARKE of New York. I just wanted to get this picture before the House. That is just exactly what happened.

Mr. SUMMERS of Washington. The condition which the gentleman describes I know nothing of. This country is from 500 to 2,000 miles from my home. I am only pleading for the farmers, mostly homesteaders, who have gone there from New York and other States all over the country and are undertaking to maintain homes and build up their farms and educate their children and live their lives in that country of their adoption. I think anything that can be done by the Department of Agriculture in cooperation with the State agricultural colleges to help those people ought to be done, and that this amendment should not prevail.

Mr. SNELL. Will the gentleman yield for a question?

Mr. SUMMERS of Washington. I yield.

Mr. SNELL. Are there any specific accomplishments which the gentleman can name that have been brought about by this appropriation?

Mr. SUMMERS of Washington. I would say to the gentleman that the accomplishments of the Department of Agriculture run into the tens of thousands.

Mr. SNELL. I was not asking about that. I mean specifically with reference to this appropriation.

Mr. SUMMERS of Washington. Yes. While I have served on this committee for a great many years, it is a very difficult problem to remember and point out specifically just what has been done here and there all over the United States. They have done many things.

Mr. SNELL. But in 40 years I would think they could tell us something definite.

Mr. SUMMERS of Washington. Yes; they have improved the type of farming, the type of grazing, and the shelter belts. They have demonstrated what fruits and vegetables can be grown in the home farm gardens to help in the sustenance of those people.

Mr. SNELL. If that is so, those people should have been able to live on these places during the last 8 or 10 years.

Mr. SUMMERS of Washington. Well, it has helped them to survive. It means everything to those people on those tracts of land to be able to grow a home garden, where they may have some fresh fruits and vegetables, and to maintain their livestock and grow some crops.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. SINCLAIR. Mr. Chairman, I move to strike out the last two words. I would like to answer the gentleman from New York. In my district there is one of these dry-land field stations, known as the Northern Great Plains Experiment Station. That was established, I think, by the distinguished former chairman of the Committee on Agriculture [Mr. HAUGEN] a number of years ago. There are from 1,000 to 1,500 visitors to that farm every summer, to view the actual experimentation that is taking place there. The station is sending out shelter belt trees to two or three farmers in each township in that whole territory that lies west of the Missouri River in the State of North Dakota and extending over into the State of Montana. Some of those people are three or four hundred miles from any experimental station or land-grant college.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. SINCLAIR. I yield.

Mr. CLARKE of New York. Is it not true, however, that there are extension workers in each of those States, and through the extension workers is made available to the farmers scattered wherever they are, information that is not only collected in the land-grant colleges themselves, but information that is gathered under the Department of Agriculture in Washington, D. C., and radiated out to them?

Mr. SINCLAIR. There are some of these extension workers in the different counties, that is true; but there is a limit to what the extension worker can do. There are hundreds of farmers, however, who are not reached by extension workers. At this station we have an actual demonstration for the farmer who goes there in order to learn what type of grasses and grains are best adapted to his particular soil and locality.

We are trying to diversify farming in that section. Wheat alone is not a success. Farmers come and can see for themselves what can be done in the way of raising diversified crops instead of wheat. In this way the Government is helping the people who have homesteaded there to continue on their homesteads and make a living. As a matter of fact, that particular part of my State is now becoming self-sustaining, whereas in some of the older sections where single-crop farming prevails that is not the case.

Mr. ROMJUE. Will the gentleman yield for a question?

Mr. SINCLAIR. I yield to the gentleman.

Mr. ROMJUE. We hear complaint on every hand about too much production all over this country. I would like to ask the gentleman whether or not, if that is true, he thinks it is wise to withdraw money from the Public Treasury and expend it for more production?

Mr. SINCLAIR. Of course, I do not agree with the gentleman that there is too much production. There is lack of consumption, rather than too much production, but perhaps there is overproduction on certain articles. As a matter of fact, in case there is an overproduction these stations will teach the farmer how to diversify in order that there be no overproduction in any one crop. I think the gentleman from New York [Mr. TABER], by his motion to strike out this paragraph carrying the appropriation for these stations, is working a hardship on a large area of this country. This dry-land region, known as the wide open spaces, extends from four to five hundred miles in width clear across our country from Canada to Mexico. There is no question but that farmers living in this area are receiving wonderful aid from these experiment farms.

Mr. CLARKE of New York. May I ask the gentleman one further question?

Mr. SINCLAIR. Yes.

Mr. CLARKE of New York. What is the ultimate hope of these people upon these farms in this semiarid country? If there is not enough rainfall to grow crops, what is their ultimate hope? Is it anything but to be wiped out?

Mr. SINCLAIR. I would say to the gentleman that through the experimentation that has been done, and information gathered, it has been found that there is sufficient rainfall. At the Mandan station there is an average rainfall of 16.85 inches a year, and that is a sufficient amount to grow ordinary crops and enable the farmer to retain his home. I trust that the motion will not prevail.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. LaGUARDIA. I rise in opposition to the pro forma amendment.

I want to say to my colleague the gentleman from New York [Mr. TABER] that I believe he is confusing the purpose of experimentation and research work of this kind with the immediate question of production. Surely we can not delay scientific research until the time comes when this country will need greater production. That indeed would be lack of vision. The very purpose of this kind of investigation and study is to have the information complete and ready when it is wanted, for it can not be developed overnight.

Now, the gentleman from New York [Mr. CLARKE] asks if it is possible to change this arid territory into productivity. Why, I want to say to my colleague that I was raised out West, in Arizona, in the most arid part of the territory. Up to the time I was 15 years of age I had never seen a tomato anywhere outside of a can. At that time nothing could be raised in that part of the territory or in any part of it.

Through research, through study, and experimentation it was learned how to develop the system of irrigation and treatment of the soil to make productivity possible. Now there is a part of the great State of Arizona—it was a Territory then—that is very fertile in its production of fruit and other crops.

It may be true, Mr. Chairman, that some of these farmers were attracted from the East by real-estate booms. That is not the important question. Momentary overproduction is not the important question. The important question is the continuing of study to correct the defects of nature.

The most fascinating part of human activity is its constant combat with nature in fighting the elements and in correcting the defects of nature. This has engaged the attention of mankind from the earliest times of which we have record. Assuming, if you please, that we now have overproduction and production of more commodities than the people of the country have ability to purchase, that is no justification for closing the doors of these laboratories, closing the doors to scientific research, and stopping it. We must continue it. The population is constantly increasing. Some day the legislative branch of government will keep abreast of science. Why, Mr. Chairman, the most humble research scientist in the Department of Agriculture is at this time contributing more to his country than the most useful Member of Congress. The most humble engineer in the General Electric laboratory or the Radio Corporation of America laboratory is more useful to humanity than the most brilliant orator of this House. The trouble is that the legislative branch of government has not kept abreast with science. Government has lagged, science has advanced. We have permitted an unbalanced system of distribution to continue while science has increased production. We are living in the paradoxical state where there is great overproduction on the one hand and want and misery on the other. This is not the fault of science. This is the fault of government. This is the fault of the men who have control of the governmental affairs of the country.

I want to plead with my colleague, the gentleman from New York [Mr. TABER], in his eagerness—and he is sincere and works hard on these bills—not to be too hasty in cutting down these appropriations to continue this scientific work, so that when the time does come we will have the information available. I repeat, if the science of government had only advanced along with the progress made in electricity, chemistry, mechanics, transportation, and agriculture we would not to-day find ourselves in the midst of a ruinous financial crisis. While science and the arts and mechanics were progressing, government was struggling along with laws and economics founded on principles accepted centuries ago. To-day we are still endeavoring to struggle along under construction and limitations of a constitution drafted and accepted at a time when steam had not yet been applied, before the railroads, before the telegraph, when electricity was entirely unknown, and in the days of hand production. Yes, gentlemen, science has forged ahead, and nothing that ignorance, petty politics, lack of vision, or hope to continue the old system may try to do can stop the onward march of science. So let not Congress seek to mitigate its shortcomings by attempting to adjust the universe with its own snaillike pace.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. LaGUARDIA. I yield.

Mr. TABER. Is it not rather interesting that, although this work has been going on for 40 years and has accomplished some useful results, that we should be going on and spending the same amount of money that we have been right along after the development has been practically completed? This is the thing that appeals to me.

Mr. SINCLAIR. Where does the gentleman get the information that it is 40 years?

Mr. LaGUARDIA. What is 30 years, 40 years, or 50 years in comparison with millions of years of the universe with which we are confronted and have already conquered?

Mr. TABER. The hearings say it is 40 years.

Mr. LaGUARDIA. What difference does it make? The results and accomplishments are what count. Compare agriculture of 40 years ago with the results to-day. We must not stop progress.

Mr. ALLGOOD. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I have been on these arid farms. Now, this appropriation does not relate to irrigated farms. It relates to the arid farm section of the great Northwest, as I understand it, and has nothing to do with irrigation.

I am in deep sympathy with those farmers who have been deluded and brought onto those farms. They can not produce a crop every year. They have to let their land lie idle one year in order to catch up the moisture, the little rainfall of 10, 11, or 15 inches. They keep it harrowed one year in order to hold the moisture so they can produce a crop the next year, and it is a fearful condition.

There are only two things that will solve their problem, and these are a heavy rainfall and a better price for their commodities. Those farmers way out there on those arid lands know more about the conditions that exist there than does the Department of Agriculture here in Washington or anybody else on God's earth. They are face to face with a fearful condition. What they need, as I said, is more rainfall and a better price for their commodities.

We are appropriating $118,000,000 in this agricultural appropriation bill for experiments to increase production, but there is nothing in this bill that I have been able to find to help the farmer get better prices for his products. If there is something in here that will help these arid-land farmers to get more rainfall or better prices for their products, I will vote for it, but I am against this appropriation because it does not help the farmer. It is just more bureaucracy, more jobs for more experts, and the country is filled up with bureaucracy. During the last election the battle cry was raised against bureaucracy, and it was decried from one end of the country to the other. If we continue to vote for these useless appropriations just to give people jobs at the expense of the taxpayers, then I hold we have not kept faith with the voters of this country.

Mr. LEAVITT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it is a matter of great regret to me and, I think, to every Member of Congress from the new and growing section of the United States that the gentleman from New York [Mr. LaGUARDIA] is not to be in Congress the next two years. His approach to this subject is the approach of the statesman rather than the approach of one who is carried away by a momentary idea of economy and who strikes out at something with which he has no intimate acquaintance.

The gentleman from New York [Mr. TABER] takes this item and almost goes into a frenzy on the ground that here is a place to save money. He overlooks the fact that is clear to the gentleman from New York [Mr. LaGUARDIA], that we are engaged in building a nation in the United States and not a few sections of the United States, and that science is not brought to its final conclusions in experimentation in 2 years, 3 years, or, as he says, even in 40 years.

This experimental work in the semiarid section has been going on for a long period of years. It has not been going on in the immediate section to which the gentleman from North Dakota [Mr. SINCLAIR] refers for anything like that period of time, but it has been going on long enough to prove certain things and to point to certain conclusions. One of the things that is proven by this experimentation is that certain kinds of crops and certain species of crops can be developed that are to a great extent drought resistant. What could not be done a few years ago can be done on those areas of land to-day. Another thing they have proven, and in that they have had the cooperation of the people on the farms, because in the final analysis the success or failure of all this experimental work lies with the people who apply it to the practical problems of the farm.

They have proven the feasibility of certain methods of cultivation that now point to success where previously failure was a certainty. It is true, of course, there are some lands in the West that were settled upon and broken up that should not have been turned into homesteads, but that should have remained for their highest use as grazing lands. We all recognize this, but I have been in every State of the Union except one, and I have found abandoned farms in New England, in New York, and all over the United States. I found places where people have tried to farm and have failed, perhaps, in many cases because this sort of scientific and experimental work was not carried on in advance and they had to apply only their own experience, and their experience did not enable them to carry through. Much of

this land may be brought back under cultivation in those States through this same sort of scientific experimentation.

Out in my section of the country I rather resent the charge that the people are there as a result of the advertising of land sharks. There were land sharks there just as there were land sharks in other parts of the country during the period of pioneer settlement and development, but most of the land was settled by homesteaders who came there and took up land on the free, public domain, and since that land was thus opened to settlement they have the right to receive the support of the scientific branches of the Department of Agriculture to enable them to carry out the problems that confront them. Many of them came there, of course, without experience, and for this reason, if no other, it is necessary to carry on this sort of work.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. CLARKE of New York. Is it not true that at one period here in the Department of Agriculture and in the land-grant colleges of the Middle West as well, there were great statements about the result that might be obtained in dry farming? I recall this because I was living in Colorado at the time and the very foundation for these statements, in my judgment, came from paid propaganda of real-estate adventurers that had extensive estates out there.

Mr. LEAVITT. There is no doubt but what real-estate adventurers existed in the West just as they existed in New York and all over the United States.

Mr. CLARKE of New York. Then my statement is not wholly incorrect.

Mr. LEAVITT. No; but a great percentage of the settlement out there was by homesteaders on the public domain.

I hope the amendment of the gentleman from New York [Mr. TABER] will be defeated.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I want to make just a simple statement to the membership of this House on this appropriation. A little over $200,000 is appropriated here for the Bureau of Plant Industry to aid and assist the farmers of the great Northwest, in what is known as the semiarid section of the United States, comprising practically one-fourth of the farming area of the United States.

We just passed $200,000 for cotton production and diseases for that section of the country. Here is a little over $200,000 to aid the farmers of the Northwest in the semiarid section that have greater difficulties than the cotton growers, because they have the elements to contend with.

My friend and colleague the gentleman from New York [Mr. SNELL] wanted to know if this work had ever produced any results. They have just invented and put in operation a character of plow that digs little holes in the ground as it goes along, and all the rain that falls on it is stopped and absorbed by the ground, which helps them to make a crop. A simple thing, it is true, but as is generally the case, great simplicity always distinguishes real, valuable discoveries and inventions.

So I say this appropriation ought to be allowed. Under this appropriation in four or five States experimental stations are maintained with their personnel. The Congress established these stations. Are we going to strike this out and abolish these stations? You will hear a howl to high heaven from that section of the country if you do, because they are rendering great service to a distressed people.

Mr. SNELL. Will the gentleman yield for a question there?

Mr. BUCHANAN. Yes.

Mr. SNELL. In considering these various items I have never wanted to strike them out entirely. I would continue them to a certain degree, but I had the idea that, perhaps, for a little while we could get along just as well if we cut them in two or took off 10 or 20 per cent, and in this way we would not lose what had already been gained, but we would have a little less expense for the next few years while money is not as plentiful as it has been in the past.

Mr. BUCHANAN. In the bill for next year there is $22,000 less than the appropriation for last year, and it is $45,740 less than the appropriation for 1932. So we are gradually cutting down on all of these operations.

I want my colleague to understand that this is principally for personnel. This is for the operation of eight stations, located in different sections of this vast, semiarid area, and each station has its own personnel. If you cut this in half, you are going to have to close some of the stations and deprive one section of the service while you give the service to another.

Mr. SNELL. Is it true that practically all of these amounts are available for personnel?

Mr. BUCHANAN. Practically all.

Mr. SNELL. I had the opinion there were some other administration expenses that perhaps might be cut a little. My whole idea was to, perhaps, cut them all 15 to 25 per cent, in order to show that we were cutting down on general expenses.

Mr. BUCHANAN. My colleague will note that that is exactly what we have done in this bill.

Mr. SNELL. In several of these items I could not find any cut except those that were brought about on account of reduced salaries by the furlough.

Mr. BUCHANAN. Oh, yes; we have reduced them over $1,000,000, in addition to that cut.

Mr. SNELL. In the two or three items I called the gentleman's attention to yesterday there was just a personnel cut.

Mr. BUCHANAN. Yes; that exception was a scientific bureau, where they have a scientific corps and each scientist has a particular branch of the subject under investigation. If you cut the appropriation in half, you would cut the salary of the scientists in half and leave the chain without a link in the middle. That is the reason those items were not disturbed.

But I can state to the gentleman that you are going to find a considerable cut in this item next year.

Mr. SNELL. I think this would be a good time to cut it now.

Mr. GARBER. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to address the committee for three minutes. Is there objection?

Mr. BANKHEAD. Reserving the right to object, and I shall not object, I know the disposition of the chairman of the subcommittee to be quite liberal in this debate, and he has declined to take any steps to stop the debate on these small items. But if we want to finish this bill to-day and get consideration of the Philippine bill we ought to proceed with the consideration of the bill and not spend so much time on these small items.

Mr. GARBER. I have not consumed much of the time of the House.

Mr. BANKHEAD. I shall not object to the gentleman's request, but we are all anxious to get through and we can not do it if we continue the debate on small items like this.

Mr. GARBER. Mr. Chairman, I ask leave to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

Mr. GARBER. Mr. Chairman, members of the committee, while it is necessary to balance the National Budget, there can be no recovery until we balance the farmer's budget. He can not continue to produce below the cost of production. He can not continue to purchase the products of industry. He is without purchasing power.

WHY THE FARMER CAN NOT BALANCE HIS BUDGET

The actual figures of prices received and prices paid show the impossible condition confronting the farmer—and unbalanced economic condition preventing recovery. Without purchasing power, the farmers can not purchase, industry can not sell, and labor can not find employment.

Taking the average of prices from August, 1909, to July, 1914, as a base of 100, the farmer received in 1930, 117 per cent of such average for his products. But the prices for the things he had to buy were still higher. He was required

to pay 146 per cent of the price he paid in the period 1909 to 1914 on all articles bought, and 159 per cent for the machinery he had to have. In other words, though he received reasonably good prices for his products in 1930, his dollar was only worth 80 cents in the retail markets and only 73 cents in the purchase of machinery.

From 1930 to 1931 the price the farmer received for his products declined 32 per cent, the prices for all articles he had to buy, 14 per cent; machinery prices slipped down but 3 per cent, and the farmer's dollar was worth 21 per cent less in 1931 than it had been in 1930 for all articles and 29 per cent less when he came to buy his necessary machinery.

In the 11 months of 1932 for which figures are available, the price the farmer received for his products dropped to 58 per cent of the average from August, 1909, to July, 1914, the price of articles he had to buy was 111 per cent of the average, 1910 to 1914, and machinery prices were still 150 per cent of the average for the same period. The farmer's dollar was worth 52 cents for all articles bought but only 39 cents in the purchase of machinery. In other words, while the price the farmer received for his products in 1932 was 27 per cent less than it had been in 1931, he had to buy in a market in which there had been only a 12 per cent reduction on all articles and only 3 per cent on machinery. His purchasing power was 17 per cent less in 1932 than in 1931 on all articles and 23 per cent less when applied to machinery.

In the period 1930 to 1932 the price the farmer received for his products declined 50 per cent, the price on all articles bought, 24 per cent, and the price of machinery, 6 per cent, representing a decline in his purchasing power in the period 1930 to 1932 of 35 per cent on all articles and 47 per cent in the purchase of farm machinery. The above figures show why the farmer can not balance his budget.

If the farmer is expected to continue the production of our necessary foodstuffs, either the prices he pays for what he consumes must decline to the level of the prices he receives, which would mean a further reduction in wages of not less than 33 per cent, or the prices he receives for his products must increase to the level of the prices he must pay. This is but a statement of a primary economic fact which all must recognize and shows our only course for recovery is to increase the price of farm products, restore the farmer's purchasing power, and thus create a market for the products of industry and furnish employment to labor.

The following table, furnished by the Department of Agriculture, shows in detail what the farmers have been up against during the last 2 years and 11 months.

Index numbers of prices farmers receive, prices farmers pay, and the purchasing power of the farmer's dollar, United States, 1930–1932

Year and month	Prices [1] farmers receive for products sold	Prices farmers pay [2] for—		Ratio of prices [3] received to prices paid for—	
		All articles bought	Machinery	All articles bought	Machinery
1930	117	146	159	80	73
1931	80	126	154	63	52
1932:					
January	63	118	152	53	41
February	60	116	151	52	40
March	61	114	151	53	40
April	59	113	151	52	39
May	56	112	150	50	37

[1] Average of prices from August, 1909, to July, 1914, equals 100.
[2] Average of prices from 1910 to 1914 equals 100. These index numbers are based on retail prices paid by farmers for commodities reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.
[3] Average of ratios, from 1910 to 1914 equals 100. These ratios commonly are spoken of as representing the purchasing power of the farmer's dollar, the first series, in terms of all articles bought; and the second, in terms of machinery. No one farmer, however, exchanges all of the products upon which the index of prices received is based for all the articles upon which the indexes of prices paid are based, nor any of them in the same proportions as the prices of the individual items are combined in the various indexes. These ratios also are not true measures of purchasing power, inasmuch as such important cost items as taxes and wages are not included in the indexes of prices farmers pay since these items can not be classified as commodities purchased.

Index numbers of prices farmers receive, prices farmers pay, and the purchasing power of the farmer's dollar, United States, 1930–1932—Continued

Year and month	Prices farmers receive for products sold	Prices farmers pay for—		Ratio of prices received to prices paid for—	
		All articles bought	Machinery	All articles bought	Machinery
1932—Continued.					
June	52	110	150	47	35
July	57	109	150	52	38
August	59	108	149	55	40
September	59	108	149	55	40
October	56	[4] 107	[4] 149	[4] 52	[4] 38
November	54	[4] 106	[4] 148	[4] 51	[4] 36
Average, 11 months	58	[4] 111	[4] 150	[4] 53	[4] 39
Percentage decline from—					
1930 to 1931	32	14	3	21	29
1930 to 1932 [5]	50	[4] 24	[4] 6	[4] 35	[4] 47
1931 to 1932 [5]	27	[4] 12	[4] 2	[4] 17	[4] 23

[4] Preliminary, and subject to revision.
[5] 11-month average to date. December, 1932, figures are not yet available.

The CHAIRMAN. The pro forma amendments are withdrawn, and the question is on the amendment of the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. LEAVITT) there were 34 ayes and 23 noes.

Mr. BUCHANAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. BUCHANAN and Mr. TABER.

The committee again divided; and the tellers reported that there were 35 ayes and 51 noes.

So the amendment was rejected.

The Clerk read as follows:

Forage crops and diseases: For the purchase, propagation, testing, and distribution of new and rare seeds; for the investigation and improvement of grasses, alfalfa, clover, and other forage crops, including the investigation and control of diseases, $215,000.

Mr. SUMMERS of Washington. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 34, line 25, strike out the figures "$215,000" and insert "$201,014."

Mr. SUMMERS of Washington. Mr. Chairman, this is an attempt to eliminate from the bill $13,968, one of the six corn-borer items in the bill. This particular appropriation is for the investigation of forage crops as a substitute for corn. As Members know, I have been fighting this bogy worm of agriculture for several years. All of you remember in childhood days something about the bogy man, something that frightened you, something that they trotted out to scare you when you would not be good. The corn borer, to my way of thinking, after listening to the testimony before our committee for the past several years, is the bogy man of agriculture. You have expended more than $20,000,000 in investigating and experimenting and fighting and cleaning up and eradicating the corn borer in the United States, and still the corn borer has been here for 25 years, and the Department of Agriculture experts tell us that it can not be exterminated, that its spread can not be prevented, and that it has not done any great damage. There is no indication that it is ever going to do any great damage. There is one place in the world where it did considerable damage, and that was in Ontario, Canada, where they grew corn year after year over a long period of time without cleaning up and destroying the stalks. The Department of Agriculture long since learned that if the stalks are burned, which is a common practice in the real Corn Belt of the country, or if the stalks are plowed under, then there will be no damage from the corn borer.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. GOSS. Is the item that the gentleman is trying to decrease the one for forage crops and diseases, for the purchase, propagation, testing, and distribution of new and

rare seeds, and so forth? Is that what he is attempting to strike out?

Mr. SUMMERS of Washington. Yes.

Mr. GOSS. What has that to do with the corn borer?

Mr. SUMMERS of Washington. This is for an investigation to learn what crops can be grown in place of corn if, perchance, the corn borer ever becomes destructive, although up to this time, for 25 years, there is no evidence that one acre in all the United States has had to be abandoned as a corn area because of the corn borer.

Mr. GOSS. And the only way of fighting the corn borer, do I understand the gentleman to say, is an investigation of forage crops as a substitute for corn?

Mr. SUMMERS of Washington. No; there are many different methods.

Mr. GOSS. It is only as a substitute for corn?

Mr. SUMMERS of Washington. No; I have just stated that the real method of destroying the corn borer, if perchance it ever is destructive, is to burn the cornstalks or to plow them under. That is what the department has learned. That is the real crux of this whole matter after having expended $20,000,000 on the eradication of the corn borer. As I said yesterday, the cabbage worm and the potato bug and many other of the common garden pests are causing more damage in the United States every year than the corn borer.

Mr. GOSS. Mr. Chairman, I think the gentleman has made a mistake of some $14 in his figures.

Mr. CHRISTGAU. There is nothing in the hearings on this item in reference to the corn borer or any investigation of the corn borer.

Mr. SUMMERS of Washington. The hearings during the past several years are extensive, and they are all to the effect that the corn borer has been in this country for 25 years and that it has done but little damage, that we can not exterminate it, that they can not prevent its spread, and yet we go ahead spending money. We ought to stop it.

The CHAIRMAN. The time of the gentleman from Washington has expired. The question is on the amendment offered by the gentleman from Washington.

The amendment was agreed to.

The Clerk read as follows:

Foreign plant introduction: For investigations in foreign seed and plant introduction, including the study, collection, purchase, testing, propagation, and distribution of rare and valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants from foreign countries and from our possessions, and for experiments with reference to their introduction and cultivation in this country, $163,574.

Mr. ALLGOOD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. ALLGOOD: Page 35, line 7, strike out "$163,574" and insert in lieu thereof "$50,000."

Mr. ALLGOOD. Mr. Chairman, I seek to reduce this appropriation from $163,574. It is an appropriation for the investigation of foreign seed and plant introduction, including the study, collection, purchase, testing, propagation, and distribution of rare and valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants from foreign countries and from our possessions. I think under the conditions that we have now, with farm prices at a low ebb and with great debts weighing heavily upon our people, we need to study more about raising commodity prices than we do about studying about getting new plants and shrubs and seeds into the country. If we can not take what we have and succeed with it, we know that we can not take up some foreign plant or seed that we know little or nothing about and succeed with it. Under conditions that we have now I think we better be satisfied with what we have, instead of spending this money in foreign countries, and I suggest if we are going to spend it we also amend it so that it has special reference to seeds imported from France.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. ALLGOOD) there were ayes 19 and noes 22.

So the amendment was rejected.

The Clerk read as follows:

Forest pathology: For the investigation of diseases of forest and ornamental trees and shrubs, including a study of the nature and habits of the parasitic fungi causing the chestnut-tree bark disease, the white-pine blister rust, and other epidemic tree diseases, for the purpose of discovering new methods of control and applying methods of eradication or control already discovered, and including $112,560 for investigations of diseases of forest trees and forest products, under section 3 of the act approved May 22, 1928 (U. S. C., Supp. V, title 16, sec. 581b), $206,955.

Mr. McGUGIN. Mr. Chairman, I move to strike out the enacting clause.

Mr. Chairman, on this motion which I am making I am in good faith in the matter. I do not suppose the House will agree with me. In order to discuss what I wish to discuss I ask unanimous consent that I may be permitted to proceed for 10 minutes instead of 5 minutes.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. McGUGIN. Mr. Chairman, clearly the most important task before Congress and the country is balancing the expenses and revenues of this Government. In carrying out that policy it can not be done just by a revenue bill from the Ways and Means Committee. It must be done through both appropriations and revenue. I am opposed to the passing of any appropriation bills during this session of Congress. There is nothing radically wrong about that. We do not need these appropriations before June 30. There will be ample time between March 4 and June 30 to pass the necessary appropriation bills.

Now, let us see what our situation is. We can proceed now to pass appropriation bills, but they will be passed with no consideration whatever as to what may be the plan for raising revenue and the amount of revenue which will be required. Mr. Roosevelt is coming into office on March 4. He and his administration must be responsible for the money which this Government spends, as well as the taxes which are collected from the people. In the nature of things about the best we can do is to mark time from now until March 4, if we want to be honest about the matter. No one knows what Mr. Roosevelt's program is. No one can tell from the speeches which he made in the campaign what is his program. No one in this House knows what is his program. The present President does not know. We find this anomalous situation: When the President of the United States proceeds with a program on foreign debts Mr. Roosevelt repudiates that program. I am not entirely critical with Mr. Roosevelt on that position.

Mr. ALLGOOD. Will the gentleman yield?

Mr. McGUGIN. I can not yield now. He must bear the responsibility of what is the ultimate end of the foreign debts, so probably he is on high ground in wanting to let that go over until his administration and let him carry it out according to his idea.

Now we come to the proposition of obtaining the necessary revenue to run this Government. No one knows what Mr. Roosevelt's program is; but the fact remains he is sitting in Albany and vetoing the program submitted in this Congress by the Democratic leadership. I do not care to be particularly critical with him about that. He must bear the responsibility of taxes collected during the next year. Probably he wants the taxes collected in a manner in keeping with his ideas and his program. The sad part of it is no one knows what his program is. We can not balance the Budget without associating appropriations or expenses with the income. It is just as foolish for the Government to try to make out its expenditures with no regard for its income as it is for an individual to do that.

Now we are proceeding to pass these appropriation bills. Our gross appropriations may be entirely out of line with the amount of revenue which will be obtained under any revenue bill acceptable to Mr. Roosevelt. There is no way

that this House can pass a revenue bill which will bring in enough money to pay the expenses which will be provided in these appropriations. There is no way that the 435 Members of this House can agree upon such a revenue bill, and whenever there is a revenue bill passed which will balance with the expenses of this Government it will be when a President sends his program to Congress and he has the power to lash Congress across the back and make it take that program, whatever it may be. [Applause.] I hope that when Mr. Roosevelt does come into office he will not permit the filling of post-office appointments until he has made his Democratic majority accept his program for obtaining revenue enough to balance the Budget of this country, whatever that program may be. I have my personal ideas as to what is the best revenue program, but I am ready to give up my ideas of the best revenue program if I can only obtain a revenue program which will balance the Budget of my country and preserve the credit of my country.

What is the situation? To show you how hopeless it is to get a revenue bill through this Congress, there are at least five trends of thought among the majority. One is to levy no taxes, just to print the money and meet the expenses. That is the Rankin bill. Another is just go ahead and issue bonds and make no effort to balance the Budget. Another program is the sales tax, a general manufacturers' sales tax. Another program is a special manufacturers' sales tax. Another program now advocated by the majority leader is the repeal of the eighteenth amendment, and get $1,000,000,000 revenue from liquor. Now, there is no chance to do that in time to balance this Budget, especially in view of the resolution presented by Mr. GARNER, which provided that the repeal resolution would go out to State conventions. If one really intends to get revenue from liquor, there is only one way possible to get it quickly, and that would be to offer a repeal resolution and submit it to the State legislatures while they are now in session. While I am not indorsing that method, I am showing that it is begging the question to talk about balancing the Budget with liquor taxes, because it can not be done through the process of repeal short of three or four years unless it is submitted now to the legislatures.

As I said, I do not know what Mr. Roosevelt's program is on revenue and I do not think there is any Democrat who does. The leadership of the Democrats presented the sales tax and now Mr. Roosevelt turns "thumbs down" on that. I want to pay Mr. Roosevelt this compliment: That he is just as ruthless in repudiating his Democratic leadership in Congress as he is in repudiating the Republican leadership in the White House.

Again I say, no one knows what his program is. I do not know anything about the character or temperament of the next President. I have been told by some who claim to know him that he never has a program and carries it out; that he himself does not know from day to day what his program may be. I can not vouch for that. No one can tell what his program is from his campaign speeches. He had at least a good political reason for not coming down to earth and laying down a program; he did not want to get into controversial issues in the campaign. But, be that as it may, he is coming into power on the 4th of March, and from that time on he can not take the position of vetoing a program submitted by a President or by a Congress; he has got to lay down an affirmative program, and in order to balance the Budget of our country that affirmative program should apply both to appropriations and revenues. I want to wait until he comes into power and then let him call his special session, send his message to Congress, and say: "This is what I want in appropriations, and having obtained them, I want a revenue bill as follows which will bring in enough revenue to pay these appropriations." That is his responsibility. It is the responsibility he must take. It is the responsibility he sought when he sought the Presidency.

To talk about no special session is childish. We can not play horse with the people that way. The people of this country are not going to permit Mr. Roosevelt to sit on the bench and draw his salary from March 4 until next December. They are going to demand that he pitch the opening game. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Kansas preaches a strange doctrine. He preaches the doctrine that this Congress ought to make no appropriations, that it ought to violate its constitutional duty to provide revenue for the governmental departments. He advocates the doctrine that this session of Congress ought to make it absolutely necessary for a special session of Congress to convene; that he and the other gentlemen who are leaving us March 4——

Mr. KETCHAM. Not the gentleman from Kansas.

Mr. WOODRUM. I say he and those who are to leave us March 4—I stand corrected—are to step aside from their duty of legislating and pass it on to the new administration that does not come into existence until March 4.

In my judgment there is only one logical way to balance the Federal Budget and that is in the way we are doing it now and not in the way we did it at the last session of Congress. At the last session of Congress we worked on a revenue bill first, and my complaint then was that we were putting the cart before the horse; that the first duty of the legislative body was to try to cut Federal expenditures as low as they could possibly be reduced without impairing necessary functions of government, and then to raise enough revenue to run the Government. The Government has got to operate. We can not cease functioning. We have got to have enough revenue to pay the bill; but the first duty of Congress is to see how low it can get the bill, and raise additional revenue as a last resort. That is the program of Governor Roosevelt, as I understand it. The press reports him as saying that he believes the way to balance the Budget is to reduce public expenditures to the lowest possible level and then raise sufficient revenue to pay the bill, meet the expenses of government, and that is what Congress is doing now.

The Appropriations Committee, of which I have the honor to be a member, will bring in the various appropriation bills to the House of Representatives reduced as low as this committee thinks it is possible for the several activities to function and to function properly; but, Mr. Chairman, the greatest reduction in public expenditures can not be made in this way. There are many opportunities for reorganization of governmental departments and establishments where substantial savings can be made.

I think the country generally was disappointed in the recommendations made by the President. Some of them undoubtedly had merits, many of them had no merit, and few of them offered substantial opportunities for savings. I have in mind particularly one department that we considered a great deal last year—my friend from Texas [Mr. BUCHANAN] and myself did not agree on it—that is the Federal Farm Board. The President this year recommends an increase of $200,000 in the appropriation for the Federal Farm Board, when, as a matter of fact, here is a clear opportunity for the abolishment of a governmental agency and the transfer of its activities to the Department of Agriculture, thus effecting a substantial saving. Another instance was in the Army and Navy. It was shown on the floor of the House that by consolidating and coordinating certain activities of the Army and Navy about a hundred million dollars a year could be saved. There are various other instances of that kind.

I believe if Congress pursues the course we are now adopting in working on these appropriation bills it will be able to make a showing that will bring gladness and delight to the hearts of the American people.

I do not think the gentleman from Kansas was really in earnest when he said we ought to pass no appropriation bills at this session of Congress. To my mind such a position is untenable and inconceivable. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from Kansas to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. Goss) there were—ayes 1, noes 52.

So the motion was rejected.

The Clerk read as follows:

Genetics and biophysics: For biophysical investigations in connection with the various lines of work herein authorized, $33,617.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 36, line 13, strike out "$33,617" and insert in lieu thereof "$20,000."

Mr. TABER. Mr. Chairman, this is an amendment designed to reduce one of these projects down there, which shows no promise of results and is simply occupied with proving false some theories of an imaginary character that have been projected by different people. For instance, in answer to a question by Mr. BUCHANAN, "Do you expect any results from this?" Doctor Taylor said:

It is altogether a guess what may come out of it. We have been able to correct some theories that appeared rather plausible, that through the radiation of current from wires overhead plant growth could be materially stimulated, as Sir Oliver Lodge felt could be made economically profitable. We have not found that true in the tests here, even when using the equipment of his design.

There have been no results whatever. It has been an absolutely futile thing, trying through the display of lighting current over plants to stimulate growth. I am not even going to try, as I have tried in the past in this bill, to strike out all of a foolish appropriation. I am simply going to try to curtail the appropriation, so that if they do not produce ultimate results before the next bill comes in, it can be entirely stricken out, and I hope the committee will support me.

The gentleman from Virginia [Mr. WOODRUM] has just told you that it is the policy of the Democratic President elect to cut expenses. Let us start the ball rolling. This is the first chance where we will have succeeded, if we succeed here.

Mr. BUCHANAN. Mr. Chairman, for fear the Members may not have fully grasped the meaning of the word "genetic," I may say that it includes within its scope the entire work of interplant breeding or the hybridization of plants, from which they have heretofore developed new plants or new varieties of plants. This is the scientific research upon which all of this hybridization is based, and all demonstrations are made out of this fund. I think the appropriation should be approved.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 35, noes 41.

So the amendment was rejected.

The Clerk read as follows:

Rubber, fiber, and other tropical plants: For investigation of crops introduced from tropical regions, and for the improvement of rubber, abaca, and other fiber plants by cultural methods, breeding, acclimatization, adaptation, and selection, and for investigation of their diseases, and for determining the feasibility of increasing the production of hard fibers outside of the continental United States, $69,474.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: On page 38, line 9, strike out "$69,474."

Mr. ALLGOOD. Mr. Chairman, this appropriation has to do with rubber, fiber, and other tropical plants and is for investigation of crops, and so forth.

I claim this is a subsidy to Ford and other rubber manufacturers who are in the rubber game. They are spending their money to try to propagate rubber, and Edison spent a great sum of money for this same purpose. I can not see why the United States should subsidize these great rubber companies out of the Treasury of the United States in performing this character of work. We are simply duplicating what the private manufacturers of rubber are doing, and this is a needless expense at this time, as these great rubber manufacturers have now acquired great rubber plantations in foreign countries and are thereby independent as to their crude rubber.

Mr. BUCHANAN. Mr. Chairman, I just wish to make a short statement. The Members of the House will recall the time when, by certain embargoes or otherwise, foreign countries had a monopoly upon the rubber supply of the world, especially England, and this ran the price of rubber up until it was costing us $20,000,000 or $30,000,000 a year on account of the increased price.

The Congress passed various appropriations and resolutions requesting two of the departments of the Government to investigate the matter and to ascertain whether we could raise rubber in the United States or whether we could secure some land in some other country for this purpose so we would be independent of this rubber monopoly. In obedience to the command of Congress the Department of Agriculture has gone abroad and has brought here over 50 varieties of the rubber plant to California and Florida. Two of these plants are extremely promising and have been growing from year to year and are now 8 years old. They are making just about the same progress that they make in their native country. One is from Madagascar and the other is the famous rubber plant that furnishes the major part of the world's supply of rubber. This demonstration and research work is being carried on out of this appropriation, and I say that since we have started the work and have such promising prospects we ought to complete it.

Mr. ALLGOOD. Will the gentleman yield for a question?

Mr. BUCHANAN. Oh, yes; I yield.

Mr. ALLGOOD. Is it not a fact that this is putting the Government in business?

Mr. BUCHANAN. Oh, no; this is just conducting experiments to demonstrate whether we can produce a supply of rubber in this country for American consumption. Then private enterprise will undertake the work and carry it on.

Mr. ALLGOOD. Is not private enterprise now doing just what you are taxing the American people here to do?

Mr. BUCHANAN. No; not in the United States. They are in other countries.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. ALLGOOD].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Western irrigation agriculture: For investigations in connection with western irrigation agriculture, the utilization of lands reclaimed under the reclamation act, and other areas in the arid and semiarid regions, $130,000: *Provided*, That the limitations in this act as to the cost of farm buildings shall not apply to this paragraph.

Mr. KETCHAM. Mr. Chairman, I move to strike out the paragraph.

The Clerk read as follows:

Amendment by Mr. KETCHAM: On page 39, lines 11 to 16, strike out the paragraph.

Mr. KETCHAM. Mr. Chairman and gentlemen of the committee, it seems to me that here is the place where we can practice economy and still not do harm to an essential service. If you will look over the hearings, you will find the purposes to which this appropriation is devoted. These purposes are the identical ones which the department, through the Extension Service in cooperation with States and counties, maintains in every one of the Western States. In every one of these States there are groups of men making it their special business to give consideration to the problems outlined in this paragraph.

As a result of this appropriation, a small one it is true, the Federal Government has a body of men going out into these fields duplicating study and efforts which the United States Government in another department is pursuing.

I believe this work is constructive and helpful, but I can not see any reason for the very clear duplication of effort.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. LAGUARDIA. Is not the study in the Department of the Interior, to which I suppose the gentleman alludes, on the engineering side and this is on the agricultural side?

Mr. KETCHAM. The gentleman is in error. I base my remarks on the testimony given in the hearings by Doctor Taylor. You will find it on page 371. I call attention to the last paragraph, as follows:

Under this appropriation the agricultural conditions in the arid and semiarid regions of the western United States are studied to determine the crops, rotations, and cropping methods best suited to successful irrigation farming in those regions.

There is scarcely a county in the irrigated districts where there is not a bright, active, progressive county agricultural agent thoroughly informed as to the latest methods and practices essential to successful agriculture in their sections. These men are putting into effect the intent and purpose of this appropriation. Why, then, shall we provide for this extra expense—this duplication of effort?

While the appropriation is not very large, if we are going to reduce expenditures, if we want to make a constructive effort to balance the Budget, here is one place in which we can render a small bit of service without limiting the particular kind of work for which this appropriation is made.

I want to say that I propose to cooperate with my good friend Doctor SUMMERS of Washington in his efforts toward economy. I want to say to him now that I am not restricting my efforts to western items alone, but I am going along with him in some of his amendments to the corn-borer items. I think the time has come when we can do that. I am going to surprise him by going along with him. But I really believe here is a useless duplication of effort and here is a place where we can save $130,000, and I believe it ought to be done.

Mr. LEAVITT. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. LEAVITT. If the gentleman is wrong in his information and this is not a duplication, then there is nothing left of his argument, is there?

Mr. KETCHAM. I would naturally expect the gentleman to take that position, but I am relying on a higher authority than the gentleman from Montana, who naturally has a sectional interest in these matters.

Mr. LEAVITT. That is the fact that this is not duplication.

Mr. KETCHAM. One moment; I am not yielding any more. I am going to a higher authority than the gentleman from Montana. I am taking the authority of a man whom I know favorably and well, a man from my own congressional district, who for many years has been at the head of this department, and who knows as much about it even as the gentleman from Montana. On page 371 of the hearings he outlines the work done under this appropriation. If that outline is not a perfect program for a county agricultural agent in those sections, I do not know the purpose of the extension service.

Mr. LEAVITT. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Michigan [Mr. KETCHAM] bases his argument upon the supposition that this is a duplication of work that is being done by the county agents, as I understand it, in the various counties in which there are reclamation projects. Is not that so?

Mr. KETCHAM. I am saying that the county agricultural agents in every one of these counties who do not put emphasis upon the very things that are emphasized here are not rendering the services I feel sure their State director asks them to render.

Mr. LEAVITT. I agree with the gentleman on that, and they do put emphasis on that, but there is no county agent who has at his disposal an experimental plot on which these experiments that are worked out under this item in this bill can be carried on.

Mr. KETCHAM. Does the gentleman mean to say that in the State of Montana his experiment station does not carry on the identical work here outlined? Why, you would not have a director of an experiment station for 15 minutes who did not emphasize the problems of reclamation. The gentleman is too wise a statesman not to understand that.

Mr. LEAVITT. Do not use all of my time. The gentleman from Michigan is making a statement that, although he does not intend it to be so, is misleading. One of these experiment stations provided for in this item is in my district, and in that experiment station, which is on the Huntley irrigation project, the problems of successful irrigated agriculture are carried out. There is another experiment station in the State of Montana, also in my district, that carries on experiments that have to do with general agriculture, not particularly irrigated agriculture, and that is not a duplication. If the experiment station on the Huntley project was not in existence, many of the things that are successfully carried through to prove the kinds and methods of successful irrigated agriculture would not be carried through, because it would not be a principal problem anywhere else. So the gentleman's argument falls by its own weight. He opposes this on the ground that it is duplication, when that duplication does not exist.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. KETCHAM. Mr. Chairman, I move to strike out the language in lines 14, 15, and 16 of this paragraph, beginning with the word "provided."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KETCHAM: Page 37, line 14, after the figures, strike out the words "the limitations in this act as to the cost of farm buildings shall not apply to this paragraph."

Mr. BUCHANAN. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the last word, for the purpose of saying especially to my good friend from Michigan [Mr KETCHAM] that my record during 14 years in Congress may be critically analyzed and he will not find at any time that I have found fault or taken exception to anything in behalf of agriculture in any State or county in the United States. But if I find an item that I believe is a wasteful expenditure of money, then I attack that item. I am for agriculture. I am for the farmer. I am for anything and everything that will help out that great industry.

The Clerk read as follows:

Total, Bureau of Plant Industry, $4,510,141, of which amount not to exceed $1,511,042 may be expended for personal services in the District of Columbia and not to exceed $13,200 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

Mr. COLLINS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: After line 23, on page 39, insert a new paragraph, as follows:

"That no appropriation contained in this or any other act shall be increased by transfer from another appropriation in consequence of section 317 of part 2 of the legislative appropriation act, fiscal year 1932, as continued by section 4 of the Treasury and Post Office Departments appropriation act, fiscal year 1934, for the purpose of making a larger amount available for or on account of personal services or for increasing a limitation on any appropriation."

Mr. BUCHANAN. Mr. Chairman, I make the point of order.

Mr. COLLINS. Mr. Chairman, will the gentleman withhold his point of order?

Mr. BUCHANAN. Yes.

Mr. COLLINS. Mr. Chairman, the economy act contained a provision which permitted interchangeability among items of appropriations to the extent of 12 per cent. The purpose of this amendment is to prevent this interchangeability for the purpose of adding to the number of

employees in an office or for the purpose of increasing amounts of appropriations for objects upon which a specific limitation has been imposed. If the Congress emphatically indicates as to a given bureau that a certain amount is made available for employees, say, 100, the bureau should not be permitted to add 10 additional employees or 100 additional employees to the force appropriated for by virtue of the 12 per cent interchangeability. Again, if an item in an appropriation is restricted by stating that expenditures therefor shall not exceed a certain specified sum, that item should not be increased or doubled or tripled by virtue of the 12 per cent interchangeability provided for in the economy act. The interchangeability item was inserted in the economy act primarily for the benefit of those departments whose appropriations were reduced 10 per cent by the Senate last year over and above the reductions made by the House, in order to take care of any contingencies that might arise by reason of such action and not for the purpose of increasing items that had been deliberately restricted by the Congress.

Hence, it seems to me that every Member of the Congress should favor this particular amendment, because it undertakes to insure compliance with the intent of Congress. Without it I fear items of appropriation will be increased that we thought we had definitely and certainly restricted.

Mr. BURTNESS. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. BURTNESS. If the amendment proposed by the gentleman is adopted, what will there be left under the interchangeability provision?

Mr. COLLINS. Very considerable latitude.

Mr. BURTNESS. What illustrations could the gentleman give where a department could find relief against an emergency situation? Would not almost every possible contingency that would arise be limited by the language with reference to increasing the limit of the appropriation as contained in the act?

Mr. COLLINS. No; not at all. For instance, this appropriation "Sugar-plant investigation" can be increased 12 per cent. There would be no interference with that. The next one, "Tobacco investigation," increased 12 per cent, but that does not mean that they can increase the number of employees, because each bureau estimates to Congress the total number of employees needed, and we appropriate in most instances for the number that they give as the needed number. Now this is to prevent them from increasing their office forces or to increase an item that has been restricted. For instance, if we should say on page 39, "*Provided*, That expenditures under this paragraph on account of farm buildings shall not exceed $100,000," that would prevent the department from increasing that limitation by $12,000.

Mr. BURTNESS. Will the gentleman yield so that I can make my question plain?

Mr. COLLINS. I understand fully the purpose of the gentleman's question.

Mr. BUCHANAN. Well, Mr. Chairman, I make the point of order.

Mr. COLLINS. I would like to have the gentleman state the point of order.

Mr. BUCHANAN. I have already stated that it is legislation on an appropriation bill. Not only that, but it seeks to control appropriations in other bills.

The CHAIRMAN (Mr. O'CONNOR). The Chair is ready to rule. The amendment is clearly legislation on an appropriation bill, in that it affects other acts of legislation. A similar ruling was made by Chairman BANKHEAD on January 6, 1932 (CONGRESSIONAL RECORD, p. 1394), when a similar proposition was under consideration. The Chair sustains the point of order.

Mr. COLLINS. Mr. Chairman, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: After line 23, on page 39, insert a new paragraph, as follows:

"That no appropriation contained in this act shall be increased by transfer from another appropriation in consequence of section 317 of Part II of the legislative appropriation act, fiscal year 1933, as continued by section 4 of the Treasury and Post Office Departments appropriation act, fiscal year 1934, for the purposes of making a larger amount available for or on account of personal services or for increasing a limitation on any appropriation."

Mr. HASTINGS. Mr. Chairman, I rise in support of the amendment. I regard this as a very important amendment. I want to invite the attention of the Members to the abuses of this legislation or that section in the economy act, as shown by the transfers reported in the hearings on the Interior Department appropriation bill.

The subcommittee in charge of the preparation of the Interior Department appropriation bill last year made every effort to cut down appropriations and to limit and reduce certain appropriations. Later on, through emergency legislation, large appropriations were made for roads and trails in the national parks. During the hearings on the Interior Department bill this year it was disclosed that $75,000 was taken from this appropriation for roads and trails and transferred to "Surveying the public lands," under the General Land Office. Sixty thousand dollars were taken from the same fund and transferred to the General Land Office under the head of "Protecting public lands, timber, and so forth, 1933." Ten thousand dollars were taken from this same fund and transferred to "Contingent expenses." Five thousand dollars were taken from this same fund and transferred to the head of "Salaries," General Land Office. So that there were $150,000 in the aggregate taken from the appropriation for roads and trails and transferred to the General Land Office and used as I have indicated.

Mr. GOSS. Will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. GOSS. Is that more than 12 per cent, or is it less?

Mr. HASTINGS. I do not have the exact figures at hand. I think it is less.

I want to call attention to how this item appropriated for roads and trails suffered. The committee and Congress cut down the appropriation for the Office of Education last year carried in the Interior Department appropriation bill. There was transferred $30,000 from the roads and trails appropriation to "Salaries, Office of Education" for the current year.

Let us examine the appropriation for the Geological Survey. There was transferred from this same roads and trails fund for 8 or 10 items of the Geological Survey, including "salaries," "topographical surveys," "geological surveys," "fundamental research," "volcanologic surveys," "mineral resources of Alaska," "gaging streams," "classification of lands," "printing and binding," "preparation of illustrations," "engraving and printing geologic and topographic maps," and "mineral leases," in all $284,000 from this appropriation for roads and trails.

Let us examine the transfers in the Bureau of Indian Affairs. There was transferred from the Fort Hall irrigation project to "Salaries, Bureau of Indian Affairs, $15,000." From Indian school buildings to "Salaries, Bureau of Indian Affairs, $7,500"; from repairs of Indian school buildings to "Salaries, Bureau of Indian Affairs, $7,500"; from health work among the Indians, to "Salaries, Bureau of Indian Affairs, $7,500." In other words, there was transferred, as I now recall, $30,000 in the aggregate from these various items for the use of salaries. I do not have the time to read all of the other transfers, but if you will turn to pages 7 and 8 of the hearings under the Interior Department appropriation bill you will find that not only these items but other items were transferred in the aggregate sum of $706,100. I do not believe the Congress ever intended that such transfers should be made to increase appropriations that had been reduced, and I am supported in this contention by the statements made by the gentleman from Tennessee [Mr. BYRNS] and the gentleman from Indiana in the House December 22, 1932. It may be within the letter of the economy act but not within its spirit. I hope the amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BYRNS. Mr. Chairman, I rise in opposition to the amendment. I rather regret that my warm personal friend

the gentleman from Mississippi [Mr. COLLINS] has proposed this amendment to this bill.

I say that for the reason I do not know what effect it is going to have, and neither does he. I am opposed to any sort of provision giving to one department or the head of a bureau the right to transfer funds that have been appropriated. This matter was threshed out a year ago when we had up the economy bill, but Congress by an overwhelming vote decided to do it. Then I opposed it together with the gentleman from Indiana, and was consistent in my opposition. Frankly, I was not so much disappointed that it was done for the reason that we were making a strenuous effort to cut down appropriations, and I realized that in this process of reduction we were liable to cut too deep in some quarters and possibly not cut deep enough in others. In order to avoid just what was claimed would be the result that deficiencies would come in and we would be called upon to make deficiency appropriations at this session, I confess to you that I was not so much disappointed that this provision went into effect. Now we have decided to continue the provisions of the economy act for another year. I am sorry the gentleman from Mississippi did not bring this up in full committee, or failing in that, did not put it on his own bill, which I hope will come up in committee next week, so that it could be threshed out and we could have had some understanding as to just what effect it is going to have. It is proposed here on a bill for a department, so I am informed by the gentleman from Texas [Mr. BUCHANAN], in which only $14,000 has been transferred during this year. In other words, the Department of Agriculture has not availed itself of this 12 per cent provision except to the extent of $14,000; and that is within the bureau, the gentleman from Texas informs me.

I do not see any reason for this amendment going upon this bill. I am fearful that in our efforts to cut down and to reduce, some of the bureaus will be up here next December asking Congress to make additional appropriations for deficiencies, and that some other bureaus that probably we have not reduced in this way will have gone on and spent money which otherwise might be transferred to meet a particular deficiency. The result will be that one bureau will be spending more than it ought to spend and another bureau will be coming here asking for a deficiency because it did not have enough money.

It seems to me that under these circumstances, since these are unusual times, we ought to let this provision go along. I want to say to you that I have called the matter to the attention of the Senate Economy Committee which is considering the economy provisions of the bill, with the request that that committee propose some amendment to the economy provisions upon the Post Office and Treasury bill now pending in the Senate which will prevent an abuse, if there is any abuse, of this particular provision. I would infinitely rather see that committee which is giving the matter consideration come along and act upon it after careful investigation than for you and me without the slightest knowledge, without an opportunity to really give it any serious consideration, to adopt this provision particularly upon this bill where it is less applicable than it is to any other appropriation bill unless it be the legislative and District of Columbia appropriation bills.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Many of the instances cited by my good friend the gentleman from Oklahoma were inexcusable. Of course, I know the gentleman from Idaho [Mr. FRENCH] in explanation stated that that was one department which was unfortunate enough to receive a 10 per cent cut without any particular consideration upon the part of the Senate and that explained it. However, I do believe we ought to have some general provision and that if the Senate Economy Committee fails to provide it then we ought to work this out and know what we are doing rather than to adopt a provision here which I am fearful few of us besides its author understand. I am frank to say I do not know what it means.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HASTINGS. On December 22 the gentleman from Tennessee discussed this very matter at very great length.

Mr. BYRNS. Yes.

Mr. HASTINGS. I called his attention to these transfers at the time; and the gentleman from Tennessee condemned them, as I thought, in the most vigorous language that possibly could be used. I thought the gentleman from Tennessee would be in hearty sympathy with an amendment of this kind, because he went on by saying:

> But I hope if that be necessary, and it certainly ought not to be necessary, the Economy Committee and the Appropriations Committee of the Senate where the Treasury-Post Office bill is now pending will write into it a provision preventing any further misuse of the funds appropriated by this Congress.

Now, that is exactly what this amendment is intended to accomplish.

Mr. BYRNS. Does the gentleman know that? Let me say to the gentleman that when it comes to putting legislation in the form of limitation on an appropriation bill we had better know what we are doing. If it does that, then there should be no objection to it. The point I am making is that I am not certain as to what it does accomplish. I have had no opportunity to examine the amendment.

Mr. HASTINGS. Does the gentleman say that it does not accomplish this very purpose?

Mr. BYRNS. No; but I think the burden of proof is on the proponents and not upon me. The committee had no opportunity to consider the matter. My only statement is that we should be given an opportunity to analyze and examine its effect. I have already called to the attention of the Senate Economy Committee the importance and, as I regard it, the necessity of safeguarding that provision, and I am hopeful that it will be done; but if it is not done, I submit that we can do it on some other bill after we have had an opinion from the Comptroller General as to the effect of the language to be used.

Mr. HASTINGS. That is all this amendment intends to do.

Mr. BYRNS. But does it do it?

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I wish to call attention to two or three facts. This 12 per cent interchangeability proposition was adopted because of the radical, ill-considered, perhaps, 10 per cent cuts that were made in some of the bills in the Senate so as to make the bills elastic enough to let the departments operate and function. In this bill no cuts whatever have been made except those that were made by the committee after careful study. Even where it was demonstrated on the floor here that it was absolutely useless to make some of these appropriations, the House in committee has voted to keep them in. There have been absolutely no cuts whatever, and there has been absolutely no effort whatever on the part of the committee to balance the Budget. It is absolutely ridiculous not to pass this amendment and prevent the application of the 12 per cent interchangeability proposition to this appropriation bill, because there are not any radical cuts and there are not any cuts whatever except those that the committee itself has made, and most of them were made by the Budget. The cuts in general administration total approximately $1,000,000 in the entire bill, and it seems to me the least we can do under all the circumstances is to adopt the amendment offered by the gentleman from Mississippi [Mr. COLLINS].

Mr. ALLGOOD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. ALLGOOD. Is it not a fact that most of the reductions come from salary reductions as a result of the furlough?

Mr. TABER. They are about all the cuts that there are in the bill.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Chairman, there is not a Member of the House for whom I have a higher personal regard, not only as a Representative in his efforts to serve the people of the country, but also personally, than I have for my good friend, the gentleman from New York [Mr. TABER]. I regret very much that the gentleman from New York was not present when this bill was considered by the entire committee.

Mr. TABER. Will the gentleman yield there?

Mr. BYRNS. Yes.

Mr. TABER. I was obliged to be over at the hearings of the Joint Committee on Veterans' Legislation at that time.

Mr. BYRNS. That does not change my statement that I regret very much that the gentleman was not present in the committee when he could have proposed some of these numerous amendments which he has proposed upon the floor of the House and given the committee an opportunity to examine them.

I am not a member of this subcommittee, but I want to compliment the subcommittee upon the work it has done. I know that this committee, headed as it is by the gentleman from Texas [Mr. BUCHANAN], has worked earnestly day and night in an effort to cut down these appropriations. I dare say there is not an appropriation bill that is presented to the Congress, not excepting the War and Navy Department bills, that is quite as difficult to prepare as the Department of Agriculture bill, filled as it is with hundreds and hundreds of items of appropriation; and I submit when we made no effort in committee to reduce the appropriation, we ought not to get up here and criticize the five gentlemen who spent their time day after day in hearings on these bills, in an effort to reduce the appropriations.

The impression prevails that this committee has not accomplished anything toward balancing the Budget. If the gentlemen had read the report, I am satisfied they would not have made such statements and would not be laboring under such a misapprehension. I have just told you that you have here a bill filled with hundreds of little items that have grown up from year to year, and there is scarcely a man on the floor of this House who is not interested in one or more of these particular items, because they affect that class of people upon whom the prosperity of this country depends, if we are ever to have any more prosperity in this country.

It is surprising to me that when the Department of Agriculture bill comes up for consideration, we find gentlemen on the floor who have an objection to this item or that item, affecting one or another section of the country, undertaking to attack and reduce the appropriations, when some of these gentlemen upon the other side of this Chamber on day before yesterday went on record, if you please, as voting for an item of $460,000 for a central heating plant here in the District of Columbia that the President of the United States and the Director of the Budget said was not necessary. Ah, gentlemen, when we practice economy, let us practice it. Let us not do it at the expense of the farming element of this country that is more essential to your prosperity and the prosperity of your country than any other particular element. Let us not use the Department of Agriculture appropriation bill, because perhaps we know something about one section or about one appropriation, as a football to make a record, if you please, for economy on the floor of this House, and then turn around and vote for appropriations such as the one I have just mentioned, which was not even estimated for and about which there was not a line of testimony. [Applause.]

Mr. COLLINS. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS. Mr. Chairman, I have the highest possible regard for the chairman of this committee. I have the highest regard for the chairman of the subcommittee. I feel as kindly toward him as I do toward any man in this House. This matter was discussed in the full committee. It had been brought to my notice previous to that. I was not able to be present when it was discussed before the full committee, but knowing the attitude of the members of the committee I submitted this amendment last Saturday, or the last time the bill was on the floor, to the chairman of the committee. I felt that it met with his views, certainly not his opposition, and I thought I was proceeding upon a course in which I thought we all were in full accord.

The purpose of the amendment is solely to prevent a bureau of the Government from increasing the number of employees after it has estimated for the number needed, and also to prohibit a fixed amount of expenditure being exceeded by the 12 per cent interchangeability provision.

Mr. WHITTINGTON. Otherwise the provision remains in full force and effect.

Mr. COLLINS. Absolutely. In other words, it makes a department employ the number of people they said they needed and limits expenditures to the amount named in limitations. It goes that far and no farther. The amendment has been carefully drawn and scrutinized by others and myself.

[Here the gavel fell.]

Mr. ALLGOOD. Mr. Chairman, I voted against the appropriation for Howard University for 460,000. I thought as they had an appropriation of $800,000 for the library, they could transfer what they needed for the heating plant, and that they ought not to call on Congress for an additional appropriation. I hated to see Congress make that appropriation. But the passage of the appropriation for the Howard University does not justify us to-day in voting for needless appropriations in other bills. Many high crimes and misdemeanors have been enacted in the name of the farmer. This Congress—and I was a party to it—enacted a provision giving $500,000,000 to the Farm Board. We saw it increase prices temporarily and bring on overproduction of crops and get us into the slough of despond that we are in to-day.

Take this bill, known as the agricultural bill, which is supposed to help the farmer. We all know that the farmer needs help, but he does not need it along the line of many of the provisions in this bill. This bill provides for better seeds, propagation, fertilization, and cultural methods. The farmer does not need any more help along these lines. We have overproduction already. What he needs at the hands of this Congress are laws that will bring better commodity prices. To insure better commodity prices we will also have to restrict production. We need legislation along these lines.

Our National Budget is too high. Our personal budget has been reduced, and we are going to reduce this National Budget. I am starting on this bill and intend to follow all through the other appropriation bills by asking for reduced appropriations instead of voting for increasing taxes. The farmer can not pay his taxes now. He can not pay the present high interest rates.

I am for the farmer as against the bureaucrats.

You are not going to get anywhere with a tax-raising proposition until you increase commodity prices and put men to work in this Nation, and this kind of legislation will not do that. We might as well get down to rock bottom on governmental expenditures and start right now.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. ALLGOOD. Yes.

Mr. BYRNS. Does the gentleman know how much the appropriations have been reduced under the three bills that have been reported to the House? If not, I will say to the gentleman that the three bills, including this, have reduced



appropriations, which in the first instance were reduced $1,139,000,000 in the last session by a Democratic Congress, by over $425,000,000; and when the deficiency bill comes in here to-morrow, the gentleman will find that the President's estimates in these four bills will have been reduced over $56,000,000. I think the committee is entitled to commendation from gentlemen who seek now apparently to criticize it. [Applause.]

Mr. ALLGOOD. I am not criticizing the committee, but where it can be shown to the House, as has been done, that there are appropriations here that can be cut in two and the work be carried on, and where it can be shown that appropriations are not necessary, I think the House has the right to be upheld as well as the committee.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last three words. I am going to support the amendment proposed by the gentleman from Mississippi [Mr. COLLINS]; and in view of the fact that ordinarily I undertake to protect the position of our committees in the bills that they bring in, I want to state very briefly the reasons that actuate me in voting for this amendment. The only controversy here between the gentleman from Mississippi [Mr. COLLINS], who offers the amendment, and the chairman of the Committee on Appropriations, the gentleman from Tennessee [Mr. BYRNS], is not as to the substance or the virtue or the necessity for this amendment, but the difference seems to be as to the time and the place and the guise under which it is offered. That might appeal to the members of the committee. I do not know whether the gentleman from Mississippi is subject to any criticism for offering this amendment here or not. That is a question that does not appeal to me in undertaking to make up my judgment as to the merits of the amendment. The gentleman from Tennessee [Mr. BYRNS] and myself are in entire accord as to the general principles sought to be invoked by the amendment. We have discussed them on the floor of the House and privately. This is admittedly a proper restriction which ought to be placed on the departments, not only on this particular bill but upon all of these appropriation bills, to curb and correct an admitted abuse upon the part of those who administer the sums voted by the Congress. Simply because an amendment of this sort was not proposed on the bills that have heretofore been passed does not militate against its desirability when it is presented to this particular bill, and when it presents matter that those of us who do favor it desire to see enacted into law. It seems to me that we would be negligent in expressing our real convictions on the merits of the proposition if we did not vote for this amendment at this time when it is presented.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. BYRNS. Here is a bill, as I have said, to which an amendment of this sort is less applicable than to any other bill reported by the committee, except the two that I named heretofore. You have a bill here that, strange to say, through all the years I have been here—and the gentleman from Texas [Mr. BUCHANAN] can correct me if I am wrong—has had within its bureaus a 10 per cent provision such as this; and no gentleman, as far as I know, ever sought to cut it out. We cut it out in this bill because we thought we ought not to have a 10 per cent provision and a 12 per cent provision. Does not my friend think it would be infinitely better to have a provision applying to all the appropriation bills than to this particular one?

Mr. BANKHEAD. Absolutely, and I therefore regretted very much when the distinguished gentleman from Texas [Mr. BUCHANAN] made the point of order against the first amendment of the gentleman from Mississippi, which would have covered all appropriation bills. My friend from Tennessee can not place me in the position of criticizing this bill. On the contrary, I pay high tribute and praise and respect to the chairman of this subcommittee and of all those who have participated in framing this bill for the very fine work they have done in creating real economy in the administration of this department. I am not rising for the purpose of criticizing the committee, whose activities, on the other hand, I commend. But I do not want to be drawn away from the merits of the pending amendment by an extraneous proposition. I propose to vote for the amendment upon its merits, because it is offered here, and I can not consistently vote against it.

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLLINS].

The amendment was agreed to.

The Clerk read as follows:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of the Chief Forester and other personal services in the District of Columbia, $327,819.

Mr. TABER. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 42, in line 13, strike out "$327,819" and insert in lieu thereof "$250,000."

Mr. TABER. Mr. Chairman, this is an appropriation for services in the District of Columbia. There has been no cut aside from the 8 per cent cut. In fact, the cut is not 8 per cent, but it is 6 per cent of the previous appropriation. It seems to me we ought to cut the services in the District of Columbia at least as much in proportion as we are cutting those outside, and we can, without any difficulty even, reduce this item at least $75,000. I hope the House will adopt this amendment.

Mr. HOOPER. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HOOPER. Is the gentleman failing to take into consideration the planting of that billion trees?

Mr. TABER. Well, I do not know whether the chairman of the Subcommittee on Appropriations has provided for that billion trees or not. Of course, it might satisfy some people of the soundness of the proposition. At any rate, that would not come under administrative expense, and we can cut the administrative expenses without interfering with the billion trees if the House and the President elect decide to put them in.

Mr. McGUGIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, according to the report, this item has been reduced only $24,000 under last year. If we are going to economize in the cost of government, it does seem to me there can be some economy exercised in this service. If you go out through the business world, farmers, merchants, and individuals have suffered a greater percentage reduction in income than that. Every line of business has been compelled to reduce its expenditures and its activities more than in the ratio of 24,000 to 327,000. The proposed amendment will further reduce the expenditures for the Forest Service $77,000. Such a reduction appears to me as fair.

In consideration of this agricultural appropriation bill I want to make some remarks. I come from an agricultural State, and there is no desire on my part to cripple agriculture anywhere along the line; but here are the facts, the eternal facts: The relief for agriculture is to be found in reduced production. Now we find the Agriculture Committee working on what is known as the allotment plan, the very purpose of which is to compel agriculture to reduce its production. In other words, to go out and say to a man who owns a farm which nature intended to produce something, "You must reduce your acreage"; but throughout this bill here are appropriations to try to make possible the cultivation of land which nature never intended to be cultivated. So we have a situation here of the Government spending money to develop land that should not be cultivated and then at the same time presenting to the country as an agricultural relief plan the allotment bill, the very purpose of which is to discourage the cultivation of land

which should be cultivated and which by nature was intended to be cultivated. Now, throughout this bill there are appropriations for the purpose of developing this new land, which had their origin several years ago when we were trying to produce enough food to feed the world, back during the war and immediately thereafter.

That condition no longer exists. What we are doing to-day is to get ourselves into the position where we produce only enough food to feed the American people; yet, here we are spending money from a Treasury which is bankrupt for the purpose of developing land and cultivating land which should not be cultivated. Our whole position is ridiculous. This bill associated with the proposed allotment plan produces the most ridiculous absurdity that could be presented to the people. It is wrong.

Here is a chance to make a vital cut and do it for the benefit of agriculture, not to the detriment of agriculture. This bill should be recommitted with instructions to reduce the appropriation by 10 or 15 per cent. I know that is not the scientific way to reduce appropriations. What should have been done was to have stricken out these items throughout the bill which appropriate money to encourage the cultivation of land which should not be cultivated. There is where the saving should have been made for the good of the Treasury and for the good of agriculture.

When we begin to talk about economy, we should be consistent. This agricultural appropriation bill should not be viewed from the angle of Representatives from the city districts who do not have any interest in agriculture. On the other hand it should not be viewed from the angle of Representatives from the agricultural sections thinking they only serve their section when they raid the Treasury for appropriations which run exactly counter to our latest proposed agricultural-relief program. [Applause.]

[Here the gavel fell.]

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my real purpose is to address myself to the amendment offered by my colleague from New York. I do not see the direct connection between the production of agricultural commodities and the proper governmental supervision and study of national forests and the carrying out of a sound conservation policy.

If there is one thing a casual reading of the history of our young country discloses to any legislator it is the wanton, cruel waste of our forests without any supervision, without any thought of the future, in the early days of the Republic. Has the gentleman already forgotten the scandal during the Taft administration on this question? Was our Forest Service brought about by accident or is it not the result of mistakes of the past and the necessity of having a national forest and conservation policy necessary to the very existence of our people in general and of agriculture in particular? Why, Mr. Chairman, to stand up here and attempt to abolish or curtail our conservation policy, impairing proper supervision of our forestation and reforestation it seems to me discloses a willingness to ignore not only a necessary function of the Government but to ignore what happened in this country in the past. I submit that the amendment offered by the gentleman from New York to reduce the amount for the necessary overhead and local supervision goes to the very crux of the entire appropriations provided for in this bill.

I want to repeat, Mr. Chairman, that our Forest Service and our forest policy is not of political creation. The Forest Service is not a political bureau. It did not happen overnight. It was brought about after years of the most wanton waste and in disregard of what other countries in the world were doing, what other countries had gone through. Dalmatia was entirely denuded of her forests during the time she was under the control of the government of Venice. China disregarded the protection of her forests centuries ago and has been paying the price ever since. Germany had and has the ideal forest laws and conservation policy, and I think our present forest policy was in a fashion patterned after the German system. It is not as perfect or does not go as far as the German system; but whatever we have, I shall not permit, without a fight, to be destroyed.

So I repeat again simply a word of warning, Mr. Chairman, that we should not stand up here in the name of economy to make a show at home and ignore the lessons of centuries and the demands of the future. We must legislate not only for to-day, but we must have vision, we must look ahead. Here is a question that goes to the very vitals of the safety not only of the country but of the farmers themselves. If our forests are destroyed, we will have flood problems and a great many other problems that are directly and indirectly connected. Do my colleagues forget the hundreds of millions of dollars appropriated for flood relief? Is memory so short to forget the loss of property and life from floods? Do you not recall annual appropriations for the dredging of navigable streams? All the result of man's disregard of nature's purpose in creating forests. So I want to appeal to my friend from New York, who I know has made a study of this question, not to unduly seek to tear down what has cost so much to establish.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. TABER. I have only asked that the amount be cut down from $327,000 to $250,000. This is for administration expenses in the department, and I believe this cut can be accomplished and still leave them sufficient to provide the necessary help and supervision.

Mr. LaGUARDIA. Of course, the gentleman knows his bill, but let me point out that in the several pages following is outlined the work of the many, many projects which require this supervision in Washington.

Mr. TABER. Some of it is not necessary, as I will point out when we get to it.

Mr. LaGUARDIA. I make this appeal to hold these appropriations to the figure recommended by the committee, for I am sure it has been given very careful study.

Mr. BUCHANAN. Mr. Chairman, I wish to make a brief statement.

The appropriation regarding which the gentleman from New York has offered an amendment is for the administrative expenses of the entire Forest Service, not only the Forest Service, but the cooperative forestry program that is provided for under the McNary and Sweeney Acts, involving the supervision of 161,000,000 acres of actual forest land, 300,000,000 acres of grazing land which we rent out for pasturage, and 500,000,000 acres of privately owned forest land. Two hundred and eighty thousand dollars of this appropriation is used for salaries for supervisory work to keep the machinery going in an orderly course, and whenever any institution employs a large number of men it must provide competent supervision or it does not get good labor. These are the facts, Mr. Chairman, and I did not see how this appropriation could be reduced in the committee. Therefore, I did not do it. It is not for agriculture; it is for the conservation and preservation of our forest interests as a national asset.

Mr. PITTENGER. Mr. Chairman, I move to strike out the last three words.

I shall not take up much of the time of the House, but I wish to support the position taken by the gentleman from New York [Mr. LaGUARDIA]. I listened to the remarks of my friend the gentleman from Kansas, who seemed to think that these appropriations and this national forest policy contained something detrimental to agriculture. I disagree with the gentleman on the position that he took. If there is anything connected with the national forest program it is in the interest of agriculture rather than opposed to the interests of agriculture.

The policy of the people who have to do with our national forest program is to take tracts of land in these localities where there are national forests and plant them in timber. We have a national forest program which has been worked out over a period of years. There is nothing more important to all of the people of the United States than the national forest program that is in force and effect.

I want to say to this committee that we should not do anything to forestry work to hinder it, but on the other hand the program ought to be expanded and this expansion ought to be carried out under the careful efficient management now provided.

Mr. LEAVITT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I do this not with any thought of adding anything to the fine statements that have been made by those in opposition to the amendment offered by the gentleman from New York [Mr. TABER]. The gentleman from New York [Mr. LAGUARDIA] has presented the forestry case in a wonderful way, and his statement has been added to by the statements of the gentleman from Minnesota [Mr. PITTENGER] and the chairman of the subcommittee.

I want to call attention to the fact that the gentleman from New York [Mr. TABER] has offered this amendment to cut the appropriation without specifying any point at which the cut shall be made, and on the erroneous ground that this is an item that is to be expended entirely in the District of Columbia. This is not an appropriation to be expended entirely in the District of Columbia. It has to do with the rental of quarters outside of the District of Columbia. It also has to do with such things as the furnishing of medical supplies and services and other assistance necessary for the immediate relief of artisans, laborers, and other employees engaged in any hazardous work under the Forest Service. This would apply to fighters of forest fires, and a little later on in this bill we have an item for the maintenance of the graves of a number of forest-fire fighters who lost their lives in this service. Every year there are men who are injured in this work.

We have in this appropriation that the gentleman from New York [Mr. TABER] wishes to reduce, without reference to any of the details, the funds necessary for immediate emergencies in taking care of cases of this kind, and I could go through the entire item and show that it does not apply alone to the District of Columbia but covers items that extend throughout the various activities of the Forest Service.

The amendment of the gentleman from New York [Mr. TABER] should be defeated overwhelmingly.

Mr. ALLGOOD. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am against this amendment. This may surprise my friend from New York as well as the chairman of the subcommittee, but this money does not seek to put more land under cultivation. It does not seek to increase the surplus of farm products, but will take land out of cultivation. Land that should not be put in crops will go into forests, and this is a good provision and should be supported. If it tended to increase the production of farm products, I could not support it, but it is in keeping with Governor Roosevelt's rehabilitation plan of taking lands that experience has proven to be unprofitable as farm lands and convert them into timber-producing areas.

The pro forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken, and the amendment was rejected.

Mr. BUCHANAN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MONTAGUE, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 13872, the Department of Agriculture appropriation bill, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BULWINKLE, for January 3, 4, and 5, on account of personal and private business.

To Mrs. PRATT (at the request of Mr. SNELL), for three days, on account of illness.

PHILIPPINE INDEPENDENCE

Mr. HARE. Mr. Speaker, I call up the conference report on the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, I would like to have an understanding with the gentleman from South Carolina as to the disposition of such time as may be at the disposal of the House on this particular matter.

Mr. DYER. Mr. Speaker, further reserving the right to object, this matter was only considered by the House for 40 minutes when it was up before. It is a very important matter, and I doubt the wisdom of trying to consider a conference report without a quorum. I do not want to delay the matter if the gentleman from South Carolina is willing to go ahead without a quorum. The membership of the House generally has not had a chance to consider this legislation, but I shall not make the point of no quorum, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. HARE]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

"SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, within one year after the enactment of this act, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

"CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

"SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto, contain provisions to the effect that, pending the final and complete withdrawal of the sovereignty of the United States over the Philippine Islands—

"(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

"(b) Every officer of the government of the Commonwealth of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring, among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

"(c) Absolute toleration of religious sentiment shall be secured and no inhabitant or religious organization shall be molested in person or property on account of religious belief or mode of worship.

"(d) Property owned by the United States, cemeteries, churches, and parsonages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

"(e) Trade relations between the Philippine Islands and the United States shall be upon the basis prescribed in section 6.

"(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

"(g) The debts, liabilities, and obligations of the present Philippine government, its Provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

"(h) Provision shall be made for the establishment and maintenance of an adequate system of public schools, primarily conducted in the English language.

"(i) Acts affecting currency, coinage, imports, exports, and immigration shall not become law until approved by the President of the United States.

"(j) Foreign affairs shall be under the direct supervision and control of the United States.

"(k) All acts passed by the legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

"(l) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

"(m) The decisions of the courts of the Commonwealth of the Philippine Islands shall be subject to review by the Supreme Court of the United States as provided in paragraph (6) of section 7.

"(n) The United States may by presidential proclamation exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in the constitution thereof, and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of the constitution.

"(o) The authority of the United States high commissioner to the government of the Commonwealth of the Philippine Islands, as provided in this act, shall be recognized.

"(p) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations, respectively, thereof.

"SUBMISSION OF CONSTITUTION TO THE PRESIDENT OF THE UNITED STATES

"SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands, the constitution shall be submitted within two years after the enactment of this act to the President of the United States, who shall determine whether or not it conforms with the provisions of this act. If the President finds that the proposed constitution conforms substantially with the provisions of this act he shall so certify to the Governor General of the Philippine Islands, who shall so advise the constitutional convention. If the President finds that the constitution does not conform with the provisions of this act he shall so advise the Governor General of the Philippine Islands, stating wherein in his judgment the constitution does not so conform and submitting provisions which will in his judgment make the constitution so conform. The Governor General shall in turn submit such message to the constitutional convention for further action by them pursuant to the same procedure hereinbefore defined, until the President and the constitutional convention are in agreement.

"SUBMISSION OF CONSTITUTION TO FILIPINO PEOPLE

"SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act, it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast, and a copy of said constitution and ordinances. If a majority of the votes cast shall be for the constitution, such vote shall be deemed an expression of the will of the people of the Philippine Islands in favor of Philippine independence, and the Governor General shall, within 30 days after receipt of the certification from the Philippine Legislature, issue a proclamation for the election of officers of the government of the Commonwealth of the Philippine Islands provided for in the constitution. The election shall take place not earlier than three months nor later than six months after the proclamation by the Governor General ordering such election. When the election of the officers provided for under the constitution has been held and the results determined, the Governor General of the Philippine Islands shall certify the results of the election to the President of the United States, who shall thereupon issue a proclamation announcing the results of the election, and upon the issuance of such proclamation by the President the existing Philippine government shall terminate and the new government shall enter upon its rights, privileges, powers, and duties, as provided under the constitution. The present government of the Philippine Islands shall provide for the orderly transfer of the functions of government.

"If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue without regard to the provisions of this act.

"TRANSFER OF PROPERTY AND RIGHTS TO PHILIPPINE COMMONWEALTH

"SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the government of the Commonwealth of the Philippine Islands when constituted.

"RELATIONS WITH THE UNITED STATES PENDING COMPLETE INDEPENDENCE

"SEC. 6. After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law, subject to the following exceptions:

"(a) There shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons, and on unrefined sugars in excess of 800,000 long tons, coming into the United States from the Philippine Islands in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(b) There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons,

the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(c) There shall be levied, collected, and paid on all yarn, twine, cord, cordage, rope and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fibers, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 3,000,000 pounds of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(d) In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced or manufactured in the Philippine Islands thereafter that may be so exported to the United States free of duty shall be allocated, under export permits issued by the government of the Commonwealth of the Philippine Islands, to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year; except that in the case of unrefined sugar the amount thereof to be exported annually to the United States free of duty shall be allocated to the sugar-producing mills of the islands proportionately on the basis of their average annual production for the calendar years 1931, 1932, and 1933, and the amount of sugar from each mill which may be so exported shall be allocated in each year between the mill and the planters on the basis of the proportion of sugar to which the mill and the planters are respectively entitled. The government of the Philippine Islands is authorized to adopt the necessary laws and regulations for putting into effect the allocation hereinbefore provided.

"(e) The government of the Commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivisions (a), (b), and (c), within the limitations therein specified, as follows:

"(1) During the sixth year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(2) During the seventh year after the inauguration of the new government the export tax shall be 10 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(3) During the eighth year after the inauguration of the new government the export tax shall be 15 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(4) During the ninth year after the inauguration of the new government the export tax shall be 20 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

"(5) After the expiration of the ninth year after the inauguration of the new government the export tax shall be 25 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

"The government of the Commonwealth of the Philippine Islands shall place all funds received from such export taxes in a sinking fund, and such fund shall, in addition to other moneys available for that purpose, be applied solely to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged.

"When used in this section in a geographical sense, the term 'United States' includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

"SEC. 7. Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

"(1) Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

"(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the government of the Commonwealth of the Philippine Islands to fulfill its contracts, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

"(3) The chief executive of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

"(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the government of the Commonwealth of the Philippine Islands who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the Commonwealth of the Philippine Islands with such information as he shall request.

"If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States high commissioner shall immediately report the facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States high commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be delegated to him from time to time by the President under the provisions of this act.

"The United States high commissioner shall receive the same compensation as is now received by the Governor General of the Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress, including a financial expert, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor. Appeals from decisions of the insular auditor may be taken to the President of the United States. The salaries and expenses of the high commissioner and his staff and assistants shall be paid by the United States.

"The first United States high commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

"(5) The government of the Commonwealth of the Philippine Islands shall provide for the selection of a Resident Commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said government. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a Resident Commissioner is selected and qualified under this section, existing law governing the appointment of Resident Commissioners from the Philippine Islands shall continue in effect.

"(6) Review by the Supreme Court of the United States of cases from the Philippine Islands shall be as now provided by law; and such review shall also extend to all cases involving the constitution of the Commonwealth of the Philippine Islands.

"SEC. 8. (a) Effective upon the acceptance of this act by concurrent resolution of the Philippine Legislature or by a convention called for that purpose, as provided in section 17—

"(1) For the purposes of the immigration act of 1917, the immigration act of 1924 (except section 13 (c)), this section, and all other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, citizens of the Philippine Islands who are not citizens of the United States shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as a separate country and shall have for each fiscal year a quota of 50. This paragraph shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa, but such immigration shall be determined by the Department of the Interior on the basis of the needs of industries in the Territory of Hawaii.

"(2) Citizens of the Philippine Islands who are not citizens of the United States shall not be admitted to the continental United States from the Territory of Hawaii (whether entering such Territory before or after the effective date of this section) unless they belong to a class declared to be nonimmigrants by section 3 of the immigration act of 1924 or to a class declared to be nonquota immigrants under the provisions of section 4 of such act other than subdivision (c) thereof, or unless they were admitted to such Territory under an immigration visa. The Secretary of Labor shall by regulations provide a method for such exclusion and for the admission of such excepted classes.

"(3) Any Foreign Service officer may be assigned to duty in the Philippine Islands, under a commission as a consular officer, for such period as may be necessary and under such regulations as the Secretary of State may prescribe, during which assignment such officer shall be considered as stationed in a foreign country; but his powers and duties shall be confined to the performance of such of the official acts and notarial and other services, which such officer might properly perform in respect of the administration of the immigration laws if assigned to a foreign country as a consular officer, as may be authorized by the Secretary of State.

"(4) For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered to be a foreign country.

"(b) The provisions of this section are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this section. An alien, although admissible under the provisions of this section, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this section, and an alien, although admissible under the provisions of the immigration laws other than this section, shall not be admitted to the United States if he is excluded by any provision of this section.

"(c) Terms defined in the immigration act of 1924 shall, when used in this section, have the meaning assigned to such terms in that act.

"SEC. 9. There shall be no obligation on the part of the United States to meet the interest or principal of bonds and other obligations of the government of the Philippine Islands or of the Provincial and municipal governments thereof, hereafter issued during the continuance of United States sovereignty in the Philippine Islands: *Provided*, That such bonds and obligations hereafter issued shall not be exempt from taxation in the United States or by authority of the United States.

"RECOGNITION OF PHILIPPINE INDEPENDENCE AND WITHDRAWAL OF AMERICAN SOVEREIGNTY

"SEC. 10. On the 4th day of July, immediately following the expiration of a period of 10 years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall by proclamation withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines (except such land or property reserved under section 5 as may be redesignated by the President of the United States not later than two years after the date of such proclamation), and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

"(1) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

"(2) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respects as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

"(3) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the final and complete withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

"(4) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

"(5) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (2)) in a treaty with the United States.

"NEUTRALIZATION OF PHILIPPINE ISLANDS

"SEC. 11. The President is requested, at the earliest practicable date, to enter into negotiations with foreign powers with a view to the conclusion of a treaty for the perpetual neutralization of the Philippine Islands, if and when Philippine independence shall have been achieved.

"NOTIFICATION TO FOREIGN GOVERNMENTS

"SEC. 12. Upon the proclamation and recognition of the independence of the Philippine Islands, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

"TARIFF DUTIES AFTER INDEPENDENCE

"SEC. 13. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That at least one year prior to the date fixed in this act for the independence of the Philippine Islands there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

"IMMIGRATION AFTER INDEPENDENCE

"SEC. 14. Upon the final and complete withdrawal of American sovereignty over the Philippine Islands the immigration laws of the United States (including all the provisions thereof relating to persons ineligible to citizenship) shall apply to persons who were born in the Philippine Islands to the same extent as in the case of other foreign countries.

"CERTAIN STATUTES CONTINUED IN FORCE

"SEC. 15. Except as in this act otherwise provided, the laws now or hereafter in force in the Philippine Islands shall continue in force in the Commonwealth of the Philippine Islands until altered, amended, or repealed by the Legislature of the Commonwealth of the Philippine Islands or by the Congress of the United States, and all reference in such laws to the Philippines or Philippine Islands shall be construed to mean the government of the Commonwealth of the Philippine Islands. The government of the Commonwealth of the Philippine Islands shall be deemed successor to the present government of the Philippine Islands and of all the rights and obligations thereof. Except as otherwise provided in this act, all laws or parts of laws relating to the present government of the Philippine Islands and its administration are hereby repealed as of the date of the inauguration of the government of the Commonwealth of the Philippine Islands.

"SEC. 16. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability of such provisions to other persons and circumstances shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 17. The foregoing provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question as may be provided by the Philippine Legislature."

And the Senate agree to the same.

BUTLER B. HARE,
GUINN WILLIAMS,
HAROLD KNUTSON,
Managers on the part of the House.

HIRAM BINGHAM,
HIRAM W. JOHNSON,
BRONSON CUTTING,
KEY PITTMAN,
HARRY B. HAWES.
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause. The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment. The essential differences between the House bill and the Senate amendment, and the nature of the corresponding provisions of the substitute agreed upon by the conferees, are set forth as follows:

TIME FOR SUBMISSION OF CONSTITUTION

The House bill did not specify the period within which the constitutional convention to ratify the constitution should meet. The Senate amendment provides that the convention shall meet within one year after the enactment of the act. The conference agreement retains the Senate provision.

The House bill did not specify the period within which the constitution should be submitted to the President of the United States. The Senate amendment requires the constitution to be submitted within two years after the enactment of the act. The effect of the conference agreement is to retain the Senate provision.

DATE OF INDEPENDENCE

The House bill provided for the recognition of Philippine independence and withdrawal of American sovereignty on the 4th day of July immediately following the expiration of a period of eight years from the date of the inauguration of the government of the Commonwealth of the Philippine Islands. The Senate amendment provides that this shall take place on the 4th day of July immediately following the expiration of a period of 12 years from the date of the inauguration of the government of the Commonwealth of the Philippine Islands. The bill as agreed to in conference fixes this period at 10 years.

The Senate amendment provided that a favorable vote on the ratification of the constitution for the government of the Commonwealth of the Philippine Islands should be deemed an expression of the will of the people of the Philippine Islands in favor of independence. There was no corresponding provision in the House bill. The conference agreement retained the substance of the Senate provision.

PROPERTY RIGHTS

Under the House bill there was transferred to the Commonwealth of the Philippine Islands all property and rights acquired by the United States in the Philippine Islands except such land or other property as is now actually occupied and used by the United States for military and other reservations. In lieu of the House provision, the Senate amendment excepts from this grant land or other property which has heretofore been designated by the President of

the United States for military and other reservations. The conference agreement adopts the Senate provision.

The House bill provided that upon the final withdrawal of the sovereignty of the United States the government of the Philippine Islands should cede or grant to the United States land necessary for a commercial base, coaling or naval stations at specified points to be agreed upon between the President of the United States and the independent Philippine government within two years after recognition of independence. The Senate amendment provides that the government of the Philippine Islands should sell or lease to the United States such lands.

The effect of the conference agreement is to reserve to the United States, upon final withdrawal of the sovereignty of the United States from the Philippine Islands, such land or other property which has heretofore been designated for military and other purposes as may be redesignated by the President of the United States within two years after the date of independence.

TRADE RELATIONS

The House bill provided that during the eight years of existence of the Philippine Commonwealth the amount of refined sugar that could come into the United States annually free of duty should be limited to 50,000 long tons, of unrefined sugar to 800,000 long tons, and of coconut oil to 200,000 long tons. The Senate amendment limits these amounts to 30,000 long tons, 585,000 long tons, and 150,000 long tons, respectively; and provides for a graduated export tax of 5 per cent of the United States tariff duties on articles that might be exported to the United States from the Philippine Islands free of duty, beginning with the eighth year after the inauguration of the Philippine Commonwealth and increasing by 5 per cent each year over a period of five years, after which it remains at 25 per cent until independence is granted. Funds received from such export taxes are to be placed in a sinking fund for the discharge of the indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities.

The effect of the conference agreement is to adopt the limitations specified in the House bill and to retain the substance of the Senate provision relating to export taxes, modified to begin the application of the export taxes with the sixth year after the inauguration of the Philippine Commonwealth. This modification is in conformity with the action of the conference in fixing the time for final independence at 10 years.

IMMIGRATION

The House bill provided for an immigration quota of 50 for the Philippine Islands during the interim period, but did not exclude Filipinos ineligible to citizenship. The House provision was to be effective 60 days after the enactment of the act. The Senate amendment provides a quota of 100, with the provision that no person ineligible to citizenship should be admitted under such quota and made the section effective upon acceptance of the act by the Philippine Legislature or by a convention called for that purpose. The conference agreement omits the Senate provision excluding prior to independence Filipinos ineligible to citizenship, but retains the quota of 50 fixed in the House bill with the effective date as provided in the Senate amendment. The Senate amendment contains a provision to the effect that immigration to the Territory of Hawaii should be determined by the Department of the Interior on the basis of the needs of industries in the Territory of Hawaii. The conference agreement retains this provision.

The Senate amendment contains a provision to the effect that upon the final and complete withdrawal of American sovereignty the immigration laws should apply to the Philippine Islands to the same extent as in the case of other foreign countries; with the exception that the Philippine Islands should have a quota of 100 persons eligible to citizenship. The conference agreement retains the Senate provision, eliminating the quota and providing specifically that the immigration laws relating to persons ineligible to citizenship should apply to the Philippine Islands.

BONDS AND OBLIGATIONS OF PHILIPPINE GOVERNMENT

The Senate amendment contains a provision to the effect that the United States should not be obligated to meet the interest or principal of bonds or other obligations hereafter issued by the Philippine government or its subdivisions, and providing that such bonds and obligations should not be exempt from taxation in or by the United States. The conference agreement retains the substance of this provision.

NEUTRALIZATION

The Senate amendment contains a provision by which the President is requested to enter into negotiations with a view to the conclusion of a treaty for the neutralization of the Philippine Islands after independence. The bill as agreed to in conference retains this provision.

EFFECTIVE DATE

The Senate amendment provides that the act should not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for that purpose. The bill as agreed to in conference retains this provision.

BUTLER B. HARE,
GUINN WILLIAMS,
HAROLD KNUTSON,
Managers on the part of the House.

ADJOURNMENT OVER

Mr. RAINEY. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The Clerk read as follows:

Resolved, That when the House adjourns on Friday, December 30, 1932, it stand adjourned until 12 o'clock meridian, Tuesday, January 3, 1933.

The resolution was agreed to.

On motion of Mr. RAINEY, a motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

PHILIPPINE INDEPENDENCE

Mr. HARE was recognized.

Mr. KNUTSON. Before we take up the consideration of the conference report, Mr. Speaker, I am wondering if the gentleman from South Carolina would not agree to a little more time than an hour, because of the fact that the original legislation was put through the House under suspension of the rules, which allowed only 40 minutes' debate. There are a number on this side who wish to be heard on the question, and I am satisfied that there will be a demand for more than 30 minutes on a side. I ask unanimous consent that we have one hour on each side.

Mr. UNDERHILL. Reserving the right to object, Mr. Speaker, I want to protest. The gentleman from Minnesota resorted to a subterfuge during the passage of this legislation by telling the House that he was opposed to the bill and then voting for it later on. If there is going to be any division of the time, it should be between those opposed to the legislation and those in favor of it. I think the gentleman shows a colossal nerve in asking for an extension of the time. Personally I think an hour is sufficient to dispose of this matter at this stage.

The SPEAKER. Objection is heard. The gentleman from South Carolina is recognized for one hour.

Mr. SNELL. Mr. Speaker, do I understand the gentleman from South Carolina is going to move the previous question at the end of the hour?

The SPEAKER. Let the Chair make this suggestion: The Chair presumes that before the hour expires he will move the previous question.

Mr. SNELL. I do not know that we want any more time, but, if necessary, I think we should have more time. It is an important matter.

The SPEAKER. At the end of the hour, if the situation is such that they want more time, the gentleman from South Carolina or some other gentleman can ask unanimous consent to extend the time 30 minutes and let the previous question be considered as ordered.

Mr. SNELL. That will be all right if we find that we need more time.

The SPEAKER. The Chair suggests that we proceed for 1 hour, and then if 30 minutes more time is needed some one will ask unanimous consent for an extension.

Mr. HARE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. HOOPER].

Mr. HOOPER. Mr. Speaker, I presume that this bill will pass the House without question at the conclusion of the debate. It is not my intention in the 10 minutes accorded me by my good friend from South Carolina, chairman of the committee, to go into an analysis of the conference report.

I expect to vote for this conference report, and I expect to vote for it for one reason and one alone, and that is that if the conference report is not adopted now, the next Congress, the Seventy-third, we will get a bill infinitely worse than this one with which we are dealing, and God knows this is bad enough.

Mr. DYER. Will the gentleman state what he means by "this is bad enough"?

Mr. HOOPER. I will state. I mean that it will be worse for everybody. I mean that if this bill is not passed now, if it does not become a law, if there is an Executive veto, some gentleman will put in a bill that will be carried by the next Congress freeing the Philippine Islands on the next 4th of July with all the international complications that that will involve.

Before I say anything further, I pause to pay a compliment to the very splendid chairman of this committee, the distinguished gentleman from South Carolina [Mr. HARE]. [Applause.] He has been a splendid chairman, and he has brought high intelligence to the study of this question, although I disagree with him on some of its phases. I think he made a real contribution to the subject by his trip to the Philippine Islands last year and by bringing back from that distant clime the information which he gave and which was published in the RECORD recently.

Also, I am glad to pay a sincere compliment to the two very fine Commissioners from the Philippine Islands, who will see to-day now the fruition of their service here and of the fine work performed for their own country. [Applause.] I think that Mr. GUEVARA, by his talk in the House two days ago, also gave us much additional and valuable information on the question.

Mr. Speaker, I can not help here and now entering again a protest which I have already voiced to the manner in which this tremendously important question has been treated. Are we not getting a little bit careless in the House of Representatives of the United States, in so far as the way with which we deal with great questions is concerned? The other day we devoted two days to a discussion of the comparatively trivial question of beer, while on the first day of the session, when we sought to submit to the country the repeal of a constitutional amendment—for which, by the way, I voted—we gave to it 40 minutes of discussion. Forty minutes to a constitutional question! The like of that has never occurred in the 150 years of the history of the United States, and I hope it may never occur again. Last year, when we were dealing with the welfare not only of our own country but of 13,000,000 people in those distant islands, we gave to the consideration of the bill now before us when it came before the House of Representatives 20 minutes' discussion to a side. Twenty minutes to the side upon questions involving the happiness of 13,000,000 of our fellow human beings, who for more than 30 years have been under the wing of our protection! Yet this bill must be passed. It is absolutely necessary in the spirit that there is in the Nation to-day that this bill must become a law. Let it come. I would not be one of those who would wish to hold in subjection any race of people if they felt they were being held in subjection. I think that we have several races in the United States to whom we have not given half the attention or half the thought that we have to the people of the Philippine Islands. But, as I say, I am going to vote for this conference report.

We have been in control of the Philippine Islands since 1899. There is no partisan question about it, but I remember the story of those days and how the ratification of the treaty of Paris became possible through the coming to the Senate of William Jennings Bryan, still in his soldier's uniform, and his urging on the Members of Congress of the United States the ratification of that treaty. During that short time, in a period of 30 years, these islands have acquired a uniformity of language among the educated people of the islands everywhere, and instead of long-continued turbulence and war they have had peace. Instead of the conditions which surrounded them everywhere through Asia, they have had comparative prosperity. We know very little about the attitude of that citizen of the Philippine Islands who lives away back from the populous centers of his country. We are embarking upon something here to-day the end of which no man can see.

A serious question has been raised in the Senate, a very serious one, as to the right of the people of this country or the Congress of the United States to alienate the Philippine Islands at all. I am not raising that question here to-day. I have satisfied myself, so far as I am concerned, that the right to purchase involves also probably the right to relinquish. And we are entering also, perhaps, upon a period of 10 years of turbulence, as far as our relations with these islands and the East are concerned. The international complications raised by the passage of this bill are far beyond the ken of man to-day.

I am not deceiving myself for a moment as to the altruism of this Congress in passing this bill and I know that you are not enjoying what I am saying about it. There is no altruism about it. It comes from a specious idea that somehow or other this is going to give to the farmers of this country farm relief. It is going to do nothing of the kind. The trade between the Philippine Islands and the people of our own country is only a drop in the bucket compared with our other national and international trade. But let the people of the Philippine Islands go at the end of the 10 years if they desire to do so, let them depart in peace, for they are a fine, kindly people, whose representatives here show to us in their everyday living and work what a kind, splendid people they are. Whether they are right for self-government is a much-mooted question. Whether they are yet in a position to set up an independent nation among the family of oriental nations time alone will prove. To-day, after a 40-minute debate when the bill originally came before the House and an hour or more here on this conference report, we are casting away these oriental pearls that have been ours for more than 30 years past. They will set up an independent government. They will, we believe, set up a republican form of government, but when they look back in the years that are to come upon the altruism of the United States as exemplified in our conduct toward them during all these years, when they come into contact with the Asiatic altruism of China and Japan, which they have not known or experienced for 30 years past, then perhaps the people of these lovely islands will look back with regret to the day when they severed finally their relations with a nation which has taken them, not as a conquered province, not as a place to exploit, but as wards to be nurtured and educated. Mr. Speaker, this is a very solemn occasion. [Applause.] It is unique in the history of the world.

I can remember no other example of a great and powerful nation voluntarily relinquishing that which it had acquired by both conquest and purchase.

On this historical occasion the diplomatic corps should have been invited to the gallery to witness this extraordinary specimen of "altruism"—the rather sordid altruism of the sugar and copper interests rather than the altruism of unselfishness. You may be sure at least that the eyes of diplomats are watching with but little altruism the step we are taking to-day; but that is the lookout of the Philippine Islands, not ours.

Mr. HARE. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Speaker, I am in agreement with almost all that my colleague from Michigan [Mr. HOOPER] has said to the House this afternoon. I can join with him heartily, without the necessity of repeating his tribute to the Philippine Delegates, to the chairman of the committee, and to the general conduct of the majority of the committee who are opposed to his view and to mine. I differ with the gentleman, however, in this respect, that I can not compromise with my conscience, even because something in the distant future or the near future may bring greater evils, may bring greater suffering, may bring greater terrors than this piece of legislation.

It needs no prophet nor the son of a prophet to say that this bill will pass the House. Personally I think the conference report has improved the bill, but I can not vote for the conference report without voting for the bill itself; and perhaps, somewhat as a confession to my own ego, I am making a few useless remarks in order that the future may write me down as right, rather than following expediency, when I know full well in my heart that this is an injustice to the Philippines, unfair to the United States, un-Christian, uncivilized, and will bring more trouble and more woe to this world of ours than anyone here can conceive of at the present time.

Madame Roland, when standing in the shadow of the guillotine in France, exclaimed, "O Liberty! how many crimes are committed in thy name!" It well might be repeated on this floor to-day. Under the guise of liberty, the liberation of the people of the Philippines—who suffer no indignities, who suffer no despotism, who are treated with far greater liberality and freedom than the people of the mainland are—under the guise of liberty or, in the words of my colleague, under the guise of altruism, we grant these 15,000,000 people liberty and death. There is no question but what they are able to govern themselves; but there is a question, and every Member of this House, irrespective of his attitude, knows that there is a question, whether they can finance themselves. I do not believe there is a Member of this House who will say that under the provisions of this bill the Philippines can take its place in the nations of this world and carry on the absolute essentials of a government for the protection of those within its own borders, let alone those outside which may attack it. After all, if it is practical, if it is a departure from altruism, is it not a wise departure? Is it not for wise practicability?

Mr. Speaker, I feel very strongly about this, for I myself visited the Philippines and I find them a proud, courteous, and hospitable people. It seems almost as though I were false to them to take this attitude to-day on the floor of the House, but it is my knowledge of their few weaknesses, one of which is their very pride of race, one of which is the economic situation with which I am familiar, that I offer my protest to-day at the approaching action of the House.

I can not say any more. It is useless to say any more. This thing was threshed out in a very brief time. At that time I stated that it was a tragedy, a travesty to settle the affairs of 15,000,000 people, to establish a nation of the world in 40 minutes with the expectation of its continuance forever; that we really were not actuated by our best judgment, but that we were going ahead blindly and that we could only be forgiven because we were doing that of which we knew not the consequences, and I repeat to-day that no one here has a right to stultify his conscience in voting for this measure to save the Philippines from a worse fate.

I can not say that the next Congress is going to run wild, that the next President of the United States is void of intelligence or void of good judgment or unaware of the real conditions. I would much rather take a chance in the next Congress, after due deliberation of all of the questions, than to pass this bill to-day after 1 hour and 40 minutes' debate, when I know full well, and you know full well, that it is not altruism which governs our action, but temporary mob psychology, because of the propaganda, engineered by certain farm organizations and those who are living here at their expense in the Willard and in the Mayflower, and who have to find some activity to hold their jobs. Therefore they try to frighten the farmer that the small amount of sugar which comes here from the Philippines, that the oil products which come from the Philippines, are a detriment to his interest. They say nothing whatever about the fact that it is only in the Philippines that we have had a large increase of textile imports; that we have had a large increase in imports of dairy products.

Those are two farm products, the cotton of the South and the dairy products of the Northwest. Still we are going to close that market, and you will not find another market to take up that amount of surplus. I say to you, you are injuring yourselves; you are injuring the Philippines; and I would go farther if it would not be a reflection upon your good judgment and integrity, and say that I think you have not properly considered your oath of office when you promised to support the Constitution of the United States. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. HARE. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, the gentleman from Massachusetts [Mr. UNDERHILL] seems to share a great deal of apprehension over the ability of the Philippine people to finance themselves. If that be the yardstick by which we are to measure a people's capacity for self-government, then what about the United States, which is running behind something like $5,000,000 a day?

Mr. Speaker, this conference report is not satisfactory to anyone. It is a compromise. The proponents of early independence were not satisfied with its provisions; neither were its opponents, but it was the best possible compromise that could be worked out under the circumstances.

There is one provision in the conference report to which I object very seriously, and that is the retention of the Senate amendment which provides that this legislation shall not go into effect until it has been ratified by the Philippine Legislature or a convention convoked for the specific purpose of considering the question of independence. In other words, under the compromise reached between the two Houses, the question of independence, or the time when the Filipinos are to be given their independence, is very indefinite. In fact, it rests with the Filipino people themselves as to whether or not they wish to be free from any connnection with this country, and I submit that the interests of the American people, as well as of the Filipino people themselves would have been better served had the Senate provision not been retained by the conference committee.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. SNELL. As I understand the provisions of the conference report, the Filipino people must adopt a constitution within two years, and then there is an 8-year period within which, to a certain extent, they are still under our supervision.

Mr. KNUTSON. Yes; that is true.

Mr. SNELL. Just how far do our obligations go in taking care of these people during this 8-year period? For instance, as I understand it, during that time they have complete right to make their own domestic and foreign policies. Is this correct?

Mr. KNUTSON. No; that is not quite correct.

Mr. SNELL. That is what I am trying to ascertain.

Mr. KNUTSON. We retain supervision over the Philippine people until they become absolutely free and independent. The gentleman mentions an 8-year period. It is a 10-year period.

Mr. SNELL. Is it 10 years after the adoption of the constitution?

Mr. KNUTSON. Ten years after the ratification of this legislation by the Philippine Legislature or the constitutional convention, if I may so term it, convoked for the purpose of considering it.

Mr. SNELL. The bill says when ratified by a constitutional convention, does it not?

Mr. KNUTSON. Yes; but I will say either one.

Mr. SNELL. Either one?

Mr. KNUTSON. Either one; it is up to them, and if they take a thousand years to ratify this legislation, of course, the present status will remain for a thousand years. There is where this legislation is deficient.

Mr. SNELL. It seems to me from a reading of this report that the constitution is to be submitted within two years after the enactment of this act. What is the situation if they do not submit a constitution within two years after the passage of this act?

Mr. KNUTSON. If the gentleman will refer to section 17 of the bill—I have not the exact phraseology before me—he will see that it provides that it shall not go into effect until it has been ratified by the Philippine Legislature. So the fear that has been displayed by my very good friend from Massachusetts seems to me to be without very much foundation.

[Here the gavel fell.]

Mr. HARE. Mr. Speaker, I yield two minutes to the gentleman from Florida [Mr. YON].

Mr. YON. Mr. Speaker and Members of the House, down in my district I have been facetiously dubbed the "liberator of the little Filipinos" by some of those that would misrepresent the aspirations of these people, and I am mighty glad of the opportunity to-day to participate in what I hope to be a piece of legislative proceeding that will bring about this result. It is a great pleasure to me that we have arrived at this historic moment in the history—not only of our Nation but that of a people 7,000 miles across the sea from the western shores of this Republic—in which we, as the House of Representatives, now are about to write, I hope, the last chapter in regard to Philippine independence.

For over 30 years the Philippine people have prayed to this Nation for the opportunity of assuming their full responsibility in the family of nations. This action to-day on the part of the House is in keeping with the frequented expression of the platform of the Democratic Party and in keeping with the promise made by statesmen of both parties from the time that the American Government assumed the responsibility in regard to these people.

Of course many questions of economic welfare as they affect the agricultural and laboring interests of this country have been brought into the discussions, not only on the floor but before the committees of the Congress that have been held responsible for framing legislation looking to this end. Of course, I myself have always felt that the United States should not hold a subject people against their will. The Filipinos have been patient, and they are fully appreciative of the help and friendly cooperation that has been given them by the American people; but, as I have said before, the economic status of the people of the United States, especially those in agriculture and those that are laboring in industry, has caused them to feel for some years that the free importation of Philippine products and unrestricted immigration from the islands to this country has created friction that I feel will be brought to an end by the passage of this legislation and a free and independent republic set up in place of the present arrangement. My idea has been that to avert any further controversy along these economic lines, and to fulfill a promise of long standing and injustice to a liberty-loving people, that independence so long sought after by the Filipinos is being granted in this legislation; and its passage, I believe, is fair and just to their future economic life and guarantees to them the opportunity of setting up a government that will fulfill the ideals of a democratic people. In so far as the local representatives in the persons of the Resident Commissioners, PEDRO GUEVARA and CAMILO OSIAS, and also of the special independence commissions headed by Manuel Roxas and Sergino Osmena, that have been in Washington since I have been here, will say that they have proven themselves to be men of patriotic impulses, and I feel are fully capable of leadership in framing a constitution and setting up a government that will do justice to the people of that nation. When independence becomes a fact there will be a better understanding between our producers and the Filipino people, and since our agricultural interests have been so strong for this legislation, in so far as the competition from those products with the similar products of this country is concerned, that will be eliminated.

In closing will say that my position in supporting the Hare bill in the House on the original passage was maliciously and falsely misrepresented by the selfish politicians in my own district, when they claimed that the free importation into this country during the period of eight years of a limited tonnage of coconut oil—as against, as now, an unlimited quantity—in supporting the bill, as every other Democrat on the floor did that, I was supporting a measure that was entirely detrimental to the interests of the farmers of this country, and especially the cottonseed and peanut growers of my territory, and, as you all know, was as far from the truth as any statement could be, for the Members of this House of the agricultural States have before the Insular Affairs Committee and on the floor supported this legislation urging and setting forth its possible benefits to labor and agriculture. To agriculture on account of the limitation for eight years, and after that making subject to tariff rates the Philippine products the same as the same kind of products from other countries, and labor on account of restrictions imposed as to immigration.

Therefore, for the foregoing reasons, and adding to same that of justice to 13,000,000 people, as I have said before, that we promised this action, I am supporting this legislation and hope the conference report will be adopted. [Applause.]

Mr. HARE. Mr. Speaker, in order to facilitate consideration of this report I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on this subject.

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection to the request of the gentleman from South Carolina?

Mr. DYER. Mr. Speaker, reserving the right to object, merely to ask the gentleman a question, will not the gentleman from South Carolina, the chairman of the committee, take the floor and tell us exactly what this conference report means? There is a great deal of misunderstanding about it.

Mr. HARE. Will the gentleman yield me the time I planned to yield him for that purpose?

Mr. DYER. The gentleman can ask for more time, and I am sure he will be able to get it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HARE. Mr. Speaker, I yield myself the balance of the time, if necessary.

Mr. TABER. Mr. Speaker, will the gentleman yield to me before he starts?

Mr. HARE. Yes.

Mr. TABER. I notice under paragraph (e) of page 5, of the report that during the sixth year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries. Paragraph (a) on the previous page, under section 6, in fact, paragraphs (a), (b), and (c) provide the amounts that shall be levied. Now, does it mean that under the 6-year plan only 5 per cent of the duty shall be collected while during the earlier years the full duty shall be collected after the exemption?

Mr. HARE. If the gentleman will permit, I would like to answer that when it is reached in the regular order. I may say that I share with many Members of the House the idea that not sufficient time, probably, has been given to a discussion of this great problem. However, we get a certain amount of consolation out of the fact that while we spent only 40 minutes in a discussion of the question originally, since that time the bill was debated at the other end of the Capitol, by the Senate, for about three weeks, and at the end of that time I think the House may congratulate itself in that upon the conclusion of the debate at the last session

and this session the Senate adopted substantially the principles involved in the provisions of the House bill. [Applause.]

I would like to undertake an explanation of each section of the bill, but time will not permit. I am sure Members of the House have studied all of its provisions and I am sure they are ready to vote one way or the other.

I shall be glad to answer the question propounded by the gentleman from New York——

Mr. SNELL. If the gentleman will permit, I would like to ask him the same question I asked the gentleman from Minnesota.

As I read the report, it is stated that the Senate amendment requires the constitution to be submitted within two years after the enactment of this measure. Do I understand from this statement that it must be submitted and adopted or just submitted and then it may go along for a number of years?

Mr. HARE. The constitution, according to the section referred to, must be submitted to the President within two years after the enactment of this act upon the drafting and approval of the constitution by the convention. If the President finds that the constitution conforms with the provisions of this act, it will then be submitted for ratification or rejection by the Filipino people. If rejected, then this legislation, in so far as independence is concerned, becomes null and void.

Mr. SNELL. That is the way I understood it, but the gentleman from Minnesota did not seem to understand it in the same way. I have one more question along the same line. During the eight years following, just what are our obligations to the Filipino people after the adoption of the constitution?

Mr. HARE. The obligations are just as they are now during the transitional period.

Mr. SNELL. By that the gentleman means we have complete control?

Mr. HARE. Absolutely; especially in foreign affairs. The Philippine Commonwealth, of course, will be more autonomous than the present government of the Philippines.

Mr. SNELL. And we are responsible for everything connected with their government exactly as we are at the present time.

Mr. HARE. No; we are not responsible for certain obligations assumed after the passage of this act. Bonds and other obligations incurred after the passage of this act and during the transitional period will be solely upon the credit of the Philippine Islands and the United States will not be responsible for the interest thereon.

Mr. SNELL. How far are we to be responsible for their domestic or foreign policies during this period?

Mr. HARE. We are not responsible any farther than we are at present.

Mr. SNELL. Are we not entirely responsible for them at present?

Mr. HARE. Under the present status matters of the kind referred to must be submitted to the President of the United States for approval or ratification.

Mr. SNELL. And during this time the same procedure will be followed?

Mr. HARE. Yes; they will be submitted to the President for ratification.

Mr. SNELL. If there should be any trouble or outbreak between any foreign nation and the Philippines or anything of that sort in the Far East, we are obliged to defend the Philippines the same as we are at the present time?

Mr. HARE. We would be under the same obligation.

Mr. SNELL. And that obligation would be to defend them and to take care of them?

Mr. HARE. Yes; that is my understanding.

Mr. LAGUARDIA. If the gentleman will permit a question along that line, during this period, of course, the Philippines would have no diplomatic corps of their own?

Mr. HARE. No.

Mr. LAGUARDIA. They would not have that until they attained complete independence?

Mr. HARE. That is correct.

Mr. LAGUARDIA. Therefore, we would have the same moral obligation?

Mr. WILLIAMS of Texas. If the gentleman will permit, in answer to the gentleman from New York [Mr. SNELL] the gentleman said that the same relation would exist as at present. There is this difference, that during the interim importations, free of duty, from the Philippine Islands and this country are restricted.

Mr. SNELL. To a certain extent.

Mr. WILLIAMS of Texas. To 850,000 tons of sugar and 200,000 tons of vegetable oil.

Mr. SNELL. And the limitation applies only to those two items.

Mr. LAGUARDIA. Surely, that is unimportant.

Mr. HARE. I would like to explain a little further, because there seems to be some misunderstanding with reference to the limitations on certain Philippine products.

Let me say at the outset that when our committee began the consideration of this subject, we did not know how long a period the Congress would agree upon before independence should be granted.

There were some of us who thought that five years would be sufficiently long, and there were others who thought a lesser time would be sufficient. There were others who thought it should be 10 years, some 15 years, some 20 years, and some even longer than that. So in order that we might be able to determine whether or not the Filipino people would be able at the end of this period to carry on, we felt that we should take some interest in the matter and devise some plan or some scheme whereby we could be assured they could continue their business activities with the least possible shock to the economic structure of the nation at the end of the transition period. We felt that if a period of eight years were decided upon by Congress that instead of allowing free trade to continue for the entire period the producers and those interested in industry would attempt in the meantime to increase production to such proportions that at the end of the transitional period such producers would be in a poorer position to adjust themselves to the new conditions than they are at present. We felt, therefore, that a limitation should be placed upon some of their crops, particularly their exportable crops, such as sugar and coconut oil.

I can best explain the idea I am trying to convey by giving an illustration. In my mind I could see a planter in the Philippine Islands with 25 acres planted to sugarcane, and I may stop here long enough to say that the increase in sugar production in the Philippine Islands for the last several years is not the result of increased acreage, but is largely the result of better cultural methods, better varieties of cane, and the use of better machinery for extracting the sugar from the cane. This is really responsible for the marked increase in production.

We will say that this 25-acre planter produced 100 tons of cane sugar last year. The theory on which the committee acted was that we would allow him to produce and ship free of duty 100 tons of cane sugar for the next five years. So if he has been making a living in this line of business, he can continue; if he has been making money, he can continue; that is, we will leave him as we find him to-day. In other words, we will take the status quo as to his production to-day and allow it to stand as it is and to continue during the transitional period.

Any increase above 100 tons would be subject to a tariff, as a similar product of any other country would be. We felt that the inclination of this farmer after the passage of this act would be to increase his yield per acre by better culture and better seed selection, so that the next year or the year following he might produce 110 tons, in which case he would have 100 tons to ship free of duty and the 10 tons additional would be subject to the tariff. The shipment of the 100 tons would enable him to proceed in the same manner as heretofore, and he could afford to pay the duty on the 10 tons because of the decreased cost of production per unit.

We felt that in five or eight years this particular farmer would be producing 150 tons of cane sugar at the same expense that he had been producing 100 tons heretofore.

It is easy to see, therefore, that the cost of production per unit would be decreased to such an extent that at the end of the transitional period, when sovereignty would be withdrawn, this man, by reason of the fact that he had decreased the cost of production, would be able to go into the markets of the world and compete with the sugar producers of other countries.

That is the theory upon which the committee acted in placing a limitation on this particular crop.

Mr. JONES. Will the gentleman yield?

Mr. HARE. I yield.

Mr. JONES. I notice that you put a limitation on the amount of coconut oil to be imported. As the language is worded, will that cover the case of the importation of copra?

Mr. HARE. It will not.

Mr. JONES. Then copra could be imported to an unlimited extent?

Mr. HARE. Yes. But the gentleman knows that importations of copra are not confined to the Philippine Islands but come from every other country that grows coconuts.

Mr. JONES. That makes the limitation amount to little, as the copra includes the oil, and the oil in this form could be brought in in unlimited quantities.

Mr. HARE. You are correct; but there is no limitation now on copra from the Philippines or any other country. There is no tariff on copra and never has been. My opinion is that just as soon as you stop the importation of coconut oil you will increase the importation of copra.

Mr. WILLIAMS of Texas. And when that time arrives the meal of the coconut will be a competitor of cottonseed meal.

Mr. HARE. Yes; I think you are correct in that assumption.

Mr. WOLCOTT. Will the gentleman yield?

Mr. HARE. I yield.

Mr. WOLCOTT. The gentleman says the Senate spent three weeks in debating the bill and the changes were slight. May I call attention to the fact that the Senate, after three weeks of debate, reduced the limitation of sugar to 585,000 short tons. Would it not be best and more practical from the standpoint of cane-sugar and beet-sugar growers in the United States to use the mean between the two extremes? In 1909 they exported 40,000 tons and in 1931, 809,000. Why not use the mean between the two, 500,000 tons rather than 800,000 tons?

Mr. HARE. Some of the figures of the gentleman are inaccurate, but I shall be glad to explain. As I said a few minutes ago, when we withdraw sovereignty over the people of the Philippines after 30 years, we want to come out of the Philippines as honorably as we went in. In order to do that we want to give them time to adjust their business in such a way that at the conclusion they may continue without any great economic shock to the structure of their country. At the same time we want to take care of those in our own country who are finding markets for their products in the Philippine Islands.

In arriving at these limitations we endeavored to take the status quo—that is, take their present production as a basis—so that during this period of transition they would have an opportunity to adjust their business and prepare themselves. In such a way they could survive at the end of the period. If we had gone back and fixed the limitations on a basis of five years ago, according to the Senate amendment, we would have been forcing them to adjust themselves to a condition that existed five years ago. The gentleman must know how impossible it would be for a merchant or a business man or a manufacturer or a farmer or anyone else to try to adjust his business for the next 10 years on the basis of his business four or five years ago.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield further to a question along a different line?

Mr. HARE. I may say further and add this, that this legislation, so far as I am concerned, is not prompted by selfish purposes. If it were, I would say, give them independence to-morrow morning. It is not for the purpose primarily of saving this particular product or that particular product. If it were, I repeat my position by saying, I would grant independence immediately. However, I could say to the sugar people that if we did it from a purely selfish standpoint, we could afford to buy every acre planted in sugar beets and still give free importation of sugar.

It was alleged before our committee by the representative of the sugar-beet growers that if the importation of sugar from the Philippines should increase in the next six years as in the past three years, the tariff benefit would be $148,000,000. Of course, when Philippine sugar is no longer admitted free of duty, the consumers of the United States will pay the tariff; and if it will amount to as much as alleged, it would be equivalent to levying an annual tax on every man, woman, and child in the United States of about $1.20. It was further alleged that we have only about 800,000 acres planted to sugar beets. If these allegations and representations are true and if we were actuated by purely selfish reasons, it would be better for us to oppose independence and insist on importation of sugar free of duty, because we could take the $148,000,000 tariff referred to on page 160 of the hearings and buy every acre planted to sugar beets at $185 per acre and retire the 800,000 acres from cultivation. But I am glad to think that while we may be and should be interested in our own welfare, we are not actuated solely by selfish reasons.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. HARE. Yes.

Mr. WOLCOTT. I call the gentleman's attention to what appears to be an inconsistency. Section 6 (a) provides that there shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons, and on unrefined sugars in excess of 800,000 long tons, coming into the United States from the Philippine Islands, in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

Mr. HARE. Yes.

Mr. WOLCOTT. Then in subsection (d) we find that—

In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands—

That is, this limitation of 800,000 long tons, I suppose—

the amount or quantity of such articles produced or manufactured in the Philippine Islands thereafter that may be so exported to the United States free of duty shall be allocated, under export permits issued by the government of the Commonwealth of the Philippine Islands—

And so forth.

Perhaps the gentleman can explain the inference, if there is one there, that there are duty-free products or sugar in excess of 800,000 tons which will come into the United States duty free.

Mr. HARE. No. That means if more than 800,000 are produced for export, the proportion of that amount shall be allocated among the various centrals in proportion to their average proportion during the three years previous thereto.

Mr. WOLCOTT. Then what is the meaning of the phrase "that may be so exported to the United States free of duty"?

Mr. HARE. That is the allocation of 800,000 tons.

Mr. WOLCOTT. No; that is in addition to the allocation of 800,000 tons.

Mr. HARE. There is no allocation as to that except this. We will say there are 40 centrals. The additional amount to be exported will be allocated among those centrals, according to the amount or in proportion to the amount that each one shipped this last year or during the period of the last three years. That is what that means.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. HARE. Yes.

Mr. SNELL. Does the gentleman happen to know how much private American money is invested in the Philippine Islands?

Mr. HARE. I regret that I do not have that at my tongue's end, but I shall be glad to put it in my remarks.

Mr. GUEVERA. May I answer the question?

Mr. HARE. Yes.

Mr. GUEVERA. About $197,000,000, all told.

Mr. SNELL. Of course, that money was invested over there on account of the sovereignty of the United States over those islands?

Mr. HARE. Yes.

Mr. SNELL. Do we owe any obligation to those people who invested their money, to make sure that they have full and free opportunity to get it out before we cast these people adrift?

Mr. HARE. I think we are under obligations to protect them as we have protected them in this bill. We have provided a period of 10 years, so that every business enterprise, every man who has money invested, may be able to adjust himself to the changed conditions. I do not think we owe any special consideration to any man who may have gone to the Philippine Islands and made an investment, because he went there with knowledge of how we acquired the islands, he went there with the knowledge that we had said we would withdraw our sovereignty when the Filipinos were able to set up a stable government. I think we ought to protect the property of American investors as far as possible, but I do not think they are entitled to special consideration.

Mr. SNELL. The fact that he went over there when the islands were under our care and when the general expectation has been that we would not free them as quickly as this?

Mr. HARE. Oh, no; I could not say that, because I have been under the impression that this country would free them as soon as we were convinced that they were prepared to establish a stable government.

I may add that in this bill it is stipulated that even after the grant of independence "the property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands."

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. HARE. Yes.

Mr. WOODRUFF. The Delegate from the Philippine Islands [Mr. GUEVARA] mentioned the sum of $197,000,000 as being the amount invested by American investors in sugar in the Philippine Islands.

Mr. GUEVARA. Oh, no; I gave the total investment.

Mr. WOODRUFF. As a matter of fact, is not that the sum invested in all of the sugar industries of the islands?

Mr. GUEVARA. If I may, I wish to correct the statement of the gentleman from Michigan. I said that the whole American investment in the Philippine Islands is around $197,000,000. That means the total investment as of 1930.

Mr. WOODRUFF. That means all of the American investments, in every line?

Mr. GUEVARA. Yes; bonds issued in this country by the Philippine Government and private investments in the Philippine Islands.

Mr. WOODRUFF. I think it would be interesting to the membership if the gentleman from South Carolina would submit in his extension of remarks the sum invested in the sugar industry in the islands.

Mr. HARE. I shall be glad to do that.

Mr. WOODRUFF. And the sum invested, not only by Americans but by everybody, and segregate those investments as to nationals, in so far as possible.

Mr. HARE. I find on page 69 of the hearings before our committee the following statement with reference to investments in the Philippine sugar industry:

The total investments in the Philippine sugar industry, aggregating $190,000,000, distributed as to the character of the investments and the nationality of the owner of the sugar lands, are as follows:

Investments in centrals	$82,500,000
Landed investments	90,000,000
Crop loans	$12,500,000
Miscellaneous investments	5,000,000
	190,000,000
The land ownership is as follows:	
Filipino	73,800,000
Spanish	9,900,000
American and others	6,300,000
	90,000,000
The ownership of the centrals is as follows:	
Filipino	40,250,000
American	21,500,000
Spanish	20,250,000
Other nationalities	500,000
	82,500,000

Mr. GREEN. Will the gentleman yield for a question?

Mr. HARE. I yield.

Mr. GREEN. Does the legislation provide for any sovereignty or protection or any jurisdiction whatsoever by the American Government after a period of 10 years?

Mr. HARE. No. At the termination of the 10-year period sovereignty is withdrawn and the Philippine Islands are considered free and independent in every respect, and will be considered as a foreign nation.

Mr. SWING. Will the gentleman yield for a question?

Mr. HARE. Yes; I yield.

Mr. SWING. I understand there are several thousand Americans who are in the Philippine civil service, who have gone there at the encouragement of our Government to help them run their government. My guess would be that after independence the Americans will be let out and Filipinos will be permitted to take their places. What will become of their civil-service status?

Mr. HARE. I may say to the gentleman from California [Mr. SWING] that I appreciate the inquiries made because after the bill passed the House, and after the bill was under consideration in the Senate, I received a number of communications from people in the civil service in the Philippine Islands desiring to be taken care of by this legislation.

It was impossible to do so in the House, because the bill had already passed. However, I can state that most of the Americans are in the Bureau of Education, which has a system of pensions. Besides, there is an opportunity open to Americans, though not to Filipinos, to receive gratuities under a retirement act passed by the Philippine Legislature.

I rather think that in the meantime, during the next 10 years, there may be a number of other pieces of legislation in connection with pending legislation. A great deal has been said about trade relations. Some have been afraid that the trade relations between the Philippine Islands and the United States would be detrimental to both. Some have feared that we will be unable to trade with the Philippine Islands after 10 years. I invite attention to section 13, where the committee had in mind the period following the 10 years, where it is provided that in the meantime a study shall be made by Members of Congress, presumably, and a report submitted, recommending legislation that would provide for a commercial treaty or a trade arrangement between the two countries following the 10-year period.

Mr. DYER. Will the gentleman yield for a question?

Mr. HARE. Yes; I yield.

Mr. DYER. The gentleman has visited the Philippine Islands, and I would like to have his judgment as to whether, in his opinion, it is necessary to prolong this giving to the Filipino people their independence for a total of 12 years, as provided in this conference report, or are they not now ready?

Mr. HARE. I am glad the gentleman asked that question and I am glad to answer it. Personally I felt while the bill was under consideration that the transition period in which the people would have time to adjust themselves should not be longer than five years. I reached that conclusion after a study of the subject for eight years, during which time I have served on this committee. I felt that even the two years that is necessary to perfect the arrangement, to adopt a constitution and have it submitted to the

United States, and then five years following would be sufficient time for adjustment. That was my personal view.

As I have already stated, I think there should be a transition period, or a period of adjustment, but have never thought it should be longer than five or eight years, provided in H. R. 7233. My objection to a longer period, say for 15 or 20 years, is that nothing much would be done for the first 10 years or more. That is, those charged with the responsibility of making adjustments or providing adjustment policies would tend to procrastinate until the last few years before the expiration of the transition period and the adjustments would have to be made in the last five or six years. However, I found from conferences with representative business men while in the islands that there is another reason for objecting to a longer transitional period. It was my observation that practically all foreign investors in the islands are at heart imperialists and opposed to independence, but are frank to say we promised independence and that the conditions precedent have been virtually met. Nevertheless they insist that a long transition period should be granted. Most of them seem to think at least 20 years. When asked to give their reasons for suggesting so long a period they would generally say: "It will take us that long to reimburse us for the capital invested with reasonable profit, liquidate our holdings or business operations, and get out."

Of course, my reply to this attitude is that the transition or adjustment period is not proposed for the purpose of "liquidating" business activities in the islands, but to give all investments or investors an opportunity to adjust themselves, so that at the end of the transition period they will be able to continue with little or no drawbacks. As a matter of fact, if it is found to be the purpose of business men or foreign investors to liquidate and get out of business at the end of the transition period, I am in favor of granting independence at once, because if those who have capital invested are going to exploit the people and resources of the islands during the transition period and leave them in a worse financial condition following the withdrawal of sovereignty than they are in at present, there is no reason why independence should not be granted immediately.

Mr. DYER. I think the gentleman's judgment in that respect is nearer right than this bill which we have before us.

Mr. HARE. I have visited the islands; and I would like to take about two hours to tell all of my observation and experience there, because I think they have one of the most wonderful school systems I have ever seen. However, I recognize that there are Members who felt we should not take this step under a period of 15 or 20 years. Others felt that 10 years would be necessary. Being anxious to discharge the obligation of my country and anxious to discharge my obligation as a member of the committee, I was unwilling to set up my judgment against the majority judgment of the members of my committee. For that reason we have the 10-year period instead of the 5-year period.

Mr. SNELL. Will the gentleman yield?

Mr. HARE. I yield.

Mr. SNELL. The gentleman said it might be necessary to pass some more legislation in regard to the Philippines. It seems to me that after they have adopted a constitution, with the mandatory provisions contained in this report, practically all of our jurisdiction is gone, except as specified in the various provisions. Is that not correct?

Mr. HARE. Those various provisions take care of it.

Mr. SNELL. Then why is it necessary to pass any more legislation?

Mr. HARE. There will not be any more legislation necessary unless we find in the actual operation, the actual execution of the provisions of this bill, that we may have been mistaken somewhere, and there may be need of some perfecting legislation.

Mr. SNELL. Then that would have to be by treaty rather than by legislation by the American Congress, would it not?

Mr. HARE. No; I think not.

Mr. SNELL. Because the provisions are definitely set forth here.

Mr. HARE. I think there should be legislation as provided in section 13 and as contemplated, in the meantime, or immediately following, and I am convinced that the civil-service employees referred to by the gentleman from California [Mr. SWING] will be taken care of in the meantime by the Philippine Legislature.

Mr. HOOPER. Will the gentleman yield for a question?

Mr. HARE. I yield.

Mr. HOOPER. I was out of the Chamber during a portion of the gentleman's statement. Has the gentleman explained what the international relations of the islands will be during the 8-year period? Will the United States have complete control of international relations as far as the Philippines are concerned, or will they, under their constitution, have anything to do with treaties or other international relations?

Mr. HARE. The only thing is that they will have an opportunity to negotiate trade agreements through the representatives of the United States and the Commonwealth of the Philippine Islands.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HARE. I yield.

Mr. CHINDBLOM. Paragraph J, section 2, provides that until final and complete withdrawal of the sovereignty of the United States, the foreign affairs shall be under the direct supervision and control of the United States.

Mr. HARE. Yes; I was going to give reference to that section, and call attention to section 11 which provides for a conference looking towards neutralization of the Philippine Islands when independence shall have been achieved.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. LAGUARDIA. I wish the gentleman would devote some time to the observations made in his investigation, as to the desire of the Philippine people themselves, their system of education, their preparation and their plans to assume the responsibility of sovereignty, without marring this history-making occasion here to-day with a sordid discussion of the tariff on a few paltry tons of sugar and coconut oil.

Mr. HARE. I may say that I felt when I went into the islands that it would be necessary to study the people, their resources, to find out whether or not they were prepared to establish a stable government. I felt further that the school of any community, of any town, of any county, of any State is the best index to the character and intelligence of the people who inhabit those units. I felt, therefore, that I could get better information by visiting first the schools of the islands. I went not only into their cities and their municipalities, but I went into their rural districts. I wish the Members of the House would take a look at the photographs on my desk. If they can find a rural school in the United States that presents a better appearance than some of those exhibited I would like to pay them a personal visit.

The number of public schools has increased from 2,000 to 9,000, or 350 per cent, within the past 30 years. But mere figures do not present the picture showing the progress and developments, for figures, unless properly analyzed and interpreted, are usually cold, lifeless, and meaningless, but when seen in their proper light, they present a situation or status that can not be controverted. Upon my recent visit to the islands it was my privilege to give some special attention to the study of the educational opportunities afforded the people. I find there is not a municipality, locality, section, or settlement that is not provided with adequate, modern, and well-equipped school buildings. I was greatly impressed with the architectural designs of all the school buildings. They are large, commodious, and modern in every respect, and designed to afford the greatest comfort and convenience to pupils. They are all painted and preserved so as to make the most attractive appearance.

I was further impressed with the lawns, flowers, shrubbery, playgrounds, and so forth, surrounding the school buildings. I could not help but note the contrast with the schools in many places in the United States. The school grounds are well planned and well kept. The pupils seem to take a pride

in seeing that the lawns, flowers, and shrubbery are preserved and well cared for. I visited rural schools, high schools, normal schools, and colleges, and it was particularly noticeable to observe the appearance and orderly arrangement of the desks, chairs, and other school equipment. The furniture, contrasted with what we so often see in our own schools, was not marred with pencil marks, and the absence of notches, holes, and caricatures of various and sundry designs led me to inquire if school boys were allowed to carry pocket knives. In two of the schools visited in the late afternoon I noticed boys with a broomlike brush fastened to their feet going over the rooms cleaning the floors so that there would be no mud or dirt left overnight and the floors would be bright and clean upon their return to school the following day. Instead of having the floors swept or dusted once or twice a week they were scrubbed with these stiff brushes daily. They seem to take every precaution to safeguard the health of the children and avoid epidemics so often found in the public school. In passing school children on the highway we would see them place a handkerchief to their mouth and nose to avoid inhaling dust as much as possible raised by the automobile.

Placards suggesting rules of health to be followed both at school and home were placed high on the walls of schoolrooms, as well as in corridors. Some I noted are as follows:

1. Health and dissipation never go together.
2. A balanced diet makes for health.
3. Eat green vegetables; they will keep you fit.
4. When working, do it with all your might; when resting, forget all your troubles.
5. A perpetual-motion machine has not yet been invented, so give your body a rest.
6. Bad habits are like certain weeds; they die hard. Why cultivate them?
7. Don't turn your night into day, and vice versa.
8. Disease is like rust on steel. It must be removed quickly if we don't want it to leave its mark.
9. Keep your sleeping-room windows open day and night.
10. If you contract an infectious disease, don't blame Providence. Blame yourself.
11. The cost of a sanitary closet will be much less than your doctor's bill, if without.
12. Fresh air is a health giver; you can not get too much of it.
13. Sunshine is a disinfectant, so let plenty of it into your rooms.
14. A clean face produces no pimples.
15. A doctor's bill is preferable to an undertaker's.
16. A bath a day keeps colds away.
17. Typhoid vaccine helps ward off the disease. Ask your physician to vaccinate you.
18. Most of our ills enter through the mouth. Beware of what you put in.
19. Flies are dangerous pests. Swat them!
20. Beware of the three F's: Fingers, filth, and flies.
21. Clean premises are a source of satisfaction. Don't tolerate filth about your house.
22. Many a danger lurks in water. See that it is pure.
23. People should die less of diseases but more of old age.
24. Good food, sunshine, and fresh air lessen your drug bill.
25. Drink and light pleasures are like burning a candle at both ends. Remember your life candle is none too long.
26. Don't overindulge in the pleasures of the table. It is like overstocking an engine.
27. Too much candy eats your teeth away.
28. A healthy scalp harbors no dandruff.
29. Vegetables are prods to lazy intestines.
30. Tuberculosis is a person-to-person affair. Do you get the moral?

The schools open earlier and remain open later in the day, giving 2 hours in the middle of the day so that pupils will have time to eat and digest their food, and give time for at least 20 or 30 minutes sleep. At one school I observed 100 or 150 pupils at the noon recess lying on a grass or fiber mat "taking a nap."

I mention some of these observations because they prove to me that the people have an advanced conception of the more modern rules of life and that they are studiedly capable of establishing and maintaining rules of conduct equal or superior to that found in many of the older and independent nations. [Applause.]

[Here the gavel fell.]

Mr. HARE. Under leave to extend my remarks I include the committee report, No. 806, on H. R. 7233, and a statement on international aspects of Philippine independence by Dean Maximo M. Kalaw, of the University of the Philippines, which follow:

[House Report No. 806, Seventy-second Congress, first session]

PHILIPPINE INDEPENDENCE

Mr. HARE, from the Committee on Insular Affairs, submitted the following report (to accompany H. R. 7233):

Your Committee on Insular Affairs, to whom were referred several bills looking to the independence of the Philippine Islands, having considered the same, favorably report H. R. 7233, with an amendment, and recommend that the bill as amended do pass.

BASIC FACTS

A careful analysis of the Philippine question and of all the evidence submitted at the hearings held before the committee discloses the following facts:

1. When the United States, as a result of the war with Spain, assumed sovereignty over the Philippine Islands, it disclaimed any intention to colonize or exploit them.

2. In pursuance of such lofty purpose the United States, through Executive pronouncements and a formal declaration made by the Congress in 1916, pledged itself to grant independence to the Philippines. The only condition precedent imposed by the Congress was the establishment of a stable government.

3. It is believed that a stable government now exists in the Philippines; that is, a government capable of maintaining order, administering justice, performing international obligations, and supported by the suffrages of the people.

4. Every step taken by the United States since the inception of American sovereignty over the Philippines has been to prepare the Filipino people for independence. As a result, they are now ready for independence politically, socially, and economically.

5. The American farmer is urging protection from the unrestricted free entry of competitive Philippine products.

6. American labor is seeking protection from unrestricted immigration of Filipino laborers, especially at this time of widespread unemployment.

7. The solution of the Philippine problem can no longer be postponed without injustice to the Filipino people and serious injury to our own interests.

8. Any plan for Philippine independence must provide for a satisfactory adjustment of economic conditions and relationships. The present free-trade reciprocity between the United States and the Philippines was established by the American Congress against the opposition of the Filipino people. The major industries of the islands have been built on the basis of that arrangement. This trade arrangement can not be terminated abruptly without injuring both American and Philippine economic interests.

Your committee held extended hearings at which the representatives of the various groups concerned appeared. Every person who asked to be heard was accorded an opportunity to testify.

AMERICAN POLICY PROMISE OF INDEPENDENCE

There is little need for argument to justify the grant of independence to the people of the Philippines. We stand committed to the duty of making them free. At the very outset of our occupation of the islands (in 1898) President McKinley proclaimed the purpose of their acquisition and forecast their destiny. "The Philippines are ours," he said, "not to exploit but to develop, to civilize, to educate, to train in the science of self-government. This is the path of duty which we must follow or be recreant to a mighty trust committed to us."

Still later, at a time when the American people had heard a year's discussion of our intentions and plans regarding the islands, President McKinley voiced the hope that the first Philippine Commission would be accepted by the Filipinos as bearers of "the richest blessings of a liberating rather than a conquering nation."

In January, 1908, President Roosevelt said in his message to Congress:

"* * * The Filipino people, through their officials, are therefore making real steps in the direction of self-government. I hope and believe that these steps mark the beginning of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation. * * *"

In 1913 President Wilson, in a message to the Filipino people, said:

"We regard ourselves as trustees acting not for the advantage of the United States, but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence."

Similar statements of our Government's intent to help the Filipinos achieve separate, independent nationhood are to be found in official utterances of the Presidents of the United States from 1898 to the present.

In 1916 the Congress of the United States, in the preamble of the Jones Act, declared:

"Whereas it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

"Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as



large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence."

Nearly 16 years have passed since the enactment of this act. More than 10 years have elapsed since President Wilson certified to the Congress that the condition precedent for the granting of independence has been fulfilled.

HISTORICAL BACKGROUND

The Filipino people are the beneficiaries of several centuries of civilization. Long before the Spanish conquest of the islands in the latter half of the sixteenth century the inhabitants possessed a certain degree of culture, including written languages, characteristic arts, and industries. They maintained commerce with the mainland of Asia. This civilization and culture were, like the people themselves, of Malay origin, but with Indonesian and Mongolian elements.

Spanish occupation of the islands for more than three centuries introduced and established Christianity, European jurisprudence, language, and customs. It centralized authority and tended thereby to unify the country. However, economic progress during the first two centuries of Spain's dominion was slow. The spread of democracy in Europe and America in the late decades of the eighteenth and the early years of the nineteenth century—largely as a result of the American Revolution—influenced the fortunes and the outlook of the Filipinos. From 1807 to 1872—a stretch of 65 years—there were 11 native revolts against Spanish rule. These testify to the sense of nationalism and the longing for self-government of the Filipino people.

The interval from 1872 to 1896—24 years—was a period of preparation for the more decisive struggles of later years. In 1896 Jose Rizal, the leading Filipino patriot, was executed. Soon afterwards the Katipunan, a revolutionary association, with Andres Bonifacio at its head, started a nation-wide revolt.

The outcome was a solemn agreement binding the Spanish authorities to institute reforms, among them improvements in the judicial system, Filipino representation in the Spanish Cortes at Madrid, separation of church and state, and in general a larger measure of autonomy for the islands. This agreement included a stipulation that Aguinaldo and other leaders should expatriate themselves.

The Spaniards failed to execute the agreement they had made. In consequence the Filipinos, under the leadership of Gen. Francisco Macabulos, renewed the revolt and established a provisional government. In April, 1898, when the United States declared war, the Filipinos were in active rebellion against Spain. At the suggestion of Admiral Dewey, in May, 1898, Aguinaldo, who was then in Hong Kong, returned to Manila as an ally of the Americans. With the aid of the American military authorities he succeeded in wresting the islands, with the exception of Manila, from the Spanish forces. Manila itself was captured on August 13, 1898, upon the arrival of the American Army.

From the occupation of Manila until more than a year after the treaty of Paris had transferred the islands to the United States, the government there was purely military. For nine months—September 1, 1900, to June, 1901—the islands were governed by the Taft commission and the United States Army. The commission exercised legislative powers, but the executive authority was lodged in the military. This arrangement was supplanted in June, 1901, by civil government when William Howard Taft, president of the commission, was inaugurated as the first civil governor. The establishment of civil government throughout the islands was delayed because of native resistance to American control, which started with the outbreak of hostilities between Filipino forces and the American Army on February 4, 1899.

PROGRESS IN SELF-GOVERNMENT

In 1901 the Filipinos were given control of municipal governments. Beginning in 1903 the people of the Provinces were permitted to elect the provincial governors. At first the two members who, with the governor, constituted the provincial board were appointive officials, but they, too, were soon made elective. In 1907, under the provisions of the Cooper Act, the first elective assembly was inaugurated. The legislature was then composed of this elective assembly as its lower house and a commission appointed by the President of the United States as the upper house, whose presiding officer was the Governor General. The share of the Filipino people in the government was still further enlarged in 1913, when a majority of Filipinos was appointed to the commission. This, for practical purposes, gave the Filipinos control of the legislature.

Under the Jones law, passed in 1916, the Philippine people were given a very large and important participation in their government. To a great measure the government of the islands was placed in their hands. This active, responsible part in making and administering their laws and in conducting their other public affairs has been for them a practical apprenticeship in self-government.

The act provided for an elective senate and house of representatives as the legislative department of the insular government. The Governor General ceased to be the presiding officer of the upper house, but continued as the chief executive official. Though the Governor General is the chief executive official, the executive departments perform all executive functions. The secretaries of these departments are all, with the exception of the vice governor, Filipinos, appointed by the Governor General upon the recommendation of the party in power in the legislature, and confirmed by the Philippine Senate. The vice governor is secretary of the department of public instruction.

A notably useful institution is the council of state, created some 14 years ago. Members of the council are chosen by the Governor General. Thus far the secretaries of the various departments, and the presiding officers and the majority leaders of the two houses of the legislature have constituted its membership, under the chairmanship of the Governor General. The council acts in an advisory capacity and has served to reconcile divergent views of the executive and the legislature with reference to fundamental questions of policy. Governors General have recorded their indebtedness to the council of state for its helpful cooperation.

POLITICAL PARTIES AND ELECTIONS

Political parties are not merely organs for the expression of hopes, proposals, and demands with respect to government; they are also measures of the popular capacity to understand and differentiate political, economic, and moral issues. Still more are they a test of a people's fitness for self-government if they stand for the sanctity of the ballot and insure full acquiescence in the will of the majority honestly and unmistakably expressed.

There are at present but two political parties in the Philippines. They have existed for a good many years—one of them dates from 1907. They differ as to principles and policies of government, but they are at one on the question of independence. Their contests for victory at the polls have at times been marked by warmth and vigor, but the elections have always been orderly. The Wood-Forbes report, quoted at the hearings, described the elections of 1919 as "without any serious disturbance," and declared that there was a "general acceptance by the minority of the result of the popular vote." This finding of the Wood-Forbes Commission is true of other elections.

At the last general elections (1931) there were 1,009,125 voters registered. Of these, 983,406 (about 90 per cent) cast their ballots. At no election, the testimony showed, has the proportion of voters to registration been less than 80 or 85 per cent. These statistical facts illustrate the popular interest in the insular elections and in the issues at stake.

At present there is only male suffrage in the islands, and this is limited to certain classes. A male 21 years of age, who is able to read and write Spanish, English, or any of the native dialects; or who owns property of an assessed value of 500 pesos or more; or who pays an annual tax of at least 30 pesos; or who held one of the so-called municipal offices during the Spanish dominion is entitled to vote. There is now a movement to enfranchise Filipino women, and a bill granting them suffrage is pending in the Philippine Senate, having already passed the house. This proposal to add women to the electorate is taken as additional evidence of the people's appreciation of their civic duties and responsibilities.

POPULAR EDUCATION

Popular education is everywhere and always a stimulus and assistance to popular interest and participation in government. The Filipino people, as evidence submitted to the committee attested, are eager for education and willing to expend large sums on their schools of every level. In September, 1929, there were 9,063 schools in the islands, an increase of approximately 7,000 schools since we obtained possession of the islands. Of these 8,442 were public schools. Enrolled in these schools, public and private, were 1,316,126 students. The public schools are staffed by 28,519 supervisors, principals, and teachers, all but about 300 of whom are Filipinos. The annual expenditure for public education in the Philippines for 1932 will represent almost 30 per cent of the government's income. The whole cost of this public education is paid by the people of the islands.

Included in this great educational establishment, public and private, are four universities of high academic standard. One of these, that of Santo Thomas, in Manila, was founded in 1611, or 25 years before Harvard University. Some 19,500 young men and young women are preparing themselves at these universities for the professions. Many others are attending the normal schools for the teaching profession. Many Filipinos are also attending colleges and universities in America and other countries. In all the schools of the islands—primary, secondary, and higher—the language of instruction is English.

HEALTH AND SANITATION

Many agencies and institutions, both preventive and curative, are at work to combat disease and promote health among the Filipino people. Sanitation was one of the first concerns of the American Government in the Philippines. Progress in this regard has been steady in all parts of the islands. For the last 15 years the health service has been administered almost wholly by Filipinos. The present director of the bureau is a Filipino, as are nearly all of his 522 medical and 2,083 lay assistants. In 1930 there were 105 hospitals of all types in the islands. One of them (in Manila) was founded in 1596 and is the oldest institution of its kind in the Far East.

The Secretary of War in 1930 reported that "Health conditions were in general good."

As a proof and a measure of the effectiveness of the work accomplished for health and sanitation, official statistics for the year 1930 were adduced in testimony on this subject. They

showed the birth rate to be 38.65 per 1,000 and the mortality to be 22.78 per 1,000. The success of the Philippine health service in treating and eradicating leprosy has attracted widespread attention. The leprosarium at Culion has been visited by medical scientists of many countries and is one of the leading institutions of its kind. Here again, as in the case of education and other activities of the Government, the cost is paid by the Filipino people.

CIVIL SERVICE

In the legislative, executive, and judicial departments of the insular establishment proper, in the provincial and municipal offices, including Manila and Baguio, there were on December 31, 1930, some 21,700 civil-service employees. All but 461 of these were Filipinos. Of the Americans remaining in the service, nearly all are teachers. In the office of the Governor General there are 35 Filipino civil employees.

ADMINISTRATION OF JUSTICE

Interesting and significant facts regarding the administration of justice in the islands were presented in oral testimony and in official statistics received by the committee. The judicial system of the islands includes a supreme court, 28 courts of first instance in as many different districts, and 665 justices of the peace. There are one or more judges for each of the 28 district courts. Thirty-one auxiliary judges assist these district judges. All the justices of the peace and all the district judges save two are Filipinos. Until 1913 the judges of the supreme court numbered 9—5 Americans and 4 Filipinos.

The Philippine attorney general's report for 1930 gives the information that the courts of first instance disposed of a total of 14,265 civil cases and 6,823 criminal cases in that year. Of the criminal cases, 5,888 resulted in convictions and 935 in dismissals.

Breaches of the law in the Philippines, the testimony indicated, are relatively few. About 7,000 convictions for violations of statutes and municipal ordinances are recorded each year. The number of persons confined in prisons is about 8,000.

PUBLIC ORDER

Law and order are maintained throughout the islands by the Philippine constabulary and the local police forces. The constabulary is an organization of 7,000 members, practically all of whom are Filipinos, and is supported exclusively by the insular government. It is efficient and reliable. The Wood-Forbes Commission, in its report to the President in 1922, said:

"They (the Filipinos) are naturally an orderly, law-abiding people. The constabulary has proved itself to be dependable and thoroughly efficient."

INSULAR CURRENCY

The soundness of Philippine currency was persuasively demonstrated at the hearings. On December 31, 1930, the total net circulation of insular currency was ₱108,000,000. The several forms of this currency and the amount of each were: Treasury certificates, ₱71,000,000; Philippine silver coin, ₱20,000,000; bank notes, ₱16,000,000. By way of guaranty for this circulation there was as of October 31, 1931, a gold-standard fund of ₱38,000,000 divided thus: ₱10,000,000 in Philippine currency and ₱7,000,000 in United States currency deposited in the Philippine treasury, and ₱20,000,000 in gold currency in several Federal reserve banks in the United States.

The law of 1903 requires that the gold-standard fund shall be at all times not less than 15 per cent nor more than 25 per cent of the total or available circulation of Philippine currency. The ₱38,000,000 gold-standard reserve is therefore ₱16,000,000 in excess of the legal requirement on the basis of actual circulation.

The treasury certificates in circulation on December 31, 1930, were backed, more than dollar for dollar, by a reserve taking the form of American currency and held in Federal reserve banks in the United States. On the date given this reserve was ₱81,000,000—that is, ₱10,000,000 larger than the aggregate of treasury certificates. In addition to this reserve, there are ₱13,000,000 in the treasury of the Philippine Islands behind these certificates. Of this sum, ₱3,700,000 is in American currency, the rest in Philippine silver coins.

It was pointed out that the operation of the act of 1903 requiring these protective reserves behind the Philippine currency makes it one of the most dependable currencies in the world to-day. While there is no provision for gold reserves in the islands, an equivalent is supplied by the backing of gold currency in the United States. The stability of the Philippine currency is thus made as safe and stable as American currency. The fact that despite the present depression Philippine currency remains at par with the American gold dollar is evidence of its soundness.

The financial administration of the Philippines is directed by Filipinos.

NATIONAL WEALTH AND TRADE

The Secretary of War reports that in 1930 the trade of the Philippines with the United States and foreign countries aggregated ₱512,520,162, a decrease of about 17.8 per cent from that of 1929. The insular collector of customs, in his report, gives the value of imports as ₱266,334,255. The balance of trade in favor of the islands was ₱20,148,348. The bulk of the overseas trade was with the United States. The total of this was ₱367,050,179 and its proportion of the entire foreign commerce of the islands 72 per cent. Of the whole volume of trade with the United States ₱156,366,057 represents imports and ₱210,684,122 exports. The balance in favor of the islands, accordingly, was ₱54,318,065.

Since 1909, when free trade with the United States was established, the insular trade with the United States has risen from ₱10,576,682, equal to 16 per cent of their entire foreign commerce, to ₱367,050,179, or 72 per cent, in 1930.

Sugar, coconut oil, cordage, and tobacco were the principal exports to the United States, and these have been growing steadily in volume. They come to the United States duty free.

It is natural that the domestic industries and foreign commerce of the islands should enlarge in keeping with the increase in population. There were only 4,500,000 Filipinos in 1866 and about 7,500,000 in 1898. The Philippines are rich in many products which the world needs. The national wealth is estimated at ₱5,905,085,000 (1927), or ₱478 per capita. If independence be bestowed on them, the Filipino people will begin their separate existence with a greater patrimony than was possessed by many of the peoples who recently have joined the ranks of sovereign nations.

INSULAR BUDGET

At a time of universal depression, when most nations, large and small, are beset with fiscal difficulties, the government of the Philippines is in a sound financial condition. This statement is corroborated by the report of the insular auditor. From the exhibits left with the committee it appears that the Philippines not only have succeeded in balancing their budget but have in fact accumulated a surplus. Even in 1932, and in the face of curtailment of revenues, the Philippine budget will be balanced without increased taxation or abandonment of essential government services. The budgetary system was adopted in the Philippine Islands before it became operative here.

It was urged by the proponents of independence in the presentation of their views to the committee that this wise stewardship of the insular revenues evidences the ability of the Filipinos to manage one of the most difficult departments of government in one of the worst financial dislocations of recent years.

THE NATIONAL DEBT

The present outstanding bonded indebtedness of the Philippine Islands is ₱170,000,000, as against which there has already been built up a sinking fund of ₱50,000,000, now on deposit in American banks. This leaves a net outstanding indebtedness of ₱120,000,000. The present national debt is but 48 per cent of the bonded-debt limit fixed by the Congress of the United States, and the evidence submitted at the hearings showed that the Philippine government is regularly meeting both interest and the required amortization of said bonds.

In his annual report for 1930 the Secretary of War said:

"The total amount of outstanding indebtedness is well within the limits provided by law and sinking funds are fully maintained to cover all outstanding bonds."

FILIPINO IMMIGRATION

Filipino immigration into the United States is at present unrestricted. From several points of view it is a matter of no little concern. It involves economic and other difficulties for this country, especially in the States of the Pacific coast. According to the census of 1930 there are 45,208 Filipinos in the United States. About 35,000 of these are in the Pacific States. It is complained that these Filipinos compete with American workers and thereby contribute to the lowering of the American standard of wages and living. Spokesmen for the Filipino people in their statements to the committee contended that while the Philippine Islands remain under the American flag their native inhabitants ought not to be excluded from this country. They, however, freely conceded the right of the United States to exclude them after independence. Nation-wide unemployment faces us with exigencies that obscure the equities of the question. Many Americans, as we learned at the hearings, regard independence, aside from the ethical considerations which warrant it, as the cure for the evils of Filipino immigrants and urged it on those grounds.

THE SO-CALLED MORO PROBLEM

Ninety-two per cent of the approximately 13,000,000 inhabitants of the Philippine Islands are Christians, 4 per cent are Pagans, and 4 per cent Mohammedans. These Mohammedans are the so-called Moros. The Mohammedan, the Pagan, and the Christian Filipinos are racially identical. Their history and tradition are the same. The Mohammedan and Pagan Filipinos have for a long time acquiesced in the government of the islands by the Christian majority, and their most important leaders have publicly given adhesion to the cause of independence. In the revolution against Spain, it was pointed out, non-Christian Filipinos united with Christian Filipinos to overthrow Spanish authority.

There is no substantial evidence that these Moros and others have protested against Christian preponderance in the government. The contention that the United States is obligated by a treaty with the Moros to see to it that they should not be governed by Christians was negatived by the statements of W. Cameron Forbes, former Governor General and member of the Wood-Forbes Commission; Frank W. Carpenter, former governor of Mindanao and Sulu; and General Pershing, under whose supervision the Moros were disarmed. Finally the committee were informed that one of the Moro datus, Facundo Mandi, had recently led a public manifestation of Mohammedan Filipinos in behalf of independence at Zamboanga. A resolution favoring complete and absolute independence, it was testified, had been drafted by the manifestants and transmitted to the President of the United States. A resolution favoring independence for the

Philippines, bearing the signatures of some 1,500 Filipinos from the Mohammedan sections of the islands, also was submitted to the committee.

INDECISIVENESS DETRIMENTAL TO BOTH PEOPLES

To protract the present indecisive status of the Philippine Islands, your committee believe, would be to prejudice not only the welfare of the Filipinos but also American interests, especially those of agriculture and labor. The Philippines, though under the sovereignty of the United States, are for certain purposes foreign territory. Our Constitution does not apply to them. The Filipinos are not American citizens. Any sudden change in our trade relations with them would injure them, yet for reasons entirely our own we might at any time revise these relations. No large investments of outside capital are likely to be made in the Philippines while their future remains as doubtful as it now is. The insular government can provide no reasonable assurance of stability of conditions under which manufacturing, commerce, or other activities shall be undertaken there, because of the power of Congress to alter them irrespective of the wishes or the welfare of the Filipino people.

FEASIBLE PLAN FOR INDEPENDENCE

In keeping with the principles which have guided our dealings with the Filipino people these last thirty-odd years, we should proceed to liberation in an orderly manner, through an institutional process which will not only provide for the erection of the new national structure but will also insure the safe and satisfactory adjustment of all present political and economic relations of the two nations.

Any plan for independence should afford a reasonable time for the readjustment of existent trade relations. The backbone of Philippine economic system is the present reciprocal free trade with the United States. Abrupt termination of that relationship would destroy many of the basic industries of the Philippines; it would seriously imperil the future of the free Philippine nation, and forfeit much of the gains the people have made under the guidance of the United States. This free-trade reciprocity was not of the Filipino people's seeking. It was enacted by the American Congress against their wishes. Once in effect, free trade stimulated the production of those commodities that are protected in the American market. It was responsible, also, for an extraordinary increase in the volume of Philippine-American trade and in a considerable decrease in the trade of the islands with other countries. Obviously a sudden disruption of this relationship will injure both American and Philippine economic interests.

We can not justify the termination of this relationship without allowing the interests concerned an opportunity to prepare themselves to meet the new conditions which will obtain after independence, when the Philippine Islands will have been placed outside the tariff wall of the United States. More particularly we owe a duty to Philippine industries which have been built up on the basis of free trade and to the people who depend for their livelihood on such industries. It is our duty to give them an opportunity to place themselves on a competitive basis before a radical change is forced upon them.

But while we are thus solicitous for the welfare of the Filipino people, we can not ignore our duty to the American farmer and the American wage earner. The organizations representing American agriculture plead for protection from free Philippine imports that compete with like products of our own soil. American workers, too, call for the exclusion of Filipino immigrants.

NECESSITY FOR DEFINITE ACTION

This review of the facts and issues enfolded in the present relationship of the Philippines with the United States serves to illustrate the gravity of the problem and to underline the need for a prompt and permanent solution. There should be no further delay. Our self-interest and our self-respect coincide in demanding action.

Our purpose in the Philippines has been accomplished. The unity of the people there is a fact. Their readiness and their eagerness for self-government have been abundantly demonstrated. Their financial capacity to support their government is beyond question. They have a balanced budget, a stable currency, a sound and efficient administration of justice, a successful system of public instruction. They have sanitation, communications, and all other services which are indispensable to progressive and orderly government. They maintain law and order through their own instrumentalities and assure protection to their own citizens and the nationals of other countries. Their educational and economic standards are higher than those in other countries in that part of the world. Under our inspiration and tutoring they have come to understand and prize and covet democracy. They recognize their debt of gratitude to the American people.

We have done for the Filipinos all that we have promised them except to grant them independence. We owe it not only to the Filipino people but also to our own to name the day and the way of Philippine independence.

PROVISIONS OF THE BILL

On the basis of these facts and considerations the duty of the United States to grant independence to the Philippine Islands is clear. The only questions to be considered are: First, "When should independence be granted?" and, second, "What should be the terms to the grant?" To solve these questions the present bill is recommended. It provides a sound, feasible, and orderly process of granting independence under conditions which shall be just and fair at once to American and Filipino interests.

The salient provisions of the bill are as follows:

1. The Filipino people are authorized to adopt a constitution and institute the government of the Commonwealth of the Philippine Islands which will exist pending complete independence. Under such government they will enjoy complete autonomy as to domestic affairs, subject only to certain reservations intended to safeguard both the sovereignty and the responsibilities of the United States.

2. Pending final relinquishment of American sovereignty the free importation of certain Philippine products into the United States shall not exceed specified limits based upon the status quo as represented by estimated importations from existing investments.

3. Pending independence, Philippine immigration to the United States is limited to a maximum annual quota of 50.

4. On the 4th of July immediately following the expiration of a period of eight years from the date of the inauguration of the government of the Philippine Commonwealth, American sovereignty will be withdrawn and the complete independence of the Philippine Islands formally recognized. Thereupon the Philippines, to all intents and purposes, will become a country foreign to the United States.

5. The United States reserves the right and privilege, at its discretion, to retain and maintain military and naval bases and other reservations in the Philippine Islands.

The bill as amended is as follows:

[H. R. 7233, 72d Cong., 1st sess.]

"A bill to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

"SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention to meet at such time and place as the Philippine Legislature may fix, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

"CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

"SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto, contain provisions to the effect that, pending the final and complete withdrawal of the sovereignty of the United States over the Philippines Islands—

"(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

"(b) Every officer of the government of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring, among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

"(c) Absolute toleration of religious sentiment shall be secured, and no inhabitant or religious organization shall ever be molested in person or property on account of religious belief or mode of worship.

"(d) Property owned by the United States, cemeteries, churches, and parsonages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

"(e) Trade relations between the Philippine Islands and the United States shall be upon the basis prescribed in section 6.

"(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

"(g) The debts, liabilities, and obligations of the present Philippine government, its Provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

"(h) Provision shall be made for the establishment and maintenance of an adequate system of public schools primarily conducted in the English language.

"(i) No part of the public revenues shall be used for the support of any sectarian or denominational school, college, university, church, or charitable institution.

"(j) Acts affecting the currency or coinage laws shall not become law until approved by the President of the United States.

"(k) Foreign affairs shall be under the direct supervision and control of the United States.

"(l) All acts passed by the Legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

"(m) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines,

and upon order of the President to call into the service of such armed forces all military forces organized by the Philippine government.

"(n) Appeals to the Supreme Court of the United States shall be as now provided by existing law and shall also include all cases involving the constitution of the Commonwealth of the Philippine Islands.

"(o) The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of their constitution.

"(p) The authority of the United States high commissioner to the government of the Philippine Islands, as provided in this act, shall be recognized.

"(q) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations respectively thereof.

"SUBMISSION OF CONSTITUTION TO THE PRESIDENT OF THE UNITED STATES

"SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands, such constitution shall be submitted to the President of the United States, who shall determine whether or not it conforms with the provisions of this act. If he finds that the proposed constitution conforms substantially with the provisions of this act, he shall so certify to the Governor General of the Philippine Islands, who shall so advise the constitutional convention assembled, but if he finds that the proposed constitution does not conform with the provisions of this act, he shall so advise the Governor General, stating wherein, in his judgment, the constitution does not so conform, and submitting provisions which will, in his judgment, make the constitution so conform. The Governor General shall in turn submit such message to the constitutional convention for further action by them pursuant to the same procedure hereinbefore defined, until the President and the constitutional convention are in agreement.

"SUBMISSION OF CONSTITUTION TO FILIPINO PEOPLE

"SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and, if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast thereon and a copy of said constitution and ordinances. The Governor General shall, in that event, within 30 days after receipt of the certification from Philippine Legislature, issue a proclamation for the election of officers of the government of the Commonwealth of the Philippine Islands provided for in the constitution. The election shall take place not earlier than three months nor later than six months after the proclamation by the Governor General ordering such election. When the election of the officers provided for under the constitution has been held and the results determined, the Governor General of the Philippine Islands shall certify the result of the election to the President of the United States, who shall thereupon issue a proclamation announcing the results of the election, and upon the issuance of such proclamation by the President the existing Philippine government shall terminate and the new government shall enter upon its rights, privileges, powers, and duties as provided under the constitution. The present government of the Philippine Islands shall provide for the orderly transfer of the functions of government.

"If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue without regard to the provisions of this act.

"TRANSFER OF PROPERTY AND RIGHTS TO PHILIPPINE COMMONWEALTH

"SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as is now actually occupied and used by the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the new government of the Commonwealth of the Philippine Islands when constituted.

"TRADE RELATIONS WITH THE UNITED STATES PENDING COMPLETE INDEPENDENCE

"SEC. 6. After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the new government shall be as now provided by law, subject to the following exceptions:

"(1) There shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons, and on unrefined sugars in excess of 800,000 long tons, coming into the United States from the Philippine Islands in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(2) There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(3) There shall be levied, collected, and paid on all yarn, twines, cords, cordage, rope, and cables, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fibers, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 3,000,000 pounds of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

"(4) In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced in the Philippine Islands thereafter that may be so exported to the United States shall be allocated, under export permits issued by the government of the Commonwealth of the Philippine Islands, to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year, except that in the case of unrefined sugar the amount thereof to be exported annually to the United States free of duty shall be allocated to the sugar-producing mills of the islands proportionately on the basis of their production in the preceding year, and the amount of sugar which may be exported from each mill shall be allocated between the mill and the planters on the basis of the proportion of sugar received by the planters and the mill from the planters' cane, as provided in their milling contract. The government of the Philippine Islands is authorized to adopt the necessary laws and regulations for putting into effect the allocation hereinbefore provided.

"When used in this section in a geographical sense, the term 'United States' includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

"SEC. 7. Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

"(1) Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment, or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

"(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the government of the Commonwealth of the Philippine Islands to fulfill its contract, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

"(3) The chief executive of the government of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

"(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the government of the Commonwealth of the Philippine Islands, who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the Commonwealth of the Philippine Islands with such information as he shall request.

"If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States high commissioner shall immediately report the facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States high commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be lawfully delegated to him from time to time by the President.

"The United States high commissioner shall receive the same compensation as is now received by the Governor General of the

Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress. He may occupy the official residence and offices now occupied by the Governor General. The salaries and expenses of the high commissioner and his staff and assistants shall be paid by the United States.

"The first United States high commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

"(5) The government of the Commonwealth of the Philippine Islands shall provide for the selection of a Resident Commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said islands. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a Resident Commissioner is selected and qualified under this section, existing law governing the appointment of Resident Commissioners from the Philippine Islands shall continue in effect.

"(a) For the purposes of the immigration act of 1917, the immigration act of 1924 (except sec. 13(c)), this section, and other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, persons who are citizens of the Philippine Islands, and who are not citizens of the United States, shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as if it were a separate country and shall have for each fiscal year a quota of 50. This subdivision shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa.

"(b) Citizens of the Philippine Islands who are not citizens of the United States shall not be admitted to the continental United States from the Territory of Hawaii (whether entering such Territory before or after the effective date of this section) unless they belong to a class declared to be nonimmigrants by section 3 of the immigration act of 1924 or to a class declared to be nonquota immigrants under the provisions of section 4 of such act other than subdivision (c) thereof, or unless they were admitted to such Territory under an immigration visa. The Secretary of Labor shall by regulations provide a method for such exclusion and for the admission of such accepted classes.

"(c) Any Foreign Service officer may be assigned to duty in the Philippine Islands under a commission as a consular officer, for such period as may be necessary and under such regulations as the Secretary of State may prescribe, during which assignment such officer shall be considered as stationed in a foreign country; but his powers and duties shall be confined to the performance of such of the official acts and notarial and other services which such officer might properly perform in respect of the administration of the immigration laws if assigned to a foreign country as a consular officer, as may be authorized by the Secretary of State.

"(d) For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered a foreign country.

"(e) The provisions of this section are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this section. An alien, although admissible under the provisions of this section, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this section, and an alien, although admissible under the provisions of the immigration laws other than this section, shall not be admitted to the United States if he is excluded by any provision of this section.

"(f) Terms defined in the immigration act of 1924 shall, when used in this section, have the meaning assigned to such terms in that act.

"(g) This section shall take effect 60 days after the enactment of this act.

"RECOGNITION OF PHILIPPINE INDEPENDENCE AND WITHDRAWAL OF AMERICAN SOVEREIGNTY

"SEC. 9. (1) On the 4th day of July, immediately following the expiration of a period of eight years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force: *Provided*, That the constitution of the Commonwealth of the Philippine Islands has been previously amended to include the following provisions:

"(2) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

"(3) That the government of the Philippine Islands will cede or grant to the United States land necessary for commercial base, coaling or naval stations at certain specified points, to be agreed upon with the President of the United States not later than two years after his proclamation recognizing the independence of the Philippine Islands.

"(4) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respects as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

"(5) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the final and complete withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

"(6) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

"(7) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (3)) in a treaty with the United States.

"NOTIFICATION TO FOREIGN GOVERNMENTS

"SEC. 10. Upon the proclamation and recognition of the independence of the Philippine Islands, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

"TARIFF DUTIES AFTER INDEPENDENCE

"SEC. 11. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That at least six months prior to the withdrawal of American sovereignty as hereinbefore provided, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

"CERTAIN STATUTES CONTINUED IN FORCE

"SEC. 12. Except as in this act otherwise provided, the laws now or hereafter in force shall continue in force in the Philippine Islands until altered, amended, or repealed by the legislature of the Commonwealth of the Philippine Islands or by the Congress of the United States, and all references in such laws to the Philippines or Philippine Islands shall be construed to mean the government of the Commonwealth of the Philippine Islands. The government of the Commonwealth of the Philippine Islands shall be deemed successor to the present government of the Philippine Islands and of all the rights and obligations thereof. Except as otherwise provided in this act, all laws or parts of laws relating to the present government of the Philippine Islands and its administration are hereby repealed as of the date of the inauguration of the government of the Commonwealth of the Philippine Islands.

"SEC. 13. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability of such provisions to other persons and circumstances shall not be affected thereby."

INTERNATIONAL ASPECTS OF PHILIPPINE INDEPENDENCE

By Maximo M. Kalaw

Why take up the Philippine question now? The recent events in China and Manchuria are certainly not propitious for the launching of the Philippine nation. This was probably the reaction of many people upon hearing that the House of Representatives of the United States approved by an overwhelming majority a Philippine independence bill and that the Senate is scheduled to take up a similar measure in the very near future.

It should be noted that none of the bills proposed calls for immediate political separation of the Philippines from America. The House plan provides for independence in 8 years and the

Senate in 10 years. It can be reasonably expected that by the time set in either of the bills the far eastern situation will become stabilized.

If at all, these proposed bills should fortify America's moral position in the Far East. The principle for which China is fighting to-day is the same principle which animates the Filipinos in their struggle for independence. Both want complete freedom to rule their own homes; both want to be arbiters of their own destiny. China asks that Japan live up to her word when she signed the 9-power treaty, the Kellogg pact, and the covenant of the League of Nations. Similarly, though in a peaceful way, the Filipino people request that the United States live up to her promise contained in the Jones law. There is a curious similarity in the words of the 9-power treaty and the Jones law.

Japan and the other nations under the 9-power treaty agreed "to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government." America in the Jones law pledged "to give the Philippines their independence as soon as a stable government can be established therein." The Filipinos maintain that they have fulfilled the condition of a stable government, and that, therefore, independence should follow. This stand has merited the hearty support of an American President and Governor General.

We do not see the logic of the argument that because of the Sino-Japanese trouble America should retain the Philippines indefinitely, and thus give up the idea of redeeming her pledge to the Filipino people. If America condemns Japan's acts because they are imperialistic, that should make her the more inclined to redeem her pledge to the Filipinos. Her action would thus speak louder than her words. After all, is not the record of European nations and the United States in securing territories and concessions in Asia one of the moral excuses Japan has in pursuing aggressive policies in Manchuria and China proper? You can not combat a wrong principle with regard to China by continuing a similar principle in the Philippines. For, despite the benefits of American rule, Chinese and the Filipinos have one and only one finality—to free their country from all foreign domination.

Complete peace will not come to Asia until her struggling, submerged peoples are set free. No subject nationality has ever become great. The more nations are created on the Asiatic Continent capable of effecting a balance of power among one another, the better prospects will there be for Asiatic peace.

The existence of a first-class power is always a potential danger to a small neighbor. Japan is such a power, and from all appearances will remain so for some time. But the Filipino people are willing to run the risk of being an independent neighbor of hers. We believe that to postpone the redemption of America's pledge of freedom to the Philippines until Japan ceases to be a first-class power means a virtual nullification of that pledge; and we know that that is far from America's intentions.

From the standpoint of America herself, she should design and carry out a more definite Philippine policy. She needs the friendship and support of the Filipino people in the Far East. Such friendship and support exist now, not only because of her liberal policy but chiefly because of her promise of independence. An indefinite and unmistakable failure on her part to redeem her pledge will not be conducive to the permanence of that friendship.

According to some people there is probably just as great—if not greater—danger of Japan's invading the Philippines while under America than when we are independent. At present no serious questions mar Filipino-Japanese relations. There are more problems arising between Japan and the United States to-day than between Japan and an independent Philippines. There are the questions of Japanese restriction, Manchuria, and the Kellogg pact. The Philippines, however, if an independence legislation is approved, will start with a clean slate in so far as their relations with Japan are concerned.

From the military standpoint the Philippines is at present the weakest spot under the American flag. No American military strategist has even claimed that the United States will be able to protect the Philippines against a Japanese invasion. In case of a war with Japan she can easily take the Philippines. The only spot in the Philippine Islands which may resist is Corregidor, the small fort at the bay of Manila. Even that is being doubted now. But the rest of the islands is Japan's for the taking, especially if the Filipino people remain indifferent and foreign to the controversy. And America can not fortify the Philippines, either, for she has pledged herself not to do so by the so-called 4-power treaty.

In case of a war with Japan, therefore, the Filipino people will be the first victims, although they may, in fact, be a mere third-party alien to the question at issue. It is true that America will, by her resources, probably succeed in taking the islands back, but only after the expenditure of fortunes and the loss of valuable lives. All such eventualities will further complicate the problems of American-Philippine relations.

What would be the guaranties of an independent Philippines? Some suggested that the United States could negotiate a treaty of neutrality. Those who believe that this scheme is feasible point to the geographic position of the Philippines. Great waterways separate her from the rest of Asia, thus lessening the prospects of its neutrality being violated in case of war.

Again it is argued that if in the 4-power treaty England, France, Japan, and the United States agreed to respect the territorial integrity of the Philippines while it is under America these nations, if America wanted, should have no reason to object to respecting the neutrality of an independent Philippines. On the contrary, England would prefer that Japan should not take it because the Philippines in the hands of Japan would destroy the continuity of English colonial possessions from Australia, Borneo, the Malay Settlements, and India. And neither would France and Japan like to have the Philippines occupied by England. It is contended that the very jealousy of the great powers should be an inducement for them to pledge for the perpetual neutrality of the Philippines.

Others urge that the League of Nations should afford sufficient guaranty and that America herself should allow the Philippines to be a member of the league.

Another group would induce the United States to try to maintain a sort of protectorate for the Philippines very much like that over Cuba. The objection to this plan is that the Philippines is too far from the United States for protection. And on the part of the Philippines the fact that the Platt amendment has been made part of the Cuban constitution means a curtailment of the sovereign rights of Cuba. Every international relationship that the Philippines will have should be on the treaty basis. The majority of the Filipinos would probably prefer no such relationship. The general plan outlined by the Filipinos for complete separation should be in general adhered to. The dangers of absolute independence have been overstressed.

At the present time respect for a nation's independence is the rule, and aggression is the exception. Any nation that keeps order, protects the lives and properties of foreigners, and fulfills its international obligations can maintain its independence. If the criterion to repel invasion were applied to all nations, not more than five or six of them can qualify. Siam right now would not be able to repel invasion by France and England, and these are on her border line. Persia could not fight France, and none of the 12 or more small nations of Europe could stand the aggression of Italy or France. And yet these nations are enjoying their independence. International peace and good will is practiced at present more than ever before. The world is now a better and safer place to live in.

The best guaranties are the Filipino people themselves—their behavior and determination. The Filipino people will be determined to defend their country. We are not so wanting in manhood and courage. Our past has proved it. Our showing when America invaded us was not so bad. It took the great American Republic three years of exasperating warfare and the presence of 120,000 American soldiers, and it cost her over $400,000,000. Even assuming that America has not increased our capacity for protection—which is not to her credit—what other nation can afford to spend that much for our conquest? Will it pay to have to spend that much for our colonization?

The highest prestige of America was obtained when she championed the cause of the smaller nations, when she entered the World War announcing her purpose to help make the world safe for democracy. It is the liberal leadership that she espouses that adds to her prestige. The redemption of her pledge to the Filipino people rather than detract from her name would add luster to it. It would have favorable results in her far eastern policies. Her voice in oriental affairs would be better heard, for she can then say to Japan, China, and India, "I have no imperialistic designs in Asia, and the proof is that I am definitely withdrawing my sovereignty from the Philippines. I am, therefore, not opposed to the principle that Asia should belong to the Asiatics, but for the purpose of trade, commerce, and international good will I insist that there should also be peace and good will among the Asiatic peoples themselves."

The Filipinos, on their part, realize the significance of their independence movement. They know the responsibilities which an expectant world will place on their shoulders. They have, therefore, through their representatives, defined the conduct which they intend to follow after they have been granted their independence.

They have said: "The Filipino people would not be just to themselves if at this moment, when their political separation from the sovereign country is proposed, they should fail to express in the clearest and most definite manner the sentiments and purposes that inspire their action. They, therefore, deem it proper to affirm that independence, instead of destroying or weakening, will tend to strengthen the bonds of friendship and appreciation * * * for all the previous disinterested work so splendidly performed for the benefit of the Philippines by so many faithful sons of America; that this gratitude will be the first fundamental fact in the future relations between the United States and the Philippine Islands; that in the present state of international affairs the Filipino people merely aspire to become another conscious and direct instrument for the progress of liberty and civilization; that in the tranquil course of their years of constitutional development they will maintain for all people inhabiting their hospitable land the essence and benefit of democratic institutions; that they will continue to associate in so far as this will be practicable and their strength will permit in the work of reconstruction, justice, and peace carried on by the United States; * * * and that in thus preserving their best traditions and institutions in the new situation which will strengthen and perfect them, the Filipino people will continue to make this country as heretofore a safe place of law and order, justice, and liberty, where Americans and foreigners as well as nationals may live peacefully in the pursuit of happiness and prosperity."

Mr. HARE. Mr. Speaker, I move the previous question.

Mr. COX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COX. Would it be in order to ask for an extension of time for debate with the understanding that the motion of the previous question may be considered as pending?

The SPEAKER. It is always in order to submit a unanimous-consent request.

Mr. COX. Mr. Speaker, I ask unanimous consent that time for debate be extended 20 minutes with the understanding that 10 minutes thereof shall be at the disposal of the Commissioners from the Philippine Islands.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the time for debate be extended 20 minutes, 10 minutes of which shall be at the disposal of the Commissioners from the Philippines. Is there objection?

Mr. UNDERHILL. Let the ax fall. I object, Mr. Speaker.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. MAPES. Mr. Speaker, in order that the RECORD may show how some of us feel about the adoption of this conference report, I ask for a division.

The House divided; and there were—ayes 171, noes 16.

So the conference report was agreed to.

Mr. HARE. Mr. Speaker, I ask unanimous consent that Commissioner OSIAS be allowed to address the House for 10 minutes.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that the Commissioner from the Philippines be permitted to address the House 10 minutes. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, I rise to give thanks to the distinguished chairman and members of the Committee on Insular Affairs, to the managers on the part of both Houses, and to the membership of the Congress at large for the action that has just been taken.

The measure as reported unanimously by the conferees from both the House of Representatives and the United States Senate has all the support which the two Resident Commissioners from the Philippine Islands can give. You will, therefore, readily understand why we are happy that this House took an action similar to the favorable action taken by the United States Senate on the 22d of this month.

When this Philippine bill, Mr. Speaker, will become a law, it will be a signal triumph of peaceful means and constitutional methods as agencies in the achievement of a people's independence. A Philippine independence act, in very truth, will be a new charter of human liberty.

We who represent the Philippine Islands do not say that this legislative enactment is absolutely perfect in its workmanship. No one ever made so extreme a claim. It has its imperfections like any product resulting from human efforts. I doubt not that there are certain provisions that can and will be criticized. The ingenuity of the human mind is such that it can always detect flaws in the accomplishments of finite beings.

Perhaps some, like myself, might have wished that the parliamentary situation permitted a few perfecting amendments. Yet, again, knowing as I know the procedure here, if wide latitude for such a purpose had been allowed, it may well be that a worse bill would have ensued. So when we were confronted with the inexorable reality of the facts, we who are officially representing the Philippine Islands accepted this composite work, evolved laboriously, and which endeavors to harmonize divergent elements and conflicting ideas.

Mr. Speaker, I have carefully followed the various steps in the long and involved task necessary for this piece of legislation to reach its present stage. It was my sworn duty to do this and to be fully informed of its manifold phases and its intricate provisions. I do not hesitate to say that the processes and machinery which this bill sets up, administered in the spirit of mutual confidence and friendship, will bear fruitage that will be a credit to both the United States and the Philippine Islands. [Applause.]

The bill in its present form contemplates an autonomous Philippine commonwealth. Ten years after its inauguration a completely independent Philippine republic will eventuate. Certain restrictions more or less onerous, there are, it is true. But these are deemed inevitable in effecting the transition by those charged with the power and responsibility of decision. Patriotic Filipinos can ill begrudge the hardships that may be occasioned, knowing full well that liberty has always entailed great burdens and responsibilities. As for myself, I accept every sacrifice cheerfully as part of the price of our independence. [Applause.]

In the light of colonial records this Philippine bill, on the whole, is just, fair, and reasonable. As it was said of another Philippine bill in 1916, so it may be said of this: "It is a bill of good faith, in line with the best policies of the past, and it is a natural step forward"; and it may be added, the step in this bill is at once decisive and final.

Mr. Speaker, I am happy and I am grateful. This day my people have cause to be happy and to be grateful. I envision for my country and people a future grander and more glorious once we are independent and free. That, after all, is the great objective of this Philippine independence bill. If and when it is enacted into law, I feel confident it shall merit the favorable verdict of history. [Applause.]

STUDY AND ANALYSIS OF THE BILL H. R. 7233

The record of American-Philippine relations will be enriched by the action of the House of Representatives and the United States Senate in passing a Philippine independence bill. This is the first time that this has been done in the course of the Filipinos' struggle for centuries to achieve national emancipation. To the Seventy-second Congress belongs the credit and distinction, and to the Members of both branches of Congress I wish to express my most profound thanks and sincerest appreciation.

There have been of late isolated incidents during the discussion of the measure (H. R. 7233) which for a while tended to impede its progress toward final passage. The unjustifiable charge of ingratitude against my people and the scheme for their immediate exclusion even while they are under the American flag, on the one hand, and the intemperate talks and empty threats of boycott from a few radicals, on the other—all of which received all too wide publicity—by no means facilitated prompt action. Fortunately the saner elements of both peoples realized that those were mere individual outbursts and not expressions of public opinion or collective sentiment. Thinking people know that boycott is a double-edged weapon that can inflict losses against those to whom it is directed but with injurious repercussions upon trade and commerce, and what is worse, it is apt to mar friendly relations. Calm reason and prudence prevailed, and it is a tribute to the discriminating judgment of Americans and Filipinos alike that there have been no reprisals and counterreprisals in our relations during the last 30 years.

This Philippine independence bill authorizes the Philippine Legislature to provide for a constitutional convention for the formulation of a constitution for the Philippine Commonwealth with far greater autonomous powers than those we enjoy under our present organic act. That constitution must be republican in form, contain a bill of rights, and embody fundamental provisions essential to modern democracies. It shall be submitted to the President of the United States for his approval and to the Filipino people for their ratification. (Secs. 1, 2, 3, and 4.)

The Philippine independence bill defines the various relations that should obtain between the government of the Philippine Commonwealth and that of the United States pending the grant of complete independence.

The United States transfers to the government of the Commonwealth of the Philippine Islands when constituted—

all the property and rights which may have been acquired in the Philippine Islands * * * except such land or other property

as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law.

(Sec. 5.)

With respect to trade relations, the House bill provided for straight limitation of duty-free Philippine importations of sugar, coconut oil, and cordage to the United States annually during the eight years' life of the Philippine Commonwealth. The Senate bill adopted the "7-and-5-year" plan—that is, 7 years of straight limitation and 5 years of graduated export tax beginning at 5 per cent of the United States tariff, increasing each year by 5 per cent. Furthermore, the quantity limitations fixed for sugar and coconut oil in the Senate bill were less than those in the House bill. In the conference the managers on both sides made concessions and agreed on the "five-and-five" plan with the quantity limitations fixed in the bill (H. R. 7233) as it passed the House on April 4, 1932. The bill, as approved in conference, provides that after the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law, subject to the following exceptions:

(a) That for five years there shall be an annual limitation of duty-free Philippine importations into the United States, the maximum being fixed at 850,000 long tons of refined and unrefined sugar, 200,000 tons of coconut oil, and 3,000,000 pounds of hemp cordage. In other words, during the first 5-year period of the Philippine Commonwealth there shall be levied, collected, and paid on all refined sugar in excess of 50,000 long tons, all unrefined sugar in excess of 800,000 tons, all coconut oil in excess of 200,000 tons, all yarn, twine, cord, rope, and cable, tarred or untarred, wholly or in chief value of Manila (abacá), or other hard fibers in excess of 3,000,000 pounds coming into the United States from the Philippine Islands in any calendar year the same rates of duty required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries. During the same period there is no limitation on duty-free American goods going into the Philippine Islands from the United States.

(b) That for the last five years of the Philippine Commonwealth there shall be a graduated export tax on Philippine articles exported to the United States of 5 per cent during the sixth year, 10 per cent during the seventh year, 15 per cent during the eighth year, 20 per cent during the ninth year, and 25 per cent during the tenth year of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries. All funds received from such export taxes shall be placed in a sinking fund, and such fund together with other funds for this purpose must be applied solely to paying the principal and interest on the bonded indebtedness of the Philippines, its Provinces, municipalities, and instrumentalities until such indebtedness has been fully discharged. (Sec. 6.)

The next section deals with the manner of effecting amendments to the constitution of the Commonwealth, the powers of the President of the United States under certain eventualities, the reports of the president of the Commonwealth, the United States High Commissioner, the Philippine Resident Commissioner, and the review of certain cases by the Supreme Court of the United States. (Sec. 7.)

Relative to immigration, the managers on the part of the Senate receded on the total-exclusion feature. That provision, which would have been indefensible, happily was stricken out. The conferees agreed on an annual quota of 50 as provided in the House bill effective, not 60 days after the passage of the act, but upon acceptance of the act by the Philippine Legislature or by a convention as provided in the Senate bill. Certain regulatory provisions are incorporated. (Sec. 8.) Upon the final and complete withdrawal of American sovereignty over the Philippines, the immigration laws of the United States shall apply in full force and effect to the islands "to the same extent as in the case of other foreign countries." (Sec. 14.) Needless to say, the Philippine government will then have the power and authority to pass such immigration laws as will protect its best interests and will be agreeable to the comity of nations.

The bill passed by the Senate on December 17 contained a provision relieving the United States of any obligation—

To meet the interest or principal of bonds and other obligations of the government of the Philippine Islands or of the provincial and municipal governments hereafter issued,

and not exempting such bonds or obligations from taxation in or by the United States. The managers on the part of the House accepted this, and it was retained. (Sec. 9.)

The conference approved the provision by which the President of the United States may—

At the earliest practicable date * * * enter into negotiations with foreign powers with a view to the conclusion of a treaty for the perpetual neutralization of the Philippine Islands

After independence. (Sec. 11.)

Section 12 provides for the notification of foreign governments upon the proclamation and recognition of Philippine independence.

Section 13 deals with tariff duties after independence and a trade conference at least one year prior to independence.

Sections 15 and 16 have to do with certain statutes continued in force.

Section 17 reads:

The foregoing provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question as may be provided by the Philippine Legislature.

The conference committee retained the Senate amendment providing that the constitutional convention shall meet—

Within one year after the enactment of this act (section 3).

and also the Senate amendment requiring the submission of the constitution to the President—

Within two years after the enactment of this act. (Section 1.)

The House bill provided for the recognition of independence upon the expiration of a period of eight years from the inauguration of the government of the Philippine Commonwealth. The Senate bill provided a period of 12 years. The conferees agreed upon 10 years. The exact provision making the date of independence definite and certain says in part:

On the 4th day of July immediately following the expiration of a period of 10 years from the date of the inauguration of the new government under the constitution provided for in this act the President of the United States shall, by proclamation, withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines (except such land or property reserved under sec. 5 as may be redesignated by the President of the United States not later than two years after the date of such proclamation), and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force—

And so forth. (Sec. 10.)

Few outside of the inner circle of workers and officials devoted to the public service realize the multiplicity of problems before the United States Congress. Perhaps some faint idea may be gained from the fact that during the last session of the present Congress there were 4,986 Senate bills, 210 Senate joint resolutions, 35 Senate concurrent resolutions, 13,005 House bills, 479 House joint resolutions, 39 House concurrent resolutions, and 294 House resolutions introduced. In the full realization of the magnitude of the task before the United States Government, before the United States Congress, I am sincerely thankful to the chairmen and members of the Senate and House committees, to the conference managers, and to the membership of the Congress at large that both Houses have after all these years acted on the Philippine independence bill at last.

Mr. DYER. Mr. Speaker, I ask unanimous consent that the Commissioner from the Philippines [Mr. GUEVARA] may address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. GUEVARA. Mr. Speaker, I would be recreant to my duty if I did not join in the eloquent expressions of my distinguished colleague, Mr. OSIAS, as to the gratitude of the Philippine people for the enactment of the bill just ratified by this House.

I wish also to disabuse the mind of the gentleman from California [Mr. SWING] and others who may harbor in their minds the feeling that when this bill becomes effective the Philippine Commonwealth will put out of their jobs those faithful Americans who have served the Philippine government for many, many years.

I wish to say now, in the name of the Philippine people, that not only will we want to retain them but we are going to bring more Americans out there to help the people of the Philippine Islands build up the economic and political structure of their government. In what position would the Filipino people be placed if they put out of their service the Americans who have served their government for 30 years, after the United States has so generously granted them their independence which other peoples in the world have won only through bloodshed and hardship? [Applause.]

I for one, as long as I live, will use all the influence I can command and will fight to keep those faithful Americans in the government of the Philippines.

In concluding I wish to say that the Filipino people are very grateful to you and I am sure that they are longing for an opportunity to show their gratitude and friendly sentiment to the United States.

I wish to repeat here now what I said two days ago on this floor, that in our prayers for our own welfare we will not forget that we should also pray for your ever-increasing prosperity and power, for they have always been the instrument of justice and help to mankind. [Applause.]

EXTENSION OF REMARKS—PHILIPPINE INDEPENDENCE

Mr. LANKFORD of Georgia. Mr. Speaker, on the 4th of last April, when this bill to grant independence to the Philippine Islands was before the House, I gladly supported and voted for it, because I believed it would be to the best interests of both the people of the United States and the Philippine Islands that their independence be granted, and especially because I believed that the independence of these islands would enable the United States to more fully protect the farmers of my section against the importation of various oils that are sold in this country in competition with articles produced by our farmers. For these same reasons I am to-day supporting and shall vote for the conference report on the disagreeing votes of the two Houses on this bill.

While I am very happy over the passage of this bill and sincerely hope that much good will result to the farmers, still I must urge Congress and the country that much more than the passage of this bill must be done in order to save our farmers from utter destruction. No Democrat in Congress has gone farther than I in supporting and voting for tariffs on farm products. I was the only Member from my State just after the World War to vote for the emergency tariff bill, to afford emergency protection to the farmers, and yet I then believed and still believe that the farmers' problems can not be solved by any sort of adjustment of the tariff rates. The farmers' problems are so fundamental and so serious that we must do much more than has ever been done by Congress if we are to even approach their proper solution.

THE BEER BILL

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REILLY] may revise and extend his remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. REILLY. Mr. Speaker, in the Sixty-fourth Congress I voted against the proposal to submit to the States for approval a constitutional amendment providing for national prohibition.

I believed then, and I believe now, that the liquor problem is essentially a State problem and that any attempt by the National Government to standardize the social habits of the people of the various States of the Union through national action would end in a dismal failure.

There can be no doubt at all but that after 12 years of a trial of national prohibition the great majority of our citizens have come to the conclusion that the eighteenth amendment has not been enforced, that it can not be enforced, and that it should be repealed and the control of the liquor question restored to the States.

In the recent campaign the so-called liquor question was an important issue. The Democratic Party in its platform declared for the repeal of the eighteenth amendment and for the modification of the Volstead Act pending repeal, and the people by an overwhelming vote approved of what the Democratic Party, in its straightforward statement on the liquor problem, promised to do if entrusted with power in Washington.

Much of the debate in opposition to the pending measure would indicate that the opponents of a modification of the Volstead Act have either been asleep or out of this country for the past 12 years.

These last-ditch advocates of national prohibition, ignoring the mandate of the people, are endeavoring to justify their votes against the pending bill by the statement that they fear if this bill is passed the old saloon will return.

How any man or woman who has been around at all and knows what is happening in the world can candidly talk about the return of an institution that they ought to know has never left us is beyond my comprehension.

The old saloon is still with us, although under perhaps a more euphonius name—the soft-drink parlor—where intoxicating liquor of all kinds, mostly bad, are sold over the same kind of a bar that the old saloon used.

For 12 years the National Government has been trying to put the old saloon out of business, and all that it has been able to do to date is to change the name of the institution to be abated.

I take it that the primary purpose of this bill is not to raise revenue but rather to comply with the mandate of the people, as expressed in the recent election, by amending the Volstead Act so as to permit the manufacture and sale of beer having the highest alcoholic content permissible under the eighteenth amendment.

Of course, the enactment of the pending bill into a law will bring revenue to the National Government, to the State governments, and to the local governments; revenue that at the present time is going to finance organized crime throughout this country.

In my judgment also the passage of this bill will make for real temperance, because many people who are now indulging in the use of hard liquor would be satisfied with the nonintoxicating beverage provided for by this bill.

It is quite generally recognized now that the definition contained in the Volstead Act of intoxicating liquor as any beverage containing one-half of 1 per cent or more of alcoholic content is a fanatical definition without support in theory or in fact.

The pending bill provides for the legalizing of a beer having an alcoholic content of 3.2 per cent by weight and 4 per cent by volume—a beer that in Denmark and other countries is called a temperance beer.

The highest scientific authority in this country, represented by Doctor Henderson, of Yale University, and Doctor Stangel, of the University of Pennsylvania, testifying before the committee that has reported this bill to the House, declared that, in their judgment, beer containing an alcoholic content as provided in this bill was not intoxicating. I take it that these experts in giving their opinion

as to when beer became intoxicating had in mind the average man, and not the exceptional man.

However, I am not an expert on the question as to what percentage of an alcoholic content will make beer intoxicating, and I am willing to leave that question to the experts and our courts to decide.

The people not only want beer in my State of Wisconsin—and I believe in other States of the Union where they drink beer—not entirely because of the kick they get out of it, but because they enjoy the beverage as a wholesome and palatable drink, but they also want a 5-cent glass of beer.

Not very many years ago a distinguished American statesman declared that what the country needed at that time was a good 5-cent cigar.

What the country needs to-day is a good and palatable 5-cent glass of beer, and this bill should be so written as to make it possible to sell at retail a good, wholesome glass of beer at that price.

The enactment into a law of the pending bill will not only comply with the mandate of the people, but it will also provide needed revenue for the governments, National, State, and local; however, care must be taken so that the revenue tax placed on beer will not be in excess of what the traffic will bear, having in mind the sale at retail of the product so that it will be within the reach of the common man. Beer is the drink of the common man, and as stated above, he should have a 5-cent glass of beer.

Again, the United States Government should not attempt to hog all the revenue that will arise from permitting the manufacture and sale of beer, containing a higher alcoholic content than is permitted at the present time.

The various State governments are just as much in need of revenue at the present time as the United States Government, and these governmental units should be permitted to get some revenue off of the industry that is going to be revived by this legislation, and the local communities also ought to have some revenue in the way of license fees.

If the State and local communities derive revenue from the manufacture and sale of the beer to be legalized by this bill, there will be less bootlegging and less evasion of law in the States and local communities, because every tax-paying citizen will be interested in seeing that the law is lived up to.

I have received computations from breweries in my district wherein they have figured out that if a barrel of beer can be sold to the retailer at $12 a barrel it can be retailed for 5 cents for an 8-ounce glass.

It appears that an 8-ounce glass is quite generally in use in handling near beer at the present time. Of the $12 cost to the retailer, $6 would be for the beer and $6 for the tax. The said $6 to include all taxes on the product.

Now, if the National Government is going to levy a $5 tax on each barrel of beer, as provided in this bill, there will be practically nothing left for the States and local communities, unless the total tax is boosted so that beer will have to be retailed at 10 cents a glass. Four dollars a barrel should be the limit of the tax levied by the Government, and that would leave an additional $2 tax for the State and local treasuries.

If, as a result of the levying of too high a tax, it becomes necessary to sell beer at 10 cents a glass, it will simply mean that the wildcat breweries will do more business than ever.

The only way to clean out the wildcat breweries is to make it possible for the retailer to sell a glass of beer at 5 cents; and bottled beer should be sold at from 7 to 8 cents a bottle.

I am pleased to learn that the bill before the committee makes no provision for regulating the sale of the new beer provided for in this bill. The beverage provided by this bill is to be a nonintoxicating drink, and there is no reason why that product can not be handled in the States just the same as other nonintoxicating beverages are handled to-day.

If regulations should become necessary, the task of formulating such regulations should be left to the various States, or States that will take advantage of this law.

Congress should not make the mistake of attempting to tell the people of my State or any other State how they will go about the manufacture and sale of nonintoxicating beverages.

The Democratic platform stands for State control of the liquor problem, that is, for the right of the people of each State, first, to determine whether or not they will have a traffic in intoxicating liquors, and, second, how that traffic will be handled, and there is no reason why that rule should not apply to the sale of the nonintoxicating beverage provided for by the bill now before the committee.

The pending bill contains no provisions as to so-called light wines; such provision was contained in the original bill as presented to the Ways and Means Committee, and I am pleased to learn that that provision has been eliminated from the measure that we are now considering.

This Congress has no mandate as regards the legalizing of wine. There was nothing said in the campaign about the manufacture and sale of light wines.

The wine proposal should stand on its own bottom and not be permitted to interfere with Congress in carrying out the mandate of the people as regards beer.

While the pending bill if it becomes a law, will bring needed revenue to the Government, will help to relieve the unemployment situation, and will also bring some relief to the farmer by providing a better market for one of his important products, I would be for the bill if it accomplished none of these objects, for the simple reason that the people have voted for this piece of legislation, and for the further reason that it will strike from the statute book a fanatical definition of intoxicating liquor that has never received the approval of science or reason.

PHILIPPINE ISLANDS

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and include therein a memorandum prepared by the special envoy of the Philippine Legislature.

The SPEAKER. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following memorandum prepared by Hon. Benigno S. Aquino soon after his arrival in Washington as a special envoy of the Philippine Legislature. Mr. Aquino was formerly majority floor leader of the Philippine House of Representatives and is at present holding the same post in the Philippine Senate.

WASHINGTON, D. C., *December 21, 1932.*

To the Members of the Congress of the United States:

GENTLEMEN: On November 9, 1931, the Philippine Legislature adopted a resolution creating the present Philippine Independence Commission to the United States, with the Hon. Manuel L. Quezon, president of the Philippine Senate, as chairman on the part of that body. Owing to ill health he has been unable to assume his duties with said commission and the Philippine Legislature on November 9, 1932, adopted Concurrent Resolution No. 20, authorizing him to designate another member of the senate to act in his place. I have come to the United States in that capacity.

In consonance with this representation, I beg to present herewith our views on the independence legislation pending consideration by the Congress. In view of the fact that the House of Representatives has already passed H. R. 7233, known as the Hare bill, and the Senate the Hawes-Cutting bill, in substitution for the former, with amendments, I shall address myself only to those provisions which, in my judgment, are objectionable to and would be difficult of approval by the Filipino people.

At the outset I wish to reiterate the real and sincere desire of the Filipino people for immediate, complete, and absolute independence. I realize, however, that this is not the proper time to pursue this subject, in view of the adoption by both Houses of their respective bills and of the fact that the conference committee can consider only the provisions upon which the two bills differ.

First objection: Section 2 of both the Hare bill and the Hawes-Cutting bill, paragraph (o) in the first bill and paragraph (n) in the second. The text of both paragraphs is as follows:

"The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of their constitution."

This provision not only confers upon the Government of the United States the right to intervene for the preservation of the government of the Commonwealth and for the maintenance of that government as provided in its constitution, which we take

to mean that the United States may intervene to protect the Commonwealth from external aggression and internal revolution, a right which is inherent upon the United States so long as the American flag flies in the Philippines, but also confers directly upon the President of the United States the right to intervene in any matter affecting legislation, executive functions, or judicial proceedings which threaten or jeopardize life, property, and individual liberty. In other words, by virtue of this provision, the entire government established under the Commonwealth, each and every one of the departments—executive, legislative, and judicial—will be under the absolute control of the President of the United States, who may at any time annul its action.

This interpretation is strengthened by the amendment to section 7 of the Hawes-Cutting bill at the end of the second paragraph of which the following provision appears:

"The President shall also have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act."

Second objection: The elimination of the word "lawfully" from the original text of the Hawes-Cutting bill, section 7, paragraph 4. The original wording of this paragraph is the same as that of the Hare bill. In this connection we are perfectly aware that the President of the United States can delegate only those powers which he possesses; no one can give that which he does not have. But it seems to us that the intention in striking out the word "lawfully" was to remove any doubt or to prevent any discussion as to what powers may or may not be delegated by the President of the United States to the high commissioner. In other words, this section as amended with the elimination of the word "lawfully," coupled with the provision in section 2 of both bills, to which I have already registered our objection, would not only give complete discretion to the President of the United States to exercise the right of intervention at any moment as provided for in section 6 of both bills but also ample discretion to delegate his powers to the high commissioner.

Third objection: The appointment of a comptroller to whom all decisions of the insular auditor may be appealed. The existence of this position, far from being beneficial, may become a source of friction and controversy and disrupt the harmonious relations which should exist in the management of the affairs of the government of the Commonwealth.

I may also add that this provision implies lack of confidence in the ability and honesty of the officials of the Commonwealth and at the same time strengthens the belief that the President may at any moment make use of the right to intervene through the high commissioner, even in those matters which affect the domestic financial problems of the Philippine government.

Fourth objection: The limitation of the amount of sugar that we may export to the United States to 615,000 long tons and oil to 150,000 long tons free of duty.

We wish to lay emphasis upon the fact that neither bill grants any power to the government of the Commonwealth to limit the entry of American products to the Philippine Islands during the period of transition. This lack of reciprocity becomes the more unjust when it is considered that these limitations, especially that on our sugar, would kill the sugar industry of the Philippines at the outset. In accordance with paragraph (j) of section 2 of the Hawes-Cutting bill, "Foreign affairs shall be under the direct supervision and control of the United States." If, on one hand, Philippine exports are to be limited to amounts extremely prejudicial to Philippine interests and on the other hand the government of the Commonwealth is not granted the necessary freedom to secure proper treaty arrangements, consequently lacking freedom of action to find new markets in which to sell its excess production, the injustice of these limitations becomes the more patent.

We are firmly and sincerely convinced that the purpose of the Congress in approving these measures is to prepare the Filipino people, during the period of transition, to assume the responsibilities of an independent nation. The provisions to which we have objected, however, would prevent them from developing themselves adequately, and we repeat once more that it would be a thousand times more advantageous for the Filipino people to obtain immediately their freedom and complete independence from the United States than to throttle their economic life by submitting themselves to the rigid and unjust provisions of the bill approved by the Senate.

In view of the foregoing considerations we beg to submit the following suggestions:

First. Change the phraseology of paragraphs (o) and (n) of section 2 of both the Hare and Hawes-Cutting bills in order to remove what we believe to be the existence of two authorities with respect to the carrying out of the provision giving protection to life, property, and individual liberty—the Governor General of the Philippines and the high commissioner, both invested with identical jurisdiction and powers.

Second. Elimination of the following words from paragraph 2 of section 7 of the Hawes-Cutting bill:

"The President shall also have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act."

Third. Elimination of the following words from paragraph 4 of section 7 of the Hawes-Cutting bill:

"He shall perform such additional duties and functions as may be delegated to him from time to time by the President."

Fourth. Elimination of the following words also from paragraph 4 of section 7 of the same bill:

"* * * including a financial expert or comptroller, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor, and to whom appeals from decisions of the insular auditor may be taken."

After these words have been stricken out the bill should be reshaped so as to include all its purposes except those herein objected to.

Fifth. Reconsideration of the limitations contained in paragraphs (a) and (b) of section 6 of the Hawes-Cutting bill, reinstating the limitations as originally provided in the bill.

Sixth. Elimination of the following words from paragraph 1 of section 8 of the Hawes-Cutting bill:

"* * * but no person ineligible to become a citizen of the United States shall be admitted under such quota of 100."

Regarding this particular provision, we desire to state, in clear and unequivocal terms, that over and above our desire to find prosperity in this country, is our dignity as a race which impels us to protest energetically against this provision and to urge earnestly its elimination.

In conclusion I desire to take advantage of this opportunity to state publicly once more, in behalf of my people and of myself, the sincere gratitude of the Filipino people to the United States and to its magnanimous people. This act of Congress in considering this legislation shows that the freedom of a people may be obtained not alone through bloodshed—that altruism and good will may achieve the same goal.

Very respectfully,

BENIGNO S. AQUINO,
Special Envoy of the Philippine Legislature.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein an article by S. Parkes Cadman.

The SPEAKER. Is there objection?

Mr. SNELL. I object.

ADJOURNMENT

Mr. HARE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.) the House adjourned until to-morrow, Friday, December 30, 1932, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. EVANS of Montana: Committee on Mines and Mining. House Joint Resolution 533. A joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; without amendment (Rept. No. 1812). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GAMBRILL: Committee on Naval Affairs. House bill 11886. A bill for the relief of Joseph Michael McDougall; without amendment (Rept. No. 1813.) Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WICKERSHAM: A bill (H. R. 13954) to provide for appeal or writ of error from final judgments in the district courts of Alaska to the United States Circuit Court of Appeals; to the Committee on the Judiciary.

By Mr. McKEOWN: A bill (H. R. 13955) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. FRENCH: A bill (H. R. 13956) to authorize the construction of a bridge across Pend Oreille Lake at the city of Sandpoint, in the State of Idaho; to the Committee on Interstate and Foreign Commerce.

By Mr. BRITTEN: A bill (H. R. 13957) to amend section 3 of an act entitled "An act granting the consent of Congress to the South Park commissioners and the commissioners of Lincoln Park, separately or jointly, to construct, maintain, and operate a free highway bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill.; and granting the consent of Congress to the commissioners of Lincoln Park to construct, maintain, and operate a free highway bridge across the Michigan Canal, otherwise known as the Ogden Slip, in the city of Chicago, Ill.," approved January 14, 1929; to the Committee on Interstate and Foreign Commerce.

By Mr. LaGUARDIA: A bill (H. R. 13958) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

By Mr. WICKERSHAM: A bill (H. R. 13959) to authorize the incorporated town of Fairbanks, Alaska, to issue bonds in any sum not exceeding $100,000 for the purpose of constructing and equipping a public-school building in the town of Fairbanks, Alaska, and for other purposes; to the Committee on the Territories.

By Mr. DOUGLAS of Arizona: A bill (H. R. 13960) to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz.; to the Committee on Indian Affairs.

By Mr. SUMMERS of Washington: A bill (H. R. 13961) granting the consent of Congress to The Dalles Bridge Co., a corporation of the State of Washington, its successors or assigns, to construct, maintain, and operate a bridge across the Columbia River, at a point approximately 5 miles upstream from the city of The Dalles, in the State of Oregon, to a point on the opposite shore in the State of Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H. R. 13962) to authorize the conveyance by the United States to the State of Minnesota of lot 5, section 18, township 131 north, range 29 west, in the county of Morrison, Minn.; to the Committee on the Public Lands.

By Mr. GARBER: Resolution (H. Res. 336) to authorize the Committee on the Judiciary of the House of Representatives to make an investigation of the costs of the material used in the manufacture of major farm implements, and for other purposes; to the Committee on Rules.

By Mr. LEA: Joint resolution (H. J. Res. 534) proposing an amendment to the Constitution providing for a direct vote on repeal of the eighteenth amendment; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 13963) authorizing the Comptroller General of the United States to adjust and settle the claim of the Booth Fisheries Co.; to the Committee on Claims.

By Mr. BLOOM: A bill (H. R. 13964) for the relief of Eugene McGirr and Rose McGirr; to the Committee on Claims.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 13965) granting an increase of pension to Johanna Burns; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 13966) granting a pension to Jeanette Nelson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13967) for the relief of Charles L. Fremling; to the Committee on Military Affairs.

Also, a bill (H. R. 13968) for the relief of Roy Hall; to the Committee on Naval Affairs.

By Mr. SWANK: A bill (H. R. 13969) granting an increase of pension to Edward Shaw; to the Committee on Pensions.

By Mr. VINSON of Georgia: A bill (H. R. 13970) granting a pension to Mary Wyse Benson; to the Committee on Invalid Pensions.

By Mr. WOODRUFF: A bill (H. R. 13971) granting a pension to Loretta Mae Rose; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9268. By Mr. BACON: Petition of sundry residents of Eastport, N. Y., favoring the so-called stop-alien representation constitutional amendment; to the Committee on the Judiciary.

9269. By Mr. BOILEAU: Petition of the Rev. F. M. Wiersma and other residents of Marathon County, Wis., favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

9270. By Mr. BOYLAN: Resolution adopted by the Warehousemen's Association of the Port of New York, New York City, N. Y., protesting against favorable consideration by the Reconstruction Finance Corporation of the appeal proposed to be made to it for a loan of $11,000,000 for financing the proposed development of the waterfront in the harbor of New York for terminal facilities, etc.; to the Committee on Banking and Currency.

9271. By Mr. CURRY: Petition of the citizens of Sacramento, Calif., urging that the stop-alien representation amendment to the United States Constitution be adopted; to the Committee on Immigration and Naturalization.

9272. Also, petition of citizens of the third California district, concerning motion-picture censorship; to the Committee on Interstate and Foreign Commerce.

9273. By Mr. DELANEY: Petition of the Warehousemen's Association of the Port of New York (Inc.), of New York, protesting against favorable consideration by the Reconstruction Finance Corporation of the appeal proposed to be made to it for a loan of $11,000,000 or any other sum of money for financing the proposed or any other development of the waterfront in the harbor of New York for terminal facilities; to the Committee on Banking and Currency.

9274. By Mr. GILCHRIST: Petition of the Woman's Home Missionary Society of Farnhamville, Iowa, signed by 21 members of the organization, as shown by the attached form of resolution; to the Committee on Interstate and Foreign Commerce.

9275. Also, petition of the Woman's Home Missionary Society of Graettinger, Iowa, signed by 14 members of the organization, as shown by the attached form of resolution; to the Committee on Interstate and Foreign Commerce.

9276. By Mr. GOLDSBOROUGH: Petition of the Ministerial Association of the Salisbury (Md.) District of the Delaware Conference of the Methodist Episcopal Church, supporting the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

9277. By Mr. KOPP: Petition of Nora Chord and many other citizens of Marengo, Iowa, urging support of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9278. By Mr. LAMNECK: Petition of Peggy Duvendeck, Mary E. Greasamor, Mrs. L. P. Taylor, and numerous other citizens of the twelfth Ohio congressional district, protesting against the existing discriminatory and confiscatory tax on toilet goods and cosmetics; to the Committee on Ways and Means.

9279. By Mr. LONERGAN: Petition of the Woman's Home Missionary Society of the First Methodist Church of Hartford, Conn., requesting the establishing of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

9280. By Mr. MEAD: Petition of Warehousemen's Association of the Port of New York, protesting against the proposed terminal development at Bayonne, in the State of New Jersey, harbor of New York; to the Committee on Banking and Currency.

9281. By Mr. SPARKS: Petition of citizens of Palco, Kans., submitted by Mrs. W. F. Bomgardner and Mrs. H. Z. Moore and signed by 112 others, favoring the resistance of all efforts at repeal or modification of the eighteenth amendment and against any bill to legalize beer or wine; to the Committee on the Judiciary.

9282. By Mr. STALKER: Petition of E. W. Kostenbader and 100 other residents of Groten, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9283. Also, petition of Mary J. Bowen and 50 other residents of Wallace, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9284. Also, petition of Walter Kinney and 10 other residents of Barton, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9285. Also, petition of James M. Everett and 35 other residents of Lockwood, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9286. Also, petition of the Methodist Episcopal Church of Groton, N. Y., at its annual meeting, urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9287. Also, petition of J. B. Stewart and 10 other residents of Coopers Plains, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9288. Also, petition of Mrs. Andrew Smith and 30 other residents of Reading Center, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9289. Also, petition of Leroy Abbott and 52 other residents of Painted Post, N. Y., urging support of the stop-alien amen ment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9290. Also, petition of Myra M. Seeley and 50 other residents of West Danby, Tompkins County, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9291. Also, petition of Rev. Robert W. Packer and 17 other residents of Trummansburg, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9292. Also, petition of Rev. W. Cleon B. Turner and 48 other residents of Tyrone, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9293. Also, petition of Nellie Kilbury, first vice president of the Woman's Christian Temperance Union, of Hornell, N. Y., and 15 other members, urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9294. Also, petition of Rev. Harold Reed and 105 other residents of Hornell, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9295. Also, petition of Rev. Julian Klock and 23 other residents of Bath, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9296. Also, petition of Rev. Lester J. Trout and 60 other residents of Owego, N. Y., urging the support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9297. Also, petition of Charles Heimroth and 30 other residents of Avoca, N. Y., urging support of the stop-alien amendment to the United States Constitution, to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9298. Also, petition of Mrs. W. T. Gustin and 45 other residents of Elmira Heights, N. Y., urging support of the stop-alien amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9299. By Mr. STEWART: Petition of 18 residents of Union County, N. J., urging the passage of House Resolution 97, to amend the Constitution to exclude aliens when future apportionments for congressional districts are made; to the Committee on the Judiciary.

9300. By Mr. STRONG of Pennsylvania: Petition of citizens of Rochester Mills, Pa., favoring the amending of the Constitution of the United States to exclude aliens and count only American citizens when making future congressional apportionments; to the Committee on the Judiciary.

9301. By Mr. TAYLOR of Colorado: Petition of citizens of Tiffany, Colo., and vicinity, urging legislation to bring about remonetization of silver at a reasonable ratio with gold; to the Committee on Coinage, Weights, and Measures.

9302. By Mr. THOMASON: Petition of Texas Angora Goat Raisers Association, asking relief for joint-stock land banks; to the Committee on Banking and Currency.

9303. Also, petition of citizens of San Angelo, Tex., asking relief for homestead owners; to the Committee on Agriculture.

9304. By Mr. TREADWAY: Petitions of citizens of Pittsfield, New Marlboro, Hartsville, Monterey, Great Barrington, and Housatonic, Mass., favoring the adoption of a stop-alien representation amendment to the Constitution of the United States; to the Committee on the Judiciary.

9305. By the SPEAKER: Petition of William E. Ranft and others, protesting against any Sunday blue law; to the Committee on the District of Columbia.

SENATE

FRIDAY, DECEMBER 30, 1932

Rev. Hulbert A. Woolfall, rector of St. Peter's Episcopal Church, of the city of St. Louis, Mo., offered the following prayer:

Almighty God, who has so wonderfully made this Nation and set men in it to see their duty as Thy will, give us, we beseech Thee, the mind of Christ, that all problems, individual and corporate, may be solved in His wisdom and by the power of His spirit. Keep alive in our hearts the adventurous spirit that makes men scorn the way of safety, so

that Thy will may be done. Grant that the heart and will of the world may be brought into harmony with Thine, that faith may capture the minds of those who fear, and that all men everywhere may join in the ancient hymn, "Glory to God in the highest and on earth peace, good will amongst men." Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Tuesday, December 27, 1932, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

The message also announced that the House had passed a bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 7233. An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes; and

H. J. Res. 527. Joint resolution extending the time for filing the report of the Joint Committee to Investigate the Operation of the Laws and Regulations Relating to the Relief of Veterans.

PETITIONS AND MEMORIALS

Mr. BINGHAM presented a resolution adopted by the New Haven (Conn.) section of the Council of Jewish Women, favoring the taking of the initiative by the Government in negotiating with the foreign powers concerned to obtain international action on economic issues, including revision of war debts and reparations, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Manchester, Conn., remonstrating against the passage of legislation to legalize the manufacture and sale of beer and light wines, and also against the repeal of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented the petition of the Woman's Home Missionary Society of the First Methodist Episcopal Church of Hartford, Conn., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented a telegram in the nature of a memorial from Putnam Hill Chapter, Daughters of the American Revolution, of Greenwich, Conn., remonstrating against the recognition of the Soviet Government of Russia in any form, which was referred to the Committee on Foreign Relations.

Mr. TYDINGS presented petitions of the Woman's Home Missionary Society of Ridgely and the Woman's Home Missionary Society of the Methodist Episcopal Church of Washington Grove, both in the State of Maryland, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented resolutions adopted by Baltimore & Ohio Railroad Post, No. 81, Department of Maryland, the American Legion, opposing any reduction or elimination of the benefits now received by World War veterans, which were referred to the Committee on Finance.

He also presented the petition of sundry citizens, being members of the faculty of the Tome School, of Port Deposit, Md., praying for the nonpayment of the so-called war debts at this time, and for the appointment of a commission of experts to review the question of intergovernmental debts, which was referred to the Committee on Finance.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSES (for Mr. DALE):

A bill (S. 5294) to amend the act of May 29, 1930, for the retirement of employees in the classified civil service; to the Committee on Civil Service.

By Mr. TYDINGS:

A bill (S. 5295) to extend the benefits of the United States employees' compensation act of September 7, 1916, to Don V. Mears;

A bill (S. 5296) to extend the benefits of the United States employees' compensation act of September 7, 1916, to Travis McDaniel; and

A bill (S. 5297) for the relief of John L. Alcock; to the Committee on Claims.

A bill (S. 5298) for the relief of John M. Casserly; to the Committee on Military Affairs.

A bill (S. 5299) for the relief of Carlyle Pearson Mixon (with accompanying papers); to the Committee on Naval Affairs.

A bill (S. 5300) granting a pension to Joseph F. Davison; and

A bill (S. 5301) granting an increase of pension to George W. McElroy; to the Committee on Pensions.

HOUSE BILL REFERRED

The bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. ODDIE submitted an amendment intended to be proposed by him to House bill 13520, the Treasury and Post Office Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page —, line —, insert the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to subcontractors, labor, and material men who furnished labor and material to the Plains Construction Co., defaulted general contractors for the construction of the post office at Las Vegas, Nev., such sums as he may consider equitable and just to reimburse said subcontractors, labor, and material men for unpaid accounts left by said Plains Construction Co. at the time of its default; said sums to be paid only upon proper proof of actual losses sustained exclusive of profit; and there is hereby made available for this purpose not to exceed $20,000 from any sum which may remain from the lump-sum appropriations made for building construction purposes notwithstanding the amount of the claims of said subcontractors in addition to the cost of completing the building exceed the limit of cost for the construction of the Las Vegas post office."

REMOVAL OF TROOPS FROM FORT D. A. RUSSELL, TEX.

Mr. CONNALLY. Mr. President, I am aware of the agreement not to transact any business during these particular sessions. However, there is a matter which is very vital to my State and our representation here, and time is an important element in it. If I should wait until next Tuesday, when the Senate reconvenes, the matter will be history and a closed incident. In view of the fact that the Senate has just transacted business by receiving a message from the House of Representatives, I presume that the remarks I expect to submit will not transgress the rule, in that the Senate will not be expected to take any action at this time with reference to my remarks except to permit them to be printed in the RECORD.

Mr. President, I desire to invite the attention of the Congress to what I regard as the arbitrary, the autocratic, and the unwarranted action of the military branch of the Government in absolute defiance of the civil author-

ities and the Congress. At the last session of the Congress in the so-called economy bill there was incorporated a provision seeking to restrain the movement of troops from various posts in the United States during this particular time in the interest of economy. That language reads as follows:

The President is authorized during the fiscal year ending June 30, 1933, to restrict the transfer of officers and enlisted men of the military and naval forces from one post or station to another post or station to the greatest extent consistent with the public necessity.

Mr. President, so far as Congress could make it, that was a mandate to the War Department to hold in the then existing status troops and establishments at the various posts and cantonments throughout the United States. Only the most imperative necessity was to authorize the transfer of troops from one post to another. The War Department has already issued an order, which is to be executed on the 1st day of January, abandoning totally what I regard to be a necessary post on the Mexican border, Fort D. A. Russell, in Texas. Let me say to the Senate that this post was established by the War Department back in the days when there was much turmoil and revolution in Mexico. It was first called Camp Marfa, a cavalry post located there because that was one of the most dangerous points on the Mexican border so far as raids and depredations from roving bands and revolutionary and insurrectionary forces were concerned. Marfa is opposite what is known as the Big Bend country. Generally speaking, it is a wild, uninhabited territory for many miles on both sides of the border. It affords natural advantages for raiders and revolutionists and conspirators against the neutrality laws of the United States. The Army established that cavalry post. It has been maintained with varying numbers of troops from that time until the present.

I want to invite the attention of the Congress to the fact that as late as 1927 the War Department came to the Congress and asked for an appropriation to purchase land and to erect buildings with a view to making it a permanent Army post. Later, in 1930, elaborate plans for improvements and increased facilities were drawn and recommended by the commander of the fort. At this point I desire to request that there be incorporated in the RECORD as a part of my remarks an excerpt from a report of the Secretary of War to the Senate in response to a resolution of inquiry, the report setting forth the facts with reference to the then Fort D. A. Russell, and reasons seeking to justify the proposed abandonment.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

1. Fort D. A. Russell, Tex.: The amount of Government-owned land at this post is 434.50 acres, more or less, which was finally acquired by purchase, August 23, 1927. A border-patrol post was established in 1914. The present land was first occupied in 1916, for the protection of the Big Bend country.

The occupation of this port has always been considered a temporary, rather than a permanent measure. The purpose for which the post was established has been served. With the reduction created during the past few years in line organizations, for the expansion of the Air Corps, this post can no longer be efficiently or economically garrisoned. There is no military necessity for the continued occupation of this post and its retention by the War Department is not warranted.

2. Following is the value of all property, etc., situated at the post:

Land	$25,000
Officers' quarters	97,150
Noncommissioned officers' quarters	49,300
Barracks	193,575
Water system	18,850
Stables	38,425
Mess hall	65,975
Electrical system	13,775
Lavatories	29,725
Sewage disposal plant	16,675
Miscellaneous improvements	201,550
Total	750,000

The total investment made at this post during the past 17 years for the minimum number of temporary, nonstandard structures, as well as utilities, required for the shelter and operation of the garrison, is negligible compared to the amount of funds which would be required to provide suitable permanent accommodations comparable with those required and maintained at permanent Army posts.

The above valuations are based upon a recent appraisal by local military authorities. In view of the continued downward trend of the economic situation, it is deemed questionable if actual sales would now produce the amounts indicated.

3. The following amounts have heretofore been appropriated by Congress for the purchase and improvement of the post:

Land	$27,000
Improvements	775,000
Total	802,600

Mr. CONNALLY. Mr. President, the report to which I have just referred discloses that as early as 1914 a border patrol was established at that point and that in 1916 the Army took it up as a camp "for the protection of the Big Bend country." In 1927 the Congress appropriated money to purchase it as a permanent camp and to erect buildings. The report discloses that the Government has an investment at that point of between $750,000 and $1,000,000 of Government funds. The Government owns more than 400 acres of land upon which the post is situated, and adjacent land has been offered free of cost by the citizens of that territory for any enlargement that may be necessary.

The Government owns a large number of permanent buildings and structures there, a brief reference to which I desire to have incorporated in the RECORD from the pamphlet which I hold in my hand.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Permanent buildings	128
Temporary buildings	57
Grand total	185

5. The following number of troops can be accommodated at the post:

Married officers in 1-story buildings which, although of concrete construction, were built at an average cost of $5,060 each, are small (5 rooms and bath), inadequate, and were not designed for permanent occupancy	17
Bachelor officers in concrete 1-story building, cost $8,000, inadequate, not designed for permanent use	8
Married officers in small (4 rooms and bath) 1-story frame or adobe building, built at an average cost of $2,000 each, not designed for permanent use	9
Total	34
Noncommissioned officers in 12 small, 1-story concrete buildings, average cost $3,000, not designed for permanent use, and two 1-story buildings, frame, acquired with the land	14
Noncommissioned officers in 1-story frame buildings, average cost $1,988, not designed for permanent use	6
Noncommissioned officers in temporary frame buildings of war-time construction, not suitable for permanent use; 3 of these quarters are on ground which was leased	12
Enlisted men in 1-story concrete buildings, inadequate, and not designed for permanent occupancy	722
Total	754

6. Number of troops now quartered at the post: 27 officers, 554 enlisted men.

Mr. CONNALLY. Recently I protested to the Secretary of War and the Chief of Staff, General MacArthur, with regard to the abandonment of the post. What do Senators think was the policy announced by the Chief of Staff and the Secretary of War with reference to posts of this character? The Chief of Staff, General MacArthur, boldly and bluntly told me that it is no function of the Federal Government to protect the border from the raids of bands and disorderly organizations. He said it is the function of the Army to protect the border only from an organized national force. In other words, if Mexico should send over an army, it would be the duty of our Army to repel it, but that the Federal Government owes the State of Texas and its citizens no duty to protect the border from bands of revolutionists and thieves and cutthroats who might invade the sanctity of our soil.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. LOGAN. Does the Senator from Texas contend that the United States Army is under obligation, in a technical sense, to protect the Texas border from such roving bands as those to which he refers?

Mr. CONNALLY. Does the Senator mean in a strictly technical sense?

Mr. LOGAN. Yes.

Mr. CONNALLY. I dispute the announced policy as a matter of national policy. That is the purpose for which the post was originally established. It has been the policy of this Government, so far as I know, from the beginning of the Military Establishment to use the Army in protecting the border and its citizens against depredations of roving bands either from Mexico or, in the old days, from the Indian country within its own borders.

Mr. LOGAN. But the proposition to which the Senator is really objecting is the removal of those troops from Texas to Kentucky, is it not?

Mr. CONNALLY. I judge by the Senator's interruption that Kentucky is interested in having the removal of the troops to Kentucky?

Mr. LOGAN. Undoubtedly. Does the distinguished Senator from Texas believe that he knows more about what ought to be done with reference to this matter than the War Department?

Mr. CONNALLY. No. The Senator's suggestion, I hope, is not wholly warranted. I think the Senator from Texas knows as much about what is the duty of the Army to the citizens of the country as does the Secretary of War or the Chief of Staff, if that answers the Senator's question. We are legislating here on the theory that the Army is the servant of the people and of the Congress. The War Department is apparently working on the theory that the country and the Treasury are the servants of the Army.

Mr. LOGAN. The Army is not the servant of the State of Texas alone, is it?

Mr. CONNALLY. The State of Texas is a part of this Union, may I submit to the Senator from Kentucky. It is a part of the Union. It is on the border. It maintains a State constabulary at its own expense and has done its utmost to protect itself. But if the Senator, merely in the hope of having a few troops transferred to his own Commonwealth, seeks to establish the doctrine that the Federal Government owes no duty to other States of the Union exposed to the hazards of attacks of lawless bands from a foreign country, then I can not argue the question with the Senator further.

Mr. LOGAN. Mr. President, will the Senator from Texas yield further to me?

The VICE PRESIDENT. Does the Senator from Texas yield further to the Senator from Kentucky?

Mr. CONNALLY. I very gladly yield.

Mr. LOGAN. The State of Kentucky has no need in the world for the troops. They are moved there as a matter of policy, because they can be maintained there at a less cost than they can be maintained in Texas. Is it not true, may I ask the Senator from Texas, that his chief objection is that they are removing the pay roll from this particular section of the country, and not because they are moving the troops away and not protecting the border?

Mr. CONNALLY. Since the pay roll seems to be in the Senator's mind, I suppose that has no effect upon him as to the removal of the troops to the State of Kentucky.

Mr. LOGAN. Oh, I beg the Senator's pardon, but it does.

Mr. CONNALLY. I am very frank to say to the Senator that I intend to discuss that a little later on, if he will bear with me. I shall reach it in a few moments if I do not consume all the patience of the Senate before I get to that point, I shall say to my gallant friend from Kentucky.

Mr. TYDINGS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Maryland?

Mr. CONNALLY. Certainly.

Mr. TYDINGS. The Senator will recall that formerly Canada and the United States both maintained Army posts along the Canadian border, that a treaty was effected removing the troops from the border of each country, and since that has been accomplished a period of good will and economy has resulted.

I am interested in knowing to what extent these raids occur, of which the Senator speaks. Of course, if they are numerous and the State authorities are not in a position to handle them, then I think the Federal Government might very well supplement the efforts of the State; but if those raids are in the nature of raids by very small bands, 3 or 4 or 5 men, and the War Department feels it is economical to remove the troops from Texas to Kentucky, I am rather disposed to feel that their position may be well taken. On the other hand, if the troops are really needed to keep law and order along the border in Texas, I would be the last one in the world to want to have them removed.

Mr. CONNALLY. I shall say to the Senator very frankly that since the troops have been located at that point there have been practically no raids, only a few incursions of lawless bands, and the answer and the reasons, of course, are apparent. The very location of the fortress at that point garrisoned by United States Cavalry has served as a deterrent; it has served as a preventive. When Mexican raiders know that within striking distance there are adequate forces of United States Cavalry they are not coming across the border, and that is one of the reasons why I am insisting that these troops ought to remain there. They will remain somewhere; they will eat just as much in Kentucky as they will in Texas; their uniforms will cost just as much in Kentucky as they will in Texas; and, besides that, they have their quarters in Texas, paid for out of the Public Treasury; and how on earth there can be any economy in transferring troops from the Mexican border, where they are needed, to Kentucky, where they are not needed, according to the Senator from Kentucky, is beyond my humble comprehension. Later Congress will be asked to provide additional funds to build quarters in Kentucky.

Mr. NORRIS. Mr. President——

Mr. CONNALLY. I yield to the Senator from Nebraska.

Mr. NORRIS. I have in mind an idea that has occurred to me since listening to the discussion. I am wondering if the Senator has considered the idea that is contained in the question I wish to ask him. Naturally when the War Department moves large portions of the Army from one place to another we wonder why the move is made. Giving them due credit for acting in good faith, the thought has occurred to me that the ultimate destination of the forces being transferred is Washington, D. C.

Recent events have occurred that indicate that in the mind of the War Department a very large army is necessary here, and I am wondering if the transfers now contemplated are not just the first move. Shifting troops from Texas to Kentucky brings them nearer to Washington, and the thought occurred to me that the War Department does not intend to leave them in Kentucky, but ultimately will bring them to the District of Columbia in order to protect the great Capital City against dissatisfied citizens who may congregate here asking that various measures be enacted into law by the Congress.

Mr. CONNALLY. Mr. President, the Senator's question provokes me to make a statement about a matter which I had not intended to discuss at any length, and that is this: When I inquired of the Secretary of War and the Chief of Staff if the Federal Government owed the citizens along the border no protection from foreign raids and if they thought that was purely a function of the State constabulary, and asked them why they wanted to remove these troops, they told me that their policy was to concentrate these troops in a few great posts near the centers of population; and the Secretary of War, with a glitter of fear in his eye, referred to the reds and the possible communists that might be abroad in the land. Then when I challenged his position in that regard and suggested that that was as much a function of the domestic police as was the suppression of raiders along the border—that it was a part of the police power and within the duty of the local authorities of the States—of course he fell back upon the general proposition that they



desired the troops to be stationed close to the great centers of population, where they could train civilian units which come from the heavily populated areas, and that these camps were being established largely for training and maneuvering purposes.

The Senator, however, is on the right trail. The War Department wants a few great camps. It wants those camps near the great cities, near the populous centers, with the thought back in their minds all the time as suggested by the Senator from Nebraska.

Mr. President, if the Army in time of peace, if the Army, when no war threatens, if the Army, when we are not invaded by an organized force, is to justify its existence, what higher duty can it perform than to occupy stations along the border where there are potential threats to life and to the property of American citizens?

Let me say to the Senator from Kentucky, while my State has not been a member of the Union so long as has his, yet, nevertheless, it is a part of the Union. Texas came into the Union of its own free will. It was an independent republic; it had its ministers to foreign courts, and it joined the Union and surrendered its own independent sovereignty because it desired to do so. It did not come into the Union as Kentucky did, perhaps, but it came as a sovereign State into the sisterhood of States, and it is as much a part of this Union as is Kentucky, even though it did come in of its own free will and did not have to be conquered from the Indians by Daniel Boone and other pioneers. Kentucky is a great and marvelous part of this Union, and I bow to the Senator from Kentucky and to the great traditions of that State.

It has been suggested by one of my colleagues that I should make reference to Davy Crockett. Davy Crockett, unfortunately for Kentucky, did not come from that State, but he came from Tennessee.

Texas had a great and glorious future before she came into this Union. Davy Crockett, Travis, Sam Houston, Stephen F. Austin, a great host of illustrious Texans, went out into the wilderness and by their swords carved out their own independence from a great and powerful republic to the south. Texas is a buffer State along the border, and it is because of that fact that I am standing here and pleading for the rights of Texas and of her citizens to have the same protection under the flag, to have the same guaranties that are accorded to the State of Kentucky.

Kentucky is not on the border; she is far from these aggressions; she has no armed bands coming across from a foreign land to lay waste her farms and to rob and to kill her citizens. I can understand in that state of mind how indifferent the Senator from Kentucky is to any appeal except that of the return which the money these troops may spend in his great Commonwealth may yield, but the Army and the national defense are not founded upon the dollar, or at least ought not to be.

This post in Texas is garrisoned by a cavalry organization. A portion of the War Department plan is to do away with horses. They are going to mechanize this unit; they are going to transport them to Kentucky and put them in automobiles in order that they may get to the centers of population quickly and in order that they may speed rapidly back when the danger of domestic insurrection shall have passed. Automobiles in the rough territory along the Mexican border would be totally ineffective; they could never reach the scene of the trouble. Cavalry along that border ought never to be abandoned; and I, for one, drop a tear at the passing of the horse. The United States Army seems to have decreed that that great figure on horseback, the cavalryman, is to go into the limbo of things that were. Instead of the dashing cavalryman chasing Indians or raiders along the border, leading a charge, under the Army's new plan we are to have an 8-cylinder Cadillac, bristling with bayonets and with machine guns, dash down the highway. There will be a new figure of the man on horseback.

Mr. President, I am astounded at the announcement of the policy of the Chief of Staff with regard to the function of the Army. They have issued an order to move these troops by the 1st of January, in the face of the direction of Congress that, in the interest of economy, troops be not moved. They have ordered trucks to carry these troops to Fort Logan, Ky.

Mr. LOGAN. To Fort Knox.

Mr. CONNALLY. Fort Knox; I beg the Senator's pardon. It ought really to be "Fort Logan," I think; the name ought to be changed, and if I have any influence with the War Department I shall insist, in view of the Senator's gallant defense of a defenseless Army, that the designation of this fortress be changed from Fort Knox to Fort Logan.

Mr. LOGAN. I thank the Senator.

Mr. CONNALLY. Mr. President, if that policy be correct, why does not the War Department move the troops from Arizona? I see the Senator from Arizona [Mr. HAYDEN] here. The War Department is keeping troops in many places in Arizona, but they have reorganized the posts there and they have abandoned some of them. I shall inquire of the Senator from Arizona if I am not correct as to that?

Mr. HAYDEN. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Texas yield to the Senator from Arizona?

Mr. CONNALLY. I yield.

Mr. HAYDEN. It is impossible, Mr. President, to overemphasize what the Senator from Texas has stated. I do want to say to the Senate that I thoroughly concur in all of his remarks in opposition to the removal of troops from the southern international boundary. Let me advise the Senator from Texas that within the past two years a considerable number of troops have been moved from the Arizona border. Part of them, I may remind the Senator from Nebraska, were transferred to Fort Myer, across the Potomac River from the city of Washington.

Mr. NORRIS. That only indicates that I was right in my surmise.

Mr. HAYDEN. If I may furth... interrupt the Senator from Texas, let me say that the Army posts along the Mexican border were strategically located.

Mr. CONNALLY. The War Department itself located them with that view.

Mr. HAYDEN. Exactly so. It is true that the proposed troop movement in Arizona, against which I have protested to the Senate, from Camp Stephen D. Little and Camp Harry J. Jones was a mere transfer within the State. The troops are to be taken away from the international boundary, where they are needed, to Fort Huachuca, a post at a distance from the border. We believe this transfer seriously menaces the security of two of Arizona's most important cities, Nogales and Douglas, which cities happen to be located immediately upon the international line. The city of Nogales is divided from Mexico merely by a street and the business section of Douglas is within rifle range of Mexico. In each of these cities, within the past two decades, American citizens have been killed and injured with bullets fired from Mexico. It is our belief that the only adequate protection which these two American cities can receive is the actual presence of not a very large number, but of a substantial force, of American soldiers. We believe that the moral effect of the visible presence of soldiers of the Regular Army in uniform in and in the vicinity of those cities is the best insurance they can have from possible danger from across the border.

The Republic of Mexico at the present time is governed by gentlemen who we have good reason to believe are entirely friendly to the United States. But governmental conditions in that country have in the past been subject to sudden change. American troops were first placed upon the border 22 years ago. They have been maintained there, it is said temporarily, for 22 years. The American soldiers have justified their presence every day they have been stationed there. They should not be removed. Let me repeat what the Senator from Texas has so well said, that there is no economy

in the transfer of troops from one post to another at this time.

Mr. CONNALLY. I thank the Senator for his contribution. Of course there is no economy in the transfer. The plea of economy is a fiction, I will not say of the imagination but of the cold-blooded design of the War Department to do what it wants to do under the shield and under the guise of economy.

To transport these troops from Texas to Camp Knox in Kentucky of course will involve expense. The Congress said it would involve expense when we put in the economy bill this provision, telling the War Department not to transfer troops except in emergent conditions. Yet the War Department, thinking by using the charmed word "economy" to tickle the ears of the people and the administration by saying that this transfer is in the interest of economy, is perpetrating something which is not true and which bears falsity all over it.

Those are bold words, but I expect to maintain them here and maintain them whenever they may be challenged. I have told the War Department what I thought of its plan and scheme. I told them that it was nothing on earth except the edict, the ukase of a cold-blooded, heartless military autocracy that regarded the Treasury and the country as instrumentalities to serve the military autocrats who are controlling the Army of the United States instead of making the Army an instrumentality of service in time of peace to the people and to the Government of the United States; and I desire here and now, in this public way, to repeat that statement.

I do not think the Chief of Staff cares any more about the Public Treasury than he does about the citizens of Texas who are exposed to danger and the destruction of their property from roving bands along the Mexican border. The Senator from Arizona [Mr. HAYDEN] is eminently correct when he says that the very presence of troops in this area has served as a guaranty of peace. If a criminal or a burglar sees a policeman standing at your front door and knows that he is armed and knows that he knows how to shoot, he is not apt to undertake to burglarize your front porch. If there is no armed protection, if the windows and the doors of your residence are open, if it is advertised to the world that there is no armed protection to your residence, the probability is that the burglar and the sneak thief and the raider and the prowler will invade the premises and exploit your property, and perhaps take your life.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield to the eminent Senator from Kentucky.

Mr. LOGAN. It is a matter of history, I believe, that Texas contributed most manfully to bring about the condition which resulted in the Secretary of War and the Chief of Staff holding their present positions. Why does the Senator think they would have any particular animosity toward Texas at this time?

Mr. CONNALLY. The Senator from Kentucky, much to my surprise, is undertaking to drag some partisan or political consideration into this matter. I say to the Senator from Kentucky that the junior Senator from Texas had nothing on earth to do with the responsibility of the selection of the present President in 1928, if it is that to which he refers, or to his choice of Secretary of War, or to the Secretary's choice of Chief of Staff. Everything I have done since 1928 has been a public and private protest against what the people of the United States did in the presidential election of 1928; and if the Senator from Kentucky gets any comfort out of that situation I might retort that his own State of Kentucky was carried by Mr. Hoover by, I think, 175,000 votes.

Mr. LOGAN. A little more than that.

Mr. CONNALLY. A little over 175,000 votes, whereas my State went for Mr. Hoover by only about 25,000 votes. If the Senator wants to entangle this matter with the election of 1928, I am wondering if the Senator expects his State to be rewarded by giving them this camp in the closing days of the Hoover administration because of the large majority by which Mr. Hoover carried Kentucky in 1928.

I pause for the Senator to reply, if he desires.

Mr. LOGAN. Mr. President, I do not think so at all. I believe that the present administration was much more gratified by the result in Texas than by the result in Kentucky, because it was not unusual for Kentucky to go Republican sometimes, while nothing like that ever happened before in Texas. So I think the friendship and favors of the administration would go to Texas rather than to Kentucky if they were based upon those grounds.

Mr. CONNALLY. The Senator from Kentucky is the only Senator who has suggested that there might be some political angle to this matter. I had no thought of such a thing; but if the Senator wants to base it upon the matter of rewards for political services according to the standard of rewarding the particular State that gave it the largest majority, then, indeed, Kentucky has a more substantial claim than Texas.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas further yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. LOGAN. I want the record kept true. I have made no suggestion that this proposed transfer was on account of political favors one way or the other. I merely suggested that as Texas had contributed manfully to bring about the condition that resulted in the appointment of these gentlemen there is no reason why they should want to punish Texas.

Mr. CONNALLY. The Senator is incorrect. He said that Texas contributed manfully. It did not contribute as substantially as did Kentucky. [Laughter.]

Mr. LOGAN. Nevertheless, you contributed.

Mr. CONNALLY. Mr. President, my remarks would not have been so extended except for the very courteous and generous interruptions I have had; but I do not want to close my remarks without registering here and now my solemn protest against this sort of a policy, whether it be in Kentucky or Texas or Arizona. I should abhor this policy if no portion of my State were involved. I know how for years our citizens were terrorized. I know how for years, beginning away back yonder from the time of Madero in 1910, the governors of our State time and time again had to appeal to the Federal Government for protection. I know that protection has been afforded since this fort has been established at that particular point—a point selected by the War Department. I have here the statements of the War Department itself reporting to the Senate that it was placed there for the protection of the Big Bend country. That is the country that I am talking about. Out of that knowledge and out of that experience I hope the Senator from Kentucky will pardon me if, in behalf of my own people and my own State, I entertain the hope that the Federal Government will at least give to my people and my State that degree of protection which it has traditionally been the policy of the War Department to accord, not simply to my State but to every State in the Union.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I do.

Mr. McKELLAR. There is a feature of this matter that I desire to ask the Senator something about.

I take it that it will be quite expensive to move these troops of cavalry from Fort Russell all the way to Kentucky. I want to call the Senator's attention to the fact that last year, when the military appropriation bill was up, I sought to do with that bill what had been done with five other bills prior to that time, namely, to cut the appropriation by 10 per cent. I endeavored to have a horizontal cut made on all military appropriations just in the same way that cuts had been made in reference to five other departments. The Senate, however, overwhelmingly voted down any cut in the

military department, and afterwards voted in a provision allowing 10 per cent of the appropriations to be used by the department indiscriminately wherever it desired.

If it had not been for those two votes, the Senator from Texas would not have had the trouble he is having now about the removal of these troops, because the department would not have had the money with which to do it. I am calling the Senator's attention to that matter now, because I expect to make the same kind of a motion in regard to the military appropriation bill when it comes up at this session, and I hope the Senator will vote with me on that matter.

Mr. CONNALLY. I thank the Senator.

Mr. LOGAN. Mr. President——

Mr. CONNALLY. Just a moment, and then I shall yield. The Senator from Tennessee, however, is aware of the clause in Public Act No. 212, to which I adverted a little while ago, restricting the movement of troops by the Army to emergency cases in the interest of economy.

Mr. McKELLAR. Yes; I know that.

Mr. CONNALLY. And yet the War Department is absolutely transgressing that instruction, defying the Congress, defying the civil authorities, and doing as it desires.

Mr. McKELLAR. Mr. President, if the Senator will permit me, while I am familiar with that provision, it is nullified by a provision for which the Senator voted——

Mr. CONNALLY. What provision?

Mr. McKELLAR. Allowing 10 per cent of appropriations to be used in any way that the head of a department desires them to be used; and I have no doubt that it is under that provision of law that these troops are being moved. It ought not to have been enacted. I was opposed to it then and I am opposed to it now. I hope the Senator from Texas will see from actual experience the injustice of the provision, and the next time he will vote with me instead of voting against that proposal.

Mr. CONNALLY. Let me say to the Senator from Tennessee that the Senator from Texas is in thorough sympathy with the attitude the Senator now expresses with reference to tying up the departments so that they can not transfer funds from one appropriation to another. I do not recall the particular vote to which the Senator adverts; but if the Senator from Texas so voted it was because all of us were under pressure to accept the view that because of the reduction of 10 per cent in all appropriations there should be some tolerance allowed the departments to adjust these savings and economies as between the various branches of the service. If the Senator from Texas voted for that, he voted for it on that consideration, and that consideration alone. I am utterly opposed to allowing the departments lump sums to be allocated where they desire, whether in the War Department or in the Land Office or in the Interior Department or in the Department of Commerce, or in any other department of the Government.

Mr. McKELLAR. I will say that if the Senator takes that attitude now I feel that my interruption has been worth while, because the Senator did not take that attitude before. By the way, so far as treating all the departments right and being under high pressure is concerned, I beg to say that we cut down by 10 per cent the appropriations in five of the departments, but when we came to the War and Navy Departments we were overwhelmingly beaten by the Senate itself.

Mr. LOGAN. Mr. President——

Mr. CONNALLY. I yield now to the Senator from Kentucky.

Mr. LOGAN. I simply want to remind the Senator from Tennessee that I voted with him to make those cuts. Therefore there was no ulterior motive on my part.

Mr. McKELLAR. The Senator does not have to remind me of that. I remember it with a great deal of pleasure and satisfaction.

Mr. CONNALLY. The Senator from Tennessee does not mean to imply that the Senator from Texas did not vote for the 10 per cent cuts on all these appropriations, does he?

Mr. McKELLAR. Indeed I do. I have the RECORD before me, and I find that the Senator from Texas voted against the 10 per cent cut on the Army appropriation bill.

Mr. CONNALLY. And that is the reward the Senator gets from the War Department!

Mr. McKELLAR. That is the reward; and I hope the Senator will stand with me the next time.

Mr. CONNALLY. I shall not make any pledges, because I do not want to create the impression that I am subject either to retaliation or to any other private reason for influencing appropriations. I am not, and shall not be.

I desire to call the attention of the Senator from Nebraska to an excerpt from a letter from the Secretary of War setting forth the considerations governing this proposed transfer, and I commend these to the Senator from Kentucky. He says—I read from a copy of a letter to Mr. GARNER—

> The selection of Fort Knox, Ky., as a station for the projected mechanized regiment—

"Mechanized"; that means automobiles—

> was influenced by the following considerations: The reservation there is admirably suited both in extent and topographical features for the training and maneuver of a mechanized force.

In other words, there are no trees, no hills, no rough ground up at Camp Knox. This cavalry force can get in their automobiles and charge all around over the ground without hitting any bumps or running into any telephone poles.

Of course, if the troops were down on the border, where the country is rough, where there are bandits, where there are mountains, where there are bowlders, these 8-cylinder Cadillacs might run against a bowlder, they might spoil some general's clothes—no; there are no generals out in the brush; I beg the Senate's pardon; they might skin some officer's shins if they bumped into some of these bowlders. But up at Camp Knox the ground is fitted for the maneuver of automobiles and mechanized equipment. The cavalry troops will charge down four abreast in 8-cylinder automobiles, with machine guns—that is part of the mechanism—and shoot at some targets over a mile or so away, with nothing in the way to obstruct the bullets. There are no obstructions there to the operation of a mechanized force.

Poor old Dobbin. Poor old Dobbin, who eats the farmer's corn, the farmer's hay, and the farmer's oats in these times of agricultural depression. We are to do away with old Dobbin, put him on the junk heap, let the cavalryman disappear and summon forth the chauffeur, with a riding stick, not a sword, but a riding stick in one hand and large, bristling spurs firmly clamped around the steering gear.

> The reservation there—

This refers to Camp Knox, and I commend this to the Senator from Kentucky. This is not the portion of Kentucky in which Daniel Boone hunted squirrels and coons and climbed around through the bowlders and the rocks and over the mountain sides; this is the part of Kentucky that has been leveled and smoothed out by the War Department for those opéra bouffe training activities.

> This change will also augment the troops available in the Fifth Corps Area for the summer training of civilian components.

In other words, they want to take troops away from the border, where they are needed for actual protection, and carry them up to Camp Knox in order to train civilians. To do what? They want to train the civilians for the next war. These military autocrats, like the Chief of Staff, spend their time in peace time dreaming about war, making plans against some foreign power forming designs against the defense of the border; and while the raiders are killing Americans and destroying their property, the general, in his sunny tent or under his electric fan, his spurs up on his desk, dreams about war plans and training the boys of this generation in order that they may be cannon fodder for the next war.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McKELLAR. The Senator overlooked putting in the category of the enemy the poor, hungry ex-service men.

Mr. CONNALLY. To be sure. General MacArthur was the general in command of that marvelous military exploit to which the Senator refers. This is the same General MacArthur who says that the people of Texas have no right to be protected by the National Government.

However, I want to continue about Camp Knox and the reason why it was selected—

That corps area has training of the character in question on a scale not only equaling but in some particulars somewhat exceeding that obtaining in the Eighth Corps Area—

That is the corps area within which Fort D. A. Russell is situated—

yet has available for the purpose less than one-fifth the number of troops of the latter. Thus, this movement of the First Cavalry will serve, in a measure, to equalize the burdens of summer training in the two corps areas.

They have to have summer training for the poor civilian boys to make them soldiers for to-morrow. That is more important than defending citizens and their property and their lives from foreign aggression or roving bands of cutthroats.

Listen to this. These considerations are insignificant; the considerations they have suggested so far are of little consequence. Listen to the superlative reason which actuates the moving of these troops from Fort D. A. Russell to Fort Knox, Ky.:

Fort Knox is convenient to important centers of the automotive industry of the United States. This is exceedingly important because of the highly specialized motor vehicles which will constitute the equipment of the regiment.

In other words, instead of buying automobiles and sending them out to the camps where the troops are, the theory of this letter is that it is highly important that we move the troops up close to the automobile factory, so that they can buy more automobiles and get them more quickly. I want a portion of this letter from the Secretary of War printed in the RECORD—

This is exceedingly important—

Exceedingly important!—

This is exceedingly important because of the highly specialized motor vehicles which will constitute the equipment of the regiment.

Fort Knox is convenient to important centers of the automotive industry of the United States.

The PRESIDING OFFICER. Without objection, the portion of the letter referred to by the Senator from Texas will be printed in the RECORD.

The matter referred to is as follows:

The selection of Fort Knox, Ky., as a station for the projected mechanized regiment was influenced by the following considerations. The reservation there is admirably suited both in extent and topographical features for the training and maneuver of a mechanized regiment. This change will also augment the troops available in the Fifth Corps Area for the summer training of civilian components. That corps area has training of the character in question on a scale not only equaling but in some particulars somewhat exceeding that obtaining in the Eighth Corps Area, yet has available for the purpose less than one-fifth the number of troops of the latter. Thus, this movement of the First Cavalry will serve in a measure to equalize the burdens of summer training in the two corps areas. Fort Knox is convenient to important centers of the automotive industry of the United States. This is exceedingly important because of the highly specialized motor vehicles which will constitute the equipment of the regiment.

Mr. CONNALLY. Mr. President, the Senator from Kentucky adverted to the possible complaint against the removal of these troops because of the economic conditions in which that particular community would be left. I will say to the Senator that with me that is a minor consideration. It is a consideration, however, at this particular juncture, when, the Senator knows, even in Kentucky, even in the salubrious climate of his own State, even in Camp Knox, where the roads are smooth and the trees have been removed, and there are no bowlders and no rocks and no thorns, economic conditions are distressing, and any disturbance of any economic community at this particular time will bring untold misery and suffering upon the people of that community.

What are the conditions at Marfa? The Army went there in 1916 and established this camp. Marfa was then a small town; it is still a small town. Of course, it is larger now than it was then. The families of the enlisted troops are living out in the town. Many of the soldiers have married women in the community. Many of them have children, have families. Naturally, trade and business have grown up by reason of an Army camp being located there. The War Department, in moving this camp now, when business and commerce conditions are so terrific, will naturally strike almost a death blow to this community and to the business of the people residing there. But that is not to be considered except as a minor factor.

We might consider the situation from the standpoint of the time element. If the War Department thinks it is necessary to move these troops for training purposes in the summer time, it could well wait until the summer to do it, it could well wait until April or May or June to carry the troops to Fort Knox in order that they might conduct summer training. Now, in the dead of winter they are moving these troops and leaving the town and the economic community stranded.

That is not the bitterest chapter, Mr. President; that is not the worst feature of this matter. The War Department is furnishing no means of transporting the families of the enlisted men. They are to be left there in Marfa as public charges upon the Red Cross, or upon the community chest, or upon other agencies in that particular territory. As I have said, many of the men have married and have children. An enlisted man has no way of transporting them out of his meager salary. The War Department refuses to transport them. It refuses to transport them in Army trucks because of the desire for economy. It is economy to move the troops, but it is not economy to also move their families.

It is reported that 200 women and children will be left stranded. But the appeals we are receiving from this particular territory show a most horrible condition with reference to the families and the children of the enlisted men at this post. Of course, the officers' wives and their families will be taken care of, they will be transported, they will get to Camp Knox; but what is to become of the poor, unfortunate members of the families of the enlisted men?

Mr. President, there is pending in the House of Representatives a resolution calling on the War Department and the President to suspend this order for the time being. The Senator from Arizona [Mr. HAYDEN] has offered a general resolution here not only with respect to this post but with respect to other posts, as I understand it, along the border, asking the War Department and the President to withhold this order for a little while. Has the War Department shown any respect for that situation? None whatever. Instead of deferring to the wishes of the Congress, when it became known that these resolutions were introduced in the Senate and in the House, the War Department speeded up, it hurried up the order, hoping to have it executed, hoping to have it a closed incident, hoping to have it history by the time Congress convenes after the holidays.

Mr. President, that is the spirit of the War Department as conducted at the present time. It is one of utter scorn of and indifference to the Congress. Of course, the officials are polite to Senators on official occasions. If we go to their offices, they are polite. But I want to say on my responsibility that in my opinion the War Department as at present conducted, under the present Chief of Staff, is a cold, heartless, military autocracy; and if it can evade the directions of Congress, it will evade them; if it can, in defiance of the expressed policy of this Government for a hundred years, carry out its own desires, it will abandon this fort, and in the course of time, if it has its way, it will abandon other forts along the border and concentrate the troops now there in a few great centers, where it can carry on its maneuvers, where it can play at war, where there are not the hardships, where there are not the sufferings, where there are not the rigors of frontier service.

Mr. President, they had slated the abandonment of other forts. The War Department had slated the abandonment

of Fort Brown, at Brownsville, which has been a post ever since the days when old Zachary Taylor invaded Mexico at that point. They wanted to abandon that. They wanted to abandon another fort on the border, Fort McIntosh, at Laredo. As I said, they proposed to abandon Fort Brown, but influences reached them and caused the War Department not to carry out the abandonment of Fort Brown and Fort Clark, another fort near Del Rio, at Brackettville, which has been there since the days before the Civil War. They wanted to abandon that, but certain influences reached them, and they reversed their policy. But the fort at Marfa, the most strategic point on the border from Brownsville to San Diego, Calif., is to be abandoned. I say it is the most strategic, because it is at the point of danger. It is at the open door. It is 200 miles from the nearest post to the west and 300 miles from the nearest post to the east. We speak about the open door. The Big Bend country is the open door, when it is undefended, for all sorts of raids and incursions from abroad.

Of course, these bands of marauders are not going to invade El Paso, where there is a big military post. They are going into the open country, where there is no protection, where there are no troops, where there are no peace officers except the constabulary which the State maintains.

Mr. President, what I have said to-day will be futile, no doubt. What I have said will be read in the RECORD by the military autocrats who control the War Department. It will be read with a sneer, no doubt, because it is the utterance of a man in civil life rather than a man with officer's bars on his shoulders. It will be read by the Chief of Staff with exclamations of indignation, no doubt with the application, among his associates, of vile epithets applied to the Senator from Texas. But the Senator from Texas is here to represent his State and his people. I shall not be awed by jingling spurs or polished boots. The Senator from Texas will not be deterred from saying what he expects to say on this floor by the fear of future punishment by the Secretary of War or by the Chief of Staff. The Senator from Texas protests against this course as a betrayal of my people to danger, the possible death from lawless bands, in order to gratify the vanity and the military ambition of the Chief of Staff and the War Department.

Those are strong words. I mean them to be strong. From the very depths of my being I resent the attitude of the Chief of Staff and the Secretary of War with reference to this post, not simply because it happens to be Marfa, not simply because it is a little isolated post, but because of the policy, which assumes that the War Department and the Army are not the instruments of the civil power to protect our people in time of peace but that they are the instruments of a military machine dreaming of future wars and future campaigns in order to have great training camps. I repudiate it as a betrayal of the historic and traditional policy of this Government. Since its earliest history we have had Army posts along these borders and in the West.

My words will fall on deaf ears. My protests will be disregarded. But I want the RECORD to show that no policy of this kind can be enforced and no such doctrine as was enunciated to me in the War Department can go unchallenged so long as the great State which I, in part, have the honor to represent has a voice with which to protest.

Mr. SHEPPARD. Mr. President, briefly I wish to say that I join most earnestly in the protest against the removal of the troops from Fort D. A. Russell. I desire to express the hope that the Secretary of War and the Chief of Staff will yet reconsider their decision to remove the troops.

A few days ago my colleague and I and the able Congressman from the district in which Fort D. A. Russell is situated appealed to the President against the removal of the troops. We entertained strong hopes that we had made out our case, but it seems our efforts were in vain. In view of the fact that legislation is pending both in the Senate and in the House in reference to this subject, I trust that the Secretary of War and the Chief of Staff will suspend action until Congress expresses itself.

THE WHEAT SITUATION

Mr. BANKHEAD. Mr. President, I informed some Senators who are particularly interested in the subject that I would to-day address the Senate on the wheat situation. After further consideration and in view of the understanding under which the Senate is operating I decided not to speak to-day and have given that information to the interested Senators. However, I wish to give notice that as soon as I can obtain recognition after the Senate reconvenes next Tuesday I shall address the Senate on this subject.

FARM RELIEF

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by John A. Simpson, president of the National Farmers' Union, over the National Broadcasting Co.'s network in Washington, D. C., on Saturday, December 24, 1932.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I come to you at this hour with a heavy heart. Heavy because of the discouraging report I am compelled to make on what Congress is doing.

However, before I go to that, let me tell you about the results of my appeal for membership over National Broadcasting Co.'s network four weeks ago to-day. In that appeal I asked for those who would like to see Farmers' Union in their communities to volunteer in organizing work. Our national headquarters at Kankakee, Ill., received offers from 192 persons coming from 38 States. These volunteers are being instructed, and no doubt many of them will be successful in their efforts in getting members for the Farmers' Union. Let me urge those who have responded to continue their efforts in establishing organizations of farmers in their communities. Let me also urge those listening in to-day who were not listening last month to join these volunteers and help us to establish organization, especially in those places where farmers have no organization.

Protection and betterment of any group or class of people always come about through organized efforts of that group or class.

I have just recently been reading the Life of Abraham Lincoln. The author in describing labor conditions of 1832 says:

"Farmers' daughters filled the cotton mills in Lowell, Mass.; they started to work at 5 o'clock in the morning and worked 'til 7 o'clock in the evening, with a half hour off for breakfast and 45 minutes off at noon for dinner; they spent 14 hours a day at the factory and had 10 hours a day left in which to sleep and to refresh themselves and to improve their minds and bodies."

So far as the employers of those farmers' daughters were concerned, they considered 14 hours a day an ideal condition. Such condition would never have changed except as labor organized, made demands, and fought for the concessions they demanded.

I also read from this same book where laborers were often arrested and found guilty on the charge "of conspiring to raise wages." For such offense they were fined and sometimes imprisoned.

You farmers, out there on your farms, selling your corn for 10 cents a bushel, your wheat for 30 cents a bushel or less, and your cotton for 5 cents a pound, I want you to know that the big interests of this country consider that an ideal condition. I want you to know that if such condition is to be bettered, if you are ever to get prices that will mean a decent standard of living for you and your families, it will be when you show the good sense of getting together with your neighbors and organizing in a class-conscious union of your own. You can produce corn for 10 cents a bushel until the day of your death so far as those who make money out of processing and handling your products are concerned. Every day I hear those in high authority say that the farmers of this Nation are evidently satisfied with conditions. They come to this conclusion for the reason that you do not even ask to have the thing made better. Seventy-five per cent of the farmers of this Nation, by their unorganized silence, consent and approve of 5-cent cotton and 25-cent wheat.

Some of you who belong to your organization complain that your public officials take no interest in farmers. Why should they take interest in farmers? Farmers take no interest in themselves. A public official is not going further than those he represents desire him to go. Most Congressmen and Senators are experts in understanding the public sentiment of their districts. These public officials will be for whatever you want when you let them know what you want.

There are about 30,000,000 people on the farms of this Nation who will never know what they want, except just to the extent that they organize. Some of you say that organization is too slow; that reform will come through revolution. No unorganized group can even carry on a successful revolution.

You farmers are the greatest wealth producers of any group in this Nation. Never in the history of the Nation were you permitted to retain the same proportion of the wealth you produce that the other producing groups retain. If you like to think of your children and grandchildren going on for the next 50 years toiling in the heat of summer and the snows of winter to make a few more billionaires in this country, then refuse to heed this

appeal to organize. If you would like to do your part to change conditions, to change the laws of our Nation in such a way that the laborer on the farm, in the shop, in the factory, and everywhere shall retain to himself and his family the fruits of his toil, then do your part to see that your community is 100 per cent in the Farmers' Educational and Cooperative Union of America.

One month ago I begged you to self-organize. I begged you to write to E. E. Kennedy, Kankakee, Ill., for instructions on how you and your neighbors could form Locals of the Farmers' Union. Kankakee, Ill., is the national headquarters, and Mr. Kennedy is our national secretary.

I appeal to you to get this job of organizing done in the next 60 days. Let us be ready to do our part in bringing about the new deal that has been promised after the 4th of March.

I feel that when you and your neighbors become acquainted with the program of the National Farmers' Union, you will accept it 100 per cent.

CONGRESSIONAL ACTIVITIES

All governmental effort in the last year has been a dismal failure. Two things are conclusive proof of this statement. First, when Congress convened a year ago, the army of unemployed numbered about 6,000,000. When they convened this month, the army of unemployed numbered about 12,000,000. Second, when Congress convened a year ago, the index price of farm products was 71 per cent of pre-war. To-day it is 54 per cent of pre-war. These are figures put out by the Department of Agriculture.

A year ago Congress upheld the President in his debt moratorium to the countries of Europe. The moratorium of a year ago was instigated by the international bankers of New York City who were afraid they would not be able to collect what European nations owed them if Uncle Sam insisted on collecting his. Everyone knows now the moratorium was a great mistake. Everyone knows that the moratorium was intended, by the big bankers, to be the first step toward cancelling European debts due this Government.

In the last session of Congress every effort to better conditions was based on the theory that to lend millions and billions to the big bankers, the railroads, and the insurance companies would cure the terrible depression. Children should have known better. The President and Congress in their efforts along this line appropriated nearly $5,000,000,000 to help big institutions—some of it gifts and some of it loans.

Folks of the radio audience, this is one hour each month when you get some truth. The money-controlled, big daily papers of this Nation will not give it to you. There is not a big newspaper that dares give its readers the truth about what is going on here in Washington. They do not dare tell you or publish the list of big steamship companies that in the last few years have borrowed money from the Government of the United States on 20 years' time and much of it at less than 1 per cent interest. About $150,000,000 has been lent by this Government to individual steamship companies on the basis I named. The big daily papers of the country lead their readers to believe that the last session of Congress only appropriated $4,000,000,000 when in fact it appropriated $9,000,000,000.

The efforts of our National Government not only failed to solve the unemployment problem or the problem of unheard of low prices for farm products, but they also failed in their efforts to save big business. Lending to banks, yet there were over 1,400 that closed their doors in the year 1932. Lending to railroads that are more nearly bankrupt to-day than they were when the Government lent them.

The Secretary of the Treasury testified in December, last year, what would be required in taxes in order to balance the Budget. He came back in March and admitted that his estimates were wrong and asked for a half billion more. The new fiscal year commenced July 1. In a little less than six months the deficit, in spite of the Secretary of the Treasury's figures, is more than $1,000,000,000. He is still Secretary of the Treasury. It looks as if he would resign.

The present session of Congress has just finished its third week. The House has spent that three weeks in discussing the repeal of the eighteenth amendment and modification of the Volstead Act in the form of a new beer bill. Apparently that is the most important question. Five-cent cotton, 2-cent hogs, and 25-cent wheat get no attention. Thirty million men, women, and children hungry and cold without the means of earning a living receive scant notice. The main subject is beer and booze. Why anyone should worry about beer and booze in Washington is a mystery to me. Anybody can get all they want of it.

In the Senate the subjects considered so far have been the Hawes-Cutting bill, providing for Philippine independence, and another bill providing for the merger of two street-railway companies here in Washington.

The general picture gets darker. Times are harder, more children without food or shelter, thousands of farms being foreclosed every week, yet the United States Senate quarrels and fusses over whether or not they shall pass a bill merging two little street-railway companies here in Washington.

WASHINGTON HAPPENINGS

Everybody is here; the beer crowd; the prohibition crowd, male and female; the millers; the spinners; the meat packers; the money merchants; the beggars, most of them in silk hats; beggars here asking alms for their institutions such as railroads when the beggar himself is drawing more than $100,000 per year salary. This is true of the insurance companies' beggars, too, and the big bankers' beggars. Also the farmers are here. The hunger marchers came. A small army of ex-service boys have been here.

Of the farmer group about 250 unorganized farmers held a mass meeting in Washington for four days. They came from 26 States. They asked the privilege of addressing the House and Senate. Of course, it was denied them. However, their resolutions were read into the record of both bodies of Congress. There was just one good thing out of these 250 farmers coming to Washington. It was one more proof of the unrest and dissatisfaction of those who live on the farm. I am sure they were real farmers, but the poor fellows do not know that such moves as theirs do not even get consideration here in Washington. Of the 531 Members of the House and Senate there are not 10 who could tell you one thing these 250 unorganized farmers asked for in their petition. I am glad they came. I wish a million unorganized farmers would come to Washington. However, I would much rather a million would join the Farmers' Union.

The organized farmers are here—the Grange, the Farm Bureau, the Farmers' Union and a dozen commodity-marketing organizations. We can at least get a little recognition. We held a 4-day conference, agreed on a program, and for 10 days the Committee on Agriculture of the House has been holding hearings on our proposed marketing bill. It must be we have a bill of some value, because the millers, the spinners, and the packers are here in swarms testifying against what we proposed. After the holidays we will be having hearings before other committees on monetary reform and on refinancing of farm mortgages. We have already taken an active part in the bill for Philippine independence and to a considerable degree have whipped the big sugar interests, because to the bill they wanted to pass we have been able to get amendments that are of great value to the farmers of this country.

We are here on the job. We will be here every day of this session of Congress. We will be here when the next session convenes. You unorganized farmers listening in, why do you stay out of your organization that furnishes you the only means to protect your group and better your condition?

The election, the continued depression, and contact with the folks back home have changed the attitude of many Members of the House and Senate toward the farm organizations. There are a greater number of Congressmen and Senators who are thinking along the lines of the farmers' program who a year ago were not even friendly. We are, at least, making progress. I want you to know that I have no hopes for any remedial legislation in this session of Congress. If we are able to pass any of our proposed farm measures, the President has already announced he would veto them. I do believe that after the 4th of March a special session will be called, in which we shall get some real relief. That is the reason I am so concerned about farmers organizing during the next 60 days. It is up to you farmers to place yourselves in position where there will be no question about what the farmers of the United States want. As long as 75 per cent of you stay out of your own class organization, your enemies can always raise the point that the 75 per cent do not want what the 25 per cent are asking for.

SOME FUNDAMENTALS

During the last 50 years the press, the public schools, and in many instances the pulpit have taught that laws, constitutions, and governments are the most sacred things in all the world. The facts are, laws, constitutions, and governments are always inferior to human rights. The facts are, laws, governments, and constitutions are set up to serve human rights. When they cease to serve and protect human rights, then human rights have a right to trample laws, constitutions, and governments in the dust. This is not a new doctrine. It is not original with me. You will find all of it in the Declaration of Independence.

Probably as many crimes have been committed in the name of law as have been committed against law. Christ was crucified in the name of law. A law can be a bigger thief than any 2-gun man that ever lived. While honest people are working, producing the wealth of the Nation, crooks go to legislative bodies and get laws passed that steal the property those honest, hard-working citizens create.

Here in Washington buildings are marked to be torn down that cost millions of dollars. Buildings that construction engineers say are the very best in Washington. Buildings that the employees who work in them say are comfortable and convenient. Buildings that would be good a thousand years from now are marked to be destroyed with but one excuse given, and that is the outside architecture is not in harmony with the new buildings being constructed.

Any law that permits the destroying of the taxpayers' property like this, in the interest of contractors who are paid for destroying buildings and paid for building new ones, is a thieving law. It is just as much a crime as for some anarchist to destroy those buildings with dynamite.

Just recently the Postmaster General purchased a new car when he had a good one. Some Congressman observed the bill for the new car, demanded to know the purpose of purchasing it. The only reason given was that the Lincoln car the Postmaster General had was not high enough for him to wear his silk hat.

Any law that permits a hired man of the people to waste the taxpayers' money in purchasing another automobile in order that he can wear a high silk hat is a thieving law.

Money merchants with laws that give them control of money, the lifeblood of commerce, deliberately planned to steal every farm home in this Nation and to steal every little business in this Nation, including the small banks. I say to you that all of the crimes ever committed in the history of this Nation do not

equal the crime of the international bankers in so controlling money and credits as to rob the farmers of the Nation of their homes.

If you farmers like it, go your weary way, down the road, broke and homeless. If you do not like it, get into your organization, the Farmers' Union. I promise you, if half the farmers will do that, we can stop these official crimes being committed in the name of law.

REMONETIZATION OF SILVER

In the category of crimes committed in the name of law an outstanding one is the "Crime of 1873." The demonetization of silver is historically known as the "Crime of 1873." Members of the House and Senate, years after it was discovered that a certain law had demonetized silver and put this Nation on a single gold standard, testified that they had voted for the bill not knowing it demonetized silver. It afterwards developed that representatives of the big bankers of England engineered this conspiracy against the people.

In the National Farmers' Union legislative program you will find a demand for the remonetization of silver on the same basis that silver occupied when it was demonetized in 1873.

Remonetization of silver as provided in the Wheeler bill means that silver would receive the same treatment by the Government that gold receives. Anyone possessing gold can take it to the Government and have it coined into gold pieces without expense to the owner, the Government furnishing the alloy and doing the coining. Or, if the owner of the gold prefers, the Government will issue a like number of dollars in gold certificates. If silver were remonetized, anyone owning silver could take it to the Government and have it coined into silver dollars or silver certificates issued by the Government without expense to the owner. There is nothing mysterious about this. It is simply doing for silver what is now being done for gold.

The very people who have brought about conditions that are causing you to lose your home are the ones that keep Congress from remonetizing silver. If silver were remonetized, your homes would be saved. If silver were remonetized, the little bank in your town would survive. If silver were remonetized, it would put the producers in this country on a parity with the producers of practically every other nation of the world. If the United States were to remonetize silver to-morrow, it would be the same thing as doubling, and in many instances trebling, the cost of production in foreign nations. It would mean, when they sold products to us, instead of taking our dollar back with them, they would purchase some of our products to take back with them. To remonetize silver would double and treble the price of all farm products.

The big business men recognize this. In a letter a few months ago to the big business interests of the country a professional reporting agency here in Washington—I have their letter—stated that they had been able to defeat every attempt to expand the currency which would have meant an increase in the price of commodities. This letter is positive proof that those who control the currency of the country do not want a cheaper dollar. They do not want a higher price for cotton, wheat, and corn.

You grain farmers listening in, I want to compare present economic conditions to a grain binder. The bull wheel is the source of all power. It makes the sickle go. It makes the canvases turn and carry the grain to the binder. It makes the packers pack the wheat into the bundle. It makes the knotter tie the knot. It makes the kicker shove the bundle out and off of the machine.

The sickle may stop, and you remedy the thing by removing the stick or whatever may have stopped it. The canvases may clog up, and you unclog them. But when the bull wheel stops, everything stops.

Finance is the bull wheel of the machine that grinds out prosperity for a country. Employment, farm prices, wages, and all other objects are inferior to finance.

If a majority of the House and Senate could get a vision of this question, they would turn their attention at once to the subject of monetary reform. They would remonetize silver. They would take the control of issuing of currency away from bankers of this Nation and restore it to Congress, where it constitutionally belongs. With this done, the bull wheel of prosperity would move instead of sliding; and as other parts of the machinery that obtain their power from the bull wheel needed oiling, cleaning out, or unclogging, it could be attended to.

On this subject I want to quote from Arthur Brisbane in one of his articles published in the Washington Herald December 5, 1932. It is as follows:

"When the Government puts 'I promise to pay' on yellow paper, bearing interest, as it has done on more than twenty billions worth of such paper, that is 'correct finance.' If it wrote and distributed $5,000,000,000 worth of 'I promise to pay,' on green paper, bearing no interest, that would be dreadful inflation, although the people would save $200,000,000 a year in interest."

TAXATION

I want all of you to know that there is great danger of Congress passing a manufacturers' general sales tax. The President is asking for it, and the money-controlled daily press of the country are asking for it.

The Farmers' Union, in its national program, says all taxation should be based on ability to pay. The only test of ability to pay is net income at the end of the year.

A manufacturers' general sales tax is not based on ability to pay; therefore we are against it. The manufacturers' general sales tax is advocated by the rich because they know it makes the poor man bear the burden of taxation.

If you farmers listening in want to have a further burden of taxation put on you, just remain silent, stay out of your organization, and you will have your desire. If you do not want an unfair burden of tax put on you, then write to your Congressmen and Senators at once telling them you want them to work and vote against it.

Besides doing this, write E. E. Kennedy, Kankakee, Ill., and find out how you can become a member of the Farmers' Union, the organization that fights the big tax shirkers.

TARIFF

Our tariff schedules figure about 80 per cent in favor of the manufacturers of our country and 20 per cent in favor of the producers of raw materials.

Take the coal industry, it is confronted with bankruptcy largely because they are at the mercy of large importations from England and Canada.

The lumber industry of this country is on the verge of bankruptcy, competition even coming from as far as Russia. With proper protection thousands of men could be set to work in the forests of this country.

The sugar-beet farmers of this Nation are compelled to compete with the production of the Philippines, where they can hire labor at 10 cents a day. Our dairy interests are smothered with oriental oils that come in free and go into substitutes for butter.

The independent producers of crude oil are almost crushed with the Mellon-Rockefeller importations of cheap oils from Mexico and South America. Again, Russia is also a competitor, and large quantities of crude oil and refined products are coming from that country. In the last session of Congress the independent producers were successful in getting 42 cents a barrel protection on crude oil, but it has been almost nullified by discriminatory ocean-freight rates as between the independents' Gulf ports shipments to the east and the ocean rates on importations from South America.

Farmers everywhere should know and realize that everything beneath the surface of a farm belongs to the farmer just as much as the crops growing on top. The oil and the minerals are yours first. For that reason you should be interested in seeing that your beneath-the-surface crop is properly protected.

MARKETING

The Farmers' Union has for its slogan, "Nothing less than cost of production for that portion of farm crops consumed in this country is a remedy." We are here working for that kind of legislation. Do you want it? If you do, join the organization that is here on the job doing its dead level best to get just that kind of legislation.

We simply want the Government to do for agriculture what it has been doing for railroads for the last 26 years. We want them to take charge of the marketing of farm crops and through licensing the buyers see that the farmers of the Nation get cost of production for the part of their crops needed in this country.

REFINANCING

One of the greatest emergency needs is the refinancing of farm mortgages.

It took just 13 days last December for Congress to pass a bill providing $2,000,000,000 to refinance banks, railroads, and insurance companies. If they would in the next 13 days appropriate $2,000,000,000 to refinance mortgages on farms now due and being foreclosed, it would be of much greater general benefit to the Nation.

The Farmers' Union indorses the Frazier bill. The Frazier bill provides for refinancing farm mortgages on the basis of 1½ per cent interest and 1½ per cent payment on the principal each year.

If you farmers listening would like to see the Frazier bill become a law, do the necessary thing, write to E. E. Kennedy, Kankakee, Ill., and find out how you can become a member of this great farm organization.

This week the Senate Banking and Currency Committee, of which Senator NORBECK is chairman, has started hearings on the Frazier bill, and these hearings will be continued after the holiday recess.

In a number of States judges have publicly announced they will not issue decrees of foreclosure or confirm foreclosure sales so long as farm prices remain where they are.

The judge of the ninth district of Nebraska, who resides at Madison of that State, is one who has made such public declaration.

Several district court judges have made similar announcements. It is just a case of a judge realizing that human rights are superior to property rights.

STATE QUESTIONS

Motor transportation

I want to call your attention to the fact that in 43 different States the State legislatures will soon be in session. Most of them will get under way early in January, and many bills will be introduced that have an important bearing on agriculture. All of these will not be labeled "agricultural bills" either. Let me refer for just a moment to one class of bills that will be introduced in practically every State legislature, and if passed will adversely affect agriculture.

I have had the opportunity in the past few days to see in advance bills that the railroad interests plan to push in each State

for the "control and regulation" of motor-vehicle traffic. I know that these bills are designed to increase the costs of operating your automobiles and your trucks and to impose new costs and restrictions on hired and common-carrier trucks and busses, so that your trucking rates and bus fares would have to go higher. These and similar bills also plan to increase gasoline taxes and to cut into the gasoline-tax funds for all sorts of nonroad purposes.

The intent is to drive freight and passengers away from motor vehicles. We must mobilize our farm forces at the various State capitols and see to it that bills of this kind are not passed through the State legislatures.

Down in Texas a year ago last summer farm folks were not as alert as they should have been, and a law was passed that put 30,000 motor trucks out of business in that State. This law also prohibits farmers or any other private truck owners from hauling more than 3½ tons over routes served by other common carriers, but permits loads of 7 tons where they serve the railroads. These are only a few of the restrictions of this Texas law that robs the farmer of the opportunity of getting lower transportation costs through the use of trucks and busses.

I warn you Farmers' Union members and other farmers to be on the watch for bills in your several State legislatures which provide for diverting gasoline-tax funds for nonroad purposes or that aim to increase the costs of operating motor vehicles or in any way restrict their use.

Lame-duck amendment

Another State question deserving your prompt attention is the Norris-proposed amendment to the Constitution of the United States. This amendment eliminates what is termed lame-duck sessions of Congress. It provides that after the November elections those elected to the House of Representatives, to the Senate, and the President and Vice President elected shall take office in January instead of the 4th of March.

Seventeen State legislatures have already ratified this amendment. When 19 more ratify it, it will be a part of the Constitution. I urge you to do everything possible to get your legislature to ratify this amendment at once.

APPRECIATION AND MERRY CHRISTMAS

I come to the close of my last radio talk for the year 1932.

I want to thank the National Broadcasting Co. for all its courtesies and kindnesses to us.

I want to thank those members of our audience who have responded so splendidly to every appeal made.

I want, also, on this day before Christmas to remind every person listening in that to-morrow we celebrate the birthday of the greatest Teacher that ever lived. He taught and practiced the doctrine of unselfishness. He taught and practiced the doctrine of service. He taught and practiced the doctrine of universal love. He was punished, and He suffered for teaching these principles. May each and every one of us accept these doctrines He taught as the only true guide by which we should live, and may we, in so far as it is humanly possible, practice the precepts of our great Teacher.

I wish you all a merry Christmas and a happy New Year. God bless you, and good luck.

PROCEEDINGS OF UNEMPLOYMENT CONFERENCE

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD the proceedings of the Washington conference on unemployment held in this city December 2 and 3, 1932.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

WASHINGTON CONFERENCE ON CONGRESS AND UNEMPLOYMENT

The conference in Washington, December 2 and 3, on Congress and unemployment, called by the Joint Committee on Unemployment, was attended by about 160 delegates from 10 States and 18 cities. The speeches and reports are of great interest and importance.

One afternoon about half of the delegates attended a conference with Members of the United States Senate and House of Representatives to enlist their active support for the program.

Dr. W. Jett Lauck, economist, speaking on Quick Economic Recovery Is Necessary and Practicable, discussing what form of procedure is immediately possible and also may be expected to be fundamentally sound and quickly effective, advocated:

"First. In commercial and industrial activities there must be restraint of competitive forces which will not be against the public interest.

"Second. The term public interest in this connection implies the assurance of a fair return to prudent capital investment; to labor of all kinds, including management, a just and reasonable participation in industrial accomplishment in the form of proper rates of pay and working conditions, security, and regularity of employment; and to consumers fair prices, or, in other words, prices which will cover the costs of production under the foregoing conditions, plus a fair return on capital prudently invested.

"Third. Recognition of the principle that the maintenance of mass purchasing power is essential to the maintenance of the mass production and distribution methods of modern industry, and that this implies (a) constant reduction in the hours of work in order to maintain regularity of employment in the face of increased mechanization and technological improvements, and (b) constant decrease in prices or increases in rates of compensation to all classes of employees in accordance with lower costs or the increased productive efficiency of industry.

"Fourth. Acceptance of the principle that the maximum degree of accomplishment in trade and industry can only be attained through the sympathetic cooperation of all groups of industrial workers, and that it is essential to the obtaining of such cooperation, and to industrial democracy itself that industrial workers be granted the right to organize and to participate collectively in industry through representatives of their own choosing.

"Fifth. In order to make economic planning and control possible, investment banking should be placed under Federal control and supervision, and proposals for the flotation of securities of industrial and commercial corporations or plans for the reorganization or consolidation of such corporations should be submitted to some properly constituted Federal tribunal for approval.

"As existing policies are ineffective, what practical plan is available by means of which the unemployed may be speedily put back to work, mass purchasing power developed, and economic recovery assured?

"Fundamentally, it is obvious that industry can not and will not resume or expand operations, however much bank credit may be available, unless it is assured that its operations will not result in a loss. This means that industry must have assurance that output can be sold at a price sufficient to cover operating expenses, plus a reasonable return on capital invested. To meet this fundamental requirement stabilization of prices and production under Federal supervision is the only practical method for economic recovery which can now be adopted. The crisis at the present time is so serious that Congress, on convening, should declare that a national emergency exists which necessitates the immediate adoption of such a program.

"The agencies for successfully carrying through such a program should consist of stabilization or price and production control boards with administrative powers to arrange production and price schedules, operating under the advice of an economic council. These agencies would be composed of members representative of all branches of business, finance, and organized labor, assisted by the best experts obtainable. The members could be selected from panels submitted by the different groups. The entire proceeding would be one of industrial self-government under public auspices.

"In putting such a program into effect no person, firm, corporation, or trade association should be permitted to operate without a license from the stabilization board of the industry involved. In order to safeguard and render uniform labor costs and standards and to maintain employment after recovery it would also be necessary to make it a condition of licenses granted to producers.

"(1) That the 30-hour week or the 6-hour day should be mandatory;

"(2) Employees should have the right to organize and bargain collectively through representatives of their own choosing; and

"(3) Rates of pay to all classes of employees should be just and reasonable and must be advanced in accordance with the productive accomplishments of the working forces."

Joseph Schlossberg, secretary-treasurer of the Amalgamated Clothing Workers of America, advocated ending the labor of children and the aged, and unemployment insurance. He said:

"There are three types of such insurance—

"Voluntary insurance furnished by the employers. This is of little value. It can apply only to isolated groups and can be stopped by the employer at will. It can also be made a means of fighting organized labor.

"Joint arrangements between employers and trade-unions, as in the men's clothing industry. That is very helpful. But only a very small proportion of the American workers are organized in trade-unions, so that even if all organized workers were covered by such insurance, about 90 per cent of the working class would still be without such protection. One weakness in such joint arrangements is that the income is at the lowest when the need is greatest.

"In order that unemployment insurance may really afford protection for all wage earners it must be compulsory, nation-wide, and enforced by the law."

Dr. John H. Gray, former president the American Economic Association, discussing how to pay for the unemployment program, said:

"We must have a tax law that meets the major needs of the Government by greatly increasing, by rapid stages, the income and profits taxes in the higher brackets, and by greatly increased estate and inheritance taxes.

"We must abolish tax exemption on Federal securities, and by a change of Constitution (or court ruling) on States and local securities. It is probable that the present Supreme Court would approve a statute taxing not such securities but the income from them; not as a special tax alone on them but as incidental to a general taxing scheme. To all this should be added a tax on the surplus of corporations. Two hundred corporations now control about one-half the industrial life of the Nation and have surpluses far beyond their business needs.

"The talk about balancing the Budget by cutting down the public service or by taxation under present circumstances is economically impossible. Much more is it psychologically and politically impossible. The start must be made by Federal public borrowing and direct relief of unemployment. Nothing else will start production. When production is in full operation there will be no trouble about taxes or balancing the Budget. We borrowed about $25,000,000,000 for a useless and destructive war, all at relatively low rates, and did not shake the credit, and levied taxes. Had the war continued we should have borrowed

much more and levied much heavier taxes. The taxes were much heavier than we have to-day and the income taxes much more progressive.

"The sales tax, a total failure as a revenue bringer in the limited form in which we now have it, is simply a disguised poll tax and impossible to collect. Teagle's ration-the-job campaign is the same thing under a different name. It is one more attempt to put the whole burden of taxes on the poor. It violates every canon of taxation accepted in the civilized world for 150 years.

"I know of but one reputable economist that has approved it. But as he has been drawing large expert fees as adviser to the Treasury for many years, he is supposed to support every Treasury position."

REPORTS ON FOUR GREAT INDUSTRIAL STATES

Reports were made on unemployment conditions in four great industrial States.

Illinois

Mr. Karl Borders, of Chicago, secretary of the Illinois League for Industrial Democracy:

"The fourth winter of unemployment in Illinois finds the State with the stupendous total of 1,400,000 unemployed. This is over two-fifths of the number normally employed in the State. Over half this number are in Chicago, where fully one-half the number normally working are unemployed. The State Department of Labor reports minute increases in pay roll and employment since the low of July. But the relief load is still steadily climbing as resources are exhausted. Approximately 150,000 families in Chicago alone are on relief, plus more than 20,000 men and women cared for in shelters.

"Practically all of relief funds since February this year have been from State and Federal sources—twenty million Federal and nineteen million State. Continuous relief service has been given throughout this period by dint of vigorous action on the part of the relief commission and organized pressure of the unemployed. Threats of closure of relief stations and one actual 30 per cent cut in rations, have been met with immediate action by unemployed organizations. These organizations have undoubtedly been a large factor in the total situation.

"Although relief standards in Illinois, particularly in Chicago, compare favorably with other States they are invariably below normals set by case-working agencies in so-called normal times. No rents are paid. An average of 313 actual evictions per month have taken place since June, to say nothing of many thousands of removals which cause untold mental suffering.

"There is no cash allowance for incidentals; no provision for school expenses; clothing is inadequately provided. Nonfamily persons are cared for almost exclusively in congregate shelters—an admittedly demoralizing and makeshift proceeding."

Ohio

Dr. I. M. Rubinow, director the Cincinnati B'nai B'rith:

"With the unemployment ratio of over 30 per cent, considering only total unemployment, with a shrinkage in the pay roll from nearly $2,000,000,000 in 1929 to less than half, or a wage loss of over a billion dollars, Ohio, one of the most important industrial States in the Union, finds itself in well-nigh a desperate position. In a population of some 7,000,000,000 people, over a hundred thousand families, or a population of between four and five hundred thousand in the State, are being supported out of private and public relief funds. The amount of relief granted, which has shown a tendency to double almost every year since the beginning of the depression, a year ago ran about $800,000 a month, and now runs at the rate of a million and a half a month. The annual relief budget may approximate $20,000,000. That represents only a drop in the bucket in comparison with the wage loss sustained.

"Concentrated industrial centers, where one industry predominates, such as Dayton, with its rubber industry; Youngstown, with its steel; Toledo, with automobiles, etc., show an even more distressing situation. Standards of relief have been unmercifully slashed. A grant of $10 to $12 a month is beginning to be considered as a normal appropriation. Direct distribution of food, which only two years ago created a sense of horror among social workers, has been adopted almost throughout the State as the only method possible with the means at hand.

"The only ray of hope for a better policy in the future is brought by the report of the Ohio Unemployment Insurance Commission, presented to the governor two weeks ago. The report recommends a well-worked-out plan for unemployment insurance based upon moderate contributions from both employer and employee totaling 3 per cent of the pay roll, out of which benefits of 50 per cent of the wages, but not in excess of $15 a week, could be paid for 16 weeks of unemployment in any one year after a waiting period of three weeks."

Pennsylvania

Emil Rieve, of Philadelphia, president of the American Federation of Full Fashioned Hosiery Workers:

"Every sixth family in Pennsylvania needs relief as a result of unemployment, according to figures certified by the State Emergency Relief Board to the Reconstruction Finance Corporation.

"The actual situation is probably worse than this figure would indicate, because a number of families in the State are receiving Red Cross flour but no other relief from public funds. This means that thousands of families are right on the border line of starvation, but, as they are only hungry and not literally destitute, do not 'rate' State or local relief.

"The best estimates of the number of totally unemployed in Pennsylvania give us a figure in excess of 1,200,000, which is over 34 per cent of the total working population of the State.

"The emergency relief board of the State has just allocated $2,000,000 to cover the needs of the unemployed throughout the Commonwealth. Only 5 or 6 of the 67 counties in the State can get along without outside assistance to supplement money raised locally for relief. The $2,000,000 provided by the State probably affords a relief disbursement of between $1.50 and $2 per week to each of the families needing aid.

"Reconstruction Finance Corporation funds paid out by the State are, of course, supplemented by some funds raised by taxation in Pennsylvania itself and in a few cases some local funds are available also. However, the total additional amount provided from State, county, and private funds is probably less than 30 per cent of the amount received from the Reconstruction Finance Corporation.

"In the city of Philadelphia the county emergency relief board states this week that 41,000 households are receiving relief. The number of families receiving relief is between 50,000 and 60,000."

New York

Dr. Sidney Goldstein, chairman the New York State Committee on Unemployment:

"In New York State the unemployment situation has grown steadily worse during the last year. Unemployment has increased 25 to 30 per cent in almost every section of the State. In some of the industrial centers 50 to 60 per cent of the working classes are out of work whole time. It is not an overstatement to say that fully 1,500,000 men and women are altogether without work in the State as a whole. This number does not include the men and women who are working part time and losing 2 or 3 or 4 days a week. The pay roll has dropped even faster than employment.

"In the month of October of this year the State emergency relief committee reported 199,000 families under care in the State and 83,000 people waiting for work relief and unplaced. A minimum of 300,000 families in the State of New York are actually in need of aid and it is probable that 350,000 is nearer to the truth.

"The standard of relief in New York City at the present time is down to a mere subsistence level in almost every section.

"If we assume there are only 300,000 families in need and that each family can survive on $10 a week, New York State will require for the next year an average of $12,000,000 a month, or $144,000,000 for the year. This would maintain the families in need on nothing more than a disaster level. But even this amount the State will not be able to provide. The maximum that we can expect the cities to secure is $30,000,000. The citizens have just approved a bond issue of another $30,000,000 for the State. This gives a total of $60,000,000 with which to meet a state-wide need that will require at least $144,000,000. The State of New York must secure from the Federal Government this year a total of $84,000,000 if the unemployed in the State are to be saved from further destitution and collapse."

SPEECHES BROADCAST

Through the courtesy of the National Broadcasting Corporation, speeches of Doctor Goldstein, Prof. John Dewey, Dr. John A. Ryan, and Norman Thomas were broadcast on a nation-wide hook-up.

Doctor Goldstein noted the fact that from 20 per cent to 30 per cent more people are out of work in America than when the committee held a similar conference a year earlier. He outlined the program of the committee on relief, public works, construction, and housing, unemployment insurance, limitation of hours of labor, ending work of children and the aged, and taxation.

He charged the Reconstruction Finance Corporation with failure in disbursing the $300,000,000 available for relief and $1,500,000,000 for self-liquidating projects, and said:

"This 5-point program, this committee realizes, is but the beginning. What we need most of all in America and in other countries is to restore purchasing power to the great mass of people. Until the people recover their purchasing power they can not buy, and until the people can buy no one can sell and the whole economic machine is slowed down and will come to a dead stop. There is no reason whatever for destitution in this age. We are living in a surplus civilization and possess every element that goes to make up a normal economic life."

Doctor Dewey said:

"Congress in its last session refused to pass the measures for public works and for relief, which the more farsighted and humane legislators introduced. Subsequent experience has confirmed in every respect the predictions then made as to the continuing severity of the crisis and the inadequacy of the means provided for dealing with it. But even that last session made at least a grudging and hedged about recognition of the principle of public responsibility in its provision for possible loans for relief, up to the amount of $300,000,000. The principle having been recognized, it now remains to see that it is acted upon promptly, effectively, and adequately. We are gathered here to-day to do our part in seeing that our representatives in Congress represent in their action the need of the American people for security, and work, and wherever necessary, for the direct assistance which will preserve their morale from further destruction. We invite the assistance of all others, the radio audience as well as those here gathered.

"The last generation has witnessed the development of a new social responsibility. The idea that there is at least a minimum standard of living which must be maintained has found general acceptance, even though it is not always acted upon. Few persons would now have the hardihood to deny that every normal

individual has a moral right for himself and dependents to live upon a certain plane of decency, security, and opportunity for culture.

"This is a great advance from the older conception that an individual who has broken down had a right to that subsistence which society could furnish by providing poorhouses, asylums, and outdoor relief. It is the difference between being kept alive physically, and having a life to lead which is worth living. It is the difference between a duty of pity and charity which society owes to worn-out individuals, and a duty which society owes to itself to maintain itself as a going concern on a human level.

"Recognition of this new duty has risen out of necessity, not from sentiment.

"Uneasy social conscience feels there is a duty on the part of society to keep the standard up to at least that low level we call the minimum.

"In the civilized countries of the world this duty is organically acknowledged. There are now 18 European nations having unemployment-insurance systems, to which the central governments of those countries make a contribution. I do not admit that this method of relief really meets the need for keeping up the standard of living for all. There will have to be radical changes in our fundamental financial and industrial structure before the responsibility will be fully met. But at least these countries have admitted that there is a social responsibility, and they have done something to recognize it practically.

"The United States, the most industrialized nation of all, the Nation in which both up and down phases of the economic cycle are most extreme, has the proud preeminence of being the only industrialized country in the world which has no systematic social method of meeting the responsibility. Active publicity agencies, duly inspired and greased, have so far scared the American public by repeating, like a parrot, 'dole, dole.'"

Doctor Ryan said:

"During the coming winter the number of the unemployed will be at least 12,000,000, which will mean some 25,000,000 persons dependent upon charity for the necessaries of life. The average allotment to each would, therefore, be only $12. Combined with the relief forthcoming from private contributions and local public authorities, $300,000,000 will not permit the customary miserable allowance of $4 per family per week.

"Our country has sufficient goods or sufficient facilities for producing them to provide monthly allowances of $40 to $50 per family, or $8 to $10 per individual. To compel Americans who are destitute through no fault of their own to subsist on less than these amounts is to violate their moral right to a decent living and convict ourselves and our Government of either callous inhumanity or stupid incompetence. If Congress is to perform its elementary obligation toward our helpless millions, it will appropriate $2,000,000,000 as soon as possible after it assembles next Monday. At the rate of $10 a person per month this would sustain our 25,000,000 destitute for only 8 months; at the rate of $8 it would suffice for 10 months. If, through something equivalent to an economic miracle, unemployment should be considerably reduced during the next 10 months, the appropriation need not all be spent.

"In order to put men to work with sufficient rapidity to reduce considerably the amount of unemployment and to bring about a sustained and general improvement in business at least $6,000,000,000 are necessary. Senator LA FOLLETTE's bill should be promptly enacted. This money should be converted as rapidly as possible into Federal, State, and municipal public works, and the 'self-liquidating' condition should be entirely eliminated. With proper organization the money could be expended fast enough to provide direct employment for two to three million persons within six or eight months and indirect employment for at least twice that number."

Norman Thomas urged that Congress investigate the use of the Army to evict the bonus marchers last summer, and the way in which the Reconstruction Finance Corporation has handled funds for relief and self-liquidating projects. He said:

"Affirmative legislation in behalf of the unemployed ought to include recognition by the Federal Government that to-day it is the agency which must take the initiative in providing a maintenance wage for every worker in the United States. That is the first duty of Congress. It can be performed by a declaration of war on poverty and the dedication of our resources to that war. Subsidizing workers as consumers will start more business than subsidizing profit makers. Of course, no one wants such a maintenance wage paid without work any longer than possible. Therefore it also becomes the immediate duty of Congress to enact a program of public works, as many as possible of which shall be remunerative on a very large scale. Here the field of housing furnishes the best possible opening. One-third of our people live in slums and shacks unfit for American citizens, and for the children, who are the builders of the future. Immense numbers of men, directly and indirectly, can be given employment by a $3,000,000,000 housing program. Experts figure that 85 per cent at least of what might be advanced for such a housing program would be returned through providing rent at cost. The Federal Government should make funds available to municipal and State public housing authorities which provide housing at cost. It might well set up its own housing authority somewhat like the housing board which functioned pretty satisfactorily in the war. It is ridiculous to say that there is no work to be done to give employment to willing workers when we have the unsolved problem of the slums at our door.

"Unfortunately, the Federal Congress can take little direct action in favor of the 5-day week and the 6-hour day. That legislation must depend largely upon State legislatures. Whatever Congress can do to further this principle should be done. Likewise Congress should be ready to supplement the amount of money available in public compulsory unemployment insurance funds which may be set up by States. The conditions under which the Federal Government will supplement these sums should be laid down by Congress.

"The difficulty placed by our Constitution in the way of an effective and well-coordinated drive on unemployment is of itself an argument for the twentieth amendment which socialists have so earnestly proposed. That amendment would give Congress power to take necessary economic and social action for the benefit of workers."

Mr. J. B. Matthews, secretary of the Fellowship of Reconciliation, asserted "relief by work sharing is nothing more than relieving those in the higher income brackets of the responsibility which is clearly theirs in the present crisis. It means wider distribution of starvation." He held:

"One billion dollars of direct Federal relief is the minimum which duty demands. It can and must be raised. No other appropriation begins to match this in importance and urgency.

"Millions of the disemployed will never go back to work on any industrial arrangements we have known in the past. While a transition to new bases of employment is being made, Federal relief of a direct character is the only stop-gap measure that will prevent further collapse and starvation.

"Public works, social insurance, planned production, a shorter work week, and more equitably distributed income are all long-term measures that can not of themselves meet the immediate needs. Direct Federal relief is the only short-term measure equal to a winter that finds unemployment increasing."

Mr. Darwin J. Meserole, president of the National Unemployment League, held that the Government must offer surplus labor employment on public works, and said:

"The Cutting-Huddleston bill provides for a Federal bond issue of $5,000,000,000 to be expended through the Departments of Agriculture, War, and Treasury. At least $3,000,000,000 shall be spent by the Department of Agriculture on a system of national highways, afforestation, and in surfacing 47,000 miles of Federal-aid highways situated in every State and which have already been graded and drained. Public buildings, river and harbor improvements, and flood-control projects could also be undertaken by the Departments of War and the Treasury. Roads have the advantage of other forms of public works because of the great need of new highways—our bad roads cost us $2,000,000,000 a year and the congestion on the roads another $2,000,000,000—they can be carried on in any volume in all parts of the Nation and terminated at any time without social loss, in this respect differing from such 'self-liquidating' projects as tunnels, bridges, and dams, which must be completed or all amounts expended are wasted. They provide a maximum in the employment of skilled and unskilled labor, in many cases as high as 75 per cent of the money expended going to labor in wages."

Dr. Abraham Epstein, secretary of the American Association for Old-Age Security, said:

"Whereas no economist in the country would say that any family to-day can get along, even on the lowest level of subsistence, on less than $20 a week, the statements of the governors and other responsible officials replying to the questionnaire of the Joint Committee on Unemployment indicate that the actual amounts of relief given to needy unemployed families are rarely more than $20 a month. In most instances families of 5, 6, and 7 persons are allowed less than $5 a week. In many States and cities the allowance per person is actually less than $1 per week.

"The most important principles in a good unemployment insurance bill are that it be compulsory upon all industries and that the Government contribute a considerable share of the cost of this insurance. Only through such a wide distribution of the risk can the burden of unemployment be distributed upon all elements of society, and especially upon those who can best afford to bear it. This money should be raised by increased taxes on high incomes and inheritances.

"A considerable amount of the present unemployment problem could be immediately relieved by the elimination from employment of the 2,000,000 children now gainfully employed and by the elimination of approximately 1,000,000 persons 65 years of age and over through a pension system. Pensions have already proven the most effective and most economical method of providing for the aged, and the Dill-Connery bill now before Congress providing for a system of Federal assistance to States having old-age pension plans has already been reported out favorably by the House Committee on Labor."

Benjamin C. Marsh, executive secretary of the People's Lobby, discussing housing, advocated the reviving of the United States Housing Corporation, but warned:

"Congress must revive the United States Housing Corporation and provide adequate credit for rehousing that very large part of the population of every major industrial city which is now living in insanitary dwellings, as well as foster good homes at low rents in small towns.

"It is obviously, however, not practical to attempt to house unskilled workers on land so high priced that multimillionaires can not afford it for homes.

"A genuinely constructive housing program must plan for the decentralization of industry and of factory workers.

"So long as buildings are taxed at the same rate as land values, land values in congested areas will be too high for good housing within the price low-wage workers can afford, and housing at Government expense of cash or credit is a bonus to slum-owning land speculators.

"Mr. William Stanley Parker, fellow of the American Institute of Architects, as chairman of Mayor Curley's committee making an architectural survey of Boston, recently said:

"'Reconstruction Finance Corporation funds constitute a new opportunity to accomplish slum clearance. The local legislation needed will perhaps develop opposition, but that will be the easiest part of the problem to solve.

"'The real problem will be to obtain the slum areas at any price that will permit demolition of the existing structures and the construction of new housing of the required low-cost units with a density per acre not exceeding what the surrounding local conditions will determine to be reasonable.

"'There's the rub. Until this underlying land-cost problem is solved consideration of the details and costs of the contemplated new housing units is somewhat academic. Concentration on this problem should be, I believe, the first concern of the organized study of slum clearance and low-cost housing here and elsewhere.'"

RELIGION AND UNEMPLOYMENT

Representatives of three great religious bodies, Prof. Jerome Davis, of Yale University, chairman the board of the Religion and Labor Foundation; Rev. R. A. McGowan, assistant director the National Catholic Welfare Council; and Dr. Edward L. Israel, chairman the commission on social justice of the Central Conference of American Rabbis, took part in a notable symposium on Religion and Unemployment.

Professor Davis advocated sending a trade commission to Russia "headed by such a man as Owen D. Young." He said:

"The churches must take more fearless action in meeting the unemployment crisis. Hunger hearings such as those held in Chicago should be conducted wherever the people are not sufficiently aroused to the necessity of Federal aid. Above all else, the church must educate as to the fundamental causes of unemployment and the necessity for removing the conditions which produce the disease. Unemployment is an economic malady, which strikes down millions in its trail and leaves in its wake all sorts of ailments from tuberculosis to chronic pauperism.

"We must recognize that unemployment is not simply a matter of the depression. If we should produce as much as we did in 1929, there would still be 7,000,000 unemployed because of the progress our engineers have been making in displacing men by machines. The fact is we have come to the end of an epoch. We have been living in an era of scarcity. We are now living in an era of plenty. Mankind has not yet awakened to the difference. The present adult population of the United States with the technical skills of our machine civilization could work only four hours a day for four days a week to produce all that we need.

"On the other hand, as we have invented new machinery we have capitalized its values. To-day we owe $218,000,000,000 on which we must pay interest and dividends. This sum must come from somewhere; either it must be taken from the consumer or from the worker. It seems probable that unemployment insurance is not enough to change the situation. We need a fundamental reorganization of the distribution so that the rank and file of the people are able to make increased purchases. This means profits must be reduced and wages increased. In all probability the 30-hour week will eventually have to come."

Dr. McGowan, while indorsing the immediate program of the committee, said:

"I want the Government to call national industrial congresses for each industry and a general industrial congress of all together to deal with this crisis and to become permanent organs of American life. I want them composed of the trade associations and the unions in each capitalist industry, and of the cooperative-marketing organizations in farming. I want them to be a legislative, judicial, and executive body for American economic life but operating under the direction and stimulation and the curbing and restraining hand of government—of a Federal planning board, the Federal Trade Commission, and the courts. It is essential that the unions should be an organic part of each industry's organization and of all industrial organization.

"The functions of such organization, as I see them, would be:

"To aid in distributing widely the huge potential production of American industry through high wages increased in proportion to production and never dropping below the living wage through lowered prices and through reduced hours.

"To plan and direct industrial stabilization.

"To establish minimum prices.

"To administer social legislation.

"To set up standards of quality.

"To subordinate credit to industrial needs.

"To reform the monetary system.

"I'd like to see all other occupations speedily incorporated in an organized fashion into this organic and functional organization of industries, occupations, and professions. There will indeed have to be regional, State, and city organizations and governmental action to suit the regional, State, and local economic units, but normally they are subordinate of their nature to the national body.

"An essential task of such joint organization and Government action is to attack the problem of excessive returns for capital and concentration of capital ownership."

Doctor Israel submitted two declarations made by the Central Conference of American Rabbis at its recent meeting:

"There is hardly any economic project, particularly in such a crisis as that through which we are passing, which does not require ethical evaluation. Almost every plan has a far-reaching effect on the welfare of humankind. Business leaders and economists may suggest concrete measures. It is our duty as religious teachers, however, to become essentially specific in our judgment as to the moral aspects of these measures. One of society's chief duties by way of immediate action is the relief of suffering caused by unemployment. This requires a large expenditure of public funds. There have been numerous efforts, both nationally and in States and even cities, to raise such funds by a general consumers' sales tax on vital necessities. Judging this from an ethical point of view, we can not sanction a project which makes the burden the same upon rich and poor alike, and which taxes the impoverished in their purchases of necessities of life in the same amount that it does those who are still comparatively affluent. State income taxes, increased State inheritance taxes, or if ultimately necessary graduated levies on capital, constitute a far more ethical means of meeting the problem of caring for our unemployed. We urge these methods rather than a consumers' sales tax on essential articles of life.

"We call attention to the fact that whereas the pulpit is willing to assist in any and all appeals for the charity of relief this does not sum up our usefulness or our significance in the present crisis. There has been a tendency among those who profit by the status quo to regard, particularly to-day, the pulpit's function to be to raise charity funds to patch up social ills, while keeping silent concerning the wounds which fester underneath the patches. We are ready to assist in all humanitarian charitable projects that may be immediately necessary, but we assert that the more permanent function of religious groups is to evoke a social and economic conscience concerning the administration of our economic life whereby through social and economic reconstruction the periodic pauperizing of masses of human beings through charity and relief will become unnecessary."

SUMMARY OF RELIEF CONDITIONS IN THIRTY-FIVE STATES

(Prepared by the Joint Committee on Unemployment, John Dewey, chairman, Dr. Sidney E. Goldstein, chairman executive committee)

Reports from 35 States, including all the industrial States of the Nation, indicated a tremendous need for Federal aid for the unemployed this year.

Certain generalizations from the reports offered.

The unemployment situation in the various States as described in these reports has certain definite common conclusions which indicate that the widespread distress can be met only by the National Government.

As far as the funds made available by the Reconstruction Finance Corporation are concerned we find the following situation:

In regard to the funds made available in 12 of the 35 States, no loans have been applied for to-day. In 23 States applications have been made, and with the exception of 1 or 2 States part of the loans applied for have been received. These loans, however, were to apply to the period expiring December 31, 1932. In only a few States was the total amount applied for granted. In many cases the loans made were to individual cities and counties rather than to the entire State. In regard to the amount of unemployment throughout the country this has increased from 20 per cent to 100 per cent during the past year, and in most communities has been doubled or trebled since 1930. The amount of unemployment in the 35 States shows an average increase of 35 per cent to 40 per cent. These figures are for those totally unemployed. No figures were given for those partially employed, but the number was estimated to be as great as those totally unemployed.

In addition to these two groups of people, immediately affected through the loss of jobs by the depression, there are reports of much lower wages for those still employed, due to the competition in the labor market. From North Carolina, for instance, the report brings word that there has been no increase in the number of those unemployed, but that those employed through increased activity in the textile mills are working at such low wages that the destitution is far greater than last year. The amount needed for relief in every State appears to be greatly in excess of the amount which can possibly be raised either by public or private charity.

It is apparent that throughout the country the cities are bankrupt and have exhausted sources open to them through their taxing power. The same thing applies to many States. Estimates as to the amount necessary from the Federal Government to supplement private and public aid state that from one-third to nine-tenths of the total amount necessary must come from the National Treasury. Averaging the estimate given, we find that at least 50 per cent of the aid must come from some source outside of the State. Practically all reports indicate a failure of local drives to attain the goals which had been set for them.

AMOUNT OF RELIEF GIVEN

The total sums which must be raised for relief throughout the country which can not be raised locally are based not upon any adequate American standard of living but on standards far below the levels which have been established by the Government itself and by professional social workers over a long period of years. Relief throughout the country is being given in two forms.

(1) In supplying a limited amount of work for which wages are paid, varying from 75 cents to $5 per day. There is a limitation as to the number of days' work given to individuals and this varies from one to five days. In most cases, however, it is clear that recipients of made work are not averaging more than $5 or $6 a week. In some places they get as much as $15 a week, but in even more places there will be two days' work a week at $1 or $2 a day.

(2) Direct relief in the form of cash or food orders. The average amount given for relief in this form is from $2 to $6 per week per family. A few States will maintain a standard of $10 or $14 a week. None of the States are giving relief to all who need it, but there is a tendency everywhere to select the hungriest from the hungry.

These figures are for those who are receiving relief and do not take into account at all the vast numbers of men and women who are considered by the statisticians to be employed and who are receiving wages of from $10 to $15 a week on which the family is trying to maintain itself. People who are receiving these small salaries are trying to pay for rent, insurance, light, clothing, etc., which means that the amount left over for food is in many cases as low as, or less than, the amount given in relief to those who come in the pauper class.

ADJOURNMENT TO TUESDAY

Mr. McNARY. I move that the Senate adjourn until Tuesday next at 12 o'clock noon.

The motion was agreed to; and (at 1 o'clock and 5 minutes p. m.) the Senate adjourned until Tuesday, January 3, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 30, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, may we listen to the ageless words of the seer: "So teach us to number our days that we may apply our hearts unto wisdom." We are grateful to a merciful Providence for having brought us to the threshold of another year. Thy goodness and mercy have crowned our days. We thank Thee, our Father. Oh, happy is he who can go through the thunder of life's battle and keep spotless the garment of his manhood. May we forget the muttering storms, the biting ingratitude, and that day on which the morning opened with splendor but at evening time the sky was overcast. Oh, may we behold the rift in the clouds and mark once more the divine footprints lying fresh before us. To him who hath aspiration shall be given the water of life; to him who hath touched the divine hand shall be given the everlasting arms; to him who hath given an ideal here with hope and love and trust in God shall be given an abundant entrance into the heavenly home. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

LOANS BY RECONSTRUCTION FINANCE CORPORATION

Mr. SNELL. Mr. Speaker, I desire to submit a request for unanimous consent. A few days ago when we were discussing the matter of loans made by the Reconstruction Finance Corporation, I made a statement relative to the proportion of the amount of loans made to small communities that was not absolutely correct. I have had the matter all checked up and have now in my possession a short statement showing the loans and the percentages to various communities, not only in number but also in amount, made as of the close of business December 28. As there is a good deal of interest in that question in Congress at the present time, I ask unanimous consent to have it printed in connection with my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The statement referred to is as follows:

Banks and trust companies, November 30, 1932

	Institutions		Authorized	
	Number	Per cent	Amount	Per cent
Under 5,000	3,810	70.79	$157,826,221.68	17.57
5,000 to 9,999	440	8.18	49,985,290.95	5.56
10,000 to 24,999	410	7.62	78,050,575.30	8.69
25,000 to 49,999	198	3.68	60,955,905.58	6.79
50,000 to 99,999	165	3.06	107,576,272.10	11.97
100,000 to 199,999	111	2.06	89,072,761.09	9.91
200,000 to 499,999	52	.97	49,853,505.60	5.55
500,000 to 999,999	95	1.76	159,379,384.01	17.74
Over 1,000,000	101	1.88	145,751,279.95	16.22
Total	5,382	100.00	898,481,136.26	100.00

AGRICULTURAL APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the agricultural appropriation bill, with Mr. MONTAGUE in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

In all, for the use, maintenance, improvement, protection, and general administration of the national forests, $6,568,880: *Provided*, That the foregoing amounts appropriated for such purposes shall be available interchangeably in the discretion of the Secretary of Agriculture for the necessary expenditures for fire protection and other unforeseen exigencies: *Provided further*, That the amount so interchanged shall not exceed in the aggregate 10 per cent of all the amounts so appropriated.

Mr. GOSS. Mr. Chairman, I reserve the point of order for the purpose of inquiring if all of these forests would be under one particular department, so that interchangeability would come under the 12 per cent?

Mr. BUCHANAN. The 12 per cent applies to the entire Agricultural Department. Heretofore in the Agricultural Department we have had an interchangeability of only 10 per cent within the bureaus, and I like that a whole lot better than in the whole department. We ought to restore the 10 per cent interchangeability within the bureaus and abrogate the other.

Mr. GOSS. Why does not the gentleman offer an amendment here? Here we are separating these amounts out, and yet the department might easily interchange these appropriations.

Mr. BUCHANAN. I hope before this session is over that this whole question will be properly covered in one bill that will apply to all. This department has never abused that privilege.

Mr. GOSS. Of course it might. I withdraw the point of order.

The Clerk read as follows:

Naval stores investigations: For the investigation and demonstration of improved methods or processes of preparing naval stores, the weighing, handling, transportation, and the uses of same, $65,106, of which $10,000 shall be available for continuing the establishment of a field laboratory for naval stores research work in the pine regions of the South, including erection of buildings.

Mr. TABER. Mr. Chairman, I move to strike out the paragraph.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 53, beginning in line 13, strike out the paragraph ending in line 19.

Mr. TABER. Mr. Chairman, this is a paragraph which authorizes an appropriation of $65,106 for naval-stores investigation. As I understand it, this bureau was organized more than 50 years ago for the purpose of developing barrel

heads for turpentine that would not leak. That purpose was accomplished many years ago, and the bureau has continued over a period of 40 or 50 years upon the basis of that one job. I went over the hearings on this and they recite the different improvements that have been made in the trade over the last year or so, but they do not recite a single thing which they did themselves. I am advised by those who deal in naval stores, and I can call as a witness our colleague from Pennsylvania [Mr. RANSLEY], who has dealt in naval stores for many, many years and is thoroughly familiar with that subject, that this bureau is not performing at this time any useful function, and is not accomplishing anything.

I have made many motions during the progress of this bill to cut out or reduce appropriations. The committee has seen fit to turn them down. This time I have more than the hearings, I have the statement of an absolutely well-informed witness. We have passed appropriations here for which there is no justification. This time I beg the House to use its sound common sense for once, and begin to strike out something from this bill. I hope my motion will prevail.

Mr. BUCHANAN. Mr. Chairman, of course, this study has not been going on on the present scale for 40 years. The House understands that through many of the Southern States the pine trees produce what I might call a juice from which resin and turpentine are extracted. The tree is tapped and containers hung to catch the sap or juice, and that is manufactured into resin and turpentine. The people interested in that business came to Congress for assistance, the Congress established a laboratory down there to work out the problems confronting the whole industry. It is a big industry, and the Bureau of Chemistry, of course, took part in it and made distinct progress in some achievements in its investigation and research. It has improved considerably the price of the pine products, both resin and turpentine, made them more serviceable, taking out the impurities, making the color better, and making the products more marketable. They have perfected stills by which the products can be manufactured more cheaply.

They have done a wonderful piece of work, and the committee believes this appropriation ought to be continued at least one or two more years, until they complete the job.

Mr. TABER. Will the gentleman yield for a question?

Mr. BUCHANAN. Yes; I yield.

Mr. TABER. I understand the gentleman is most interested in the laboratory, for which only $10,000 is required. I would be willing to accept an amendment to my amendment which would permit that $10,000 to remain, if that is the item in which the gentleman is interested, and thereby save $55,000 which is for the department.

Mr. BUCHANAN. I will read to the gentleman what I am interested in:

> Permanent type standards for resin, which have been adopted as legal standards for the United States and also for world trade.

Now, the gentleman understands what a standard for resin means. A standard that is properly adhered to, properly interpreted, aids in marketing the product not only in the United States but in the world. When the purchasing public can depend upon a product coming up to a standard which is well known they buy upon that standard. That is the first thing.

They have also improved the stills that are used in the distillation of the turpentine and the manufacture of resin and have improved their operation. This is not a simple procedure. A great deal of the resin contains iron. A process by which to extract that iron is being worked upon, so that it will be pure resin, because iron content in resin ruins it for any purpose.

The gentleman mentioned something about containers for resin. They must be glued, hermetically sealed all around, in order to preserve the turpentine for market. Another thing, if this turpentine is not stored carefully, if it is not put in the proper container and properly sealed, it will not keep. That is one problem they have under investigation and are now working out. In other words, we have entered upon the problem. Whether Congress ought ever to have done it I do not know, but a great deal of money has been expended in investigation and research work, and it has done a great deal of good for the industry. But we have commenced it, and they are now in the midst of it; and if we discontinue it, all investigations that have been made heretofore, or at least a part of it, are lost. Let us finish the experiment before we stop.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RANSLEY. Mr. Chairman, "naval stores," is a name given to the products of the long-leaf pine of the Southland. They consist principally of pitch, tar, resin, and turpentine. There has been no change in the shipment of naval stores for the last 35 or 40 years. However, there has been a slight change in the container. Formerly, shipments of turpentine were made in barrels with a soft wooden head. Heavy wood was substituted in its place, but that change was not brought about by the Government. It was brought about by the paint and varnish trade refusing to accept the barrels on account of great leakage. There is no doubt but what some people are carried on the pay roll of the Government, but this is an actual waste of the people's money. All one has to do is to keep on voting for unnecessary appropriations and heaven only knows what Government functioning will cost. To-day money is taken out of its ordinary and useful channels of business by excessive taxation. Surely the end must come if we are to get back to our ordinary condition in this country.

Mr. GOSS and Mr. LANKFORD of Georgia rose.

The CHAIRMAN. For what purpose does the gentleman from Georgia rise?

Mr. LANKFORD of Georgia. I rise in opposition to the amendment.

The CHAIRMAN. The time has been exhausted.

Mr. LANKFORD of Georgia. I move to strike out the last word, Mr. Chairman.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. LANKFORD of Georgia. Mr. Chairman, I hope the amendment offered by the gentleman from New York will not prevail. The production of turpentine is a very important industry in my section of the country. Only two nations other than the United States produce commercial quantities of turpentine, namely, France and Mexico. The United States produces more turpentine than any other nation on earth. Georgia produces more turpentine than any State in the Nation, and my section of Georgia, on the coastal plane, produces more turpentine than any other section. In fact the county in which I was reared—Clinch County—and the adjoining counties constitute the greatest turpentine-producing section in the world.

Mr. TABER. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. TABER. Would the gentleman please point out to the House any actual accomplishment within the last five years by this bureau?

Mr. LANKFORD of Georgia. It is experimenting, as mentioned in the bill, to determine how turpentine can be advantageously processed; how it can be put into salable form; how these products can be made of greatest value to the public; and in that way is helping the value and the price of turpentine.

Mr. TABER. But I understand they are not functioning or accomplishing anything.

Mr. LANKFORD of Georgia. The gentleman is mistaken. I wish to say that an appropriation to help my people get a better price for turpentine is, in one sense of the word, real farm relief. We are begging our farmers not to produce so much cotton and tobacco and to curtail the production of those crops.

The people in my section have several so-called money crops. They can produce turpentine; they can produce cotton; they can produce tobacco, and they can produce watermelons, and so on. If we can help those farmers to take land which is not proper for the cultivation of cotton and tobacco, and produce turpentine, we have gone a long

way toward helping them reduce the acreage of cotton and tobacco. A piece of land in my section of Georgia, if abandoned for cotton and tobacco purposes, in eight or ten years is worth as much or more for the production of turpentine than it was for the production of cotton and tobacco. One of the great problems to-day is how can we work out some system to enable our farmers voluntarily not to put all their land into tobacco or all their land into cotton, but to diversify, and put a part of their land into something else.

This provision which the gentleman from New York seeks to strike out is as follows:

Naval stores investigations: For the investigation and demonstration of improved methods or processes of preparing naval stores, the weighing, handling, transportation, and the uses of same, $65,106, of which $10,000 shall be available for continuing the establishment of a field laboratory for naval stores research work in the pine regions of the South, including erection of buildings.

A small section of the South has almost a monopoly on the production of turpentine, and these investigations are very helpful not only to the producers of naval-stores products or turpentine, but likewise to the public generally.

No one is more anxious than I am to cut these appropriations, but we must be fair and retain the items that are of real value to our people. There are few if any items in this bill with so much merit.

If we wish to abolish the Department of Agriculture, that is one thing, but if any agricultural investigations are to be made in the future this item should be retained.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Georgia. I yield to my good friend from Iowa.

Mr. COLE of Iowa. Will the gentleman show us how this appropriation actually helps the people down there?

Mr. LANKFORD of Georgia. It is for experimental work and investigations in these things, which are helpful to the people there.

Mr. COLE of Iowa. That has not been shown, but the gentleman from New York has shown that it does not help.

Mr. LANKFORD of Georgia. This experimentation is not solely in the building of barrels, as was said by the gentleman a few minutes ago. The gentleman from New York looks at it from the standpoint of the purchaser; he looks at it from the standpoint of one who buys this turpentine, these processed naval-stores products ready to be used by the manufacturer. I am looking at it from the standpoint of the man who produces the turpentine.

Mr. RANSLEY. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. RANSLEY. I understood the gentleman to make the statement that more money was made by extracting turpentine from pine than could be made by raising cotton on the same ground.

Mr. LANKFORD of Georgia. That is true, especially of the lowland sections of the coastal plane.

Mr. RANSLEY. First, the ground raised cotton; is that right? Then they planted it to pine?

Mr. LANKFORD of Georgia. No; not the same year. It requires several years to make the change on a profitable basis.

Mr. RANSLEY. How old must the pine be before you can tap it?

Mr. LANKFORD of Georgia. Ten or twelve years. It would be better for it to be a little older. What I wished to say when I yielded was that a great many people in my section are to-day ceasing to plant large areas of land in the coastal section with cotton and tobacco, but they are planting it to pine, and that gives them an investment from which in 10 to 12 years the turpentine is worth more than the raising of cotton or tobacco.

Let's carry forward these experiments so that every acre of land taken out of cotton and tobacco and grown in pine timber will be very profitable. This will tend to hold down the production of cotton and tobacco and be helpful to the cotton and tobacco producers of the whole country. Here is a real chance to help solve the farm problem, by retaining this item which will greatly tend to reduce the future production of cotton and tobacco in this section.

Mr. Chairman, in connection with any real farm-relief marketing program there must be an effective control of both production and marketing. Control these and you can control prices within reasonable limits. The control of production must be by the farmers themselves, must be by proper organization, and must be voluntary. We must help the producer of cotton or tobacco or turpentine produce the greatest possible amount from the least possible acreage at the lowest possible cost of labor and money and then secure a market for this product at the highest possible reasonable price. For all the farmers to cut their cotton or tobacco production in half voluntarily and acting in concert in order to control their marketing and prices would be farm relief. For the reduction to be the result of pests, or bad seasons, or other misfortune would not be farm relief but disaster.

I certainly favor every possible legislative aid to the end that the farmers will soon produce much more cotton, tobacco, and other products, turpentine included, on one-half the land now used, at less cost and market the product for much more than the present selling price. I feel that the appropriation now under discussion is very essential and will enable the department to properly carry on this work which will help the producers of naval stores and other farm products to accomplish these objectives.

Now, let me say just a few words more specifically about the real work which has been and is now being done by this naval stores experimentation. Here is a wonderful field for most valuable research. For instance, synthetic camphor is made from turpentine—turpentine which is shipped from this country to Germany, then manufactured into synthetic camphor, then shipped back to this country to be used in the preparation of celluloid which goes between the plates of glass now being used in automobiles. This is just one illustration of the potentialities of naval stores and turpentine-producing pine timber products, and of the necessity for this research work. This appropriation is fully justified.

I hope the amendment of the gentleman from New York is defeated. This activity should, by all means, be supported by the Federal Government.

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 53, line 13, after the word "investigations," strike out the balance of lines 13, 14, 15, and 16, down to and including the word "which."

Mr. GOSS. Mr. Chairman, the purpose of this amendment is simply to make available, in accordance with the suggestion of the gentleman from New York [Mr. TABER], $10,000 to continue the establishment of the field laboratory for naval stores. This would strike out the item for investigations and demonstrations of improved methods or processes of preparing naval stores.

I am not going to take any more of the time of the committee. This matter has been thoroughly discussed. I think the amendment should prevail.

Mr. GREEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I may say to my colleagues that I will go as far as anybody in the matter of economy in government, but it happens that to abandon this experimental station or to curtail its operation would not be economy in government.

Our Government has established experimental laboratories for various industries all over the United States. We have spent millions of dollars for research work, and it happens that this laboratory which is located in the district which I represent here is the first one, and the only one, ever established in the United States to carry on experimental work for the long-leaf yellow pine and the naval-stores industry.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield.

Mr. GOSS. The gentleman is aware of the fact, is he not, that $10,000 of the appropriation available for laboratories would still be available under my amendment?

Mr. GREEN. I appreciate that, but we do not desire to curtail the operation of this station. We dedicated this station last fall, in October. The Chief of the Bureau of Chemistry and Soils, the naval-stores representatives, and a large number of operators and others were there to witness the event. I found that the department had very wisely and judiciously expended the $40,000 appropriated for the establishment of this station. I do not think the best business man in this House could have made as good a showing with the expenditure. They have built permanent buildings, they have installed permanent equipment, and have made an unusually good showing for the expenditure of $40,000. It appears very much like a $100,000 investment.

At this station they are teaching the operators improved methods of tapping the trees. Instead of cutting a deep chip in the face of the tree they cut a much thinner chip, thus extending the producing life of the pine tree and enabling the operator to work the tree for 10 years instead of 4 or 5 years. They are finding new uses for turpentine and rosin. For instance, one of the new uses found for rosin was in the manufacture of the nonshatterable glass used in automobile windshields. Synthetic camphor is made from turpentine. This camphor is used in celluloid, which in turn is used in the manufacture of the nonshatterable glass. By using improved methods of tapping they have eliminated waste by preventing the destruction of forest trees by storms. The operators now have abandoned cutting "boxes" in the trees, but instead hang cups with the necessary tins.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentlewoman from California.

Mrs. KAHN. Does not the gentleman from Florida believe that these improvements should rest in the hands of the industry and not in the Federal Government?

Mr. GREEN. In California there are a number of Federal experiment stations.

Mrs. KAHN. Millions of dollars have been contributed by two of the California industries—viticulture and wine making.

Mr. GREEN. Our naval-stores producers have done the same thing; they are contributing. We have supported the citrus laboratories in the lady's State; we have supported the pulpwood laboratories in the various States; and we have supported the research work undertaken by our Government, including various kinds of experiment stations and establishments. This naval-stores experiment station at Olustee, Fla., is rendering value received to our naval-stores operators, our pine lumber and timber industry, and to the country in general.

Mr. LEAVITT. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield.

Mr. LEAVITT. The gentlewoman from California speaks of industry contributing a share. I think it should be explained that the industry in the South consists pretty largely of the small farmers.

Mr. GREEN. Yes; it does.

Mr. LEAVITT. And they could not possibly develop this industry as an industry could be developed by large lumber companies, for instance, in some parts of the country.

Mr. GREEN. That is very true; and yet individuals there are contributing to this experimental laboratory. For instance, I know two operators in my own county who contributed two large tracts of land to enable the forestry department to carry on these experiments. These tracts of land are within 5 miles of my home. These were valuable timber and naval-stores lands, but the owners were glad to offer them to the Government for experimental purposes. The Hon. R. H. Smith and Hon. Luther G. Powell and their associates cheerfully donated the use of the lands, and very large tracts they are. They have otherwise assisted.

At this experimental laboratory they are studying not only the improvement in production of the gum but in its refinement, distillation, processing, and the equipment therefor. They have found improved methods of distillation which will yield as high as 4 gallons additional spirits of turpentine on one still charge; at even 40 cents per gallon, this is a saving to the operator of $1.60 per charge. They are finding ways to eliminate waste. They have found ways to make higher grades of resin; why, they have produced resin of sufficiently superior quality to bring from 1 to 2 cents per pound more on the general market.

They are studying turpentine and resin and related products through fundamental studies of their chemical composition and properties. For instance, resin is used in making common yellow soap, it is also used in making white soap, but now the soap manufacturers of white soap have to test each consignment of resin to determine whether it is suitable for white-soap making. In fact, one barrel of resin may make white soap, without curdling, while the next barrel in the same shipment may curdle. This is one of the many problems now under study at these laboratories. There are any number of related problems they are trying to solve; yes, too numerous to mention in my limited time.

They are encouraging our operators to install improved turpentine stills. In this way waste can be eliminated and labor saved. There are some 1,400 individual turpentine stills in the naval-stores producing belt. This industry gives employment to thousands of our people, and frankly, the operators are fighting with their backs to the wall, many of them have already had to retrench or cease operations altogether. The market for their products is very weak. Thousands of them are losing money daily. Many of them are feeding their employees from their commissaries with no hope of ever receiving payment for goods. They are doing this in a big charitable way and out of the kindness of their hearts. Will you not agree that this industry needs all of the assistance and cooperation that our Government can lend?

So I hope my colleagues will continue this work. We have asked for only a small amount; in fact, the initial appropriation was only $40,000.

This does not alone affect the naval-stores industry, but also affects the entire yellow-pine industry. There are millions and millions of acres throughout the southern part of our country, producing yellow pine, which are affected by the operations of this station. It is true that our entire country needs to preserve its forests and its forest products. They are even cooperating with our people in reforestation of our lands in connection with this particular station. Our Government owns the Osceola National Forest bordering upon this experiment station and consisting of some 60,000 or 80,000 acres of land. They are working hand in hand, the Forest Service assisting the station and the station cooperating with the Forest Service and officials, and this appropriation will redound in great benefit not only to my district and State but the entire country, including the paint industry, the varnish industry, the medical world, as well as various lines of endeavor using pine wood in building operations and other activities entering into the economic life of our country. I think it would be a decided mistake to discontinue these operations, and I hope the committee, in its wisdom, will continue this work and vote down the amendment and the substitute.

Mr. SUMMERS of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment.

As a member of the committee, I have heard the testimony in regard to work that is being done by the Bureau of Chemistry and Soils for the turpentine industry. When I visited the Forest Products Laboratory at Madison, Wis., some years ago, I learned considerable about the practical work this bureau is doing in teaching the farmers who produce this turpentine and resin in the very poor sections of the South, and I am convinced that they are doing a valuable and worth-while work. Three hundred thousand people are dependent on the turpentine industry.

The gentleman from Florida [Mr. GREEN] has referred to the manufacture of nonshatter glass that is used now in all automobiles. A synthetic camphor is made from turpentine. The turpentine is shipped to Germany, and there the synthetic camphor is made and shipped back to this country to be used in the preparation of celluloid, which goes between the two plates of glass.

There are many practical problems that are being worked out.

Resin is used in the manufacture of washing soaps and has been used to a very considerable extent. It is now being used in the manufacture of white soap. Some kinds of resin will form a white curd and some will not. It is not known without testing each and every batch of resin whether it can be used or whether it can not be used. This is another problem they are working on and trying to determine in a broad way.

In their distilling processes they have made improvements that enable them to take as much as four additional gallons of turpentine from one batch that runs through the still, and this means about $1.60 in each case. Then they have also improved the quality of the resin. They showed us samples of resin from a very dark to a very beautifully clear amber. The latter kind of resin brings from 1 cent to 2 cents more a pound or from $1 to $2 per barrel more than the old-fashioned resin. The farmer gets the benefit. These are a few of the very practical problems that are being worked out under this appropriation.

Unless we are going to eliminate everything that is to help the poor farmer all over the United States, then certainly we ought not to eliminate this item.

Mr. GARBER. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. GARBER. Is not one of the main objectives to extract the raw material with a minimum amount of injury to the growing trees?

Mr. SUMMERS of Washington. The gentleman from Florida [Mr. GREEN] has referred to that, and that is true and very important. Our pine forests of the South are at stake. Can we not take a national view?

Turpentine and resin are of value and importance to the whole country. They do not concern the South alone.

There is another thing to be considered. As the old long-leaf pine is disappearing, the slash pine is coming along. It produces a different chemically composed turpentine and resin. There are many problems to be worked out in that connection and all of these questions are involved in this appropriation.

Mr. TABER. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield to the gentleman from New York.

Mr. TABER. This bureau did not develop these things. The industry itself developed these large uses for turpentine and all that sort of thing and the bureau is just telling what the industry had accomplished.

Mr. SUMMERS of Washington. There is one particular item that is referred to where they state they did not perfect the process, they only mention it. However, the department is doing the fundamental research which helps industry to go ahead and improve on the work, just as is done in regard to hundreds and thousands of other industries all over the United States.

The amendments should be defeated.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last three words.

I shall try not to take the five minutes, but I think the committee would be interested if I did take one or two minutes to indicate how, in connection with this particular appropriation, the Federal Government has gone a very long way into the field of private business.

I wish you would take the time, if you have any interest in the matter at all, to turn to the hearings of the subcommittee, on page 566, and see to what length we have gone in this particular private industry in connection with the activities provided for in this appropriation.

I am reading now from page 566, the testimony of Doctor Skinner, who is in charge of this particular bureau.

Referring to the extract of turpentine and the necessary stills, listen to what Doctor Skinner says:

> If a man wants the latest type of still when he is resetting his still, we send that man the blue prints. We do send them to him. But we find this is not enough. Some consulting service has to be rendered, too, for it is generally necessary to supervise the installation of that new still.

Then Mr. BUCHANAN asked:

> Why could not that producer come to your plant, if he is so interested, and see how your installation is made there, and then go back to his place and put up his?

Doctor Skinner replied:

> Generally that is not possible or satisfactory. We find that the workmen who do the construction work apparently can not follow these instructions—these blue prints—satisfactorily.

I want you to get the full effect of this picture. I repeat that I am not opposed to scientific investigation work, but in this instance we not only investigate but we provide the necessary blue prints for the stills and go still farther and when the man wants to erect such a still, we furnish the blue prints and then send a man to explain such blue prints and do the actual supervising over the erection of the still.

Mr. GREEN. Will the gentleman yield?

Mr. KETCHAM. I am not unfriendly to investigation, but I wish to call attention to the unusual length we go in these matters when once we enter upon them.

Mr. GREEN. How about your shipyards and various other things, where the Government furnishes supervision?

Mr. KETCHAM. The comparison of the gentleman is hardly in point, but I do think it is time we begin to see how far the Federal Government responds to requests of a private character and how far the department, anxious to sustain its particular service, can go before the subcommittee in making a showing, saying, "We have demands for this particular kind of service," and urging that the bureau ought not to be circumscribed either in its activities nor as to the amount of money. And so it goes on, and, repeating language used by another, when are we going to be able to bring these things to a conclusion, when are we going to draw the line between private endeavor, private capital, and Federal activities? It seems to me that under the testimony of Doctor Knight and Doctor Skinner that this bureau of the department ought not to go on without end.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I move to strike out the last five words. I want the House to get these facts, so that it may act intelligently. The last amendment offered by the gentleman from New York strikes out all but $10,000. That $10,000 says that it is for continuing the establishment of a field laboratory for naval-stores research work, and so forth.

That whole language is brought over from some other bill when that language was necessary. As a matter of fact, there is $65,000 recommended in this bill. There is $31,306 for research work, $37,100 to operate the experiment station.

If this House wants to reduce the appropriation and leave sufficient money to operate the station, they want to leave $37,100 in the bill. This is a good big station and has just been established. It was opened last year. It is now in operation. You should provide $31,100 for its operation. If you are not going to do that, strike out the whole item, although I do not advise that course. However, it is up to this House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The question was taken, and the amendment was rejected.

Mr. CHINDBLOM. Mr. Chairman, I have a perfecting amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

> Amendment offered by Mr. CHINDBLOM: Page 53, line 19, after the word "South," strike out the word "including" and insert in lieu thereof "*Provided*, That no part of this appropriation shall be expended for the."

Mr. CHINDBLOM. Mr. Chairman, all through this bill the committee has been careful to provide that appropriations shall not be expended for the erection of buildings.

Mr. BUCHANAN. Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.



The CHAIRMAN. The question now comes on the amendment of the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 35, noes 43.

So the amendment was rejected.

Mr. ALLGOOD. Mr. Chairman, I ask unanimous consent to return to page 52, line 23, to offer an amendment.

The CHAIRMAN. Is there objection?

Mr. TABER. Mr. Chairman, reserving the right to object, is the amendment to reduce an appropriation?

Mr. ALLGOOD. Yes.

The CHAIRMAN. Is there objection?

Mr. BUCHANAN. Mr. Chairman, I object.

Mr. ALLGOOD. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members present, a quorum.

The Clerk read as follows:

Soil-fertility investigations: For soil investigations into causes of infertility; maintenance of productivity; effects of soil composition, cultural methods, fertilizers, and soil amendments on yield and quality of crops; and the properties, composition, formation, and transformation of soil organic matter, $195,556.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word. This section deals with soil fertility, and with the matter of the restoration of soils. This is an important subject, and one that demands increasing attention with the passing of the years. The depletion of soils obtains in the valleys as well as in the hilly and mountainous sections of the country.

SOIL FERTILITY

I can not overestimate the value of soil fertility. I have in mind particularly the problem that now confronts the landowners of the Delta of the Mississippi, touching the Sharkey-clay soils, commonly known as buckshot.

There are different types of soil in the lower Mississippi Valley, which comprises some 30,000,000 acres of land. It is the most fertile valley not only in the United States but in the world. It may seem incredible but it is true that there is no experiment station in the entire alluvial valley, with the exception of the boll-weevil laboratories of the Department of Agriculture at Tallulah, La., other than the Delta experiment station at Stoneville, Washington County, Miss., maintained by the State of Mississippi. It may seem anomalous, but it is nevertheless true, that no soil investigations by the Department of Agriculture have been made in the alluvial valley. It is believed that buckshot soils comprise about 50 per cent of the entire area. I am acquainted with these soils, particularly in Arkansas, Mississippi, and Louisiana. I have had personal experience in the operation of buckshot lands. They are fast becoming so erratic in production as to become unprofitable over a series of years. Unless some adequate soil work is done, a large acreage of buckshot will ultimately be out of cultivation. Heretofore they were regarded as the most productive of alluvial lands. Various methods have been adopted to preserve and restore fertility. Rotation of crops has been practiced. Legumes have been planted. Various experiments have been made at the Delta experiment station, with a view to increasing the fertility of buckshot lands. They have failed to respond to legumes. The Delta planters are stumped by the problem. There is imperative need for a soil chemist.

I understand that the Bureau of Chemistry and Soils cooperates with the State experiment stations. The work is done on a 50-50 basis. I have heretofore on a number of occasions brought to the attention of the Secretary of Agriculture and to the attention of Dr. Henry G. Knight, Chief of the Bureau of Chemistry and Soils, and to the attention of Dr. A. G. McCall, Chief of Soil Investigations, the necessity of proper soil investigations, with a view to restoring the fertility of buckshot lands. Inasmuch as buckshot soil obtains in practically all of the States of the lower Mississippi Valley, the problem can not be solved by the experiment station of any one State. There is a national interest. I shall continue to urge cooperation on the part of the Department of Agriculture with the Stoneville Experiment Station, so that a competent soil chemist may be detailed to give scientific study to this important problem, which will contribute much to the rehabilitation of the cotton growers in the alluvial valley of the lower Mississippi River.

I may say that in addition to the rotation of crops and the planting of various legumes, as well as cover crops, various fertilizer combinations have been tried without success. I commend again to the Department of Agriculture the necessity for careful study and investigation, with a view to restoring the soil fertility of buckshot lands of the lower Mississippi Valley. While Delta lands are fertile, fertility in these lands becomes depleted as in other lands. There is constant need to restore soil fertility.

There has been a good deal of discussion in the consideration of the pending agricultural bill touching experiment stations. In Mississippi there are a number of State experiment stations. The Department of Agriculture cooperates in many ways in fostering the work of these stations. I can testify as to the benefit of the Stoneville Experiment Station, located, as I have stated, in the Mississippi Delta. I know of no institution that is more helpful to the cotton growers of Mississippi. The tests and experiments are of great benefit. The improvement in the types of cotton has vastly increased both the yield and the quality of staple cotton. Sagrain, the new Delta feed crop, is calculated to revolutionize the production of feed stuffs in the Mississippi Delta. It was originated by the Delta experiment station.

It is my thought that all experiment stations should really be under the supervision of the States. The local interests should properly equip and support them. There is need for the work of these stations to be supplemented by the scientific work and research that can only be done by the Department of Agriculture. The Federal Government should not be expected to solve all the problems of agriculture in all of the States. But there are many problems that are national in their scope. The Department of Agriculture, with the larger facilities and with its original researches in science, should aid the States in the solution of the larger problems such as in the matter of restoration and maintenance of buckshot soils.

While I advocate retrenchment and while I favor economy, I believe that in view of the widespread depletion of buckshot soils, I would be warranted in offering an amendment to the section dealing with soil investigations to increase the appropriation to enable the Chief of the Bureau of Chemistry and Soils to detail a chemist to make a special study and investigation of the problem. There is authority in the chief of the bureau to transfer funds within the bureau to provide for the investigation. In view of the fact that the chief of the bureau has informed me that he feels that he would like to make a transfer of funds that will enable a soil chemist to be assigned to make an investigation of the problem of buckshot lands in connection with the Delta experiment station, I shall not offer the amendment.

In the district that I represent there is a very progressive organization known as the committee for the promotion of Delta agriculture, which fosters the work of the Delta experiment station. The chairman of the committee is Mr. Charles W. Clark, of Clarksdale, Miss., one of the best informed men respecting agricultural problems in the country. Mr. Clark is familiar with agriculture and agricultural conditions not only in the cotton territory of the South and in the United States but in other countries of the world. I know of no man who is more liberally informed on farm and agricultural questions than Mr. Clark. I received a letter from him dated December 2, 1932, in which he points out the relative spheres and activities of the Federal Government in the work of experiment stations. I ask unanimous consent to extend and revise my remarks and to incorporate therein the letter from Mr. Clark to me, dated as I have stated, December 2, 1932.

The CHAIRMAN. Is there objection?

There was no objection.

The letter is as follows:

CLARKSDALE, MISS., *December 2, 1932.*

Hon. WILL M. WHITTINGTON,
Member of Congress, Washington, D. C.

DEAR MR. WHITTINGTON: The backwardness of southern agriculture is the outstanding failure recorded against American genius and enterprise. It is a failure of such magnitude as to disturb the commerce and economics of the entire country, and is therefore a national problem.

The road to a brighter horizon is now emerging from the fog of misunderstanding which has so long clouded it. And although a sure path, it is a hard one, so much so that those who clamor for short cuts may falter and grumble when it is pointed out to them. But it is the only path. There is no other. The royal road of dreams has been completely wrecked and rendered impassable by the emergence of indisputable scientific fact, and sorrowfully must we outlaw that road with the sign "Closed forever."

We have a climate the like of which does not exist elsewhere. It is a climate so unique that it offers opportunities of unusual advantage and also of disadvantage. Heretofore we have failed to reap the advantages of it, but have suffered grievously from the disadvantages. The essential facts and the problems that spring from them are set out in an article by me, The Williamsburg Indictment, which appeared in the May, 1932, number of the Country Gentleman. With this great outstanding fact of climate to deal with, our great problem is to fit an agriculture to it.

This is a whale of an undertaking. It calls for an entirely different spirit and different set-up of agencies to cope with it than now exist. Heretofore we, a transplanted European people, have wasted years of time and millions of dollars trying to establish here the inherited agriculture of Europe.

It never has worked. It never will work. Our climate is far more akin to that of Asia than of Europe, as is proved by the long list of Asiatic plants (rice, sugarcane, cowpeas, soybeans, alfalfa, lespedeza, Persian clover, peaches, cantaloupes, Bermuda grass, etc.) that flourish here.

Rarely have any of these plants, when first introduced, been successful. Selection, breeding, and crossbreeding have been necessary to adapt them. Sagrain, the new Delta feed crop, is an example. It is a cross of two Asiatic plants; and after the selection was made, years of selection was necessary to fix the type. After an adapted type is fixed and becomes productive and dependable, insects must be controlled and methods of harvesting, curing, and storing worked out.

In a recent issue of the Times-Picayune, of New Orleans, there is a write-up of the station at McNeil, Miss., which has caused considerable stir. The news is, that by the introduction of three Asiatic plants, the station has been able to graze through the season and fatten for market one steer per acre. Let us assume that in making this claim, Director Greene is within the facts. What of it?

Well, it means ultimately an agricultural revolution. On the nineteen and one-half million acres of Mississippi cut-over land which has been declared fit only for forestry purposes, we have promise of a real livestock industry. But after all, the great majority of Cotton Belt acres are probably as good as the average productive soil of Europe. With abundant rainfall, they are good lands awaiting a suitable agriculture.

In the results at McNeill, we have an interesting example of what effort and persistence will do. The scientific men had tried Bermuda grass, and found that it was good only until hot weather, after which it was neither palatable nor nourishing. Accordingly they sought a new grass—and found it. A clover from Persia was also found to be adapted to these lands. It grew with the grass and furnished nitrogen for it—an excellent combination. A new form of lespedeza from Korea was also fitted in, so that, instead of pastures unproductive throughout the summer and fall, they now have dependable grazing from February until December, something that few sections can boast. But the problems of insects and internal parasites are yet unsolved, and much work yet remains to be done before that section can come to the front. And, of course, the money is not available to finish the work. It never is!

So far, we have been discussing southern farming from the commercial side, but there is another side fully as important, if not more so, than the commercial side—the production of food.

Public opinion is wedded to the belief that when it comes to food production the lower South is an Eldorado. Nothing could be further from the truth. The little burst of spring vegetables from the South in northern markets is very misleading. The fact is, that conventional summer food crops are not generally successful, and even the "fall garden" is an uncertain gamble. The per acre production of such crops as peas, beans, tomatoes, Irish potatoes, etc., is small compared to other sections, and the failure of southern canning factories proves it. As for growing livestock, I know of no reputable southern agriculturist who, until the local success at McNeill, believed that it could be profitably done with the grasses and grains that have so far found a place here. True, Texas has a livestock industry, but on Texas grazing lands it requires a large acreage to sustain a cow, and only the immensity of the area available and the cheapness of the land make the industry practicable. On the Edwards Plateau, for example, it requires a minimum of 4 square miles to support a family.

So the old slogan so often shouted at us, "Live at home," "Grow your food and feed" are based on ignorance. True, the South, under stress of this depression, has an immense acreage in food and feed crops—greater, in fact, than in cotton—but with our poor yields this sort of farming is anything but profitable. In 1931 Mississippi, with nearly 3,000,000 acres in corn, did not produce enough for her own use. Yet if better varieties were bred up or introduced, we could have an entirely different picture.

Who is to blame for this tragic failure of southern agriculture? Unquestionably the Nation.

When the Williamsburg convention of 1679 fastened its indictment upon the South, it established a tradition which to-day is as firmly established and as blighting as ever it was. On the platform and in the press throughout the country this ancient superstitution of southern sloth has been incessantly preached. Speaking of the law passed in Virginia in 1679, to compel farmers to grow corn, Frederick Law Olmstead, in his Travels in the Seaboard Slave States (1854), had this to say:

"I am told, and the southern agricultural journals confirm it, that such laws are needed now in some parts of the cotton States, and would be advocated but for the shame of publishing to the North the irreformable improvidence of the people."

In the 1914 Year Book of the Department of Agriculture, page 19, Secretary Houston repeated the indictment, and just before leaving office Secretary Jardine scathingly indicted the southern farmer. Coming from the agricultural heads of the country, this sort of blindness is simply devastating. Even the southern banker and business man believe that our farmers are laggards, and so fixed is this idea that it is next to impossible to secure adequate appropriations for our experiment stations.

Under existing conditions it is small wonder that our Delta committee, after years of labor, have made but little headway. Our Mississippi legislator, to all our pleas, only too often dismisses us with the Williamsburg indictment, "Grow your food and feed." And how can we make him see that this parrot talk merely states the problem?

Now the notion is widely current that the Department of Agriculture stands ready on call to go to any State and solve any agricultural problem that may arise. This is sheer nonsense. It is the duty of the States properly to equip and staff their own stations for practical research in agriculture. To the department at Washington should be left original work in pure science, and obscure problems arising in the States should be submitted to its highly trained experts, just as the country physicians call on the specialists when a problem is too much for them.

There is no other way that the thing can function properly. Treating the department as a sort of emergency station for hurry calls has greatly injured it. This was well enough in pioneer days, when agricultural science was in its infancy, but to-day it is an anachronism. Our Southern States at least have sufficient resources to have proper experiment stations, but none have. Yet we find southern farmers, when unable to get satisfaction from their State stations, bringing pressure to bear on the Department of Agriculture to send its own men to the State stations to work on local problems.

No. It is going to take some sort of cataclysm to bring about betterment. The process of educating the public to the necessity of financing southern research work is entirely too slow, and some more effective way must be found. If this terrible badge of poverty is to be removed from the South, there must be something more than local evangelical work.

But suppose the President sounded the call.

Suppose that in his inaugural address he said that so far from the southern farmer being a sluggard, he is, in fact, faced with some of the most complex and elusive problems that ever faced an agricultural people in the history of the world. And suppose he said further that it would be a prime object of his administration to see that if the Southern States should properly equip, staff, and support their experiment stations, the Department of Agriculture would do its part.

Do you doubt but that the South would rise to the call? Do you believe that the abominable Williamsburg indictment could survive an attack from such a source?

The South holds the President elect in high esteem. Not only has he had farm experience, but he owns lands in the South. And this section feels that his interest in it is something more than perfunctory. With his backing, this long-delayed work would quickly get under way, and the problems which have kept the South poor and backward will be solved.

Sincerely yours,

CHAS. W. CLARK.

Mr. ALLGOOD. Mr. Chairman, I have a very important amendment here, and I ask unanimous consent to return to page 52, line 23, to offer that amendment.

The CHAIRMAN. Is there objection?

Mr. BUCHANAN. Mr. Chairman, I object.

Mr. ALLGOOD. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members present. A quorum.

The Clerk read as follows:

Total, Bureau of Chemistry and Soils, $1,670,194, of which amount not to exceed $1,095,695 may be expended for personal services in the District of Columbia, and not to exceed $650 shall

be available for the purchase of motor-propelled and horse-drawn passener-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 54, line 25, after the word "exceed," strike out "$1,095,695" and insert "$750,000."

Mr. ALLGOOD. Mr. Chairman, this amendment does not decrease the appropriation. I would reduce it if I could, but it seems there are those still in Congress who do not realize that a panic is on in this country. My amendment transfers this money back to the States for expenditures in the States instead of spending it here in the District of Columbia. If this information is so important that the farmers ought to have it, they ought to have it first hand. It ought to be carried to them by men who are trained by these experts, by these scientists, for whom we are appropriating these millions of dollars. They ought to go into the States and carry it to the farmers direct. That is what I am asking for by this amendment. We are going to spend $1,095,695 of this appropriation here in the District of Columbia, and I hold that that is too much to spend in the District of Columbia when the farmers are in the condition they are. If we are going to help them, let us help them first-hand and give them first-hand aid. They need it. They do not need this money spent in the District of Columbia. They need it spent down there face to face with them, right there on the farms, where they can solve their economic conditions.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. ALLGOOD. I yield.

Mr. WHITTINGTON. What provision would there be in this bill for expending the money among the farmers if it is not spent here in the District of Columbia?

Mr. ALLGOOD. Oh, there is permission for the different stations, the different tests, and all these chemical laboratories, but they are spending all the money here in the District of Columbia instead of spending it in the 48 States.

Mr. WHITTINGTON. I am wondering if it would not be necessary to amend the bill to increase the amounts that may be spent in the territory outside of the District of Columbia.

Mr. ALLGOOD. If a perfecting amendment is needed, I will be willing to accept that.

Mr. WHITTINGTON. If the gentleman wishes to accomplish that desired end, I think it would be necessary.

Mr. TABER. Will the gentleman yield for a question?

Mr. ALLGOOD. I yield.

Mr. TABER. I think the gentleman from Alabama ought to be complimented for trying to help agriculture and get the money away from the bureaucrats.

Mr. ALLGOOD. That is what I am trying to do; and if it requires a perfecting amendment, I will be glad to have the gentleman from Mississippi [Mr. WHITTINGTON] help frame the perfecting amendment. If this money is to be spent for the farmers, I want the farmers to get the benefit of it and get it first-hand and not get it alone by these little pamphlets and things that are published here and sent out. Bulletins are useful, but my farmers need and are looking for something more than a bulletin to read and advise them how to grow crops that they can not sell.

Mr. BUCHANAN. Mr. Chairman, it ought not be necessary for me to say anything on this amendment. The membership will understand this is a research bureau. This is a real, scientific bureau. Its laboratories are located in Washington. The scientists and chemists must work in the laboratories; and if this money is to be transferred to be spent out in the field among the farmers, then we would be required to make another appropriation and move the laboratories to the country.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ALLGOOD. Do you not have these test fields already?

Mr. BUCHANAN. Oh, we have little experiment stations here and there, where there are men in charge; but the real research, the scientific, chemical research, is conducted in the big laboratories here in Washington, where they have microscopes and all the other instruments necessary.

Mr. ALLGOOD. How are they going to know about weather conditions and the conditions of the soil and climate down in Alabama and Florida and Texas if they do not have their scientists down there face to face with the problem? They can not do it.

Mr. BUCHANAN. This is not the Weather Bureau. It is the Bureau of Chemistry. The soil is a totally different operation. Soil surveys are made in cooperation with the counties, the land-grant colleges of the States, and the Bureau of Chemistry. Field men go out and make those soil surveys under the appropriation as now allocated, but this amount provided for expenditure in the District of Columbia is for the scientific laboratories, to conduct the operations in the laboratories and achieve something. The Bureau of Chemistry has achieved as much or more for agriculture and for science than any other Government institution in the world. [Applause.]

Mr. ALLGOOD. If they have achieved so much, it would seem as though agriculture is now in the worst condition to-day it has ever been.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. ALLGOOD].

The question was taken; and on a division (demanded by Mr. Goss) there were ayes 9 and noes 40.

So the amendment was rejected.

Mr. DYER. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and five are present, a quorum.

Mr. ALLGOOD. Mr. Chairman, I ask unanimous consent to return to page 52, line 23, for the purpose of offering an important amendment.

Mr. BUCHANAN. Mr. Chairman, I object.

Mr. ALLGOOD. Mr. Chairman, I make the point of order that there is not a quorum present.

Mr. LaGUARDIA. Mr. Chairman, that point of order is dilatory, because the Chair has just counted and found a quorum present.

The CHAIRMAN. The Chair has counted a quorum and will not entertain the point of order raised by the gentleman from Alabama.

Mr. ALLGOOD. But the Members who were in the Chamber when the Chair counted a quorum have returned to the cloakroom.

The CHAIRMAN. The Chair believes a quorum is still present. The Clerk will read.

The Clerk read as follows:

MIGRATORY BIRD CONSERVATION ACT

For carrying into effect the provisions of the act entitled "An act to more effectively meet the obligations of the United States under the migratory-bird treaty with Great Britain (39 Stat., pt. 2, p. 1702) by lessening the dangers threatening migratory game birds from drainage and other causes by the acquisition of areas of land and of water to furnish in perpetuity reservation for the adequate protection of such birds; and authorizing appropriations for the establishment of such areas, their maintenance and improvement, and for other purposes," approved February 18, 1929 (U. S. C., Supp. V, title 16, secs. 715–715r), $89,525, authorized by section 12 of the act, which sum is a part of the remaining $882,000 of the $1,000,000 authorized to be appropriated for the fiscal year ending June 30, 1933, and in addition thereto the unexpended balances of the sums made available in the agricultural appropriation act for the fiscal year 1933 for the purposes of sections 12 and 18 of the act of February 18, 1929, are continued available for the same purposes for the fiscal year 1934.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 63, after line 9, insert a new paragraph, as follows:

"Cheyenne Bottoms migratory bird refuge. The unexpended balances of the appropriation of $50,000, contained in the second deficiency act, fiscal year 1930, and of the appropriation of $200,000 contained in the agricultural appropriation act for the fiscal year 1932, shall remain available until June 30, 1934, for the purpose of carrying into effect the provisions of the act entitled

'An act authorizing the establishment of a migratory bird refuge in the Cheyenne Bottoms, Barton County, Kans.,' approved June 12, 1930 (U. S. C., Supp. V, title 16, secs. 691–691d), and for necessary expenses incident thereto, including the employment of persons and means in the District of Columbia and elsewhere."

Mr. HOPE. Mr. Chairman, this is not a new appropriation; it merely makes available for an additional year an appropriation which was contained in the agricultural appropriation bill last year and in the previous year. It appropriates money for the purchase of what is known as the Cheyenne Bottoms Migratory Bird Refuge, a very important refuge located in Barton County, Kans., and the only refuge in that part of the United States for a distance of some 300 miles in any direction, a refuge which is located at a strategic point along the line of flight of ducks and other waterfowl from the breeding places in Canada to the winter feeding grounds and resting places along the Gulf coast

This appropriation, as I say, has been available for two years and has the approval of the Bureau of the Budget for this year. The Biological Survey has had great difficulty in acquiring title to the land, not primarily because of any question over the price, but because the title to a great deal of it was defective and it has been necessary to resort to condemnation proceedings. There are 75 different tracts of land involved in this purchase. It has taken considerable time and investigation to survey the tracts, to locate the boundaries and to get the title in shape to bring the condemnation proceedings. Altogether $33,000 of this appropriation has been spent.

To discontinue this work now would mean that $33,000 has been thrown away; whereas if this appropriation can be continued for an additional year, this land can be acquired at a price which is reasonable and which is less than it could have been acquired for at any time in the past, and probably less than it can be acquired for at any time in the future. This project is a part of a great system of refuges which this country is going to establish to carry out the terms of the migratory bird conservation act and our treaty with Canada for the protection of migratory birds. This refuge is an important link in that program. We are going to have to acquire it at some time; and at this time when the money has already been appropriated, when it does not involve any new expenditures from the Treasury, we should go ahead and make it available for another year.

I believe that the conservation of our wild life is just as important as the conservation of any of our other natural resources. The statistics show that there has been a steady decrease in the number of wild fowl in this country for a number of years. This is not due to the fact that they have been hunted and shot so much as it is to the fact that their natural breeding grounds and refuges have been destroyed through drainage and like operations. The result is that to-day, if we are going to maintain anything like the number of waterfowl we have had in the past in this country, we must establish these refuges. We must establish them soon if we are going to conserve this great natural resource, and I therefore say that it is economy and real economy to at this time make this appropriation available for another year.

Mr. BUCHANAN. Mr. Chairman, the attempt to purchase the Cheyenne Bottoms as a bird refuge was made when the special bill was passed by Congress specifying that that bottom, that particular land, should be bought. That confined the Government to the purchase of that land. The owners of it conceived the idea that if the Government bought at all, it would have to buy that land. As a result, the department which would make the purchase of this land advises me that the owners are asking as high as $25 an acre for this land as a bird refuge. Had this special bill, which I believe was passed in 1930, never been passed, this land, when the general migratory bird refuge act was passed, might have been purchased for $4.50 an acre.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes; I yield.

Mr. HOPE. The proceeding now, of course, is in condemnation.

Mr. BUCHANAN. Oh, no; it is not.

Mr. HOPE. I understand the condemnation suit is practically ready to be filed.

Mr. BUCHANAN. I do not know about its being ready to file, but I am advised by the department that the owners wanted as high as $25 per acre, $10 per acre, $15 per acre, and that they had in contemplation condemnation proceedings, but no suit has ever been filed, and they have had two years in which to purchase this land, but they can come to no agreement about it.

Mr. HOPE. The delay has not been on the part of the Government but has been on the part of the landowners.

Mr. BUCHANAN. It has been on account of the price, unless the department misinformed me.

Mr. HOPE. Will the gentleman yield further?

Mr. BUCHANAN. I will.

Mr. HOPE. I understand that one reason for bringing the condemnation proceedings, and one reason the Government has not made any further attempt to purchase this land, is because of the defective condition of most of these titles, which makes it necessary to take the matter into court in any event.

Mr. BUCHANAN. It has not yet got to the title stage; they have not yet got through with the investigations and approvals of the tracts.

Mr. HOPE. That is the information I received from the department, and I made a very careful investigation of it.

Mr. BUCHANAN. I can not help that; the fact is they have not got to the title stage yet.

Since this special act was passed, this Congress passed the general act providing for bird refuges throughout the United States. Under this general act we bought 79,000 acres of land; by gift and Executive order there has been set aside altogether between 225,000 and 250,000 acres of land with hundreds of bird refuges throughout the United States already established. This being the case, this committee decided it would be good policy to stop the purchase of all land, whether for bird refuges or for forest land, until we got out of this depression. So we cut out the appropriation for forest land under the Weeks Act, we cut out the appropriation for the purchase of further bird refuges under the general act, and we cut out the appropriation for the purchase of the Cheyenne Bottoms land under the special act.

There is not a cent in this bill for the purchase of land further than to carry out some contract the Government may have already made to buy land, and we ask that this policy of the committee be approved until we get beyond this depression.

The CHAIRMAN (Mr. BANKHEAD). The question is on the amendment of the gentleman from Kansas [Mr. HOPE].

The amendment was rejected.

The Clerk read as follows:

For necessary expenses of the Bureau of Public Roads, including salaries and the employment of labor in the city of Washington and elsewhere, supplies, office and laboratory fixtures and apparatus, traveling and other necessary expenses; for conducting research and investigational studies, either independently or in cooperation with State highway departments or other agencies, including studies of highway administration, legislation, finance, economics, transport, construction, operation, maintenance, utilization, and safety, and of street and highway traffic control; investigations and experiments in the best methods of road making, especially by the use of local materials; studies of types of mechanical plants and appliances used for road building and maintenance and of methods of road repair and maintenance suited to the needs of different localities; and maintenance and repairs of experimental highways, including the purchase of materials and equipment; for furnishing expert advice on these subjects; for collating, reporting, and illustrating the results of same; and for preparing, publishing, and distributing bulletins and reports; to be paid from any moneys available from the administrative funds provided under the act of July 11, 1916 (U. S. C., title 23, sec. 21), as amended, or as otherwise provided.

Mr. COLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the other day under general debate, when we were considering the matter of public roads, the gentleman from New York [Mr. TABER] stated that the appropriation for roads required $3,600 per person employed. I have made some investigation concerning this matter since and find that the figures that were furnished the gentleman from New York—and I do not dispute them except to say that they may, as given here, create a wrong impression—were based on the pay roll and expenditures on the project and do not take into consideration such items as transportation, making of materials, loading gravel at the pits, and a great many other things that might be mentioned. So the figure of $3,600 should really be divided by three, because it is estimated by the bureau—and the figures are found in hearings conducted before committees of Congress—that for each man actually employed on the project there are at least two others who are employed in the other ways I have mentioned.

Moreover, these figures were furnished at a time when the bureau was working under the special emergency act, and I may say for the benefit of the committee, that if the figures were now revised it would be found that much less is required per person. So that the figures left unexplained, that were mentioned the other day, might convey a wrong impression as an entirely different situation now obtains.

Since the work has been finished which was authorized under the special emergency act, we are operating on a much cheaper basis. Moreover, we did write into that act a provision that wherever possible men and teams should be employed, unless it would make the cost excessive. The practice now followed in many of the States, and I understand this policy is approved by the Bureau of Public Roads, is that men and teams shall be employed instead of machinery wherever practical.

Mr. Chairman, the fact remains that the road appropriation is one of the greatest for furnishing employment. Generally speaking, throughout the country, I think it perhaps furnishes more labor than any other appropriation made by the Federal Government unless possibly it is the flood-control work.

In my own State, as I mentioned the other day, we have had something like 8,000 or 8,500 men at work on the roads this year and this work has been rotated. Men of families have been given preference and not the same men employed all the time. The work is allotted in many cases. It has been one of the greatest blessings in my State in the furnishing of employment that has come to us during this depression.

I wanted to make this explanation because the figures given by the gentleman from New York standing alone and unexplained might create a wrong impression with reference to the labor furnished by the appropriations for public roads.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. COLTON. I yield.

Mr. EATON of Colorado. You are one of the most active members of the Roads Committee and I wonder if the gentleman can tell us if there is any disposition on the part of the Committee on Roads to make any authorization for expenditures, either for the period ending July 1, 1934, or for the ensuing two years, or can the gentleman give us any idea what is going to be authorized during the next period of two years, so that the States may be advised as to what action should be taken during the present legislative sessions?

Mr. COLTON. The Roads Committee has already reported out a general authorization bill for $100,000,000 for each of the two next fiscal years. There are some other special authorizations provided for in that bill. This bill is now on the calendar and I earnestly hope will soon be passed by this House. Unless it is, the States will be very greatly handicapped in their road-building program, and unemployment will be more widespread. I hope the leadership of this House will give us a rule at a very early date for the consideration of the road authorization bill.

Mr. ALMON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have asked for this time to make a few statements in regard to the status of national aid for roads. I thoroughly agree with what has been said by the gentleman from Utah [Mr. COLTON] in regard to the importance of highway construction during this period of depression.

I am advised by the Director of Public Roads, Mr. MacDonald, that in the month of October, 1932, there were 333,000 men actually being paid wages for highway construction under money expended by the Federal Government and matched by the States. This does not include road work done by States and counties. Of course, under the emergency appropriation the States are not required to match the fund.

The gentleman from Colorado [Mr. EATON] asked about the status of road funds for 1934 and 1935.

Mr. BRIGGS. Will the gentleman yield for a question?

Mr. ALMON. Yes.

Mr. BRIGGS. This is a very interesting and important question not only to the Members of the House but to the country at large. May I ask the gentleman with respect to the information he got from the Bureau of Public Roads, whether it was indicated how this distribution was made throughout the States with reference to employment? I think that would be of general interest, and I hope the gentleman will incorporate that in his remarks.

Mr. ALMON. They may have a record of that. I have not a record as to how many are employed in the various States, but that can be obtained from the Bureau of Public Roads.

I am also authorized to state that only one-third of the men employed are employed by reason of highway construction alone. Mr. MacDonald says that 333,000 men are actually engaged in highway construction, paid out of money appropriated by the Federal Government and by the States, and that twice that number, making in all about 1,000,000 men, to-day are engaged in highway construction and in the preparation of materials. The men who work in the mines and in shipping and in unloading material are twice as many as those who are actually on the pay rolls of the contractors, according to the estimates of the Bureau of Public Roads.

So there are at least 1,000,000 men to-day engaged in the preparation of materials and in highway construction as a result of Federal aid to roads.

The question has arisen, What are we going to do in 1933 and 1934? At the last session of Congress the Senate passed a bill authorizing $125,000,000 for 1933 and $125,000,000 for 1934; 1933 begins next July. This bill came over here and was reported by our Committee on Roads, of which I am the chairman, authorizing an appropriation of $100,000,000 for each of these years, and also so much for forest roads, and so on. This bill is on the calendar of the House to-day, and I am expecting to ask the Rules Committee at an early date to give us a hearing and let this bill come before the House and let the House determine whether we are going to continue national aid to roads.

I have made a rather thorough canvass of the House, and I find the general sentiment of the Members is that we can not afford now to discontinue national aid to roads.

I was a member of the committee and helped write the first national road legislation in 1916. I have kept in touch with the subject ever since, and I know the sentiment of the country. Some people say we can not afford to spend the money. My friends, last season we gave $120,000,000 as an emergency fund and the year before $80,000,000. It is folly to talk about discontinuing national aid for roads when more people are unemployed than ever before in the history of the Nation. There are 1,000,000 men employed in road construction and in the preparation of materials. I believe that the representatives of the people are going to vote for the bill when it comes before the House for consideration.

[Here the gavel fell.]

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent that the gentleman from Alabama have two minutes more in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BRIGGS. I would like to ask the gentleman if he does not think it advisable for his committee to appear before the Rules Committee and secure an opportunity for the House to act on this legislation at the earliest possible time? So that if the House adopts the measure, it will give time enough for the Appropriations Committee to make such appropriations as may be required.

Mr. ALMON. I agree with the gentleman. It is my purpose to appear with a delegation before the Rules Committee next Tuesday morning, and I hope that every Member interested in this matter will appear at that time. That will give plenty of time for the appropriations to be made before the 1st of July.

Mr. FIESINGER. Will the gentleman yield?

Mr. ALMON. I yield.

Mr. FIESINGER. Your bill provides for an addition to the appropriations in this bill?

Mr. ALMON. The appropriations for the Bureau of Highways are satisfactory in the Buchanan bill, except there is one feature where I will offer an amendment making the same appropriation for flood control for Alabama as there is for Georgia and South Carolina, and I think the chairman of the subcommittee will agree to the amendment.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last two words. Mr. Chairman, I understand that this bill carries $35,000,000 for Federal aid for roads, and I further understand there is $51,000,000 left from the present or standing authorization.

I have a letter from the State Highway Department of Missouri giving some information of the activities of road building in my State and the relief afforded to the unemployed through road building. It is as follows:

MISSOURI STATE HIGHWAY DEPARTMENT,
Jefferson City, Mo., December 20, 1932.

Hon. JOHN J. COCHRAN,
House of Representatives, Washington, D. C.

DEAR MR. COCHRAN: As you no doubt know, the Senate at its last session passed the regular Federal aid act for highways, amounting to $125,000,000.

This bill did not pass the last House and as I understand it is still on the calendar. I also note that the President has recommended the discontinuance of Federal aid for the time being.

A careful check of the finances available for the next few years shows that without Federal aid we would be in a very weakened condition in regard to our State road program. With Federal aid continued until 1937 it will be possible for us to complete our farm-to-market system in line with our promises made, and to make dustless our main-traveled gravel roads and take care of the traffic relief conditions around St. Louis and Kansas City. Without Federal aid we will not be able to complete our farm-to-market system and could not change our gravel-type surfaces to anything better.

In view of this situation, I hope you can see your way clear to support the passage of the Federal aid bill when it comes up for a vote.

In addition to our highway needs I might call your attention to the fact that our highway program has enabled us to keep from 13,000 to 16,000 men employed in road work in Missouri, which has been a material factor in relieving the unemployment situation in our State. To cut this work off at this time, I am sure, would be very unwise.

Yours very truly,

T. H. CUTLER, *Chief Engineer.*

Mr. Chairman, I think I am the only Member in this House who on this floor as far back as 1928 advanced the idea that we had arrived at the point where we could discontinue Federal aid for good roads, but I insisted ample notice should be given to the States.

Missouri has provided for a road program, expecting Federal aid, and properly so, to complete that program. If the State does not get the money from the Government, it can not complete the farm-to-market roads. If the Government refuses the State Federal aid when the State has perfected a program on the basis of past authorizations by Congress, it will deprive the farmer of his market roads. The main roads have all been completed, and it is now a question of giving the farmer proper roads to connect with the main highways.

I live in a city, and the people there are satisfied with the roads already constructed, but feel the farmer should receive his farm-to-market roads.

We do not agree on a road program over night. The States have the right to expect Federal aid, so long as Congress does not indicate the policy is to be discontinued.

I am willing now to set a date for the discontinuance of Federal aid to roads, but I say that that date should be three or four years from now and that we should not stop Federal aid to roads at this time. We should give the States proper notice.

Let me ask the chairman of the subcommittee why it is that the bill does not carry $51,000,000 rather than $35,000,000? Does the Bureau of Public Roads state this is sufficient?

Mr. BUCHANAN. Because $35,000,000 is abundant money to meet all of the maturing obligations of the Federal Government to the States in the construction of roads until another Congress meets and has time to appropriate the other $16,000,000. That is the policy that Congress has followed for the last 10 or 15 years—appropriating only so much money for public roads as is necessary to meet the obligations of the Federal Government to the States. This $16,000,000 is not appropriated, but has been allocated to each State, and each State is contracting it out for the construction of public roads, so that the public-roads program is not retarded, hampered, or interfered with by appropriating only $35,000,000 instead of $51,000,000. The Budget estimated only $39,000,000, and they fell short $11,000,000 of the full authorization.

Mr. COCHRAN of Missouri. Then the gentleman can assure the House that this is ample money to meet any demands the States may make until the next Congress meets, and that is, calculating that it meets in December next?

Mr. BUCHANAN. On the authority of the Bureau of Public Roads I assure the gentleman that that is ample money to meet every obligation of the Federal Government.

Mr. COCHRAN of Missouri. I thank the gentleman. That is satisfactory to me.

Mr. ALMON. And the Director of the Bureau of Public Roads made a statement to me this morning in exact accord with that made by the gentleman from Texas [Mr. BUCHANAN].

Mr. BRIGGS. Mr. Chairman, will the gentleman yield in order that I may ask a question of the gentleman from Texas?

Mr. COCHRAN of Missouri. Yes. I have secured the information I desired.

Mr. BRIGGS. As I understand it, the subcommittee has provided in this bill all of the money that the Bureau of Roads indicated to be necessary which up to this time is authorized by law. That is correct, is it?

Mr. BUCHANAN. All that is necessary; yes.

Mr. BRIGGS. All that is necessary and asked for by the Bureau of Public Roads and authorized by law?

Mr. BUCHANAN. Yes.

Mr. BRIGGS. About $16,000,000 is authorized but not yet appropriated?

Mr. BUCHANAN. Yes.

Mr. MAPES. Mr. Chairman, I rise in opposition to the pro forma amendment. Let me say at the outset that I am in favor of the construction of good roads when we can afford them, but this appropriation illustrates very forcibly the criticism directed at Congress and government in general, because the Government has failed to retrench its expenditures and adjust itself to its income in this emergency, as individuals and business have had to do, and because it continues a great many services, which might well be discontinued until conditions improve. The people who are paying taxes—home owners, farmers, and business men—in many instances, have about reached the end of their resources; and they can not understand why the Government does not reduce its appropriations and its expenses,

the same as they have been obliged to do and the same as charitable institutions and practically every organization of whatever kind and every family have been obliged to do. I wonder if the Members of the House realize how much has been appropriated in the last few years by the Federal Government as aid to the States in the construction of highways. I have before me the statement of the Bureau of Public Roads made to this subcommittee. It shows, under the subtitle "Project Statement," that there was expended in 1932, $129,805,187. Then in a footnote we find that that amount was—

exclusive of $58,912,432 expended in 1932 on account of advances to States under the emergency construction act of 1930.

That makes a total of expenditures by the Federal Government in the year 1932 alone of over $188,000,000. We come next to this fiscal year 1933.

Estimated, 1933, $132,651,496.

And that is—

exclusive of $85,000,000 estimated expenditures 1933 on account of advances to States under emergency construction act of 1932.

Or a total of Federal appropriations for this one fiscal year as aid to the States in the construction of highways of over $200,000,000. It is now proposed by the members of the Committee on Public Roads to go before the Committee on Rules to ask for an authorization to continue these appropriations for the fiscal years 1934 and 1935 to the extent of $100,000,000 for each of these years. Under the economic conditions of the country as they exist to-day there is no justification for such additional authorization. We ought to stop these appropriations for the building of new highways altogether until conditions improve. This bill carries an appropriation of $35,000,000 for the fiscal year ending June 30, 1934, without the passage of the resolution to which the chairman of the Committee on Public Roads refers, authorizing additional expenditure. We ought not to make this appropriation, to say nothing of authorizing an appropriation for still more.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. EATON of Colorado. Has the gentleman any figures to indicate what part of the $58,000,000 or the $85,000,000 was expended in loans to the various States to take care of their emergency relief on account of destitute people, which is to be charged against these highway funds in 1934, 1935, and 1936?

Mr. MAPES. I have no itemized statement showing how the money was spent or is to be spent, but the statement of the Bureau of Public Roads is that it has been used in the construction of highways. It is a lot of money in these times. Mr. Chairman, the fact should not be overlooked that the Federal appropriation is not the only appropriation made for the construction of roads. We have a wonderful set-up as far as the building of roads is concerned. We have the Bureau of Public Roads of the Federal Government, every State has a State highway department, then there is a county road commission in every county of every State, and on top of that a highway commissioner in every township. It is almost an endless chain. All of these different bodies are asking for appropriations in their own right for the construction of highways, and when we appropriate $200,000,000 as aid to the States, that means that the States have got to match that appropriation in order to get their share of it, and that in itself encourages the States to appropriate another $200,000,000, or a total of $400,000,000. I repeat that it seems to me that, in this time of depression, when men are losing their homes, when business men and institutions, big and little, are going bankrupt, because of high taxes, we might well afford to stop this appropriation for the construction of highways altogether, for a time at least. I say to the gentleman from Alabama [Mr. ALMON] and the other members of the Committee on Roads, that as far as I have been able to ascertain, that is the sentiment of my congressional district; at least it is the sentiment of the great majority of the people in the district.

Mr. COLTON. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. COLTON. The gentleman understands that the bill authorizes only $100,000,000 for each of the next two fiscal years to be used on Federal-aid highways.

Mr. MAPES. Yes; but this appropriation carries $35,000,000 for the fiscal year 1934 without that authorization.

Mr. COLTON. That $35,000,000 is a part of that previously authorized that was not used, and in effect carries it forward into the next fiscal year.

Mr. MAPES. That is true, but it is money just the same, and has to be raised in some way.

Mr. COLTON. The question I rose to ask is this: Does not the gentleman realize that the labor that has been furnished on these roads has saved thousands of men's homes in this country? But for this work they would have had no money whatever.

Mr. MAPES. But how many has it aided in losing their homes because of inability to pay taxes?

Mr. COLTON. I do not think any.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. LAGUARDIA. Does not the gentleman believe that the protests with regard to the additional appropriations, which come from business men, come with very poor grace when it is considered that the main purpose of the additional appropriation is to take care of their unemployed?

Mr. MAPES. It seems to me that the appropriations the Federal Government makes for the purpose of taking care of the unemployed do not accomplish that result because such a small percentage of the money appropriated gets to the unemployed. The increased burden by way of taxation greatly overbalances the good that is accomplished and retards recovery, very greatly to the detriment ultimately of the unemployed themselves.

Mr. LAGUARDIA. Of course it would be far more desirable to have direct relief.

Mr. HASTINGS. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. HASTINGS. The gentleman understands, of course, that the several States have prepared programs in advance for some two or three years, and they must be advised as to how much money will be appropriated before they can make out their programs.

Mr. MAPES. They ought to be advised by this Congress that for the present we are not going to make authorizations for any appropriations in addition to those already made.

Mr. HASTINGS. But the authorizations having been made, they have already adopted programs for the next year, and if we are going to slow down in these authorizations or appropriations, there should at least be notice given to the States some two years in advance.

Mr. MAPES. My understanding is that we have made no commitments as far as the fiscal year 1934 is concerned, and that we have met all of our obligations up to date.

Mr. ALMON. There is no authorization for the fiscal year 1933 or 1934 yet.

Mr. MAPES. There is pending a bill to authorize an appropriation for 1934, but Congress is not committed to it.

Mr. ALMON. That is what we want to get. We want to get a commitment.

Mr. MAPES. Yes; I know you want an additional commitment.

Mr. ALMON. I think, considering the views of all the people of the Nation, the gentleman from Michigan is in a wonderful minority.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. MAPES] has expired.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the gentleman have one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HASTINGS. I want to call the attention of the gentleman from Michigan to the fact that this authorizes the use of $35,000,000 of an authorization of $125,000,000 for the coming fiscal year, 1933. Hence that would leave the re-

mainder authorized for the fiscal year 1934, and hence it does cover the next two years. I mean both in appropriation and in authorization.

Mr. MAPES. I may say to the gentleman that this discussion has come up before the reading of the section to which the gentleman refers, but my understanding is that that $125,000,000 to which the gentleman refers was authorized for the year 1933 and this bill proposes to appropriate this amount out of the unexpended balance.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. BUCHANAN. Mr. Chairman, I ask that all debate on this paragraph and all amendments thereto close in five minutes.

Mr. ALLGOOD. Mr. Chairman, I object. I want three minutes.

Mr. EATON of Colorado. Mr. Chairman, I would like to have five minutes to discuss a matter which has not yet been discussed in regard to this provision.

Mr. LAGUARDIA. I would like one minute.

Mr. BUCHANAN. Then, Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto shall close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Alabama [Mr. ALLGOOD] is recognized for three minutes.

Mr. ALLGOOD. Mr. Chairman, I understand that legislation can not be enacted on an appropriation bill, but I wish to call to the attention of the chairman of the Committee on Roads a criticism that I hear in Alabama in regard to Federal aid. It is along this line, that the specifications are so high that it requires about eighteen to twenty thousand dollars to construct a mile of highway. Of course, the State is supposed to put up a part of that appropriation.

Mr. COLTON. Will the gentleman yield?

Mr. ALLGOOD. I yield.

Mr. COLTON. We can only participate up to $15,000 per mile.

Mr. ALLGOOD. Well, I hear that criticism of high expenditure. Fifteen thousand dollars is the least specification that they will accept?

Mr. COLTON. It is my understanding that the Federal Government can only participate in cost of roads up to $15,000 per mile.

Mr. ALMON. The Federal Government can only spend that much on a mile, and the State can spend just as much as it wants to.

Mr. ALLGOOD. In Randolph County, Ala., some oil concern is building an asphalt road for about $3,500 a mile as against the expenditure on these national highways of eighteen or twenty thousand dollars a mile. I notice in Pennsylvania they are building roads for the farmers, which cost $3,000 per mile, reaching out into the rural sections. They are good roads. They are asphalt roads, and they are roads that will stand up for years, built of asphalt. They are comparable to the cement roads. I feel that we have built enough roads in this country for the tourists, and I think the Committee on Roads ought to take this suggestion in hand and see that these requirements are reduced so that we can get more farm-to-market roads.

Mr. EATON of Colorado. I have been wondering during this discussion if any of the other States have a situation comparable to that in my State. I notice by the report that in 1932 $2,814,478 was furnished by the United States, which Colorado had to match. In addition to matching that we spent $2,000,000 more.

During the present year the representatives of the United States stated to us that they could help take care of the poor in our outside counties and that if the outside counties did not repay the United States then repayment money would be withheld from the money hereafter to be allocated for highway funds.

When I come to look at the authorizations I find there are no authorizations for any highway funds beyond this year.

I talked to members of the committee, the gentleman from Alabama [Mr. ALMON], the gentleman from Utah [Mr. COLTON], and I talked to the gentleman who operates the Bureau of Public Roads, Mr. MacDonald. They do not know anything at all about it except that there is a bill pending in Congress which would provide $100,000,000 to cover the annual needs of the ensuing 2-year period.

I also found from the Bureau of Public Roads that they have a program going into the future for about six years; for the present 2-year period contracts and drawings and other arrangements have been made which are going to be put into effect and completed; the next ensuing 2-year period, which is the next part of the program, and then the last period of two years, so that there is a continuous program. But as far as dollars and cents are concerned the present money authorized in this bill before us to-day is to take care of the existing contracts between the several States and the Bureau of Public Roads, and there is no authorization at all by this Congress either for the building of roads or to protect the United States, if you please, against these loans that are being made to many of the States of the Union to take care of the poor and indigent people in various counties.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. COLTON. The gentleman understands that in addition to the basic road act Congress has adopted the policy of passing an authorization act every two years, determining how much will be appropriated for the next biennium; and we do not by any authorization act ever bind Congress more than two years in advance.

Mr. EATON of Colorado. That is the situation we are in right now. The next 2-year period has not been authorized; and in addition to the actual road building that is going to be done here are also these amounts, aggregating tens of millions of dollars that have already been advanced to various States and distributed as poor relief in various counties upon the statutory authorization that if the counties do not pay them back they shall be withheld by the United States Treasury from the road relief fund.

What action is the roads committee taking as to this amount of money, and what is going to be done in the various States?

Mr. COLTON. There is nothing in the regular acts of Congress which authorizes an arrangement of this kind. This is purely an arrangement by the gentleman's State, as I understand it.

Mr. EATON of Colorado. On the contrary, the gentleman will find in what is called the emergency relief and construction act of 1932 that very provision is made; and it is in operation. The requirement is that the Reconstruction Finance Corporation shall be reimbursed by making annual deductions, beginning with the fiscal year 1935, from regular apportionments made from future Federal authorization in aid of the States and Territories for the construction of highways and rural post routes.

Mr. COLTON. That is in the emergency act.

Mr. EATON of Colorado. Yes.

Mr. COLTON. That is not in the regular authorization bills, however.

Mr. EATON of Colorado. Has any arrangement been made to take care of these amounts except to guess that the United States is actually going to reduce the amount of road building? How are you going to take care of it? Are you going to increase the amount of the appropriation, or are you going to reduce the amount of road building in these States that have not paid the money back?

Mr. ALMON. The argument of the gentleman from Colorado shows the importance of passing this authorization bill, so that the States and highway commissions and the legislatures of the various States can determine what amount must be raised in order to match the Federal-aid fund.

Mr. EATON of Colorado. One reason that makes this so important to my State—and the legislature in my State may be different from that in any other State of the Union—is because only during the first 15 days of the session may bills be introduced.

Mr. LAGUARDIA. Mr. Chairman, I think it is appropriate that the RECORD should show in closing this debate precipitated by the gentleman from Michigan that the additional appropriation for roads was brought about as a necessity to take care of the unemployment situation, and that business men and industrialists have no ground to complain. Originally the system of Federal highway aid was brought about by the advent of the automobile and as a means of stimulating that industry. The State of Michigan has no ground to complain.

Mr. MANLOVE. Mr. Chairman, I desire in the one minute at my disposal to interrogate the gentleman from Colorado. The gentleman from Colorado argues that we should not, as I understand it, make this appropriation at the present time by reason of the fact that Congress, or the Government, has made loans to different States upon the proposition that we may retain part of their Federal aid if they default in the repayment of those loans. It appears to me that this is no time to contemplate whether these States are going to default or not, and for that reason, proceeding in the even tenor of our way, it seems to me the present appropriation should be authorized, because you can not presume that some time in the future a State is perhaps going to default, and for that reason withhold the present appropriation.

Mr. EATON of Colorado. The gentleman from Missouri [Mr. MANLOVE] has evidently misunderstood me. I have not argued that the appropriation bill now reported by the Committee on Roads should not be passed. I am trying to direct the attention of the House and the Committee on Roads to the possibility that money has actually been lent to the States which may not be repaid, under which circumstances the amount thereof is already provided by the emergency relief statute to be deducted from Federal aid highway funds which have not yet been authorized.

The Clerk read as follows:

For carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916 (39 Stat. 355–359), and all acts amendatory thereof and supplementary thereto, to be expended in accordance with the provisions of said act, as amended, including not to exceed $672,009 for departmental personal services in the District of Columbia, $35,000,000, to be immediately available and to remain available until expended, which sum is a part of the sum of $125,000,000 authorized to be appropriated for the fiscal year ending June 30, 1933, by section 1 of the act approved April 4, 1930 (46 Stat. 141), after deducting $15,840,743.86 in making the apportionment of said authorization to the States, in accordance with the act of December 20, 1930 (46 Stat. 1031): *Provided*, That none of the money herein appropriated shall be paid to any State on account of any project on which convict labor shall be directly employed, except this provision shall not apply to convict labor performed by convicts on parole or probation: *Provided further*, That not to exceed $45,000 of the funds provided for carrying out the provisions of the Federal highway act of November 9, 1921 (U. S. C., title 23, secs. 21 and 23), shall be available for the purchase of motor-propelled passenger-carrying vehicles necessary for carrying out the provisions of said act, including the replacement of not to exceed one such vehicle for use in the administrative work of the Bureau of Public Roads in the District of Columbia: *Provided further*, That whenever performing authorized engineering or other service in connection with the survey, construction and maintenance, or improvement of roads for other Government agencies the charge for such services may include depreciation on engineering and road building equipment used and the amounts received on account of such charges shall be credited to the appropriation concerned.

Mr. MAPES and Mr. TABER rose.

Mr. MAPES. Mr. Chairman, I desire to reserve a point of order against the paragraph and would like to ask the chairman of the committee a question in this connection.

The CHAIRMAN. Will the gentleman kindly state his point of order for the benefit of the Chair?

Mr. MAPES. Mr. Chairman, I am not sure of my point of order, but my understanding of the situation is this: Congress has passed no legislation authorizing appropriations for Federal aid to the States for the construction of highways for the fiscal year ending June 30, 1934. The purpose of my inquiry of the chairman of the committee is to ascertain what the authorization is for this particular appropriation of $35,000,000 and what makes it in order without legislation having been passed authorizing Federal aid to the States for the fiscal year 1934.

Mr. SANDLIN. I will state to the gentleman that this is just the remainder of an old authorization. This has already been authorized.

Mr. MAPES. And we are carrying that forward in this appropriation bill?

Mr. SANDLIN. Yes.

Mr. WHITTINGTON. If the gentleman will permit, my recollection is that the law provides that this appropriation shall not expire for two years, and this amount of time is required to provide for the commitments already made.

Mr. MAPES. Mr. Chairman, I withdraw my reservation of a point of order, but while I am on my feet I would like to ask the chairman of the committee another question.

Mr. SANDLIN. The chairman of the committee is not here, but if I can answer the gentleman I will be pleased to do so.

Mr. MAPES. It happens that I received a letter this morning from a constituent who desired to work for a contractor who had a contract for the construction of some Federal-aid roads in my congressional district. He was told by the contractor that he was unable to employ him because he had to employ veterans. I looked up the law for 1932 and saw that it did contain a provision that required contractors to give preference to veterans with dependents if they were qualified for the work.

Mr. SANDLIN. That is in the emergency act, is it not?

Mr. MAPES. I notice that provision is left out of this bill. Why is that?

Mr. SANDLIN. I understand that provision was only carried in the emergency bill.

Mr. MAPES. But there is carried in this bill the provision that prohibits the use of any of this fund on highways where convicts are employed, and that is in the same section of existing law as the provision relating to the employment of veterans. I wondered why one was retained and the other was left out.

Mr. SANDLIN. As I understand, that was a limitation put on the bill last year.

Mr. MANLOVE. If the gentleman will permit, that limitation was carried in the authorization bill and the money we are now appropriating comes from that same authorization bill. Therefore, the same provision would follow with respect to this appropriation.

Mr. LAGUARDIA. It was my amendment on one of the appropriation bills that had to do with the employment of convicts, and then, as the gentleman from Louisiana has pointed out, the provision with respect to preference being given to veterans was contained in the emergency bill.

Mr. MANLOVE. This money is a part of the emergency bill money.

Mr. MAPES. Mr. Chairman, while I am on my feet perhaps I should also make some reference to the comment of the gentleman from New York [Mr. LAGUARDIA] about this unemployment feature of the highway fund. I have great respect for the gentleman from New York and for his humanitarianism, but he is not the only one that is in sympathy with men out of work or the only one who would like to help them in every possible way.

It seems to me those who are out of work generally must get employment through the regular channels of trade, and how the gentleman from New York or anyone else can hope to restore these industrial plants that he speaks of until they have some relief from tax burdens, as well as other burdens, so that they can open their factories and give employment to the unemployed, I do not understand.

Let me say further that it is not the industrialist particularly who is objecting to the continuation of these high-

way appropriations. The farmers in my congressional district very generally are opposed to the continuation of these appropriations until conditions are better, and because Michigan may have advocated the construction of highways 10 years ago, when we were at the height of our prosperity, is no particular reason why we should not discontinue them now, with economic conditions as they are.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I have an amendment at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 64, line 24, strike out "$35,000,000" and insert in lieu thereof "$10,000,000."

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, the thing upon which industry and farming are waiting a revival from this depression is sound economics on the part of the Congress of the United States. The people are fearsome of going ahead with business. The farmers are unable to get prices because everybody is in a state of fear. Is it not about time that we in Congress who have been intrusted with the responsibilities of carrying on the Government should come to realize that only by stopping this wild-cat wave of expenditure can we restore confidence to the people and start the wheels of industry turning and start the prices of farm products mounting to a point where the folks can get along and make a living? Every move we have made in the line of appropriating large sums of money has been to destroy confidence and to stop the return of prosperity.

Every single move we have made has driven men out of work instead of putting them to work, because they have prevented the people from going ahead because they did not dare.

Now, the Democratic President elect came out for economy the other day, but did he come out for that economy which might produce results and restore the confidence of the people? Oh, no; he came out for economy by consolidation. Did you ever hear of consolidation saving money? Consolidation does not save money. The things that save money are wiping out useless bureaus and cutting down expenditures. The things that save money are cutting down appropriations.

Now, here we appropriated $800,000,000 in 1933 for construction projects of one kind or another, and on these projects we can cut down almost all of them.

I stated the other day the cost of putting a man to work on these projects—and I stated it from figures I received from the different departments of the Government. It has been stated that there are a million men working on the highways at this time and upon correlated projects. Two hundred million dollars expended and a million men would give $200 a man. It has never been supposed throughout the length and breadth of the United States that men would work for $200 a year.

The fact is that most of this money goes to the contractors and very little of it trickles down through to the workmen. I do not believe the direct and indirect employment of men is over 200,000 at this time.

Now, I think we have got to stop. This is not a contract authorization; we do not have to appropriate the money. The money is not contracted for under the law until it is appropriated. This is the time for us to stop and we ought to stop now. We ought to stop appropriating money for these jobs.

Mr. COLTON. Will the gentleman yield?

Mr. TABER. I yield.

Mr. COLTON. It is my understanding that the $35,000,000 in this bill is to take care of projects for which contracts are already made.

Mr. TABER. Contracts can not be let under the law until the appropriation is made. Authorizations for money to be appropriated was contained in the law of 1930. I looked that up before I came here.

Mr. COLTON. I feel sure that the gentleman is in error and that the contracts have already been let for this $35,000,000. They were authorized by law.

Mr. MANLOVE. In the State of Missouri the roads department has contracted for work which aggregates twenty times as much as the Federal contribution. The program is based on a proportionate part to be carried in this appropriation bill.

Mr. TABER. I do not understand that, because I do not believe the law allows it.

Mr. EATON of Colorado. The gentleman may be right, that contracts have been entered into. The roads department states that they have entered into agreements based on the Federal aid.

Mr. TABER. Here is the situation: The law of 1930, and I looked it up a moment ago, does not provide for contract authorization. Some of the previous laws did, but this does not, and we should cut down this appropriation and stop this spending of money. It is the only source of relief that we can give. Cut down on the appropriations and give the people a chance to work out of this trouble.

Mr. ALMON. This $35,000,000 is to be used to carry out contracts already made and in force.

Mr. TABER. They have no right to be made.

Mr. ALMON. They are authorized under the law.

Mr. TABER. Not under the law.

Mr. ALMON. They were.

Mr. TABER. That is not what the law of 1930 says. I hope the House will adopt this amendment.

Mr. SWING. Mr. Chairman, I rise in opposition to the amendment. I am sick and tired of hearing remarks made here and elsewhere throughout the length and breadth of the land that Congress destroyed the confidence of the people, that Congress caused the present unemployment, and that Congress is responsible for the existing deplorable economic condition of the country; I deny that Congress had anything to do with bringing upon this country its present economic ills. Minds that can conceive of no better remedy for the present depressed condition of business than merely cutting expenditures are minds that have failed to note or understand what has happened in this country. Business to-day is anæmic. Further contraction of the circulating medium can only make a bad situation worse. The guilty parties who are responsible for present conditions are now moving heaven and earth to divert the bitter resentment of the American people from themselves and to throw the odium upon the Federal Government.

I read in the newspapers and in the magazines propaganda sent out from Wall Street by the international bankers and by the big industrialists, telling the people that prosperity will return if they can only make Congress "keep the Government out of business," have fewer laws passed regulating the trusts, and allow the industrial Insulls free play. Their propaganda pictures the American Government as a colossal Juggernaut whose burden is breaking the backs of the American people, robbing them of their homes, and destroying their business.

Cutting the salaries of Government employees and doing away with benefits for veterans will not save the citizen his business or his home if this unemployment continues much longer. You never see in this propaganda any mention of the burden of debts or the high interest rates. No; it is always "taxes" and "Government expenses." Why, if we should stop every expenditure on the part of the Federal Government for a whole year, it would not make any appreciable difference so far as the economic depression is concerned.

You know and I know that before the crash the international bankers had bled this country white, sending $5,000,000,000 of real money to South America and Europe in exchange for their worthless securities. [Applause.] Wall Street sold a trusting American public, as investments, billions of dollars of paper that is not worth 5 cents on the

dollar. Industrialists have pyramided holding company on top of holding company, and saddled the consumer with public-utilities charges far in excess of what was necessary to run the operating systems. These are the guilty ones who are to blame for this situation.

Of course, we should not spend a single dollar of the taxpayers needlessly, wastefully, or extravagantly. Of course, we should practice economy. But to come in here and say that we are guilty of bringing the country to its present deplorable condition, that we are guilty of keeping it there, is poppycock broadcast by selfish high-powered propaganda to divert attention from those who are guilty of bringing this condition upon the people of America. We must put the spotlight of publicity on the real culprits and keep it there if we are to make certain that past evils are to be remedied and that this deplorable condition is not to occur again. [Applause.]

Mr. GLOVER. Mr. Chairman, I move to strike out the last word.

Mr. BUCHANAN. Will the gentleman yield, Mr. Chairman? I ask unanimous consent to close all debate upon the public highway items in 11 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate upon the paragraph and all amendments thereto close in 11 minutes. Is there objection?

There was no objection.

Mr. GLOVER. Mr. Chairman and gentlemen of the committee, I am very much surprised at the attitude that some of our colleagues have taken with reference to public road building. I think the gentleman who has just spoken, the gentleman from California [Mr. SWING], has voiced the correct origin of this sentiment and propaganda that is put out to stop the aid of the Federal Government in building highways. I was very much surprised at the gentleman from Michigan [Mr. MAPES] a moment ago in his opposition to the bill. He spoke of his district and how the people there were opposed to the building of highways. If I remember the gentleman's district correctly, there are only two counties in it. Is that correct?

Mr. MAPES. But I say to the gentleman that they are very unusual counties.

Mr. GLOVER. Oh, yes, unusual, because they are in the gentleman's district. The opposition that is being voiced here comes from just that kind of source. No man who will drive over this country and see this great Nation of ours coupled and linked together with public highways will stand on this floor and vote against Federal aid to States in the building of highways. Some time ago somebody on a tour of inspection went through a section of our State at a point where there happened to be an unfinished section not yet sufficiently strong for concrete, and they severely criticised it. That sort of criticism is very hurtful to the State, and yet it shows how important public roads are. The thing that has made our Nation great is our public highway building, cooperated in by the States and the Federal Government. For us to cut down this appropriation from $35,000,000 that is now authorized under the law to $10,000,000 is absolutely unthinkable. I do not believe five men in this House who will seriously think about this matter will cast their vote for such an amendment. I think it is offered for the sole purpose of trying to create a prejudice against the Federal Government's cooperating in building our national highways.

Mr. BUCHANAN. And to cut it down from $35,000,000 to $10,000,000 would be to have the Federal Government repudiate its solemn obligation.

Mr. GLOVER. Absolutely. I was just coming to that point. In the States now, as some one remarked a moment ago, the legislatures are meeting, and they are planning ahead and expecting not only the Government to carry out this obligation in carrying out the contracts already let, but they are looking to the future. They had a right to do that under the law. There is not a lawyer on the floor but knows that even a county judge, if he has a dollar in the fund for the building of bridges, can go out and contract for a bridge and make the contract legal.

This is a legal contract entered into by the Government, and the Government ought to carry it out.

Mr. LEAVITT. Will the gentleman yield?

Mr. GLOVER. I yield.

Mr. LEAVITT. Is it not also true that this appropriation has already been cut by the committee $187,000,000?

Mr. GLOVER. Absolutely so; and it ought not be cut at all. It ought to be enlarged, if possible. As the gentleman from New York [Mr. LAGUARDIA] said a while ago, this is to help in the relief of the unemployed, and spends a dollar where we get a dollar's worth of work for every dollar that is put out. That is the way the Federal Government ought to be spending money.

I saw the gentleman the other day when there was a proposition before the House where we could save some money, when his own President had not recommended it, when the Budget had not recommended it, yet he was willing then to vote $460,000 for an institution out here, when it was not authorized nor asked for by the President in his Budget. Economy is a great thing, but it ought to be practiced at all times. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 13, noes 48.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 65, line 9, strike out the word "directly."

Mr. LAGUARDIA. Mr. Chairman, when I offered an amendment on the appropriation bill last year and the year before, placing a limitation on the expenditure of this appropriation so that convict labor could not be employed, there was some apprehension that the States could not adjust themselves. We found that every State has adjusted itself to the employment of free labor, with the exception of two States, where convict laborers are used to the extent of the purchase of stone that had been crushed by the convicts.

I am sure there is no intention on the part of those two States to violate the limitations on the appropriation bill, and the misapprehension has been caused by reason of the word "directly" used in the limitation. I have a letter from the American Federation of Labor, dated December 19, 1932.

Mr. BUCHANAN. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. BUCHANAN. As far as I am concerned, I will not oppose the amendment, as I want to get along with the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The amendment was agreed to.

The Clerk read as follows:

Road and bridge flood relief, Georgia and South Carolina: To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act for the relief of the State of Georgia for damage to and destruction of roads and bridges by floods in 1929," approved May 27, 1930, and the act entitled "An act for the relief of the State of South Carolina for damage to and destruction of roads and bridges by floods in 1929," approved June 2, 1930, the unexpended balances of the appropriations for these purposes contained in the second deficiency act, 1930, shall remain available until June 30, 1934.

Mr. ALMON. Mr Chairman, I offer an amendment, a copy of which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ALMON: On page 67, after line 7, insert a new paragraph, as follows:

"Road and bridge flood relief, State of Alabama: The unexpended balance of the appropriation contained in the first deficiency act, fiscal year 1930, for carrying out the provisions of the act entitled 'An act for the relief of the State of Alabama for

damage to and destruction of roads and bridges by floods in 1929,' approved March 12, 1930, shall remain available until June 30, 1934."

Mr. GOSS. Mr. Chairman, I reserve a point of order on the amendment. I would like to hear the statement of the gentleman.

Mr. ALMON. Mr. Chairman, this is placing the appropriation for flood control in the State of Alabama on a parity with that in the States of Georgia and South Carolina, in the preceding section. It was unintentionally left out. The chairman of the committee during the hearings said he thought all of the States ought to be put on a parity. This amendment places this appropriation for flood control on a parity with Georgia and South Carolina. It makes it available until June 30, 1934.

Mr. GOSS. Will the gentleman yield?

Mr. ALMON. I yield.

Mr. GOSS. How many other States might be affected by this same matter of unexpended balance, that would have relief to them? Does the gentleman know?

Mr. ALMON. I think there are not any except Georgia, Alabama, and South Carolina. Those are appropriated for and provided for in this bill.

Mr. HASTINGS. And the gentleman might include Kentucky and Vermont.

Mr. BUCHANAN. Mr. Chairman, that was simply an oversight on the part of the committee. We want to treat Alabama the same as the other States. It was just an oversight.

Mr. GOSS. Mr. Chairman, I withdraw the reservation of the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. ALMON].

The amendment was agreed to.

The Clerk read as follows:

Agricultural engineering: For investigations, experiments, and demonstrations involving the application of engineering principles to agriculture, independently or in cooperation with Federal, State, county, or other public agencies or with farm bureaus, organizations, or individuals; for investigating and reporting upon the utilization of water in farm irrigation and the best methods to apply in practice, the different kinds of power and appliances, the flow of water in ditches, pipes, and other conduits, the duty, apportionment, and measurement of irrigation water, the customs, regulations, and laws affecting irrigation, and the drainage of farms and of swamps and other wet lands which may be made available for agricultural purposes; for preparing plans for the removal of surplus water by drainage; for developing equipment for farm irrigation and drainage; for investigating and reporting upon farm domestic water supply and drainage disposal, upon the design and construction of farm buildings and their appurtenances and of buildings for processing and storing farm products, upon farm power and mechanical farm equipment, upon the engineering problems relating to the processing, transportation, and storage of perishable and other agricultural products, and upon the engineering problems involved in adapting physical characteristics of farm land to the use of modern farm machinery; for investigations of cotton ginning under the act approved April 19, 1930 (U. S. C., Supp. V, title 7, secs. 424, 425); for giving expert advice and assistance in agricultural engineering; for collating, reporting, and illustrating the results of investigations and preparing, publishing, and distributing bulletins, plans, and reports; and for other necessary expenses, including travel, rent, repairs, and not to exceed $5,000 for construction of buildings, $375,000.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: Page 68, line 21, strike out "$375,000" and insert in lieu thereof "$350,000."

Mr. SUMMERS of Washington. Mr. Chairman, this is to eliminate from the bill an item of $25,000 for "the development of mechanical equipment for corn-borer control." During the great scare five or six years ago caused by this bogy worm, known as the European corn borer, Congress appropriated at one time $10,000,000. Representatives of the Department of Agriculture have repeatedly told us they did not request that $10,000,000 and they should not be charged up with it. They said that Congress was responsible for that. The Congress honestly believed the great corn industry was in jeopardy. With that money, among other things, the department purchased hundreds of thousands of dollars worth of machinery, and quantities of this machinery are stored at different places throughout the United States at the present time. Since that time they are spending more money in providing new machinery or remodeling the old to destroy a pest that in 25 years has caused practically no damage over the United States. Twenty million dollars has been expended on this comparatively harmless pest, and still you go on year after year expending more money.

Now, the committee made a big reduction in the appropriation of last year. We are making a cut of $247,087 from the bill this year, and yesterday the House took out $13,968 additional in supporting an amendment that I offered. But here we are proposing to expend $25,000 to devise machinery to destroy a pest that has not caused any damage of consequence over the United States in all the years it has been here. In my opinion, this is a needless expenditure, and I am against it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. BANKHEAD. Does the gentleman undertake to reflect the views of the Representatives from those States that are directly interested in this proposition?

So far as I am concerned, that would be a very essential piece of information for me to have. If this appropriation is not necessary and if the States where the corn borer has threatened to be a great pest are willing for this appropriation to go out, I think it ought to go out; but if this were a matter affecting the cotton section of the country I would want to have the opinion of those interested in the cotton industry. Can the gentleman give us any information along that line?

Mr. SUMMERS of Washington. I can give the gentleman this information. A number of Members of Congress from the Corn Belt have told me they are opposed to the corn-borer appropriation, and some of them have spoken here against it. I recall Mr. HOGG, of northern Indiana, one of the great corn areas of the country, has spoken repeatedly along with me against this appropriation. Mr. WOOD, who represents a corn-growing section of northern Indiana, has also spoken against it. Mr. LUDLOW also has expressed himself against it. I do not at the moment recall any others.

I am speaking on the testimony that has come before our committee during the past several years, not with prejudice, certainly, against any agricultural product or any part of the country; but because the testimony, in my opinion, does not warrant the expenditures we have been making. True, we have been cutting down for the past two years, but I think we have spent entirely too much. We are still spending too much. We have not done this with respect to any other pest that I know of in the United States. The Congress and the country, in my opinion, are needlessly scared.

I would not deprive any State of the Mississippi Valley or of the great Corn Belt of any appropriation that would be of real benefit to them or to agriculture in those States. What I say is based on the testimony that has come before our committee and from a very genuine interest in agriculture and also in the people's Treasury.

I want to repeat here what I said to certain witnesses before our committee. I quote:

Mr. Chairman, I want to say to these two witnesses, representing the organizations that they do, that my attitude as a friend to agriculture and horticulture in every respect is certainly well established. I am for maintaining quarantines or making investigations or whatever is necessary in regard to any and all of these pests that are really destructive. But I want to suggest, very respectfully, that your organizations start in systematically to reeducate this country in regard to what the corn borer has not done and is never going to do. We have spent, over my vigorous and persistent protests, between eighteen and twenty millions of dollars on a pest that has never done to exceed a hundred thousand dollars of damage in any one year in this country in the 25 years that it has been here. You have those quarantines because of the yellow journals, and that movement has been furthered by many scientific men. If you want to get rid of useless quarantines and do not want to have these impediments put on your legitimate business, you had better take the situation in hand and start reeducating the people.

The corn-borer problem has been solved; and it is perfectly useless to spend millions of dollars in quarantines against celery, and to have silly things of that sort going on because of the scare that has been built up in the minds of the people. The Agriculture Department has long since demonstrated that reasonably clean farming is the remedy for the corn borer. They have also told us positively and repeatedly that it can not be exterminated and its spread can not be prevented. As long as I am in Congress, I shall continue to oppose wasting the taxpayers' money. Tell the people the whole truth about the corn borer and the quarantines will soon disappear, and big expenditures will not be necessary.

These witnesses agreed with me and you will also agree with me and vote to save this $25,000 if you read the testimony before our committee for the past five years.

The European corn borer is the bogy worm of agriculture.

Mr. BUCHANAN. Mr. Chairman, I do not think the House ought to adopt this amendment. Understand, gentlemen, the corn borer is not in our section at all, and as chairman of this committee I am trying to treat every section of our country absolutely alike.

They had a convention recently upon the corn borer, its destructiveness, its spread, and recommendations that should be made to Congress for appropriations. This convention was composed of all the entomologists from the corn-borer and surrounding States, including the commissioners of agriculture and other citizens interested in that section of the country. They passed resolutions not only recommending as much as the Budget has recommended but going farther and recommending larger appropriations by Congress. If you take the infested area as a whole, they do not want Government activity stopped in keeping up with the corn borer. They want its history studied with the idea of seeking out poisons for it or seeking farm machinery that will get rid of the stalks more cheaply than the machinery they have now.

Now, let me tell you what I did, and I was afraid I had gone too far, because I am not from what you would call a corn State. Mr. SANDLIN, who is on the committee, is not from what you would call a corn-producing State. Doctor SUMMERS is from a State that produces the least corn of any State in the Union. Mr. HART, of Michigan, is not from a corn State and, unfortunately, Mr. SIMMONS was not present. I was afraid, not being from corn States, we might do this section an injustice.

The Budget recommended for this specific item, that Doctor SUMNERS seeks to strike out, $53,000. The committee cut it down to $25,000. The convention recommended a great deal more than the Budget had recommended. What is its purpose? It is just a sufficient amount for the Bureau of Agricultural Engineering to test out the practicability, the cheapness of operation, and so forth, of machines and inventions turned out by private industry, to see whether they can give these people a machine that will cut their stalks and clean up their ground and cover their stubble more cheaply than the machinery they now have. This is going to come, in my judgment. The control of the corn borer, in my judgment, is going to come to the question of cultivation, the question of cleaning up of stubble, of burying the stubble, and I think it is vital that the best machinery possible should be developed for the benefit of these people. I therefore hope you will vote down the amendment.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been very actively interested for a number of years in this campaign to eliminate the corn borer. Going back three or four Congresses I stood on the floor and assisted others from our section of the country in securing adequate appropriations to combat this pest. We have been going through a very extensive campaign of investigation, education, and development of mechanical contrivances of one sort or another to eliminate this pest. We have established quarantines in the States, have broadcast methods of elimination and control, and all together it seems to me that farmers throughout the country have been very abundantly educated as to the best methods of controlling this pest.

Mr. CHRISTGAU. Will the gentleman yield?

Mr. KETCHAM. I have only five minutes.

Mr. CHRISTGAU. I just wanted to find out from the gentleman whether the corn borer has yet got into the heart of the Corn Belt.

Mr. KETCHAM. If it ever does get into the heart of the Corn Belt, may I say that all the information both as to methods, kind of machinery, and every other phase of the work has been supplied abundantly and can be used by those who want to inform themselves as to the best method of eliminating this pest.

Speaking for the State of Michigan, where we have had infestations by this pest, I think I accurately reflect the sentiment when I say that a majority of our farmers have become convinced that this campaign has gone as far as it ought to go, and they are now ready to say to the United States Government that we are willing that the appropriations for this particular purpose shall be discontinued except in so far as the items have to do with continuing investigations as to parasites that may kill off the corn borer or other practical things in the way of studies of this kind that naturally must continue.

For that reason I assured Doctor SUMMERS that I will be very glad to go along trying to eliminate appropriations in this bill that have to do with items like this or where I think full information and full knowledge has already been supplied by the Federal Government very liberally, but I think that is as far as we ought to go.

Mr. PETTENGILL. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. PETTENGILL. I want to say, coming from an adjoining district to the gentleman in the State of Indiana, if I correctly interpret the sentiment of the farmers of that vicinity they are against any further expenditure of Federal money for this purpose.

Mr. SUMMERS of Washington. I have not attempted to strike out the appropriation for parasite work.

Mr. KETCHAM. Now, Mr. Chairman, I want to take this occasion to pay a tribute to the chairman of the subcommittee for the fine attitude he has shown in connection with this very item. Coming from a section of the country where they have no pests of this sort, he has indicated his willingness to include this item and has been more than fair in urging that it be included.

And may I say that in taking this position in opposition to the particular amendment I do not want him or the subcommittee to feel that I am trying to detract in any way from the splendid efforts of him or the subcommittee in the reductions they have reported.

Mr. BUCHANAN. Mr. Chairman, I would like to read an excerpt which I think may change the mind of the gentleman from Michigan. This is from the department.

In Canada between 1922 and 1926 corn acreage in two counties was reduced from approximately 1,200 square miles to 40 square miles due to the corn borer. Under enforced control by the Dominion Government and by the practice of clean plowing, low cutting of corn, and other means proposed by the agricultural engineers, corn production in these counties has practically returned to the 1922 status.

That demonstrates that the only effective method is through clean plowing, low cutting of the corn, destroying the pest below the stubble.

Mr. KETCHAM. May I say in reply that the excerpt the gentleman has read is a complete answer to the whole argument. It is through the culture of parasites, the low cutting of corn, thorough plowing, and destruction of host plants that this pest can be most effectively controlled. Our farmers are informed and alert and sufficiently interested to control this pest whenever it becomes a real menace.

Then, referring to the investigation before our committee, the evidence clearly indicated that the corn borer had a natural habitat immediately adjacent to the Great Lakes, and that when you get on the higher ground remote from lakes there is not so much danger of its spreading.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. KETCHAM) there were—ayes 36, noes 34.

Mr. BUCHANAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. BUCHANAN and Mr. SUMMERS of Washington to act as tellers.

The committee again divided; and the tellers reported—ayes 39, noes 30.

So the amendment was agreed to.

The Clerk read as follows:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of chief of bureau and other personal services in the District of Columbia, $267,750.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. Mr. Olson, of the Bureau of Agricultural Economics, testified before this subcommittee. He furnished some interesting testimony in regard to farm mortgages. He introduced some tables that are also very interesting, as well as his comments on the farm-mortgage situation. I want to say a few words about that, and in order that I may discuss it more fully I ask unanimous consent to proceed for 10 minutes instead of 5.

The CHAIRMAN. Is there objection?

There was no objection.

FARM INDEBTEDNESS

Mr. PATMAN. Mr. Chairman, on page 739 of the hearings on this bill Mr. Olson has inserted a table showing the farm mortgages held by the principal classes of lending agencies on January 1, 1928. It discloses that the farmers owe about $9,468,000,000 on their farms. The Federal land banks of the country hold 12 per cent of this indebtedness. I sent to the document room a few moments ago and asked for a copy of all of the bills that propose some kind of a moratorium on farm-mortgage debts, and Mr. Lewis, in charge of the document room, sent me all the dozen or more bills which you see in my hand. I have discovered that, without exception, these bills ask that a moratorium be granted only on mortgages held by Federal land banks. I invite your attention to the fact that Federal land banks hold only 12 per cent of the total mortgage indebtedness of the farms of this Nation. The joint-stock land banks hold 7 per cent, the commercial banks 10 per cent, and the insurance companies 22 per cent. The following table compiled by Mr. Olson is self-explanatory:

Farm mortgages held by principal classes of lending agencies, January 1, 1928 [1]

Lending agencies	Percentage held by each agency	Amount held by each agency
	Per cent	*Millions of dollars*
Federal land banks	12.1	1,146
Joint-stock land banks	7.0	667
Commercial banks	10.8	1,020
Mortgage companies	10.4	983
Insurance companies	22.9	2,164
Retired farmers	10.6	1,006
Active farmers	3.6	339
Other individuals	15.4	1,453
Other agencies	7.2	685
Total	100.0	9,468

[1] Estimated by Bureau of Agricultural Economics.

If we are going to have a moratorium on farm mortgages, in order that it may be effective it should include all of the companies making loans to farmers on their farms. To help 12 per cent, or those who have borrowed from Federal land banks, would help some, but it would not be as helpful as extending the same aid to those who have borrowed from other lending agencies.

REAL-ESTATE TAX PER ACRE

On page 767 there is a table showing the estimated real-estate tax per acre on all farm lands has increased from 1913, when it was 52 cents an acre, to $1.25 per acre in 1930. These taxes are paid by the States, counties, cities, and districts. The Federal Government does not levy a tax on land. It is an interesting table, and I hope you gentlemen will examine it very carefully.

DEPOSITS REDUCED IN COUNTRY BANKS

On pages 780 and 781 you will find a table inserted which shows the indexes of net demand deposits in country banks, and he has taken for 100 the period of time between 1923 and 1925, and he shows that the deposits have decreased in banks in the leading agricultural States from 100 in 1925 down to 55 in 1932, and in the Corn Belt States from 100 in 1925 down to 55 this year. In the Cotton Belt States the deposits have decreased from 100 in 1925 down to 40 in 1932. Evidently that is one problem that we should deal with in this Congress. The agricultural States do not have sufficient money.

BANKRUPTCY, EXPANSION OF CURRENCY, OR REVOLUTION

I spent the last week-end in Texas. On the train, in the stations, in the hotels, everywhere you find people gathered you hear them talking about economic conditions and economic affairs. I wish I could say that I really believe conditions are getting better, but I can not truthfully say it. Conditions are not getting better but are getting worse, and the people are beginning to realize that one of three things must happen. First, if conditions are not improved in some way, we are facing bankruptcy or repudiation of debt. I do not even like to say the words, but we might as well face the facts. Second, a way that we can prevent that, and I am not talking about any proposal of my own or of any other Member of this House, and that is the expansion of the currency. The currency may be expanded with silver, or by an expansion on the gold base, or by devaluing the gold dollar.

Third, if we do not expand the currency so the value of all dollars, including gold, will be reduced, so people can pay their debts on somewhat the same basis as they were contracted, we are going to have some kind of a revolution or change in this country. Instead of some members worrying about whether or not they are going to be reelected after two years from now, they had better be giving serious consideration to whether or not they will serve out the two years they have been elected for. We are facing a serious situation in this country. People are starving. Did you know that people are actually starving, and this Congress can do something to relieve that condition?

RELIEF SHOULD NOT COMMENCE ON TOP

We should not start putting out money at the top with the hope that the money will percolate down to the needy and poor, but we should start at the bottom. This morning I noticed the following in the Washington Post:

A family of four—man, wife, and two little boys, 2 and 3 years old—was discovered yesterday morning in a box car in the Potomac freight yards by Arthur Powers, railroad policeman. The family, all of whom were suffering from exposure, had made their way from New Orleans, approximately 1,500 miles, in the same box car without detection. The man told Powers that he was trying to make his way to New Haven, Conn., where he had been promised work with a motor company.

The family was brought into the yard office and Paymaster Granville Studds was notified of their plight. He immediately started a collection among the men at the yards, with the assistance of J. O. Gallagan, and in a few minutes $25 was raised. The family was then taken to Washington and placed aboard a bus for New Haven, and the money left after payment of the bus fare was given the mother.

He was riding in this railroad box car, going to New Haven, Conn., in the hope that he would find employment there.

YOU NEVER SEE A WOMAN IN A BREAD LINE

Labor, a paper published in Washington, discloses some interesting information. I want to read it to you:

"FORGOTTEN WOMEN," RELUCTANT TO BEG, STARVE IN COLD GARRETS

All but neglected for three years, one of the most tragic phases of the depression—the plight of unemployed and homeless women—was brought to the foreground this week when the Washington Travelers' Aid made an earnest plea in their behalf to Secretary of Labor Doak.

Spokesmen for the organization disclosed that Miss Mary Anderson, Director of the Women's Bureau, has been working without success for many months to get the condition of these unfortunate

women before the Government and the public in such a way as to force effective action.

The problem has become so acute that New York, Chicago, Los Angeles, San Francisco, and other large and small cities are being swamped with unemployed and destitute women, Doak was told.

Secretary Doak expressed the keenest sympathy and directed the Women's Bureau to continue to cooperate with other organizations interested in the problem. Unfortunately, the bureau is without funds to properly press the work.

Practically no provision has been made for their care. Because they hesitate to beg on the streets or resort to bread lines, many of the homeless women are literally starving to death in cold garrets and other out-of-the-way places, according to Miss Beatrice Hodgson, assistant director of Travelers' Aid.

Mrs. John J. O'Connor, a director of the organization, said the remedy is to absorb these women into their home communities and to provide them with shelter and welfare. This is absolutely necessary if their morale is to be maintained, she declared.

The Family Aid Society recently issued a report on homeless women and girls that is one of the most appalling narratives in the dismal history of the depression. It said there are actually "thousands of forgotten women" who are "clinging desperately to life," and that unless they are given intelligent treatment the country may pay a "frightful toll in moral as well as physical degeneration."

Almost the identical words were used by the Unemployment Relief Committee of New York in describing conditions in that city, which it declared to be "terrible beyond description."

OPEN FORUM FOR MEMBERS

I believe this condition can be remedied. We have in this House what is known as an open forum for the discussion of economic affairs. It is not a partisan body, and it does not meet with the hope or expectation of doing anything that is antagonistic to the present leadership or to the duly constituted committees. I believe it was first called by my friend and colleague the gentleman from Texas [Mr. SUMNERS]. About 60 or 70 Members of this House belong to that open forum. It is divided into groups—the farm-mortgage group, the farm-aid group, the currency-reform group, and the city-cooperation group. I am a member of the group on currency reform. The gentleman from Mississippi [Mr. BUSBY] is chairman of that group. He has called a meeting of that group for next Thursday evening. The gentleman from Oklahoma [Mr. MCCLINTIC], who is secretary of the whole group on economic relief, which embraces all four groups, has just informed me that a meeting of the whole committee has been called for next Tuesday evening at 7.30 o'clock in the Judiciary Committee room. Mr. SUMNERS of Texas is chairman. It is an open forum on economic relief. All Members are invited.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. BUCHANAN. Mr. Chairman, I regret to object, but if we go into these foreign problems we will never get through with the bill under consideration.

Mr. PATMAN. I desire to discuss what Mr. Olson said.

Mr. BUCHANAN. It would take two hours to discuss what Mr. Olson said, and then somebody else would want 5 or 10 minutes.

However, I will not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

CURRENCY REFORM GROUP

Mr. PATMAN. I want to insert the names of the present membership on the currency-reform group: BUSBY, chairman, MONTET, SOMERS of New York, FIESINGER, SPENCE, HOWARD, ARENTZ, MCSWAIN, CHRISTOPHERSON, HANCOCK of North Carolina, MAY, PARSONS, LAMNECK, DEROUEN, GILBERT, HILL of Alabama, KVALE, JOHNSON of Texas, WITHROW, VINSON of Kentucky, MCREYNOLDS, and PATMAN. Our meetings are nonpartisan. It does not make any difference whether you are a Democrat or a Republican or a member of any other party. We are studying for the purpose of trying to arrive at some conclusion as to what will be best for the welfare of the entire country without regard to politics. I have never attended more interesting meetings than I have attended at the meetings on currency reform. The meetings usually last from an hour to two hours, and never has a Member left while a meeting was in progress.

SEVERAL WAYS TO EXPAND CURRENCY

In regard to expanding the currency, of course, some people will say we can do it overnight by silver. Possibly we can. But many people contend there will have to be a conference with other nations of the world in order to make it effective. The gentleman from New York [Mr. SOMERS], chairman of the Committee on Coinage, Weights, and Measures, has given a great deal of time and attention to that subject and has introduced a bill, H. R. 13000, to carry out his plan. I hope the Members will examine it. It is a very interesting bill and possibly will be very helpful if it does not solve the problem. But there is another way of doing it, and that is by devaluing the gold dollar. There is much consideration being given to that proposal. A gold dollar is 25.8 grains, nine-tenths fine by law. If we devalue that gold dollar and say that "hereafter it shall be 12.9 grains gold, nine-tenths fine," just half as much, I am doubtful if that will help the situation any, because the value of gold is determined not so much by the scarcity of gold but by the scarcity of dollars, paper dollars, paper currency, and silver.

The reason gold is so high is because the currency is so high. So, instead of devaluing the gold dollar by cutting it in two and making two gold dollars out of every one gold dollar—although some economists say it would be very helpful, I am inclined to believe it would not have any effect at all. There is one sure way to expand the currency, and that is to issue money; carry out the constitutional mandate for Congress to coin money and regulate its value. I do not mean to have our country go wild, as Russia and Germany did, and print money as long as the money is worth more than the paper it is printed on, but to have some regard for the monetary gold stock, population, income, and wealth of the Nation.

EXPANSION SAVES HOMES

May I say here that I do not uphold the people of Russia and Germany in printing so much money, but I will say that no person lost his home in Germany or Russia by inflation. People only lose their homes in deflation, and people are losing their homes by the thousands to-day all over this Nation. We can not reduce taxes very much. It is true we can reduce some, but most of our indebtedness is by reason of bonded indebtedness, payable in gold of a certain weight and fineness. So the only thing we can do is to make those taxes easier to pay and make those debts easier to pay. That can be done by expanding the currency.

SUFFICIENT GOLD TO ISSUE $5,000,000,000 MORE MONEY

We have in our country to-day, subject to the control of this Congress, if this Congress desires to exercise the power over it, $4,500,000,000 of gold. We recognize the fact that whenever the country has 40 cents in gold behind every dollar of paper there is ample gold reserve to back up that paper money. Figure it out for yourselves; we only have five billions in circulation now. How much more money could be issued on that gold base? Certainly $5,000,000,000 more money can be issued. We can balance the Budget that way and use this other money for any other purpose desired and thereby place more money in circulation. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

The pro forma amendment was withdrawn.

The Clerk read down to and including line 23, on page 70.

Mr. LOZIER. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Chairman, on December 14 and 15, while the Post Office appropriation bill was being considered, I called attention to the maladministration of the merchant marine act and the extravagant and indefensible contracts made by the Post Office Department with steamship lines and aircraft concerns for carrying foreign mails. I listed 27 steamship lines that were beneficiaries of our extravagantly administered ship subsidy system. For carrying our overseas mails, these 27 companies, operating un-

der 36 contracts, were paid $18,790,765.72, while the standard rates under section 4009 would have been only $2,925,216.25. In addition to the standard rates for carrying ocean mails, these 27 companies received a bonus, subsidy, or so-called subvention amounting to $15,865,548.97, or approximately five times the poundage rate.

If this same mail had been carried by ships other than those having contracts under the merchant marine act the Government would have paid for that service only $2,925,216.25, but as this mail was carried by a favored group of ships qualifying under the provisions of the merchant marine act, the Government paid for this service $18,790,765.72, or more than six times the standard rates. According to the recent report of the Postmaster General, the total number of routes under contract on June 30, 1932, was 44. The transportation of foreign mail cost the Government $29,500,000 for the fiscal year 1931, $36,600,000 for 1932, and for the fiscal year 1933 the appropriation was $38,695,000. Approximately $7,000,000 of each of these appropriations was for carrying our foreign air mail.

Prior to the passage of the merchant marine act the transportation of our overseas mail was paid for on a weight basis. On ships of American registry, the compensation was at the rate of 80 cents per pound for letters and post cards, and 8 cents per pound for other mail, including parcel post. On ships of foreign registry, the rate was 3 francs a kilogram, or about 26 cents a pound, and for other articles including parcel post, 40 centimes a kilogram, or about 3½ cents per pound. The rate paid American vessels is based on an act of Congress, and the rate for foreign vessels is based on the rate prescribed by the Universal Postal Congress for a single maritime transit. These rates are still in force and all steamship lines not enjoying contracts under the merchant marine act are compelled to settle upon this basis.

Now, the merchant marine act grants a governmental subsidy to certain steamship companies operating American-built steamships, owned and officered by American citizens, in conformity with law, or so owned and officered and registered according to law, and who employ a certain quota of American seamen. This bonus is not paid as an outright subsidy but is granted in the form of excess payments for the transportation of mails destined to foreign ports. Under the ingenuous and elastic provisions of this act shipping lines secure mail contracts at rates largely in excess of the compensation paid under the general law, which is on a weight basis. These contracts under the merchant marine act are on a mileage basis, the price ranging from $1.50 to $12 per nautical mile on each outward voyage, without regard to the amount of mail transported.

Suppose one of these favored shipping lines, operating and subsidized under the merchant marine act, carries a handful of letters from New York City to Cape Town, Africa, a distance of 6,786 nautical miles, it will receive compensation for this service at a rate ranging from $1.50 to $12 per nautical mile, depending upon the class, or speed, or tonnage of the vessel, the maximum charges being as follows:

Class 1 vessel of a gross registered tonnage of not less than 20,000 tons, and capable of maintaining a speed of 24 knots at sea in ordinary weather, $81,332, or $12 per nautical mile.

Class 2 vessel of a gross registered tonnage of not less than 16,000 tons, and capable of maintaining a speed of 20 knots at sea in ordinary weather, $67,860, or $10 per nautical mile.

Class 3 vessel of a gross registered tonnage of not less than 12,000 tons, and capable of maintaining a speed of 18 knots at sea in ordinary weather, $54,288, or $8 per nautical mile.

Class 4 vessel of a gross registered tonnage of not less than 10,000 tons, and capable of maintaining a speed of 16 knots at sea in ordinary weather, $40,716, or $6 per nautical mile.

Class 5 vessel of a gross registered tonnage of not less than 8,000 tons, and capable of maintaining a speed of 13 knots an hour, $27,144, or $4 per nautical mile.

Class 6 vessel of a registered tonnage of not less than 4,000 tons, and capable of maintaining a speed of 10 knots at sea in ordinary weather, $16,965, or $2.50 per nautical mile.

Class 7 vessel of a gross registered tonnage of not less than 2,500 tons, and capable of maintaining a speed of 10 knots at sea in ordinary weather, $10,179, or $1.50 per nautical mile.

Moreover, under certain conditions the Postmaster General is authorized to increase these maximum rates and to waive tonnage requirement where speed is especially important on particular routes.

According to the report of the Postmaster General, the merchant-marine subsidies or differentials favoring vessels of American registry cost the Government $18,911,474.60 in the fiscal year ended June 30, 1931, while for the same year the excess cost of airplane service over the postage revenues derived from air mail was $17,167,501.04. These two subsidies aggregate $36,078,975.64, which represents the cost to the American people in the year 1931 for subsidizing our air and ocean mail services.

For the fiscal year ended June 30, 1932, the merchant-marine subsidies or differentials favoring vessels of American registry cost the Government $21,666,102.89, while for the same year the excess cost of airplane service over the postage revenues derived from air mail was $20,586,107.31. These two subsidies for the year 1932 aggregate $42,252,210.20, which sum the American people are donating to our air lines and merchant-marine fleet. These extravagant bounties not only helped to unbalance our National Budget but necessitated a substantial increase in Federal taxation.

If wasteful expenditures of this character are to continue our Budget will never be balanced, and the people can not expect any reduction of their tax burdens. These ship and air mail subsidies are gratuities paid out of the Public Treasury for the enrichment of a favored few at the expense of the masses. The policy of granting subsidies is contrary to the genius and spirit of our institutions. It robs Peter to pay Paul. By a gift of public funds we stabilize and make profitable the shipping and airplane industries, while other vocational groups drift rapidly toward economic disaster.

Table 18 accompanying the recent report of the Postmaster General shows the total postage or revenue from our international mail for the fiscal year ended June 30, 1932, was $18,015,293.30, and the expenditures for transporting these mails were $46,426,997.46, the excess of expenditures over revenues being $28,411,704.16. This is a sample of many wasteful expenditures that have in recent years kept our Budget out of balance.

From 1907 to 1917, inclusive, transportation of our foreign mail cost the Government approximately $3,000,000 annually. For the years 1918 and 1919, the World War period, the cost averaged about $4,000,000 annually. Then came the merchant marine act of 1920, under the administration of which the cost rapidly increased, averaging $7,000,000 per year for the years 1920 to 1928, inclusive. In 1928 the present merchant marine act was passed, since which time there has been an enormous increase in the cost of carrying our overseas mail.

In 1929, the first year under the present act, the cost jumped from $8,700,000 to $19,050,000, an increase of $10,350,000 over the cost for the preceding year. In 1930 the cost was $26,400,000, an increase of $7,350,000 over the cost for the preceding year. The cost in 1931 was $29,500,000, which was an increase of $3,100,000 over the cost in 1930. In 1932 the appropriation was $36,600,000 or $7,100,000 more than in 1931. For the year of 1933 the appropriation jumped to $38,695,000, which was approximately thirteen times the cost in 1907, more than nine times the annual cost during the war period of 1918 and 1919, five and one-half times the average annual cost from 1920 to 1928 under the merchant marine act of 1920.

This saturnalia of wasteful expenditures of public funds illustrates the folly of vesting in a bureau chief or departmental head the power to make contracts involving tens of millions of dollars of public funds extorted from an already overburdened people. If the right to make contracts involv-



ing millions of dollars is vested in a bureau chief, extravagance and waste are as certain as that night follows day.

I submit a table showing the annual cost of transporting foreign mails, beginning with the year 1907:

Annual cost for carrying foreign mails

1907	$3,005,064
1908	2,852,396
1909	2,765,789
1910	2,891,217
1911	3,031,930
1912	3,227,378
1913	3,485,506
1914	3,383,295
1915	2,989,899
1916	3,128,143
1917	3,232,354
1918	3,629,428
1919	4,357,665
1920	5,627,719
1921	6,010,002
1922	6,016,777
1923	6,508,972
1924	7,856,038
1925	7,500,000
1926	8,500,000
1927	8,000,000
1928	8,700,000
1929	19,050,000
1930	26,400,000
1931	29,500,000
1932	36,600,000
1933	38,695,000
1934	[1] 35,500,000

It is to the credit of the present Democratic House that the appropriation for the fiscal year of 1934, $35,500,000, represents a reduction of $3,195,000 from the appropriation for the fiscal year 1933. I am convinced that the Democratic House would have made much more drastic reductions but for the lamentable fact that the Post Office Department has hog-tied the Government by entering into 10-year contracts with these pap-sucking, subsidy-nourished shipping concerns.

The foregoing table shows the combined cost of carrying both ocean and air mails to foreign lands. The appropriations for transporting our foreign mails by aircraft in recent years were as follows:

1925	$150,000
1926	150,000
1927	200,000
1928	200,000
1929	200,000
1930	4,000,000
1931	6,600,000
1932	7,000,000
1933	7,000,000
1934	[1] 7,000,000

At a later date it is my purpose to discuss in detail the unwise and wasteful policy of our Government in subsidizing air lines to carry mails to foreign lands, the major portion of which expenditure is for transporting mails to Latin American countries. But until I have completed my analysis of and comments on ocean mail subsidies, I deem it prudent to forego a discussion of air mail subsidies. I think each of these questions should be considered on its merits and without reference to the other, although the same principles are, to a greater or less extent, involved in both questions. [Applause.]

The Clerk read as follows:

Pink bollworm: For the control and prevention of spread of the pink bollworm, including the establishment of such cotton-free areas as may be necessary to stamp out any infestation, the erection and repair of necessary inspection stations, and for necessary surveys and control operations in Mexico in cooperation with the Mexican Government or local Mexican authorities, $379,804: *Provided*, That the cost of each such station shall not exceed $500, and that the total amount expended for such stations in one year shall not exceed $2,500.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment and make the point of no quorum.

The CHAIRMAN. The Chair will count.

Mr. ALLGOOD. Mr. Chairman, I withdraw the point of no quorum.

[1] As approved by the House.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 80, line 22, strike out "$379,804" and insert "$354,804."

Mr. ALLGOOD. Mr. Chairman, I would like to ask the chairman of the committee if there is not an increase of $25,000 in this appropriation?

Mr. BUCHANAN. There is no increase over the Budget recommendation. The Budget figures were allowed. Twenty-five thousand dollars is added to the appropriation on account of a new infestation of pink bollworm in Florida. The $25,000 is on that account. There are two infestations in Florida, one in southern Florida in wild cotton and one near Miami in domestic cotton. They think they can stamp them out and completely eradicate them for $25,000. If they can do this, it will be a wonderful achievement and will prove a blessing to the country.

Mr. ALLGOOD. I would like to ask the gentleman if they have succeeded in stamping it out in Texas?

Mr. BUCHANAN. They have stamped out one infestation in Louisiana, one in northwest Texas, one in east Texas, and one in central Texas. This has been done with different infestations in different years. Along the border and along the Rio Grande, of course, they can not stamp out the infestation. If they did, the pink bollworm would immediately fly across the river, and for this reason we have never undertaken an eradication campaign along the border. We could do it, but they would immediately come across the river, and it would be no use and the money would be thrown away. Therefore all we do now is to keep the insect from spreading into the main Cotton Belt of the United States by inspection, fumigation, and by the enforcement of a number of regulations that the Members of the House know a great deal about.

Mr. ALLGOOD. And the gentleman holds it will take $379,000 to do this work?

Mr. BUCHANAN. It has taken that amount, less $25,000 which is on account of the new infestation in Florida. We operate fumigating plants along the border throughout this territory in conjunction with the State. The State maintains a quarantine.

Mr. ALLGOOD. Here is what J. E. McDonald, commissioner of agriculture of Texas, says in regard to it:

In 1931 production of cotton in the pink-bollworm infested area of the United States was 173,163 bales.

It looks like they are raising cotton in spite of the pink bollworm.

In 1931 the production of cotton in the pink-bollworm infested area of Mexico was 86,603 bales, making the grand total for the two countries, which embraces all the pink-bollworm infested area of the North American Continent, 259,766 bales.

What he proposes to do is to take the cotton that the United States Government has and repay the farmers down there and have a no-cotton area there for two years. He states it will be necessary in order to stamp it out, and it will cost about $5,000,000 to buy this amount of cotton. This is a good hole to put our surplus cotton in if it will destroy the pink bollworm and get rid of the proposition, and he says it will absolutely do this.

Mr. BUCHANAN. Your committee does not believe in appropriating Federal money to be turned over to people in any area to pay them for the privilege of planting cotton. We do not believe in using Federal money for that purpose.

I want to state to the gentleman as to the whole problem that you can never eradicate the pink bollworm along the border of the United States. The United States can not do it alone. The only way to get rid of this most destructive of cotton pests on this continent is by an international agreement between Mexico and the United States and by a concerted and cooperative fight by both Governments. We have been trying to bring this about. The Mexican Government has indicated a willingness to undertake it, but "willingness" will not eradicate this pest. It takes money, and so far they have not indicated they would provide a sufficient amount of money. So there is no hope of eradicating this pest. We have just got to continue our

quarantine regulations and our supervisory and control measures until we do have an international agreement.

Mr. ALLGOOD. The people in Florida are not exercised over it, because their State legislature has not appropriated any money for this purpose.

Mr. BUCHANAN. The gentleman does not know whether they are exercised over it or not; and, in the second place, Florida is not a cotton State. The gentleman has not been down there. This is a new outbreak.

Mr. ALLGOOD. I just get what the gentleman has in the report of the hearings, and I have read what they have to say about it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. ALLGOOD].

The amendment was rejected.

The Clerk read as follows:

European corn borer: For the control and prevention of spread of the European corn borer, $40,000.

Mr. BACON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 81, line 9, after the word "borer," strike out the comma and insert the following: "and for the certification of products out of the infested area to meet requirements of State quarantine on account of the European corn borer."

Mr. BACON. Mr. Chairman, I am offering this amendment with the consent and approval of the chairman of the subcommittee. It also has the approval of the Department of Agriculture. No additional appropriation is involved.

Mr. BUCHANAN. The gentleman is correct; we can better afford this expenditure than for the corn borer.

Mr. BACON. Mr. Chairman, the adoption of this language would enable the Department of Agriculture to take steps which would absolutely unlock a situation that is now threatening havoc to a large part of the vegetable production and horticultural industries of the country.

There is a real emergency involved, which has been caused by the cancellation of the Federal quarantine on account of the European corn borer. Immediately following the cancellation of the Federal quarantine, effective last July, States free from infestation immediately placed embargoes or quarantines against infested areas touching a great variety of products, including plants of corn, ear corn, lima beans, beets, rhubarb, and other vegetables. In the horticultural list these embargoes and quarantines were directed against practically all of the hollow-stemmed plants, running against such flowers as dahlias, asters, chrysanthemums, and so forth. The economic losses that would flow from a continuance of these embargoes are best guessed at by the Members from the States against which they are leveled. I know that my own State, New York, and my own district, Long Island, would receive a crushing blow, and considering the economic losses that the horticultural industry has already suffered there because of present disturbances they are not in any position to receive additional economic blows.

Eight States now have full embargoes against imports of these products from 13 others. Twelve States have restrictive quarantines against 13 others. But it is the embargo situation that this language is aimed to cure.

The States leveling these embargoes are not willing to accept State inspection certificates testifying that any shipment is noninfested. They are outright embargoes, and they will not modify them unless the Department of Agriculture steps in and issues Federal quarantine inspection certificates. These the embargo States would be willing to recognize. I have been assured by the Chief of the Quarantine Division of the Department of Agriculture that if this fund is made available for the issuance of Federal certificates that these embargoes will be turned into quarantines, and that shipments to the present embargo States can be made from infested areas provided they carry Federal inspection certificates.

It is a small cost to assure a tremendous benefit to the vegetable and horticultural interests of this country. As it is now the States of New York, Connecticut, Indiana, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Vermont, and West Virginia simply have all their usual markets for this class of products shut to them in the present embargo States. And only a Federal inspection certificate can free the threat.

Of course the department will not be able to maintain 100 per cent Federal inspection with the amount proposed, but it will be in a position so to coordinate State inspection and certificate work as to create confidence; and that is what is needed. It is my belief that this entire amount should be used for certification work alone, and it is also my understanding that this fund will be so used if this amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Enforcement of the food and drugs act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of June 30, 1906 (U. S. C., title 21, secs. 1–15), entitled "An act for preventing the manufacture, sale, or transportation of adulterated, or misbranded, or poisonous, or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," to cooperate with associations and scientific societies in the revision of the United States Pharmacopœia and development of methods of analysis, and for investigating the character of the chemical and physical tests which are applied to American food products in foreign countries, and for inspecting the same before shipment when desired by the shippers or owners of these products intended for countries where chemical and physical tests are required before the said products are allowed to be sold therein, $1,185,000: *Provided*, That not more than $4,280 shall be used for travel outside of the United States.

Mr. KETCHAM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 84, line 8, strike out the figures "$1,185,000" and substitute therefor "$1,135,000."

Mr. KETCHAM. Mr. Chairman and gentlemen of the committee, I have presented this amendment for the purpose of directing your attention to one more duplication of service as between States and the Federal Government.

We have in Michigan a very large production of fruit, and the spraying of it, particularly apples, has become a very important factor in marketing.

I presume most of you are familiar with many restrictions and regulations, requirements imposed on the apple growers of the country. A few years ago the question of arsenical residue on apples came up for consideration in a conference between officials of our country and Great Britain. The British authorities presented a very bad situation in that they claimed that many of the apples exported from the United States had a portion of arsenic remaining, as the result of spraying, that was injurious to health. They practically laid down the proposition to the Department of Agriculture that unless some very stringent regulations were imposed on the growers of this fruit they would make regulations amounting to an embargo against apples from this country.

That caused our own Department of Agriculture and this particular division of it to formulate regulations limiting the arsenical residue. Pending adjustments they allowed a very small tolerance, and this has been cut down and down and down until it has reached such a point that no one who sprays apples to-day in the ordinary way can expect to get into the export trade unless he installs an apple-washing outfit. He may do it either in a cooperative way or otherwise, under the regulations, but the sum total of it is that it involves considerable expenditure of money and a great deal of work, and consequently a great source of annoyance to the apple growers of the United States.

But the particular point where we have difficulty in our section—and I surmise the same difficulty is met by apple growers in other parts of the country—is not so much in the export business as it is in the interstate business. We do a

large business in our section by way of trucking apples to Chicago and other large centers. Most of our business in that particular line is interstate. This is what we run against: When, for instance, apple growers go into the city of Chicago they meet a double system of inspection. There is not only the inspection set up by the State of Illinois, possibly supplemented by the inspection set up by the city of Chicago, but, in addition to that, there is the inspection set up by the Government of the United States, and it is frequently a question of running a gantlet of inspectors from the time the shippers cross the State line until they reach the market in the city of Chicago. I think one can readily see that unless there is extra care in the administration of this law, great embarrassment, useless duplication of inspection, and loss in the marketing of perishable products is bound to occur.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KETCHAM. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KETCHAM. Mr. Chairman, I have taken this time to call this to the attention of those among you who I am sure may have experienced similar difficulties. I can safely say that among all of the administrative functions performed by the Department of Agriculture there is not one in our section that creates a greater degree of dissatisfaction or that brings more embarrassment and a greater loss to producers than the administration of this particular matter. It is, therefore, in my judgment, essential that we face this proposition, to see if we can not avoid some of this useless duplication and if we can not at least temper these regulations so that farmers who desire to market in this country shall not be subjected to the standards that may be deemed to be advisable by a country that has virtually compelled us to establish these regulations or destroy entirely the export trade in apples. In other words, it seems to me that it is about time that we in the United States of America set up our own regulations with reference to running our own business, and that we do not accept for our domestic marketing operations the dictates of health authorities across the ocean, who, I sometimes believe, have not been actually so solicitous of the physical health of their own people as they have been for the good business health of their producers of these products. I am very frank to say to you that I think these regulations that have been enforced by foreign countries, particularly Great Britain, have been imposed in an effort to keep out a superior quality of fruit such as we export.

I have taken this time to call this matter to your attention, and I sincerely hope this may receive more than just casual consideration, because literally thousands of dollars' loss and untold embarrassment and delay have been incurred, and this has caused more general dissatisfaction in my section than any other one department activity that has come to my attention.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. HASTINGS. What is the present status of the controversy about apples between this country and Great Britain?

Mr. KETCHAM. The tolerance is the minimum imposed by Great Britain, and the gentleman can very easily understand that very rigid inspection is required. If there is an abundant apple crop over on the other side, and they do not care to have importations, they can become unusually exacting in the enforcement of their restrictions. But the particular complaint I have is that our own department subscribes to this standard for export trade and also sets up such rigid inspections in our own interstate trade, where growers are met at State lines by inspectors. Then when the shippers bring their product into the cities they are frequently met by a duplication of inspectors, and if, perchance, there should be an unfriendly administration in the city, by still a third set of inspectors. It is just one inspector after another, and I say to you that the growers in my particular section are highly indignant over the arbitrary administration in this particular. It has its groundwork in the protection of the public health, but in my opinion has gone beyond that consideration, and in some instances it seems to me has amounted to persecution.

Mr. HASTINGS. I suppose the gentleman would not agree with me when I tell him that that is our tariff law just inverted and used by Great Britain. It is the same principle.

Mr. KETCHAM. I am not arguing the merits of the tariff nor the rights of Great Britain to impose these regulations, but what I do say is that I do not believe that that standard should necessarily govern in our own interstate commerce, and I certainly vigorously protest the duplication of inspection. It is for that reason I have taken the time to call the attention of the committee to this abuse.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SUMMERS of Washington. Mr. Chairman, I rise in opposition to the amendment.

Just a word, Mr. Chairman, in regard to the amendment offered by Mr. KETCHAM of Michigan and the discussion on the amendment.

I come from one of the heaviest fruit-producing districts of the United States. Our State ships about $50,000,000 worth of apples, and we have large quantities of pears, peaches, and prunes. To be sure, New York is a great apple State, also Virginia and Michigan, and so on.

The story of this inspection and the troubles we have had as far as it has come to my personal knowledge during the time I have been here, are these: Several years ago the city health officials of Boston, Mass., found fault with the amount of spray residue on some pears that were shipped to Boston. Seven carloads of pears were dumped into the bay, because of the spray deposit which could easily have been washed or rubbed off. That resulted in a conference in the Department of Agriculture. At that time, at my suggestion, we reached an agreement that if the fruit were handled with canvas gloves and most of the residue removed, they would not quarantine or find fault with it. During the hearing, I put the question to men from Boston, Philadelphia, Pittsburgh, and many other places, as to whether they knew of any instance of poisoning by spray residue. There was a large number of men in the room, but not one man knew of a case of poisoning.

We do not muzzle the men and women and children who work in our orchards, and they eat this fruit indiscriminately and without injury. Nevertheless, the State of Washington, or any other State or the Federal Government, can not interfere with quarantine regulations of the city of Boston. Meantime, we had many conferences in the Department of Agriculture.

The story of the objection that has come from across the water is that many years ago poisoning occurred in England from arsenic in beer. At that time a tolerance of one one-hundredth of a grain of arsenic to the pint or the pound of beer was established, and that has been the tolerance on foods and drinks in Great Britain ever since. This is now generally accepted throughout the world. They require us to comply with their quarantine regulations. That works a very great hardship on us, but we must submit. We are building up a large foreign market for our fruits, so we must comply.

The next step was required because of eastern cities and foreign countries demanding that we wash the fruit. So it is first washed with an acid solution and then rinsed with clear water and comes out in a very attractive condition at this time. Our people greatly rebelled against this process in the beginning, but I believe, as far as our shippers are concerned, they no longer object, because it presents their fruit to the buyer in so much more attractive form that they think it pays them for the money expended in washing.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. LANKFORD of Georgia. Does the arsenic go into the fruit at all, or is it just on the outside?

Mr. SUMMERS of Washington. It is just on the outside. It is not in the fruit at all. It is now all removed by washing, and has been for many years past.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. SUMMERS of Washington. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SUMMERS of Washington. Meantime the department is undertaking to develop a spray material that will be poisonous to the codling moth and not poisonous to human beings. They found the natives of Sumatra using a fish poison. They dug up and crushed a shrub and tossed it into the stream. It killed or stupefied the fish and they came to the surface, and the natives ate them without injury. They started with the Derris shrub. It was very expensive to manufacture an alkaloid from that shrub, although it could be greatly diluted. They thought at first that it was poisonous to man, but in the course of time they found by experimentation that that was not the case. So they have been working on Derris. They found in the interior of South America, far into the interior, almost back to the Andes, another plant that has the same alkaloid, by the name of rotenone, and there they got another supply. They found the natives using it in the same way there. In the interior of Africa they also found still another shrub that the natives were using in the same way, that contained the same alkaloid, rotenone. So they have found three different sources. Some of these plants are being transplanted to the United States and grown here successfully. The extraction of rotenone has been much cheapened. Some companies are now, I believe, manufacturing this new, nonpoisonous-to-man spray material in a commercial way. Meantime the department is undertaking to develop a synthetic preparation to take the place of rotenone.

For several years I have sponsored a small annual appropriation to carry on this valuable research work.

It is believed we shall finally dispense with the lead-arsenic spray and supplant it by a much cheaper spray, nonpoisonious to man, that will not be quarantined against and will not require washing. The value of such spray to fruit and vegetable growers is almost beyond computation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KETCHAM. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

To enable the Secretary of Agriculture to collect moneys due the United States on account of loans made under the provisions of the acts of March 3, 1921 (41 Stat. 1347), March 20, 1922 (42 Stat. 467), April 26, 1924 (43 Stat. 110), February 28, 1927 (44 Stat. 1251), February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3), March 3, 1930 (46 Stat. 78, 79), December 20, 1930 (46 Stat. 1032), February 14, 1931 (46 Stat. 1160), and February 23, 1931 (46 Stat. 1276), not to exceed $350,000 of the repayments made during the fiscal year 1933 to the appropriations contained in Public Resolution No. 114, approved January 15, 1931, and in the Interior Department appropriation act for the fiscal year 1932, approved February 14, 1931, to carry out the provisions of Public Resolution No. 112, approved December 20, 1930, as amended (46 Stat. 1032, 1160, 1167), is hereby made available, of which amount not to exceed $55,000 may be expended for departmental personal services in the District of Columbia.

Mr. GOSS. Mr. Chairman, I want to call the attention of the committee to the hearings in connection with these seed loans and crop-production loans. That is an interesting story, beginning on page 980 and running through page 1010. It seems that the Secretary of Agriculture, with no authority in law, has reduced the mortgages on these crop loans from 75 per cent to 25 per cent. On the bales of cotton they have collateralized the loans on the basis of 9 cents a pound, and they have now accepted collateral of two bales of cotton in place of three.

I want to call attention especially to page 1010 of the hearings where the Secretary and the gentleman from Texas [Mr. BUCHANAN] argued this matter out, where it was finally admitted that there was no legal authority. That goes back to the bill of the Reconstruction Finance Corporation, which was passed by the House, and this item on loans on crop production and the seed loans is in a very precarious state.

I notice in the district of Minneapolis only 5 per cent of these loans have been collected. We have available $122,000,000 in this act that originally called for some $60,000,000, and so it goes. I wanted to take two or three minutes to call the attention of the committee to this part of the hearings. I believe this Congress should go on record and give authority in law, which does not exist to-day, for the collection of these loans.

We are appropriating under this paragraph some $250,000 out of the revolving fund to collect the loans. This was not the intention of Congress when the bill was passed. I do not want to take any more time of the committee, but I did want to bring this to the attention of the House.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. COCHRAN of Missouri. The $300,000 that the gentleman refers to has not anything to do with crop-production loans.

Mr. GOSS. They have to do with seed loans; that is true.

Mr. COCHRAN of Missouri. And only 55 per cent of the money that we have lent from 1921 to 1931 has been collected; in fact only 27 per cent has been collected in money.

Mr. GOSS. I realize that.

Mr. COCHRAN of Missouri. And they have warehouse receipts for the balance.

Mr. GOSS. I think this is something the Congress should thoroughly go into when we have more time. I realize we are pressed for time this afternoon, but I really wanted to bring this to the attention of the committee.

The pro forma amendment was withdrawn.

The Clerk concluded the reading of the bill.

Mr. ALLGOOD. Mr. Chairman, I ask unanimous consent to return to page 52, line 23, of the bill for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: On page 52, line 23, after the word "analysis," strike out "$410,000" and insert in lieu thereof "$300,000."

Mr. ALLGOOD. Mr. Chairman, I commend the committee for already reducing this appropriation some $19,000 below the Budget estimate, but it is a heavy appropriation for agricultural chemical investigation, for investigation and development of methods for the prevention of heating of agricultural products and the prevention of farm fires and fires in cotton gins, cotton-oil mills, grain elevators, and other structures, and to cooperate with associations and scientific societies in the development of methods of analysis, $410,000.

I never knew until we got into this bill there were so many scientists and so many "bugologists." It seems that the farmer is being humbugged in this bill. I do not believe the farmers were ever aware that we had so many scientists. I will admit that science has played its part in the development of agriculture, but there is no scientist living to-day or no scientist who will live to-morrow who can take 5-cent cotton and develop the products in it and make the farmer prosperous. He can not take 15-cent corn, I do not care what he does, and make the farmer prosperous. He might make some corn liquor out of it and try to get away with that, but he could not sell it under the law, and besides they do not need scientists to teach them

how to make corn liquor. The same thing is true of 30-cent wheat, no scientist can take flour, shorts, or bran and make new products which will make the wheat farmer prosperous.

We have had years and years of investigation. Of course I know they are occasionally bringing about some new developments. I understand they have just recently brought a development with respect to some dye that has been worth several million dollars possibly to the manufacturers of cotton. Of course to a certain extent this gets back to the cotton farmer, but you can not take 5-cent cotton and make the farmer prosperous; I do not care what you dissect or evolve out of it. The chemists can not do it.

This country is down economically. We must either cut our Budget over $1,000,000,000, and there is no way to reduce it that I see except to reduce these expenditures or attempt to increase taxes $1,000,000,000 and I favor reducing expenditures, and here is one place where I think we can cut one hundred thousand off appropriations. This is a heavy appropriation, and the chairman of the committee himself, Mr. BUCHANAN, has this to say about it:

Mr. BUCHANAN. The appropriation for 1932 was $501,075, the appropriation for 1933 being $453,699, and the Budget estimate for 1934 being $426,238, a decrease of $27,461, which I presume is the legislative furlough.

Doctor KNIGHT. That represents the legislative furlough. There is no change otherwise.

Mr. BUCHANAN. You better give us a little account of this appropriation. It is a good-sized appropriation.

Doctor KNIGHT. I would be delighted to do so, but would first like to make a general statement regarding the work of the bureau as a whole with reference to the present needs of agriculture.

The farmer knows the needs of agriculture better than anyone living. He knows that the farmer needs and must have a better price for his products, and the chairman of this committee realizes this is a heavy appropriation, and instead of Doctor Knight going ahead and making out his case he said, "Oh, I want to make a general statement about it."

As I said in the beginning, the chairman reduced this appropriation, and I commend him for it. The appropriation now stands at $410,000, and I am asking for a decrease of $110,000, making it $300,000. It is as hard to pay $300,000 now with present farm prices as it was to pay $1,000,000 in 1929. So this appropriation of $410,000 to-day equals more than a million-dollar appropriation in 1929. It should be reduced.

I will say this, that we Democrats were elected to help do away with bureaucracy. This was the issue that was made in the campaign, and the people elected us on that issue. We might just as well start now. Of course, we can not wipe it all out, but you can start to cut down. The people back home are looking to the Democrats to cut down the expenditures at this session of Congress.

Mr. BUCHANAN. Mr. Chairman, this amendment ought not to be voted up. The Bureau of Chemistry is one of the most valuable research bureaus in the Government, and especially in the Department of Agriculture. It has done more for the farmer and for industry than any scientific department of this Government.

It has saved millions of dollars to farmers in fertilizer alone. It has determined the proportion of fertilizer to use, the depth to put it, and a great many things of that kind. I have not the time and can not take time to go into the great accomplishments of this scientific bureau. I will ask you to read the report of the Secretary of Agriculture on this bureau and see how great the accomplishments have been. The committee cut this appropriation all it could stand, taking into consideration the depression now on.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. EATON of Colorado. I would like to ask the gentleman this question: Did you cut out any activities of the Department of Agriculture?

Mr. BUCHANAN. We cut out some projects, but did not cut out any bureaus or divisions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. ALLGOOD) there were 32 ayes and 42 noes.

So the amendment was rejected.

Mr. BUCHANAN. Mr. Chairman, I move that the committee do now rise and report the bill to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MONTAGUE, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The motion was agreed to.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the Clerk may be authorized to correct the totals of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BUCHANAN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

DEFICIENCY BILL

Mr. BYRNS, chairman of the Committee on Appropriations, by direction of that committee, reported the bill (H. R. 13975, Rept. 1814) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, which was referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. SIMMONS reserved all points of order.

LEAVE OF ABSENCE

Mr. McDUFFIE. Mr. Speaker, I am requested by the gentleman from North Carolina [Mr. HANCOCK] to ask for him indefinite leave of absence, on account of serious illness in his family.

The SPEAKER. Is there objection?

There was no objection.

OCEAN MAIL-CARRYING SUBSIDIES

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, to illustrate the extent to which extravagance and prodigality have prevailed in the administration of the merchant marine act I call your attention to the following typical subsidies:

The Grace Steamship Line operates steamers over ocean mail route 38, between Tacoma and Valparaiso, Chile. In the fiscal year 1931 this company, under contract made by the Post Office Department, was paid $238,500 for carrying 2,892 pounds of mail, which under the weight system and standard rates would have cost the Government only $458.88.

The Lykes Bros. Steamship Co. (Inc.) operates steamers over ocean mail route 23, from Galveston to Santo Domingo, Haiti. In the fiscal year of 1931, under contract made by the Post Office Department, this company was paid $317,916.50 for transporting 741 pounds of mail, which

under the weight system and standard rates would have cost the Government only $194.64.

The Pacific Argentine Brazil Line (Inc.) operates steamers over ocean mail route 34, between San Francisco and Buenos Aires. In the fiscal year 1931, under a contract made by the Post Office Department, this company was paid $286,398.42 for transporting 1,694 pounds of mail, which under the weight system and the standard rates prescribed by section 4009 would have cost the Government only $141.28.

Ocean mail contract No. 5 is with the Export Steamship Corporation, which operates a line of steamers between New York and Mediterranean ports. Among its steamers are the *Examiner, Exermont, Exanthia,* and *Exchange.* On June 20, 1931, the *Examiner* sailed from New York for Tunis, Africa, a distance of 4,194 nautical miles, carrying only 851 pounds of mail, all parcel post. The cost to the Government under the standard rate prescribed by section 4009 would have been $68.08, but under authority of the merchant marine act the Postmaster General had made a contract with this corporation, under which contract this shipping concern collected from the Government $10,485, or one hundred and fifty-four times the standard rate. Compensation for this service was not based on the weight of the mail carried or the space in the vessel it occupied, but was arbitrarily fixed at $2.50 for each of the 4,194 miles. Please bear in mind this 851 pounds of mail was not Government mail, but merchandise shipped by parcel post by private persons or business concerns.

On June 25, 1930, the *Exermont* sailed from New York to Beirut, Syria, a distance of 5,398 miles, carrying 934 pounds of parcel-post mail and 1 pound of letters. Under the weight system the cost of transporting this 935 pounds of mail would have been $75.52, but under a contract made by the Postmaster General by authority of the merchant marine act the Government paid this ship for this trivial service $13,495, which was at the rate of $2.50 per mile for each of the 5,398 miles, or one hundred and seventy-nine times the standard rate.

On January 15, 1931, the *Exchange* sailed from New York to Naples, Italy, distant 4,436 miles, carrying 4,166 pounds of mail, all parcel post. Under the standard rates prescribed by section 4009 the cost of this service would have been $333.28, but under a contract with the Postmaster General the shipowners collected $11,090, or thirty-three times the standard rate, the settlement being on the basis of $2.50 per mile for each of the 4,436 miles.

On June 15, 1931, the *Exanthia* sailed from New York to Constanza, a port in Rumania on the Black Sea, a distance of 5,237 miles. The vessel carried 3,936 pounds of mail, all parcel post. On a weight basis the cost of transporting this 3,936 pounds of parcel post would be $314.88, but for this little batch of mail, weighing less than 66 bushels of wheat, Uncle Sam paid this shipping concern $13,672.50, or forty-three times the standard rate.

The Mississippi Shipping Co. has a contract under the merchant marine act to operate boats over ocean mail route 35, between New Orleans and Bahia Blanca, Argentina, a distance of 6,233 miles. In 1930 and 1931, the vessels of this company carried in the aggregate only 161 pounds of mail. On a weight basis and at rates prescribed by section 4009, this service would have cost the Government only $95.68, but under its contract, the shipping company collected $607,792.50 for this service, or six thousand three hundred and fifty-two times the standard rate. For carrying each pound of this mail the Government paid $3,775.11.

Under the merchant marine act, the Postmaster General made a contract with the Eastern Steamship Lines (Inc.) to cover ocean mail route 15 from Boston to Yarmouth, Nova Scotia, a distance of 237 miles. The contract rate was $8 per mile without reference to the amount of mail carried. In June 30, 1929, one of its vessels, the *Yarmouth,* sailed with only 296 pounds of mail, for the transportation of which this subsidized shipping concern received $1,896—two thousand four hundred and sixty-two times as much as the Burlington Railroad would charge for carrying a 296-pound hog from my home town, Carrollton, Mo., to National Stockyards in East St. Louis, a distance of 274 miles, or 37 miles farther than the distance from Boston to Yarmouth.

Under a contract with the Post Office Department the American West African Line operates over ocean mail route 47, between New Orleans and the West Coast of Africa. It made five voyages in the fiscal year of 1931, carrying only 133 pounds of mail. On a weight basis this service would have cost the Government only $42.32, but this subsidized shipping concern was paid $87,862.50 for transporting an armful of mail that weighed less than 2½ bushels of wheat.

The United States Lines has a contract with the Post Office Department for carrying mails over ocean mail route 44, between New York and London, a distance of 3,369 miles. Under this contract, and without regard to the amount of mail carried, this company is paid $20,214 for each voyage, or at the rate of $6 per mile for each outbound trip. On June 12, 1931, one of its steamers, *American Merchant,* sailed from New York with only 2 pounds of letters. Under the weight basis that prevailed before the enactment of the merchant marine act the cost of carrying 2 pounds of mail would have been only $1.60, but for transporting less than a handful of letters this subsidized shipping corporation was paid $20,214, or twelve thousand six hundred and thirty-three times the standard rates.

Tampa Interocean Steamship Co. has a contract with the Post Office Department covering ocean mail route 45, from New Orleans to Spain. In 1931 its boats made 34 trips, carrying in the aggregate 85 pounds of mail and averaging 2½ pounds of mail per trip. The cost to the Government for this service under the standard rate prescribed by section 4009 would have been $58.64. But this shipping concern collected $438,716.36 for carrying this 85 pounds of mail, which was at the rate of $5,161 per pound, or seven thousand four hundred and eighty-one times what would have been paid for this service if the 85 pounds of mail had been carried by a ship not subsidized by the United States Government. Eighty-five dollars, or $1 per pound, would have been a large compensation for carrying 85 pounds of merchandise or other freight, but for carrying 85 pounds of mail the company was paid the amazing and unconscionable price of $5,162 per pound, and the American taxpayers bear the load.

The Oceanic & Oriental Navigation Co. has contracts with the Post Office Department for carrying mails over routes 30, 31, 48, and 49, between Los Angeles and Auckland, New Zealand; between Los Angeles and Melbourne, Australia; between San Francisco and Dairen (Dalny or Talien), China; between San Francisco and Saigon, Cochin China. This company, operating under the merchant marine act, has contracts with the Post Office Department covering a 10-year period and calling for the payment of $10,582,132. In the fiscal year 1931 the Government paid this subsidized shipping concern $881,373.45 for carrying 164,409 pounds of mail, which was at the average rate of $5.36 per pound. This subsidized steamship company received approximately $900,000 for carrying mails weighing less than six hundred and fifty-eight 250-pound hogs.

On November 8, 1930, the *Golden Mountain,* owned and operated by the Oceanic & Oriental Navigation Co., sailed, carrying only 65 pounds of mail, all parcel post. Under the weight system the transportation of this mail would have cost the Government only $5.20, but under a contract with the Post Office Department the shipping company, for carrying this 65 pounds of mail, was paid $17,400, or three thousand three hundred and forty-six times what it would have cost the Government if the 65 pounds of mail had been carried by a vessel not operating under the merchant marine act.

Tacoma Oriental Steamship Co. operates a line of steamers over ocean mail route 36, between Tacoma and Dairen,

China, a distance of 6,629 miles. In the two years prior to July 19, 1931, on 46 voyages this company carried 157 pounds of letters, 436 pounds of newspapers, 19,982 pounds of parcel post, and 7,141 pounds of foreign closed mail, a total of 27,716 pounds, or an average of 620 pounds on each voyage. On a weight basis, and at the standard rate prescribed by section 4009, the transportation of this mail would have cost the Government only $2,009.06, and the cost would have been no more had it been carried by vessels not subsidized under the merchant marine act.

But the Post Office Department, under the provisions of the merchant marine act, had made a contract under which this shipping company for this service collected from the Government $666,384.75, or three hundred and thirty-one times the cost at standard rates. The charge of $24 per pound for carrying this mail was grossly excessive and out of proportion with the charges per pound for carrying other articles making up the ship's cargo. An examination of the records will show that the charge on no other part of the cargo was in excess of $1 per pound, but under the maladministration of the merchant marine act the Government was mulcted to the extent of $24 per pound for transporting these mails.

At this point may I call your attention to a typical transaction that not only points a moral and adorns a tale but shows the amazing prodigality and wastefulness of public funds that has characterized the administration of the merchant marine act. I refer to the *Shelton*, one of the boats owned and operated by the Tacoma Oriental Steamship Co. When this vessel sailed on June 19, 1931, it carried only 1 pound of letter mail, yet under a contract made by the Post Office Department this shipping concern collected from the United States Government $14,915.25 for carrying this 1 pound of letter mail on this voyage. At standard rates the transportation of this 1-pound letter mail would have been 80 cents, but under the improvident contract made by the Post Office Department this subsidized shipping concern collected $14,915.25 for carrying this 1 pound of letter mail, or over eighteen thousand times as much as the cost would have been had the 1 pound of mail been carried by a boat not subsidized under the maladministered provisions of the merchant marine act. As long as transactions of this character are tolerated, is it strange that we have an unbalanced National Budget?

The South Atlantic Steamship Co. of Delaware has a contract for carrying mail on ocean mail route 33, between Savannah, Ga., and Liverpool, England, 3,630 miles, and between Savannah and Bremen, Germany, 4,149 miles. This company has a fleet of 10 or 12 freighters, which, under the contract, make in the aggregate 26 voyages annually. The Government pays this subsidized shipping concern $2.50 per mile for each outbound trip, without regard to the quantity of mail carried. A trip from Savannah to Liverpool costs Uncle Sam $9,075, and a trip from Savannah to Bremen costs $10,372.50, although only a few pounds of mail are carried. In two and one-half years prior to June 30, 1931, the vessels of this company made 93 trips. The mail carried on these 93 trips weighed 1,200 pounds.

The transportation of these 1,200 pounds of mail cost the Government $913,170, or at the rate of $760 per pound. If these 1,200 pounds of mail had been carried by a vessel not subsidized under the merchant marine act, the cost would have been $178.24. On an average, only 13 pounds of mail were carried on each of the 93 trips, and the average pay for each voyage was $9,819, or $755 for every pound of mail. The record of these 93 sailings shows that on many of the trips only 1 pound of letter mail and 1 pound of newspaper mail were carried.

For ships not operating under the merchant marine act the standard rate for carrying 1 pound of letters is 80 cents, and for carrying 1 pound of newspaper mail the standard rate is 8 cents, a total of 88 cents for carrying 2 pounds of mail, all that was carried on many voyages, but for carrying 2 pounds of mail from Savannah to Liverpool this shipping company, by the grace of the merchant marine act, was paid $9,075, or ten thousand three hundred and twelve times the standard rate. And for carrying 2 pounds of mail from Savannah to Bremen this company was paid $10,372.50, or eleven thousand seven hundred and eighty-six times the standard rate.

Among the vessels operated by this company are the *Saccarappa*, *Chickshinny*, *Magmeria*, *Coldwater*, *Tulsa*, and *Fluor Spar*. In April, 1931, the *Coldwater* and *Fluor Spar* sailed from Savannah to Bremen, and the *Tulsa* sailed from Savannah to Liverpool. Each vessel carried only 1 pound of letter mail and 1 pound of newspapers. For these voyages, under a contract made by the Post Office Department, the vessels were paid as follows: *Coldwater*, $10,372.50; *Fluor Spar*, $10,372.50; *Tulsa*, $9,075. Reduced to a pound basis, the two ships, each carrying two pounds of mail to Bremen, charged for that service at the rate of $5,186.25 per pound, and the ship destined for Liverpool, carrying two pounds of mail, charged for that service at the rate of $4,537.50 per pound.

In May, 1932, the *Saccarappa* and *Magmeria* sailed from Savannah to Bremen, and the *Chickshinny* sailed from Savannah to Liverpool. Each of these ships carried only 1 pound of letter mail and 1 pound of newspapers. For these voyages, under contracts made by the Post Office Department, the *Saccarappa* and *Magmeria* were each paid $10,372.50, and the *Chickshinny* was paid $9,075, or at the rate of $4,537.50 per pound. For transporting only 12 pounds of mail, this shipping concern was paid $59,620, or an average of nearly $5,000 per pound.

And, moreover, the postage on the 12 pounds of mail carried on these six voyages was only $5.28. That is to say, the Government received $5.28 postage and paid out $59,620 for carrying the 12 pounds of mail, a net loss to the Government of $59,614.72. Here we have the concrete and convincing illustration of the high cost of mail transportation by ships that are subsidized under the merchant marine act. The contract with the Post Office Department under which this company operates requires the Government to pay the steamship company $2.50 per mile for every mile sailed on each outbound voyage, whether the ship carries 1 pound or 100,000 pounds of mail.

In the fiscal year 1931 this company was paid $363,022.50 for transporting 74 pounds of mail, which, under the weight system and standard rates, would have cost only $32.56. In other words, the cost was eleven thousand one hundred and forty-nine times as much as it would have been had this mail been carried in ships that did not have contracts with the Post Office Department.

Why should the taxpayers of the United States pay this shipping company nearly a million dollars for carrying 1,200 pounds of mail from Savannah, Ga., to Liverpool or Bremen when this small quantity of mail could have been sent from Savannah to New York by train, and by ships from New York to Liverpool or Bremen at the cost of only a few dollars, and the delivery by this last-mentioned route would have been more expeditious.

I have been requested to name the shipping concerns owned and operated by Mr. Kermit Roosevelt and his associates. I am not sure that I can enumerate all of these companies, but I will give you the benefit of all the information I have on that subject.

The International Mercantile Marine Co. is a New Jersey corporation. Its New York office is at 1 Broadway. It is both a holding and operating company. P. A. S. Franklin is president and Kermit Roosevelt is one of the five vice presidents. This company, on May 17, 1932, owned the following subsidiary companies:

Roosevelt Steamship Co. (Inc.).

Société Anonyme de Navigation Belge-Americaine (a Belgium corporation).

Atlantic Transport Co.

American Line Steamship Corporation.

Atlantic Transport Co. (Ltd.) (a British corporation).
No. 1 Broadway Corporation.
International Mercantile Marine Dock Co. (Inc.).

Jointly with the Dollar-Dawson interests of San Francisco, the International Mercantile Marine Co., through its ownership of the Roosevelt Steamship Co., owns the United States Lines Co.

The International Mercantile Marine Co. acquired the entire capital stock of the Roosevelt Steamship Co. (Inc.) in January, 1931.

The International Mercantile Marine Co. operates the following steamship lines: Red Star, Atlantic Transport, Panama Pacific, and Leyland.

The American Line Steamship Corporation, a subsidiary of the International Mercantile Marine Co., has ocean mail contract 32, which, in the 10-year period, calls for approximate payments of $4,132,648. In the fiscal year 1931 this company was paid $418,496 for carrying mail, which at standard rates under section 4009, would have cost the Government only $28,202.51, a subsidy of $390,293.49.

The Roosevelt Steamship Co. (Inc.) has a contract over route 46 between Baltimore and Hamburg calling for an approximate payment during the 10-year term of $12,475,620. The Baltimore Mail Steamship Co. is rendering this service as a subcontractor of the Roosevelt Steamship Co. The Roosevelt Steamship Co. is managing agent of the Baltimore Mail Steamship Co., which is a subsidiary of the International Mercantile Marine Co. The officers of the Baltimore Mail Steamship Co., including Kermit Roosevelt, are officers of the International Mercantile Marine Co. and the Roosevelt Steamship Co. (Inc.).

The United States Lines Co., a subsidiary of the International Mercantile Marine Co., operates over ocean route 43 under contract which, during the 10-year period, calls for the payment of approximately $17,344,366. It also operates over route 44 under a contract which, in the 10-year period, calls for the payment of $10,862,260. In the fiscal year of 1931 this company, under contract 43, was paid $490,248 for carrying mail which under the weight system prescribed by section 4009 would have cost the Government only $311,398.87, an out-and-out subsidy of $178,849.13.

Under contract 44 this company received $1,052,454 for service which under the weight system prescribed by section 4009 would have cost only $231,169.06, which means a subsidy of $821,284.94.

The subsidies obtained in the fiscal year 1931 by these Roosevelt associated lines were as follows:

Contract 32, American Line Steamship Corporation	$390,293.49
Contract 43, United States Lines (Inc.)	178,849.13
Contract 44, United States Lines	821,284.94
Total	1,390,427.56

Service on route 46 (Roosevelt Steamship Co., contractor, Baltimore Mail Steamship Co., subcontractor) began July 1, 1931. For the fiscal year 1931 this company carried 297,622 pounds of mail, which under the weight system or standard rates prescribed by section 4009, would have cost the Government $34,236.86, but the Government actually paid this company for this service $1,027,404. Of the $1,027,404 paid the Roosevelt Steamship Co. for this service on this one contract for the fiscal year 1932, $593,167.14, or practically $1,000,000, was a subsidy or gift.

For the fiscal year 1932 the American Line Steamship Co. (a Roosevelt-International Mercantile Merchant Marine concern), under contract 32, carried 471,644 pounds of mail, which on a poundage basis would have cost the Government $45,355.68, but for which service the company received from the Government $414,472, or a subsidy of $369,116.32.

The United States Lines Co. (a Roosevelt-International Mercantile Merchant Marine concern), under contract 43, carried 9,505,904 pounds of mail, which on a weight basis would have cost the Government $1,164,291.75, but for which service this company was paid $1,391,106, $226,815.20 of which was a subsidy or bounty.

For the fiscal year 1932 the last above-mentioned company, under contract 44, carried 2,284,141 pounds of mail, the cost of which service under standard rates would have been $304,143.71, but for which service the company was paid $1,052,922, $748,778.29 of which was a bonus, subsidy, or gratuity paid over and above the standard rate.

The subsidies obtained in the fiscal year 1931 by these four so-called Roosevelt lines were as follows:

Contract 32, American Lines Steamship Corporation	$369,116.32
Contract 43, United States Lines Co	226,815.25
Contract 44, United States Lines Co	743,778.29
Contract 46, Roosevelt Steamship Co	993,167.14
	2,337,877.00
Subsidies on contracts 32, 43, and 44 for fiscal year 1931, as hereinbefore shown	1,390,427.56
Total subsidies paid these 4 Roosevelt companies for fiscal years 1931 and 1932	3,728,304.56

The foregoing statistics as to payments made under contracts 32, 43, 44, and 46 were furnished by the Post Office Department in response to a request from me for such information.

It may be that the International Mercantile Marine Co. controls other shipping lines that are being enriched by subsidies paid out of the United States Treasury, but as to this I will express no opinion until I can find time to investigate further and ascertain what, if any, other subsidized shipping concerns are affiliated with or controlled by this Roosevelt holding company.

I have made an honest effort to enumerate some of the most prodigal, wasteful, and grossly excessive subsidies that have been and are being paid shipping concerns under the merchant marine act, in the hope that the conscience of the American people may be awakened to a realization of the unconscionable maladministration of this act and take steps to halt the reckless grant of public funds to shipping concerns that give no adequate return therefor. The administration of the merchant marine act by the Post Office Department furnishes a graphic illustration of the evils of an unrestrained bureaucracy. The fatal weakness of a bureaucratic system of government is that it inevitably becomes either corrupt or prodigal in the expenditure of public funds.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, may I inquire what the program is going to be on Tuesday next and, if the Speaker is able to give it to me, I would like to know what it is to be for the remainder of the week?

The SPEAKER. The Chair could not tell the gentleman definitely. The deficiency appropriation bill has been reported, and the Chair understands from the gentleman from Tennessee [Mr. BYRNS] that there will be other appropriation bills ready to follow the deficiency bill, which the Chair presumes will be taken up on Tuesday. It is to be hoped that the Agricultural Committee will report its bill, known as the agricultural relief bill. If it does, the Chair thinks it is the purpose of the gentleman from Illinois [Mr. RAINEY], and others, to ask the Committee on Rules for a rule, and to take that up at the earliest possible moment.

Mr. SNELL. But the deficiency appropriation bill will come up on Tuesday?

Mr. BYRNS. That is the expectation; yes.

The SPEAKER. And the Chair understands from the gentleman from Tennessee that there will be other appropriation bills ready to follow that.

Mr. BYRNS. It is my earnest hope and expectation that there will be another appropriation bill ready to follow as soon as this bill has been disposed of. It has not been quite marked up as yet, but I understand that it will be ready.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly

enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7233. An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President for his approval a resolution of the House of the following title:

H. J. Res. 527. Joint resolution extending the time for filing the report of the Joint Committee to Investigate the Operation of the Laws and Regulations relating to the Relief of Veterans.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 30 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Tuesday, January 3, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BYRNS: Committee on Appropriations. House bill 13975. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes; without amendment (Rept. No. 1814). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULMER: A bill (H. R. 13972) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. GAMBRILL: A bill (H. R. 13973) to amend the act of May 29, 1930, relating to the retirement of employees in the classified civil service; to the Committee on the Civil Service.

By Mr. FRENCH: A bill (H. R. 13974) granting the consent of Congress to Bonner County, State of Idaho, to construct, maintain, and operate a free highway bridge across Pend Oreille Lake at the city of Sandpoint in the State of Idaho; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNS: A bill (H. R. 13975) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes; to the Committee of the Whole House on the state of the Union.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALDRICH: A bill (H. R. 13976) for the relief of the Rocky Brook Mills Co.; to the Committee on War Claims.

By Mr. AYRES: A bill (H. R. 13977) granting a pension to Russell G. Cromwell; to the Committee on Pensions.

By Mr. CHAPMAN: A bill (H. R. 13978) granting a pension to Wade Golden; to the Committee on Pensions.

By Mr. COLTON: A bill (H. R. 13979) for the relief of Anner Chase Roundy; to the Committee on Claims.

By Mr. EATON of New Jersey: A bill (H. R. 13980) granting an increase of pension to Matilda Gilford; to the Committee on Invalid Pensions.

By Mr. HOGG of Indiana: A bill (H. R. 13981) granting an increase of pension to Nancy A. Conkel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13982) granting an increase of pension to Elizabeth Kees; to the Committee on Invalid Pensions.

By Mr. KOPP: A bill (H. R. 13983) granting a pension to Lee Newton Hutchinson; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 13984) granting an increase of pension to Melvin E. Goodding; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 13985) for the relief of John E. T. Clark; to the Committee on Claims.

Also, a bill (H. R. 13986) for the relief of Harvey Stump; to the Committee on Naval Affairs.

By Mr. SWANK: A bill (H. R. 13987) for the relief of Jack H. Straight; to the Committee on Naval Affairs.

By Mr. WEAVER: A bill (H. R. 13988) granting a pension to Allen G. T. Fox; to the Committee on Pensions.

By Mr. WHITTINGTON: A bill (H. R. 13989) granting a pension to Lizzie Jones; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Missouri: A bill (H. R. 13990) granting an increase of pension to Margaret J. Melton; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9306. By Mr. BOHN: Petition of citizens of Kalkaska, Mich., favoring the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9307. Also, petition of citizens of Sault Ste. Marie, Mich., and vicinity, favoring the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9308. By Mr. CULLEN: Petition of the Warehousemen's Association of the Port of New York, protesting against favorable consideration by the Reconstruction Finance Corporation of the appeal proposed to be made to it for a loan of $11,000,000, or any other sum, for financing the proposed or any other development of the waterfront in the harbor of New York for terminal facilities; to the Committee on Banking and Currency.

9309. By Mr. DEROUEN: Petition of H. G. Patterson and other residents of Jeff Davis Parish, La., urging that the United States Government seed loan be continued for 1933 crop production and made available as soon as possible; to the Committee on Agriculture.

9310. Also, petition of H. G. Patterson, W. F. Tietje, J. F. Hoke, B. L. Orvis, and other citizens of the parish of Jeff Davis, La., praying that rice be included in the domestic allotment plan bill; to the Committee on Agriculture.

9311. By Mr. DELANEY: Petition of International Association of Game, Fish, and Conservation Commissioners, urging the passage of the duck stamp bills, S. 4726 and H. R. 12246, providing money for the protection of water fowl in the United States; to the Committee on Agriculture.

9312. Also, petition of the Jamie Kelly Association (Inc.), of Brooklyn, N. Y., unanimously adopting a protest against any further reduction in Federal salaries, especially the salaries of the postal employees; to the Committee on Ways and Means.

9313. By Mr. EATON of New Jersey: Petition of Mrs. John Dowling, of Far Hills, N. J., and 10 other citizens of Bedminster and Far Hills, urging passage of stop-alien representation to the United States Constitution; to the Committee on Immigration and Naturalization.

9314. Also, resolution adopted by the Woman's Home Missionary Society of Hopewell, Dunellen, Chatham Boro, and Princeton, N. J., requesting Congress to enact a law for

Government regulation and supervision of motion-picture industry and urging passage of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

9315. By Mr. EVANS of California: Petition of R. W. Mottern and 17 others favoring the stop-alien representation amendment to the United States Constitution; to the Committee on Labor.

9316. By Mr. GARBER: Petition urging enactment of the railroad pension bills, S. 4646 and H. R. 9891; to the Committee on Interstate and Foreign Commerce.

9317. By Mr. JOHNSON of Texas: Petition of W. R. Ely, chairman Texas State Highway Commission, Austin, Tex., urging that Federal aid for roads be not reduced; to the Committee on Appropriations.

9318. By Mr. STRONG of Pennsylvania: Petition of Woman's Christian Temperance Union of Punxsutawney, Pa., favoring an amendment to the Constitution of the United States to exclude aliens and count only American citizens when making future congressional apportionments; to the Committee on the Judiciary.

9319. By Mr. TAYLOR of Colorado: Petition of citizens of Durango, Colo., urging the passage of the Capper-Sparks bill to prohibit the counting of aliens in making future apportionments for congressional districts of the United States; to the Committee on Immigration and Naturalization.

9320. By Mr. TEMPLE: Petition of Tony Bosseau and other residents of Avella, Washington County, Pa., requesting support of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.